



Investment Report

01/12/2020 to 31/12/2020



Portfolio Valuation as at 31/12/2020

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	33,161.64	2,887.67
AMP Bank	A-2	TD	GENERAL	At Maturity	23/03/2020	23/03/2021	1.7500	2,000,000.00	27,232.88	2,972.60
Defence Bank	A-2	TD	GENERAL	At Maturity	04/04/2020	06/04/2021	1.6500	2,000,000.00	24,591.78	2,802.74
G&C Mutual Bank	A-2	TD	GENERAL	At Maturity	06/04/2020	06/04/2021	1.7000	2,000,000.00	25,150.68	2,887.67
Goulburn Murray Credit Union	Unrated	TD	GENERAL	At Maturity	13/05/2020	13/05/2021	1.3000	2,000,000.00	16,597.26	2,208.22
AMP Bank	A-2	TD	GENERAL	At Maturity	24/11/2020	24/05/2021	0.7000	1,000,000.00	728.77	594.52
AMP Bank	A-2	TD	GENERAL	At Maturity	30/11/2020	31/05/2021	0.7000	2,000,000.00	1,227.40	1,189.04
Defence Bank	A-2	TD	GENERAL	At Maturity	29/06/2020	29/06/2021	1.3500	2,000,000.00	13,758.90	2,293.15
Defence Bank	A-2	TD	GENERAL	At Maturity	31/08/2020	31/08/2021	0.8000	2,000,000.00	5,391.78	1,358.90
Central Murray Credit Union	Unrated	TD	GENERAL	At Maturity	31/08/2020	31/08/2021	1.0000	2,000,000.00	6,739.73	1,698.63
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	13/09/2020	13/09/2021	0.8500	2,000,000.00	5,123.29	1,443.84
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	26/09/2020	27/09/2021	0.8000	2,000,000.00	4,252.05	1,358.90
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	28/09/2020	28/09/2021	0.8000	5,000,000.00	10,410.96	3,397.26
AMP Bank	A-2	TD	GENERAL	At Maturity	19/10/2020	19/10/2021	0.6000	2,000,000.00	2,432.88	1,019.18
NAB	A-1+	TD	GENERAL	At Maturity	18/11/2020	18/11/2021	0.5500	2,000,000.00	1,326.03	934.25
NAB	A-1+	CASH	GENERAL	Monthly	31/12/2020	31/12/2020	0.0000	7,253,541.95	-	-
Bendigo and Adelaide	A-2	CASH	GENERAL	Monthly	31/12/2020	31/12/2020	0.0000	760,048.20	-	-
TOTALS								40,013,590.15	178,126.03	29,046.58



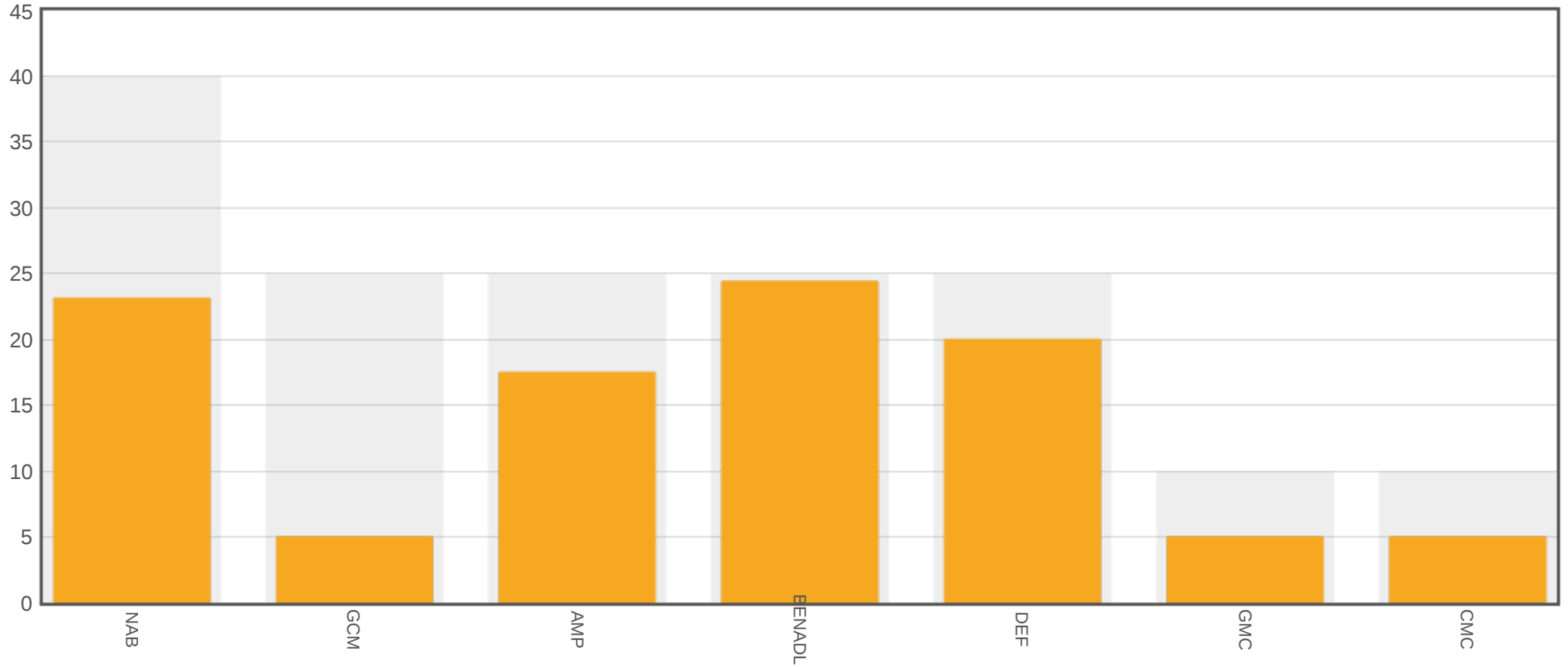
Counterparty Compliance as at 31/12/2020

Short Term Investments

Compliant	Bank Group	Term	Rating	Invested	Invested (%)	Limit (%)	Limit (\$)	Available
✓	NAB	Short	A-1+	9,253,541.95	23.13	40.00	-	6,751,894.11
✓	G&C Mutual Bank	Short	A-2	2,000,000.00	5.00	25.00	-	8,003,397.54
✓	AMP Bank	Short	A-2	7,000,000.00	17.49	25.00	-	3,003,397.54
✓	Bendigo and Adelaide	Short	A-2	9,760,048.20	24.39	25.00	-	243,349.34
✓	Defence Bank	Short	A-2	8,000,000.00	19.99	25.00	-	2,003,397.54
✓	Goulburn Murray Credit Union	Short	Unrated	2,000,000.00	5.00	10.00	-	2,001,359.02
✓	Central Murray Credit Union	Short	Unrated	2,000,000.00	5.00	10.00	-	2,001,359.02
TOTALS				40,013,590.15	100.00			



Counterparty Compliance - Short Term Investments



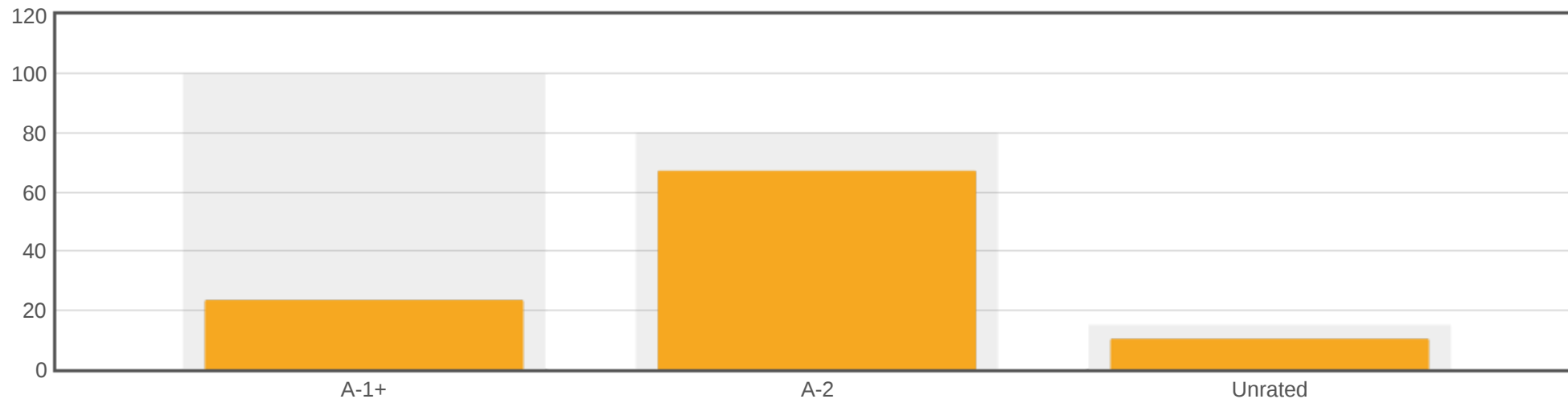


Credit Quality Compliance as at 31/12/2020

Short Term Investments

Compliant	Rating	Invested (\$)	Invested (%)	Limit (%)	Available
✓	A-1+	9,253,541.95	23.13	100.00	30,760,048.20
✓	A-2	26,760,048.20	66.88	80.00	5,250,823.92
✓	Unrated	4,000,000.00	10.00	15.00	2,002,038.52
TOTALS		40,013,590.15	100.00		

Credit Quality Compliance - Short Term Investments

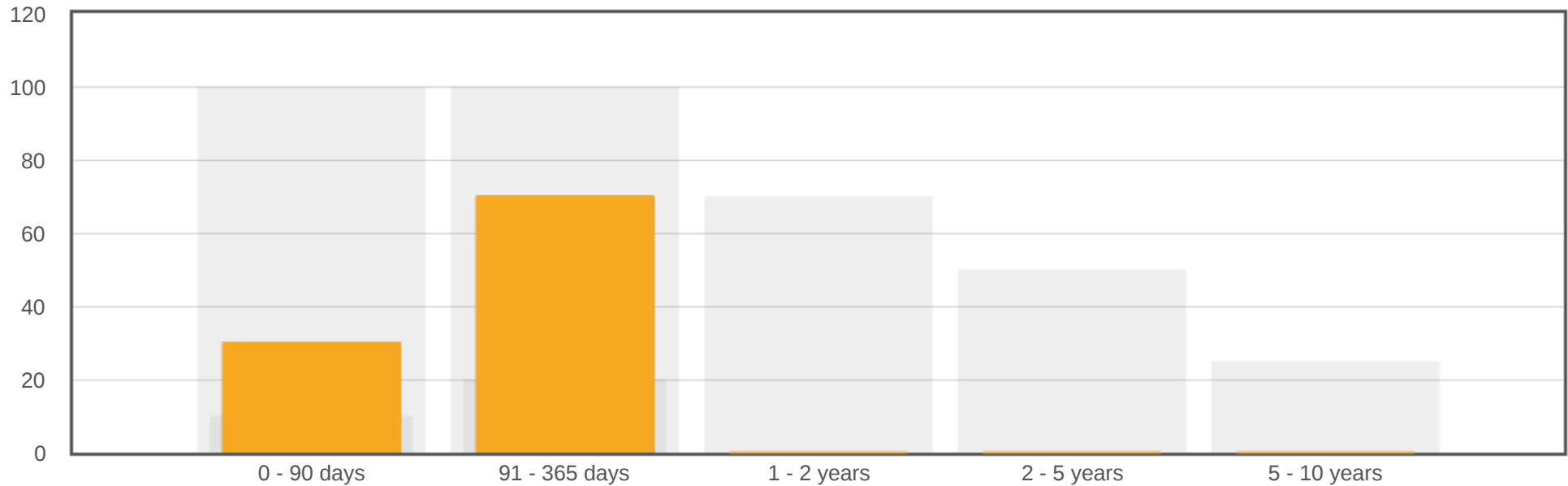




Maturity Compliance as at 31/12/2020

Compliant	Term	Invested	Invested (%)	Min Limit (%)	Max Limit (%)	Available
✓	0 - 90 days	12,013,590.15	30.02	10.00	100.00	28,000,000.00
✓	91 - 365 days	28,000,000.00	69.98	20.00	100.00	12,013,590.15
✓	1 - 2 years	-	0.00	0.00	70.00	28,009,513.11
✓	2 - 5 years	-	0.00	0.00	50.00	20,006,795.08
✓	5 - 10 years	-	0.00	0.00	25.00	10,003,397.54
TOTALS		40,013,590.15	100.00			

Maturity Compliance





Portfolio Comparison

From: 30/11/2020 To: 31/12/2020

Issuer	Rating	Type	Rate	Purchase	Maturity	Interest	30/11/2020	31/12/2020	Difference
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	-
Defence Bank	A-2	TD	1.6500	04/04/2020	06/04/2021	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	-
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	-
NAB	A-1+	TD	0.5500	18/11/2020	18/11/2021	At Maturity	2,000,000.00	2,000,000.00	-
NAB	A-1+	CASH	0.0000	30/11/2020	30/11/2020	Monthly	7,176,623.38	7,253,541.95	76,918.57
Bendigo and Adelaide	A-2	CASH	0.0000	30/11/2020	30/11/2020	Monthly	2,835,725.18	760,048.20	-2,075,676.98



Issuer	Rating	Type	Rate	Purchase	Maturity	Interest	30/11/2020	31/12/2020	Difference
TOTALS							42,012,348.56	40,013,590.15	-1,998,758.41



Trades in Period

From: 01/12/2020 To: 31/12/2020

New Trades

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



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
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No entries for this item



Interest Received in Period

From: 01/12/2020 To: 31/12/2020

Periodic Interest

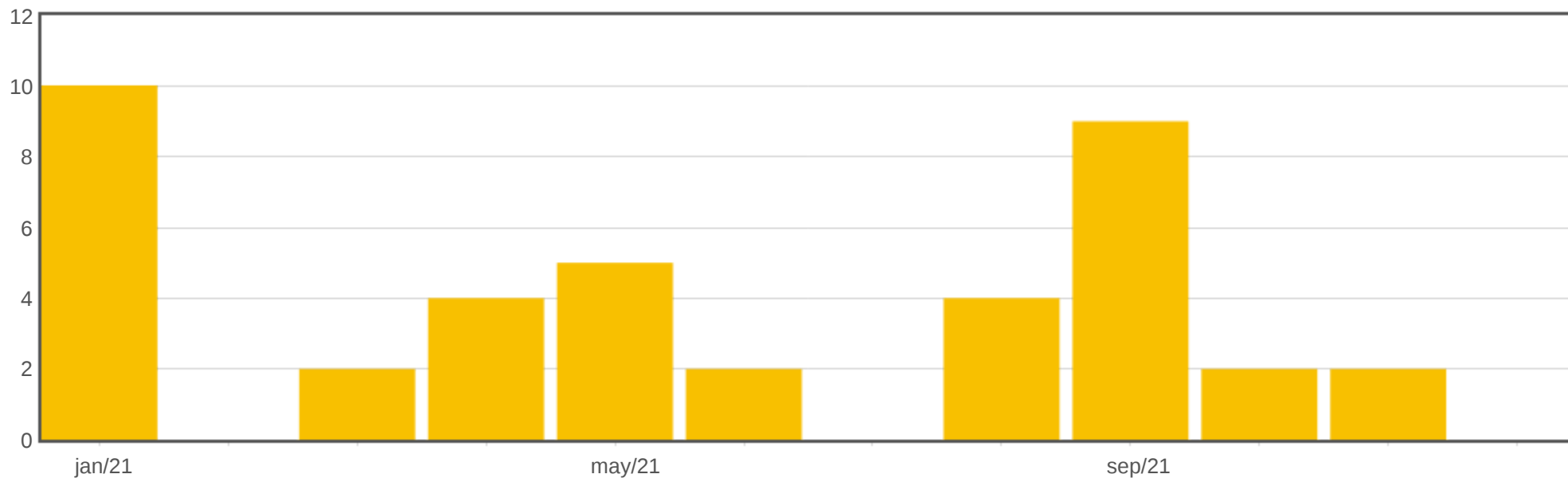
Issuer	Rating	Type	Alloc	Frequency	Value	Purchase	Maturity	Coupon Date	Type	Rate	Received
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No entries for this given period



Maturity Cashflow as at 31/12/2020

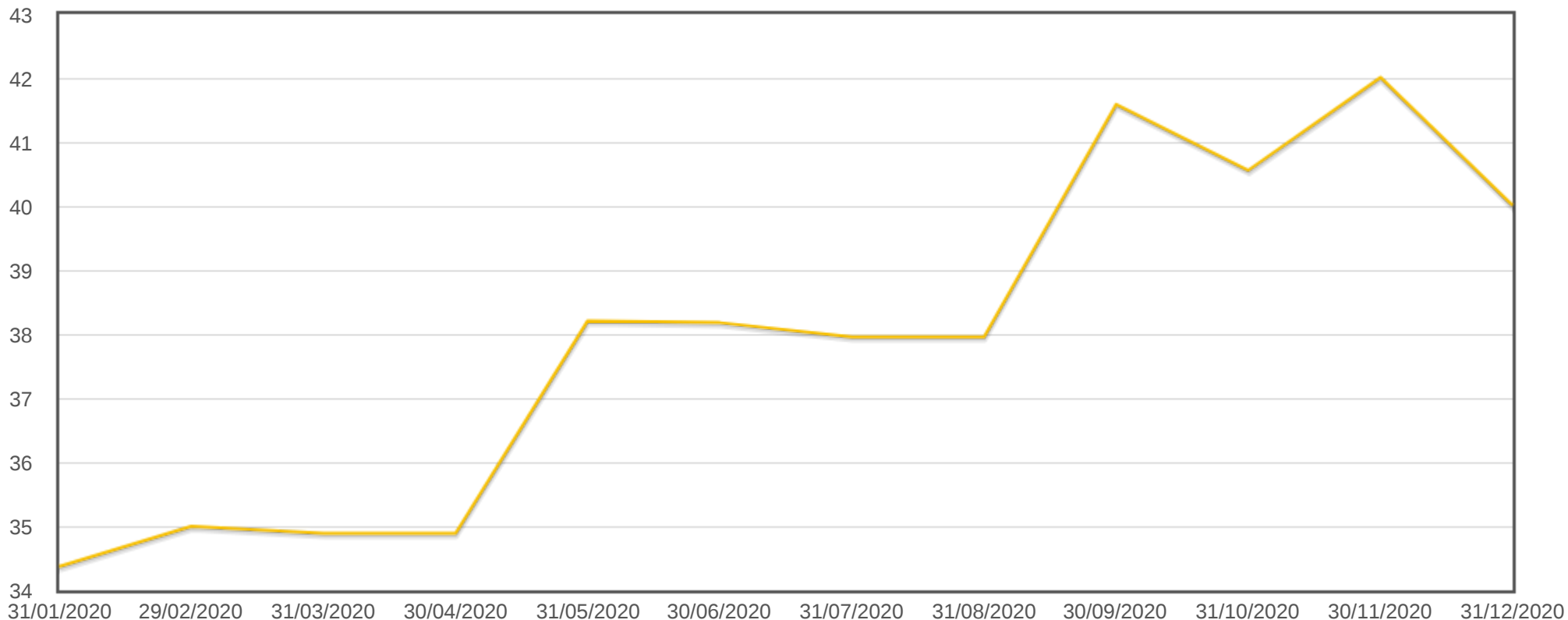
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2021	10,013,590	-	2,000,000	4,000,000	5,000,000	2,000,000	-	4,000,000	9,000,000	2,000,000	2,000,000	-	40,013,590.15
TOTALS													40,013,590.15





Historical Portfolio Balances (in MM) as at 31/12/2020

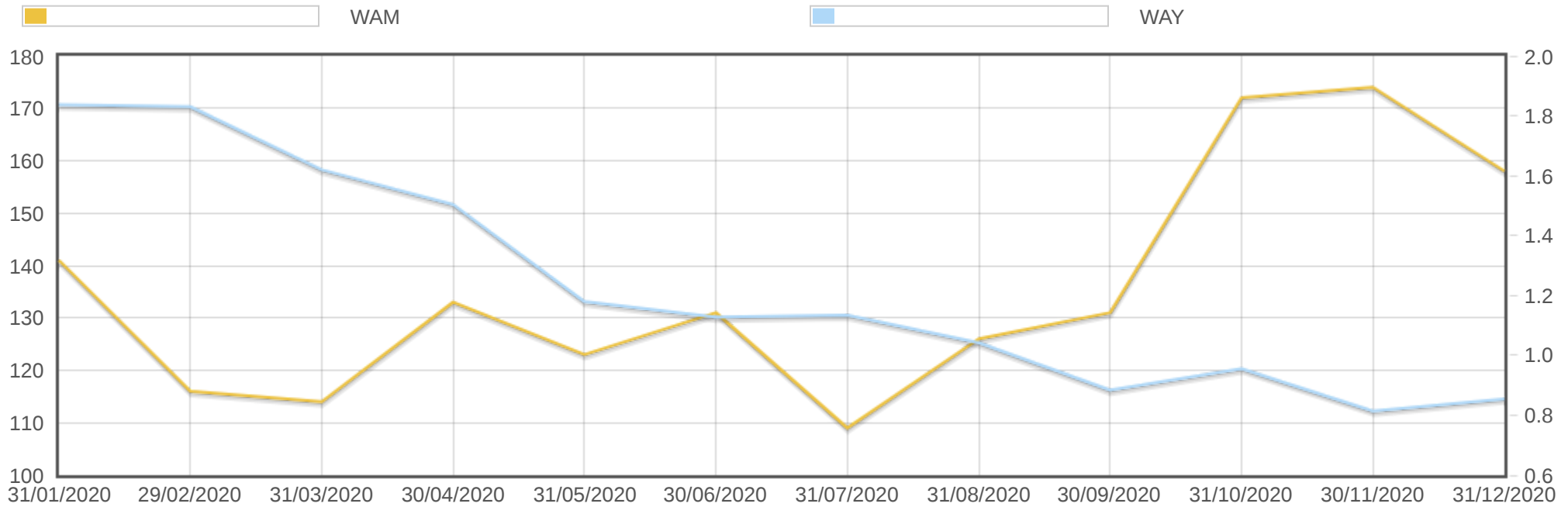
31/01/2020	29/02/2020	31/03/2020	30/04/2020	31/05/2020	30/06/2020	31/07/2020	31/08/2020	30/09/2020	31/10/2020	30/11/2020	31/12/2020
34.37	35.00	34.89	34.89	38.21	38.18	37.96	37.96	41.59	40.56	42.01	40.01





Historical Ratios as at 31/12/2020

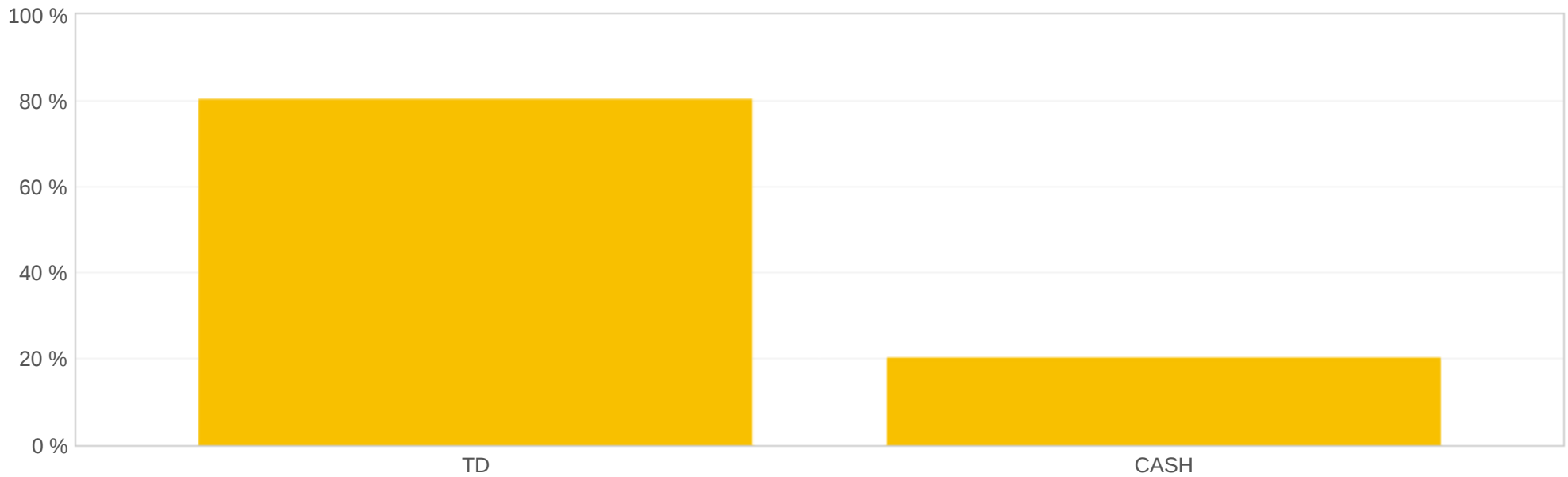
	31/01/2020	29/02/2020	31/03/2020	30/04/2020	31/05/2020	30/06/2020	31/07/2020	31/08/2020	30/09/2020	31/10/2020	30/11/2020	31/12/2020
WAM	141	116	114	133	123	131	109	126	131	172	174	158
WAY	1.8363	1.8303	1.6196	1.5032	1.1789	1.1276	1.1340	1.0418	0.8836	0.9555	0.8140	0.8547





Asset Class as at 31/12/2020

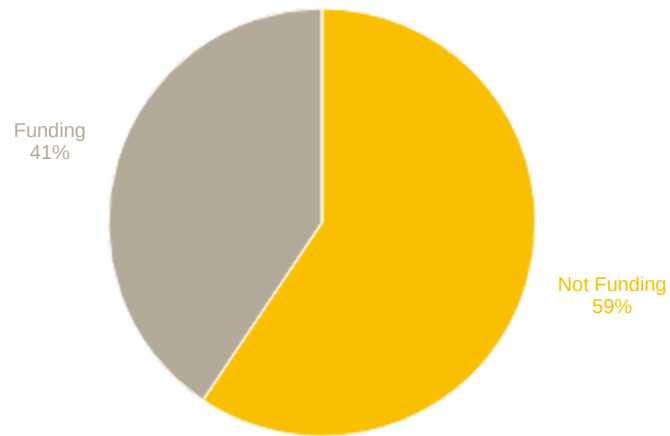
Code	Number of Trades	Invested	Invested (%)
TD	15	32,000,000.00	79.97
CASH	2	8,013,590.15	20.03
TOTALS	17	40,013,590.15	100.0





ADIs funding fossil fuels as at 31/12/2020

	Number of Trades	Invested	Invested (%)
Not funding fossil fuels	11	23,760,048.20	59.4
Funding fossil fuels	6	16,253,541.95	40.6



23rd October 2020

JOANNE RUFFIN
STRATEGIC AND SOCIAL PLANNING COORDINATOR
BERRIGAN SHIRE COUNCIL
PO BOX 137
BERRIGAN NSW 2712

Dear Joanne,

RE: TOCUMWAL PEDESTIAN CROSSING

Following a conversation between Berrigan Shire Council and Tocumwal Chamber of Commerce President Sergio Redegalli, the subject of the pedestrian crossing on Deniliquin Street Tocumwal was discussed at the recent TCCT monthly meeting.

We believe that this crossing needs to be reassessed due to the safety concerns expressed by Tocumwal residents.

TCCT Members expressed their support to

- remove the plants surrounding the crossing to boost visibility for drivers
- paint the bollards surrounding the crossing
- consider decreasing the speed on Deniliquin Street to 40km
- installing rumble strips and silhouettes to raise awareness of the crossing

We look forward to hearing of the developments of this matter.

Kind regards



Leonie Smith
0432 261 296



Engagement Strategy & Report

Pedestrian Crossing – Deniliquin Street, Tocumwal

24 September, 2020

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Introduction

The *Stakeholder Engagement Strategy – Pedestrian Crossing – Deniliquin Street, Tocumwal* been developed to identify the relevant stakeholders and stakeholder groups that will be engaged.

This Strategy and action plan has been developed with reference to the following:

1. Berrigan Shire Council's Community Engagement Framework (2016)
2. Berrigan Shire Council Delivery Program 2017 – 2024
3. Berrigan Shire Council Local Traffic Committee Meeting Minutes 18 August 2020

The *Pedestrian Crossing – Deniliquin Street, Tocumwal* engagement strategy and report identifies

- a) The extent of Community Engagement undertaken
- b) Key Questions
- c) How each stakeholder group was engaged; and
- d) The options discussed with stakeholders
- e) Analysis of community feedback

Extent of Community Engagement

Extent of Community Engagement	Indicative Tools for Engagement		Risk Assessment: Impact Local / Whole of Shire ⁱ		Steps for Community Engagement
Inform: Sharing the best available information	Briefings, Fact Sheets, Council Website, Media campaigns, Displays in Shop fronts, libraries etc		Level A: High Impact: Whole of Shire		<ol style="list-style-type: none"> 1. Identify likely stakeholders 2. Plan and gather best available information and resources 3. Share information with stakeholders 4. Work effectively together 5. Feedback the results of engagement 6. Monitor and evaluate the process
Consult: Exploring options and preferences	Web based consultation, Interviews, Surveys, Public meetings, Focus Groups		Level B High impact: Local area or specific community / user group		
Involve: Inclusion of ideas in the decision making	Workshops 'Community Conversations' Interviews with Stakeholders	<input checked="" type="checkbox"/>	Level C Lower Impact: Whole of Shire		
Collaborate: Sharing responsibility either for decision making or service delivery	Community Advisory Groups Participative Decision-making Forums Inter-agency partnerships / consortiums		Level D Lower Impact: Local area or specific community / user group	<input checked="" type="checkbox"/>	

Key Messages

In response to concerns expressed by members of the Tocumwal community the Berrigan Shire Traffic Committee 18 August 2020 considered the Pedestrian Crossing – Deniliquin Street, Tocumwal recommending that the Council consult the Tocumwal Community and Chamber of Commerce about the following options in respect to the Deniliquin Street:

1. That, the pedestrian crossing be relocated to mid-block on Deniliquin Street, Tocumwal to comply with current Austroads Standards,
2. That, the pedestrian crossing to be removed entirely to comply with current Austroads Standards,
3. That, the pedestrian crossing remain in the current location near the intersection of Deniliquin Street and Morris Street, Tocumwal although it does not comply with current Austroads Standards.

Stakeholder Analysis / Action Plan

Stakeholder	Key issues, concerns, perspective	How will we engage them?	When will we engage them?	Who is responsible
Local Business	Safety of customers Parking and its availability	Face to face interviews or phone call	18 – 25 Sept 2020	SSPC
Local Residents – Deniliquin Street	Safety Traffic Noise Parking and its availability	Face to face interviews or phone call	22 – 25 Sept 2020	SSPC
Pedestrians	Safety Accessibility of the crossing	Vox pop – informal interviews at the Pedestrian Crossing	22 Sept 2020	SSPC
Tocumwal Public School	Safety	Interview / Phone Call	22 – 25 Sept 2020	SSPC
Tocumwal Chamber of Commerce	Safety of customers Parking and its availability	Phone call – follow up email	22 – 25 Sept 2020	SSPC

Engagement Tools

- Vox pop engagement – informal interview and conversation

Conversation starter Questions include:

- Have you or have your customers reported a near miss on the crossing – What do you think was the primary cause?
- What in your opinion could be done to improve the crossing?
- What impact would moving the crossing to mid-block have on safety and access to shops, school, the doctor etc?

Key Messages about possible solutions

- If the crossing is modified with lights or speed humps – it will need to comply with new standards and be moved mid-block
- The construction of a new crossing mid-block will need to comply with new standards – this will reduce the number of car spaces
- Lights at the existing crossing may not be supported as the traffic numbers do not meet the threshold set by NSW Transport

Stakeholder Engagement Report

Stakeholder	Number	Report Near Miss	Interview Type	Primary concerns	Solutions
Pedestrians	7	5	Face to face at the Pedestrian Crossing	Speed – cars Visibility – need to step onto the crossing to be seen Driver distraction – do not see the crossing until it is too late Hedges too high	Reduce speed limit to 40 km Install ripple strips on the approach to the crossing Remove the garden hedging
<p>Ranking of preferences re options for the crossing</p> <ol style="list-style-type: none"> 1. Retain crossing at its current location – with speed reduction, ripple strips 2. Re-locate to mid-block and build to new standard 3. No support for the removal of the crossing at its current location 					

Stakeholder	Number	Report Near Miss	Interview Type	Primary concerns	Solutions
Local Business	10	7	Face to Face – in shop	<p>Speed – cars</p> <p>Visibility – need to step onto the crossing to be seen</p> <p>Driver distraction – do not see the crossing until it is too late</p> <p>Poor driver behaviour – U turns</p> <p>Bollards and hedging make it difficult to see</p>	<p>Reduce speed limit to 40 km</p> <p>Install ripple strips on the approach to the crossing</p> <p>Relocate the crossing – with no reduction in parking</p>
<p>Ranking of preferences re options for the crossing</p> <ol style="list-style-type: none"> 1. Retain crossing at its current location – with speed reduction, ripple strips 2. Re-locate to mid-block and build to new standard –with no loss of parking 					
Local Residents – Deniliquin Street	1	1	Face to face	<p>Speed – cars</p> <p>Visibility – need to step onto the crossing to be seen</p>	<p>Reduce speed limit to 40 km</p> <p>Install ripple strips on the approach to the crossing</p> <p>Relocate the crossing – with no reduction in parking</p>
<p>Ranking of preferences re options for the crossing</p> <ol style="list-style-type: none"> 1. Retain crossing at its current location – with speed reduction, ripple strips – identified no issues with noise from ripple strips ‘safety first’ 2. Re-locate to mid-block and build to new standard –with no loss of parking 					

Stakeholder	Number	Report Near Miss	Interview Type	Primary concerns	Solutions
Tocumwal Public School	1	1	Telephone	Upwards of 25/75 of the schools families use this crossing Speed is an issue Driver distraction School has Road Safety Curriculum K-6 is well resourced and supported with Road Safety collateral and messages	Reduce speed limit to 40 km
Tocumwal Chamber of Commerce	1	0	Telephone	Chamber has not been formally advised or approached re the safety Local businesses may have some issues related to loss of parking Safety first Protect young, elderly and visitors Driver distraction – angle parking, heritage sights and volume of congestion Speed may be an issue during quieter months Would not like to see Bollards which are in heritage green removed or re-coloured	Reduce speed limit to 40 kms Consider public art / silohettes of children and pedestrians to raise awareness
<p>Ranking of preferences re options for the crossing</p> <ol style="list-style-type: none"> 1. Retain crossing at its current location – with speed reduction, ripple strips 2. No support for the removal of the crossing from its current location 3. Re-locate to mid-block and build to new standard 					

Discussion/Analysis

The outcome of this cross-sectional and targeted consultation suggests that a single point in time – that is:

- when students are at school,
- residents and not tourists are the primary pedestrians
- businesses are open and operating on a normal trading day

–that all with whom I spoke had either had or were aware of a near miss at this crossing. At least three pedestrians and two businesses also volunteered the information that this was a long standing issue in Tocumwal.

Validated by a representative of the Tocumwal Chamber of Commerce and the Tocumwal Primary School were the observations and comments of pedestrians and local business.

All commented that speed seems to be the main issue suggesting the installation of lights or similar. All were advised that the Council had not been successful in advocating for the installation of pedestrian warning lights in Finley – as traffic volumes did not warrant this approach.

Traffic data (March 2020) referencing school days and early morning suggests that 95% of the time traffic is travelling within the 40 – 50 km range. There was also common acceptance from those consulted that traffic often travelled more slowly and that this was due to congestion created by angle parking in what can be during peak periods a very busy and slow shopping strip. This congestion also accounts for the identification of driver distraction as an issue and contributing factor. One business owner recounted how she had chased and verbally confronted a driver who nearly hit her on the crossing in their attempt to access a car space.

Over a 45 minute observation period between 8.25 am and 9.05 am Tuesday 22 September, 2020 ten pedestrians used the crossing to take their children to school. I observed in that time frame at least five cars that accelerated quickly once they pulled out of car spaces in Deniliquin Street – this driver behaviour can for children and elderly pedestrians make it difficult for this cohort of pedestrians to accurately judge driver intentions.

Subsequently after interviews with local businesses (10.45 am) I also noted as I drove within the speed limit 40km per hour with no oncoming traffic or traffic in front that because there were now cars parked on both sides of the street there was as a consequence no clear sight lines to the pedestrian crossing. Therefore, had a pedestrian been at the crossing I would not see them as the driver of a smaller car (closer to the ground) until the pedestrian stepped onto the crossing.

Outcome

1. There was no support from those engaged for the option that the Council remove the existing crossing
2. There was limited support for the option that the Council re-locate the crossing to mid-block in Deniliquin Street, Tocumwal. This option is not however, supported by the businesses most directly impacted – as it would result in a loss of angle car parking spaces
3. There was strong support for the retention of the existing crossing – coupled with suggestions that the speed limit (corner of Murray Street / Deniliquin Street to Morris Street) reduce from 50 km to 40 km and that if possible ripple strips also be installed on the road surface on the approaches to the crossing.

Berrigan Shire Council

ANNUAL 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

"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.



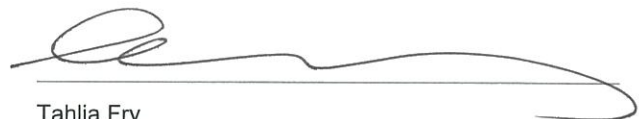
Cr. Matthew Hannan
Mayor
16 December 2020



Cr. Roger Reynoldson
Councillor
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	–
<u>26,214</u>	Total income from continuing operations		<u>26,514</u>	<u>24,953</u>
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
<u>19,373</u>	Total expenses from continuing operations		<u>22,160</u>	<u>20,838</u>
<u>6,841</u>	Operating result from continuing operations		<u>4,354</u>	<u>4,115</u>
<u>6,841</u>	Net operating result for the year		<u>4,354</u>	<u>4,115</u>
6,841	Net operating result attributable to council		4,354	4,115
<u>767</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>723</u>	<u>546</u>

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

The above 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.

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		<u>40,360</u>	<u>37,457</u>
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		<u>302,964</u>	<u>245,115</u>
Total assets		<u>343,324</u>	<u>282,572</u>
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		<u>5,558</u>	<u>3,570</u>
Non-current liabilities			
Borrowings	13	1,567	833
Provisions	14	688	425
Total non-current liabilities		<u>2,255</u>	<u>1,258</u>
Total liabilities		<u>7,813</u>	<u>4,828</u>
Net assets		<u>335,511</u>	<u>277,744</u>
EQUITY			
Accumulated surplus	15	122,304	118,423
Revaluation reserves	15	213,207	159,321
Council equity interest		<u>335,511</u>	<u>277,744</u>
Total equity		<u>335,511</u>	<u>277,744</u>

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

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

Berrigan Shire Council

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)
<u>12,915</u>	Net cash provided (or used in) operating activities	16b	<u>12,210</u>	<u>11,763</u>
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)
<u>(17,680)</u>	Net cash provided (or used in) investing activities		<u>(9,175)</u>	<u>(10,196)</u>
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		1,000	–
Payments:				
4,439	Repayment of borrowings and advances		(168)	(156)
<u>4,439</u>	Net cash flow provided (used in) financing activities		<u>832</u>	<u>(156)</u>
<u>(326)</u>	Net increase/(decrease) in cash and cash equivalents		<u>3,867</u>	<u>1,411</u>
2,000	Plus: cash and cash equivalents – beginning of year	16a	7,378	5,967
<u>1,674</u>	Cash and cash equivalents – end of the year	16a	<u>11,245</u>	<u>7,378</u>
18,826	plus: Investments on hand – end of year	7(b)	27,046	28,000
<u>20,500</u>	Total cash, cash equivalents and investments		<u>38,291</u>	<u>35,378</u>

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

The above Statement of 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.

Berrigan Shire Council

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	<u>5,109</u>	<u>3,119</u>
<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	<u>94</u>	<u>40</u>
Total Auditor-General remuneration	<u>94</u>	<u>40</u>
Non NSW Auditor-General audit firms		
Total Auditor remuneration	<u>94</u>	<u>40</u>

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		<u>6,225</u>	<u>6,081</u>
Total depreciation and amortisation costs		<u>6,225</u>	<u>6,081</u>
Impairment / revaluation decrement of IPP&E			
Infrastructure:	10(a)		
– Buildings – specialised		–	652
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		<u>–</u>	<u>652</u>
Amounts taken through revaluation reserve	10(a)	–	(652)
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		<u>–</u>	<u>–</u>
<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.

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
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(558)	(651)

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	<u>11,245</u>	<u>7,378</u>

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

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

Accounting policy for investments

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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.

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		2019	
	Current	Non-current	Current	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	–
	38,291	–	35,378	–

\$ '000	2020	2019
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	622	–
External restrictions – included in liabilities	622	–

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	24,053	21,353
Total external restrictions	24,675	21,353

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	5,560	5,786
TOTAL RESTRICTIONS	30,235	27,139

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.

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:

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

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

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

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

\$ '000	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
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
	1,411	1,240

(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	Reclassific- ation	Remeasur-e ment	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 comprehen- sive income under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Income Statement and comprehen- sive income under previous revenue standards
<u>Income from continuing operations</u>				
Rates and annual charges	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

continued on next page ...

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.

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

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.

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	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				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	30/06/19	–	–	3,308	3,308
Footpaths	30/06/19	–	–	3,495	3,495
Bulk earthworks	30/06/19	–	–	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 \$ '000	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	–	–	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	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Office Equipment	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Operational Land	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Community Land	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Land under Roads (post 30/06/08)	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land • Alternate Uses
Land Improvements - Depreciable	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Buildings – Non Specialised	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Buildings - Specialised	Cost Approach	<ul style="list-style-type: none"> • 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.

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	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	29.33	27.97	>3.00
Monthly payments from cash flow of operating and financing activities	1,374	mths	mths	mths	mths

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

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

(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	25.06	47.11	38.37	35.79	33.44	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

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

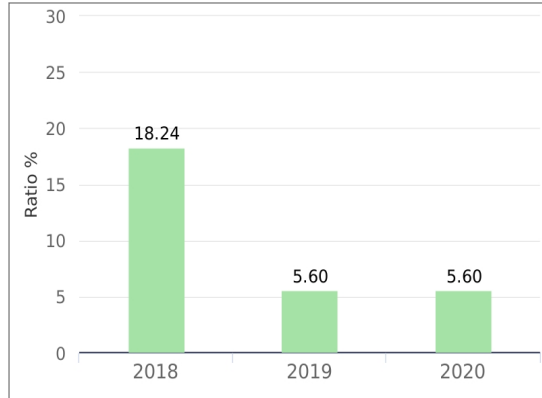
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

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.

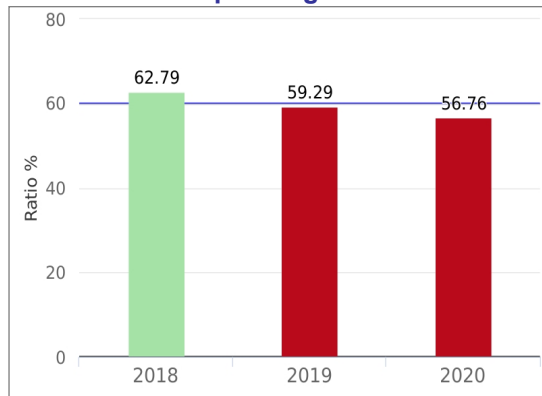
Benchmark: — > 0.00%

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.

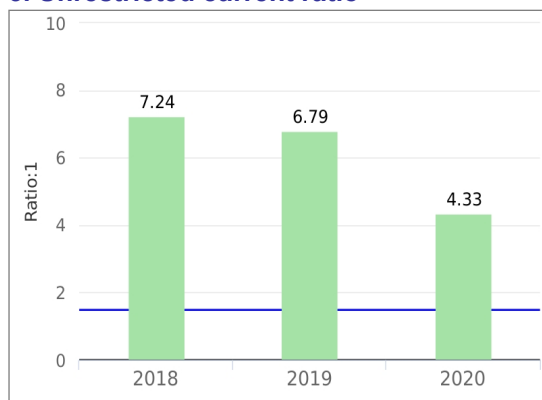
Benchmark: — > 60.00%

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

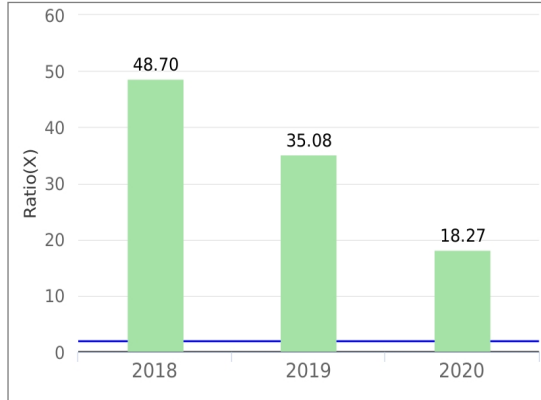
Ratio is outside benchmark

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.

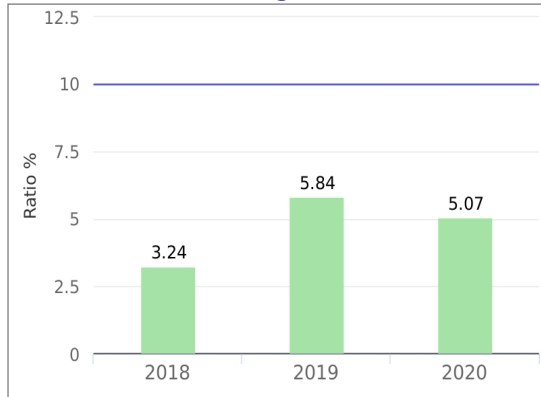
Benchmark: — > 2.00x

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.

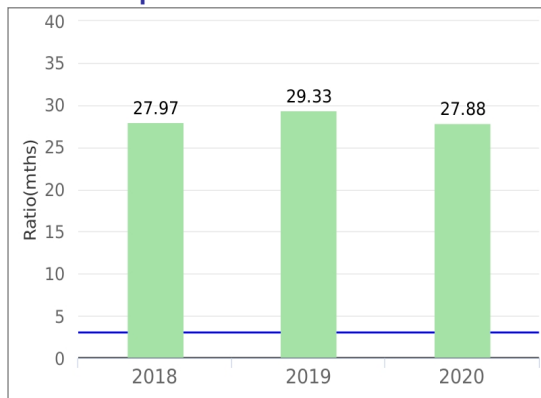
Benchmark: — < 10.00%

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



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Berrigan Shire Council

To the Councillors of Berrigan Shire Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



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

17 December 2020
SYDNEY



Cr Matthew Hannan
Mayor
Berrigan Shire Council
56 Chanter Street
BERRIGAN NSW 2712

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2028991/1692

17 December 2020

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Berrigan Shire Council**

I have audited the general purpose financial statements (GPFS) of the Berrigan Shire Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.





SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues have been assessed as high risk and will be reported in the Management Letter from the final phase of my audit.

- **Financial Statement close process** – Council's financial statement close process highlighted a number of repeat issues which had implications on the audit process and increased the risk of Council's ability to meet statutory reporting deadlines.
- **Asset valuation and management** - Council's accounting, assessment and recording procedures of infrastructure, property, plant and equipment ("IPP&E") highlighted a number of issues which required audit adjustments and raised implications over the material accuracy of IPPE.

INCOME STATEMENT

Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	10.6	10.2	 3.9
Grants and contributions revenue	11.5	10.2	 12.7
Operating result from continuing operations	4.4	4.1	 7.3
Net operating result before capital grants and contributions	0.7	0.5	 40.0

The Council's operating result from continuing operations (\$4.4 million including depreciation and amortisation expense of \$6.2 million) was \$0.3 million higher than the 2018–19 result. This movement was mainly due to an increase in rates and annual charges of \$0.3 million.

The net operating result before capital grants and contributions (\$0.7 million) was \$0.2 million higher than the 2018–19 result. This movement was mainly due to an increase in rates and annual charges of \$0.4 million.

Rates and annual charges revenue (\$10.6 million) increased by \$0.4 million (3.9 per cent) in 2019–20 due to:

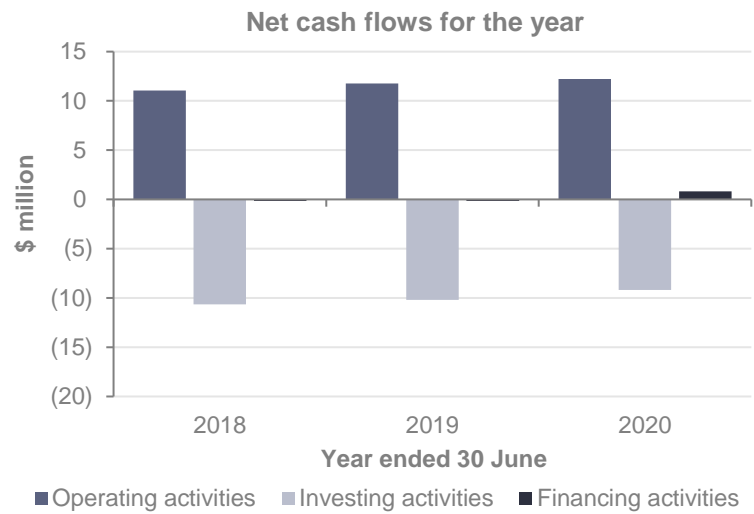
- the Council's pegged rate, which increased general rates revenue by 2.7 per cent in 2019–20
- an increase in the number of rateable properties by 1.5 per cent in 2019-20

Grants and contributions revenue (\$11.5 million) increased by \$1.3 million (12.7 per cent) in 2019–20 mainly due to:

- \$0.9 million increase in Transport (roads to recovery)
- \$1 million increase in Recreation and Culture

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$11.2 million (\$7.4 million for the year ended 30 June 2019). There was a net increase in cash and cash equivalents of \$3.8 million for the year ended 30 June 2020.
- Net cash provided by operating activities has increased by \$0.4 million. This is mainly due to the increase in rates and annual charges by \$1.0 million, which was partially offset by a decrease in user charges and fees by \$0.7 million.
- Net cash used in investing activities decreased by \$1.0 million. This is mainly due to the increase in the purchase of infrastructure, property, plant and equipment of \$3.0 million, which was partially offset by the decrease in purchase of investment securities by \$2.0 million.
- Net cash provided by financing activities increased by \$1.0 million. This is mainly due to the increase of proceeds from borrowings and advances by \$1.0 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	24.7	21.4	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$3.3 million is primarily due to the \$1.7 million increase in water supplies, \$0.6 million increase in specific purpose unexpended grants – general fund (2020 only), \$0.6 million increase in sewerage services and \$0.3 million increase in domestic waste management. Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The decrease of \$0.3 million is primarily due the \$0.4 million decrease in plant and vehicle replacement. Unrestricted cash and investments were \$8.1 million, which is available to provide liquidity for day-to-day operations of the Council. This has remained relatively stable year on year.
Internal restrictions	5.5	5.8	
Unrestricted	8.1	8.2	
Cash and investments	38.3	35.4	

Debt

Council has \$1.8 million of external borrowings (2019: \$1.0 million) which is secured over the revenue of Council. The increase of \$0.8 million in external borrowings is due to the new loan for Local Infrastructure Renewal Scheme (LIRS) funding project for the subdivision of Lewis Crescent.

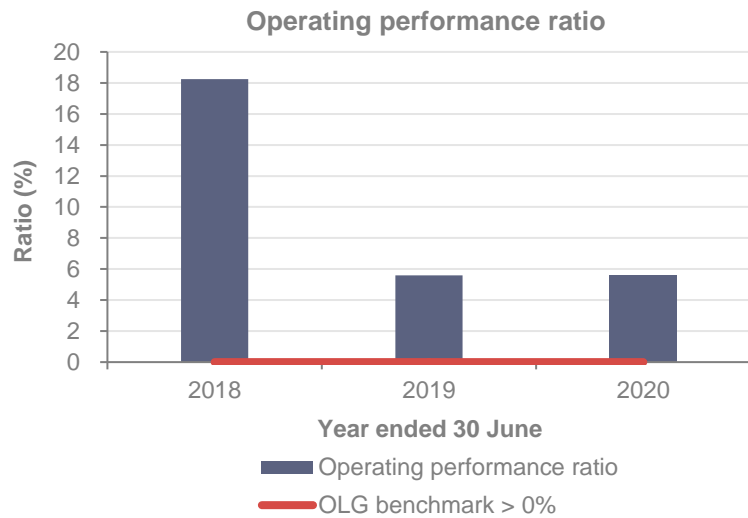
PERFORMANCE

Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

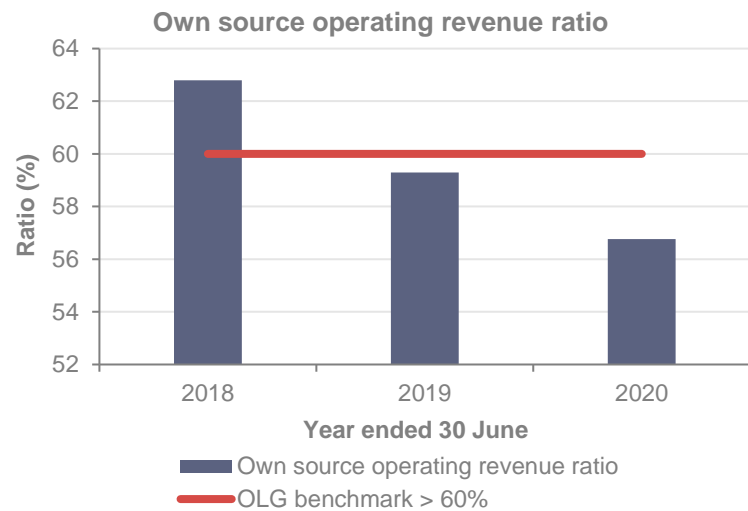
Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.
- The operating performance ratio of 5.6 per cent is above the industry benchmark of greater than 0 per cent. This indicates the Council can contain operating expenditures within operating revenue.
- The operating performance ratio has remained stable year on year.



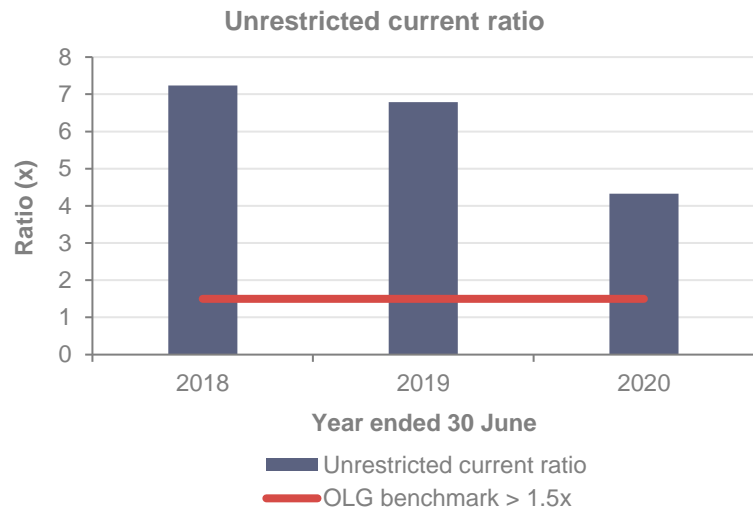
Own source operating revenue ratio

- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 56.8 per cent is below the industry benchmark of 60 per cent. This indicates that the Council is reliant on external funding sources, such as grants and contributions.
- The Council's own source operating revenue ratio decreased to 56.8 per cent (2019: 59.3 per cent) due to the current year increase in grants and contributions.



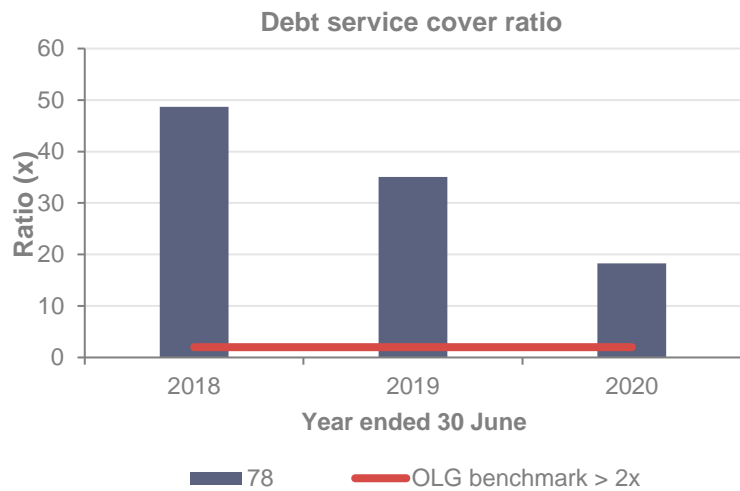
Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.
- The Council's liquidity ratio of 4.3 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The Council's unrestricted current ratio has decreased to 4.3 times (2019: 6.8 times) due to the increase in payables.



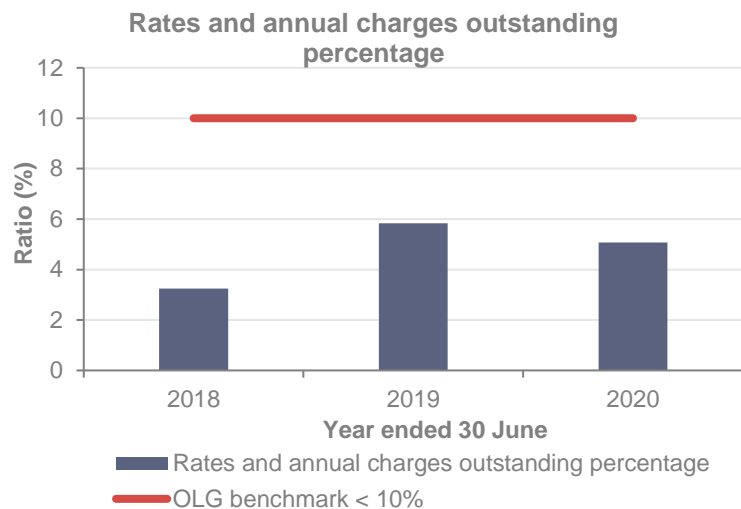
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio of 18.3 times is greater than the industry benchmark minimum of greater than 2 times. This indicates that the Council has sufficient operating revenue to service its debt.
- The Council's debt service cover ratio of 18.3 times (2019: 35.1 times) has decreased due to the increase in borrowings in the 2020 year.



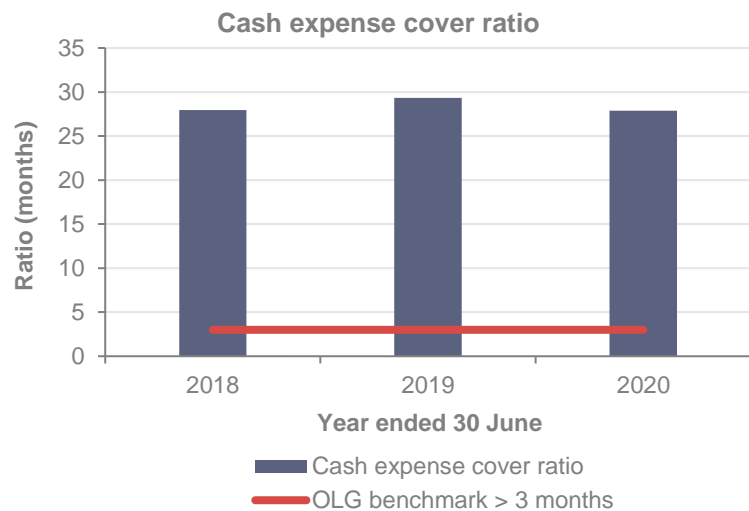
Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.
- The Council's rates and annual charges outstanding ratio of 5.1 per cent is within the industry benchmark of less than 10 per cent for regional and rural councils.
- The rates and annual charges outstanding percentage has remained relatively stable from the previous year and remains below the benchmark for rural councils which is a reflection of sound debt recovery procedures at the Council.



Cash expense cover ratio

- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 27.9 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 27.9 months of operating cash expenditure without additional cash inflows at 30 June 2020.
- The Council's cash expense cover ratio has decreased due to the increase in payments from operating activities cash flow.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$7.7 million of assets in the 2019-20 financial year, compared to \$6.6 million of assets in the 2018-19 financial year. In 2019-20 the majority of renewals related to capital work in progress (\$3.5 million), roads (\$1.9 million) and specialised buildings (\$1.1 million).

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$0.5 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 15.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

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

The Council disclosed the impact of adopting AASB 16 in Note 15.

Legislative compliance

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a large, sweeping flourish at the end.

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

cc: Ms Tahlia Fry, Finance Manager
Mr Matthew Hansen, Director Corporate Services
Mr Rowan Perkins, General Manager
Jim Betts, Secretary of the Department of Planning, Industry and Environment

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.



Cr. Matthew Hannan
Mayor
16 December 2020



Cr. Roger Reynoldson
Councillor
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	<u>2,225</u>	<u>2,238</u>
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	<u>2,395</u>	<u>2,338</u>
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	<u>(153)</u>	<u>(80)</u>
Surplus (deficit) from all operations before tax	<u>(153)</u>	<u>(80)</u>
SURPLUS (DEFICIT) AFTER TAX	<u>(153)</u>	<u>(80)</u>
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	<u>10,693</u>	<u>10,834</u>
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	<u>–</u>	<u>–</u>
Potential dividend calculated from surplus	<u>–</u>	<u>–</u>

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

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

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.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Berrigan Shire Council

To the Councillors of Berrigan Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Berrigan Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'M. Khazoo', with a stylized flourish at the end.

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

17 December 2020
SYDNEY

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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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.



INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Berrigan Shire Council

To the Councillors of Berrigan Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



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

17 December 2020
SYDNEY

Berrigan Shire Council

Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance ^a	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
(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	<u>7,739</u>	149.43%	154.79%	131.39%	>=100.00%
Depreciation, amortisation and impairment	<u>5,179</u>				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	<u>-</u>	0.00%	0.00%	0.00%	<2.00%
Net carrying amount of infrastructure assets	<u>274,657</u>				
Asset maintenance ratio					
Actual asset maintenance	<u>5,467</u>	104.29%	119.12%	103.90%	>100.00%
Required asset maintenance	<u>5,242</u>				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>-</u>	0.00%	0.00%	0.00%	
Gross replacement cost	<u>383,189</u>				

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

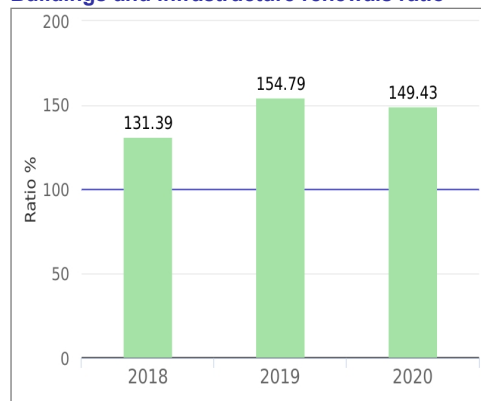
(1) Excludes Work In Progress (WIP)

(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.	

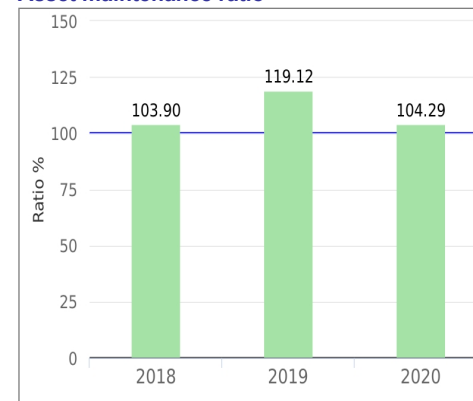
Benchmark: — $\geq 100.00\%$

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.	

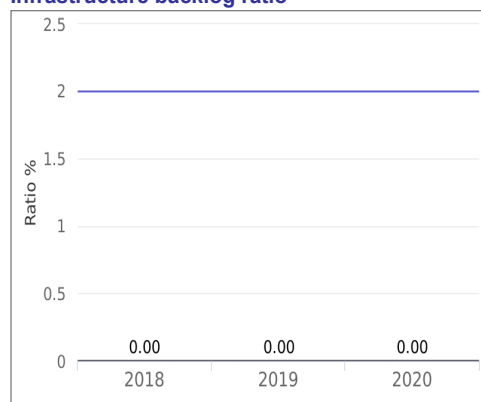
Benchmark: — $> 100.00\%$

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.	

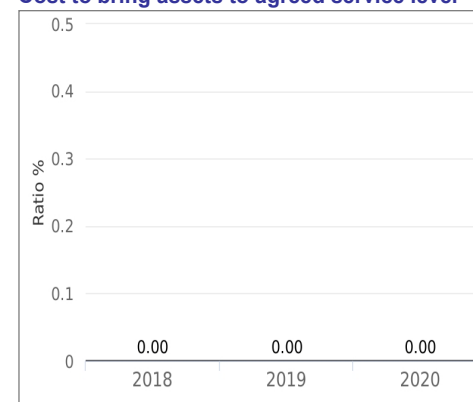
Benchmark: — $< 2.00\%$

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.	

Berrigan Shire Council

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.

December
2020

Towards a fairer rating system

A consultation guide
to local government
rating reform



Produced by the Office of Local Government, Department of Planning, Industry and Environment
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MESSAGE FROM THE MINISTER FOR LOCAL GOVERNMENT

As foreshadowed at the Local Government NSW Annual Conference, I am delighted to release an Exposure Draft of the *Local Government Amendment (Rating) Bill 2020* to implement the NSW Government's response to IPART's review of the local government rating system.

The release of this Bill for consultation represents a milestone in the Government's reform agenda to ensure a fairer and more flexible rating system for councils and ratepayers across NSW.

This consultation guide, *Towards a Fairer Rating System*, has been released to explain the proposed changes and assist councils and others to provide feedback by the February 5 deadline.

The Government is committed to providing greater flexibility in the current rating system to improve distribution of the rating burden in local communities. This will to make rates fairer and help councils cater for population growth and infrastructure costs.

Whilst some will want us to go further, these sensible adjustments to the rating system are the first step to help ensure councils have a stable and reliable revenue base to deliver services for their communities and that ratepayers pay a fairer contribution.

I am now seeking feedback on this Bill from councils, communities and other interested individuals and organisations to help us understand whether we have struck the right balance. Your responses will be carefully reviewed as the final Bill is prepared for introduction to Parliament early next year.

I encourage you to have your say by reading this Consultation Guide, together with the Exposure Draft Bill, and answering the targeted questions, as well as providing any further, general feedback.

Your responses will be carefully reviewed as a final Bill is prepared for introduction. It is important that we hear from councils, communities and as many other interested individuals and organisations as possible.

I look forward to hearing your views.

The Hon. Shelley Hancock MP
Minister for Local Government

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Introduction

At the request of the former NSW Premier, the Independent Pricing and Regulatory Tribunal (IPART) undertook a significant review of the local government rating system in NSW. The purpose of this review was to identify how to improve the equity and efficiency of the rating system, in order to enhance councils' ability to implement sustainable fiscal policies over the long term.

On 18 June 2020, the Government released its [Final Response](#) to IPART's [Final Report](#). This response acknowledged that local government and the communities they serve need to have a more flexible rating system, whilst ensuring rates are applied fairly and more equitably to local communities. It also committed to reforming the rating system to address issues identified during the review.

To deliver on the Government's commitments, a Bill has been prepared to seek to amend the *Local Government Act 1993* (the Act). Through this Bill, the Government proposes to implement the key reforms from its response in a way that is fair and reasonable for both councils and ratepayers.

To make sure we get the details right, an Exposure Draft of the Bill, together with this consultation guide, *Towards a Fairer Rating System*, have been released for public consultation. This provides a further opportunity to obtain essential feedback from councils, communities and other interested individuals and organisations until **COB 5 February 2021**.

The Government will introduce the Bill into Parliament in early 2021. In part, this will enable councils formed in 2016 to take up options provided by greater rating flexibility as they prepare for 1 July 2021.

How to read this paper

The consultation guide has been divided into three sections, beginning with a short section explaining the local government rating system. The following two sections provide an explanation of how the Government is implementing its response to the IPART report through the Exposure Draft Bill and other key rating reforms. The three sections are:

- **Section One** – Understanding local government rating
- **Section Two** – the Exposure Draft Bill, and
- **Section Three** – other key rating reforms.

Sections two and three set out each of the Government's commitments, including background information, and a summary of how it is proposed to implement that commitment.

How to have your say

First, read the [Privacy Notice](#) online or at [Appendix A](#), which explains the personal information being collected through this consultation. To provide feedback, you will need to provide some information about yourself and whether you are responding as an individual or on behalf of an organisation.

Importantly, specific consultation questions are also posed to obtain your feedback on key issues, and you are able to provide general comments if you have other feedback to provide. Feedback can be provided via an online submission form, located on Office of Local Government (OLG) website, www.olg.nsw.gov.au. You do not need to answer every question and can skip to sections of interest.

Alternatively, an identical feedback form is provided at **Appendix A** to this Consultation Guide. This form allows you to respond to the targeted consultation questions and make any further general comments. You are able to post or email the completed form **by COB 5 February 2021** to:

Office of Local Government, NSW Department
of Planning, Industry and the Environment
Towards a Fairer Rating System
Locked Bag 3015
Nowra NSW 2541

olg@olg.nsw.gov.au

Executive Summary

The NSW Government is committed to implementing a package of reforms to ensure the rating system is equitable and responsive to changing community needs. This package comprises those recommendations made by IPART in the [Final Report](#) on its local government rating system review of that were accepted by the Government in its [Final Response](#).

Most of these reforms require amendments to the *Local Government Act 1993*, which sets out how councils may levy rates from property owners. Other reforms will be implemented by change to regulations and by issuing new guidance.

Local Government Amendment (Rating) Bill 2020

A Bill to make these amendments has been prepared – the *Local Government Amendment (Rating) Bill 2020* (the Bill). If passed by the NSW Parliament, this Bill would:

- allow seventeen councils created in 2016 to gradually harmonise rates over four years, to protect ratepayers from excessive and sudden rate rises
- allow councils to levy special rates above the rate peg for infrastructure jointly funded with other levels of government without IPART approval
- create a new rating category for environmental land for properties that cannot be developed
- allow councils to create more flexible residential, business and farmland rating subcategories to enable them to set fairer rates
- allow councils to create separate rating subcategories for vacant residential, business and mining land to provide additional flexibility for councils to tailor rates for local communities
- remove the rating exemption for land subject to new conservation agreements and allow it to be rated under the new environmental land category
- allow councils to choose whether to exempt certain land from special rates for water and sewerage
- require councils to publicly report the value of any rating exemptions they choose to grant
- limit postponement of rates on rezoned land and let councils decide whether to write off any debts, and
- allow councils to sell properties for unpaid rates after three years rather than five years.

Through the Bill, the Government proposes to implement the key reforms in a way that is fair and reasonable for both councils and ratepayers. An Exposure Draft of this Bill has been released, together with this consultation guide to explain the proposed changes and to seek public feedback.

Other key rating reforms

The rates reform package also includes measures that do not rely on legislative amendments. As part of the Final Response to the IPART rating review, the Government committed to aligning rating income growth with population growth within the rate pegging system. This will help councils provide for growing communities while still protecting residents from sudden, excessive rate rises.

To kick-start this reform, the Minister for Local Government, with the approval of the Premier, has asked IPART to recommend a new rate peg methodology that allows the general income of councils to be varied annually in a way that accounts for population growth. This is consistent with the Productivity Commission's recommendations on its review of the infrastructure contributions system. The Government will not consider any further changes to the rate peg or allowable income at this time.

In addition, the Government supported IPART's recommendation that any difference between mining and business rates should primarily reflect differences in the councils' costs of providing services. This will be implemented through future guidance to the local government sector rather than legislation.

Finally, it is proposed to not progress any change to the residual rating category arrangements, and to limit the requirement for councils to report the value of exemptions to only those they choose to grant each year.

Next steps

The Office of Local Government will receive feedback from councils, local communities and other interested individuals and organisations until **COB 5 February 2021**.

After making any changes in response to this feedback, the Government will introduce the Bill into the Parliament in early 2021. In part, this will enable councils formed in 2016 to take up opportunities provided by greater rating flexibility as they prepare to harmonise rating structures from 1 July 2021.

Proposed Rating Reforms

Section One – Understanding local government rating

Ordinary and special rates help to fund council services

Local councils provide important services and facilities to communities across NSW. These are as varied as community services, local road construction and maintenance, sporting and recreational facilities, planning, environmental protection and waste recovery and disposal.

The *Local Government Act 1993* (the Act) and Local Government (General) Regulation 2005 set out how councils levy rates from property owners (ratepayers).

To pay for services, councils must levy property owners in their area for ordinary rates and may also apply additional special rates in certain circumstances. Some types of properties are wholly or partly exempt from paying rates under the Act. Councils also raise revenue by charging user fees, receiving grants, borrowing or other revenue e.g. from fines, developer contributions and interest.

The rate pegging system restricts councils from increasing their income from rates

Under the Act, the total income that a council can raise from rates each year cannot increase by more than a specific percentage – this is called the ‘rate peg’. The rate peg does not apply to charges for services like waste management, water, sewerage and stormwater.

The Independent Pricing and Regulatory Tribunal (IPART) determines the rate peg that applies to councils’ general income each year. For the 2020/21 financial year IPART set the rate peg at 2.0%.

Councils can apply to IPART for a ‘special variation’ to increase their general income above the rate peg, e.g. to provide further services, replace ageing assets or improve financial sustainability.

Councils can determine which rates apply to different property types in consultation with local communities

The Act enables councils to determine different ordinary rates for residential, business, mining and farmland properties (the four rating categories). Councils can choose how they calculate and distribute rates among the properties in these categories.

Council decides which category each property should be in based on its characteristics and dominant use. Councils can also choose to create certain subcategories within each of these four categories, and to apply different rates to properties in each subcategory.

Councils must undertake rate setting as part of their Integrated Planning and Reporting (IP&R)

Councils must set a Revenue Policy each year as part of their Operational Plan. This sets out the combination of rates, charges, fees and pricing policies that will be applied to fund the services it provides to the community. It also contains a rating structure that determines rates and charges each type of ratepayer will pay, and how they will be calculated. Councils must consult on this structure as part of setting their annual Operational Plan and budget before it is finalised.

Councils can choose to apply rates to unimproved land values in different ways

Rates are calculated on the value of the land only, and do not factor in any improvements, such as buildings. For each rating category or sub-category, rates can be calculated based on:

- the (unimproved) land value of the property times the *ad valorem* (a rate in the dollar)
- a combination of the land value and a fixed rate per property (**base amounts**), or
- on the land value, but with each property paying at least a set amount (**minimum rates**).

The Act applies some restrictions however, for example – councils must calculate residential rates for all properties with a single ‘centre of population’ in the same way.

Land values are determined by the Land and Property Information Division of the Department of Finance and Services on behalf of the NSW Valuer General.

Section Two – the Local Government Amendment (Rating) Bill 2020

1 ALLOWING GRADUAL RATES HARMONISATION

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 13	s.506, s.508	On assent

The Government's commitment

In 2017, the *Local Government Act 1993* (the Act) was amended to 'freeze' the rates path of new councils created in 2016 for a period of four years. This was to ensure that their ratepayers would pay the same rates as they would have if the council had not merged for this initial period only.

In 2019, the Act was amended so that the Minister could allow councils formed in 2016 a further year to harmonise their rates, until 1 July 2021, to allow an additional year for this process. Ultimately, seventeen of the twenty relevant councils took up this option, so that the rates path freeze will now end for their communities on 30 June 2021.

At the end of the rates path 'freeze', each council will need to harmonise to a single rating structure – in practice, this means that all residential ratepayers will pay the same rate in the dollar on their properties unless councils choose to charge different rates for different 'centres of population'. At present, the Act only permits councils to harmonise rates across their area in a single financial year, being 2021/22

As part of its response to IPART's review, the Government agreed to IPART's recommendation to allow new councils to gradually harmonise rates across their former council areas over time. IPART suggested that rates increases be limited to 10% a year.

The proposal in the Bill

It is proposed that each council formed in 2016 have the option to gradually harmonise new rates for residential and farmland rates from 2021-2022 over four years. Those councils and communities that do not wish to gradually harmonise over the four-year period would still be able to harmonise their rates all at once in 2021-22.

Councils that take up the gradual harmonisation option will need to apply no more than 50% of the total increase in rates at the rating category level over the period, in any one of the four financial years. Importantly, councils that choose to harmonise gradually will be required to set out their intended approach over the full four years in their IP&R documents.

The proposed four-year period is designed to allow for gradual change, while setting a reasonable period to limit how long some ratepayers are subsidising others. It also takes into account both an unusual three-year council term, with elections in 2021 and 2024, as well as the fact that all land is to be revalued before rates are levied for 2023-24.

Rather than setting a maximum percentage increase each year, it is proposed to allow affected councils to set rates each year according to community needs and prevailing economic conditions. This allows councils with different legacy rating structures to harmonise in consultation with their communities according to local circumstances and conditions, under the IP&R framework.

The proposed '50% in any one year' cap will ensure that councils that choose this option take a gradual approach that protects ratepayers against sudden and excessive rate rises in any specific year. This will not,

however, preclude rates from increasing due to changes in land valuation, special rates or any special variation.

Consultation question/s

1. Are you from a local government area newly formed in 2016 that has not yet harmonised rates?

Yes

No

2. Do you agree with the proposal to enable relevant councils to gradually harmonise rates across their former council areas over four years?

Yes

No

Neutral

Comment:

2 ALLOWING COUNCILS TO LEVY SPECIAL RATES FOR JOINTLY FUNDED INFRASTRUCTURE

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 8	s.495	By proclamation

The Government's commitment

Under the Act, councils can levy special rates, in addition to ordinary rates, on any subset of rateable land in its area to meet the costs of delivering additional works, services, facilities or activities to ratepayers. This is limited, however, to funding local government functions.

Councils are increasingly entering into arrangements to jointly fund infrastructure projects with the NSW Government and the Australian Government. To generate additional revenue to contribute to these projects, which may be a condition of the project going ahead, councils are applying to IPART for a special variation. This imposes a high regulatory burden that extends timeframes and can deter councils from helping to deliver projects that benefit their local communities.

The Government is committed to establishing an equitable and effective funding framework for infrastructure associated with development, and, ensuring that growing communities have adequate and effective infrastructure needed to support that growth.

The Government therefore supported IPART's recommendation that councils be able to levy a new type of special rate for new infrastructure, where it is of clear benefit to the community, jointly funded with other levels of government.

The proposal in the Bill

It is proposed to clarify that special rates may be levied to pay for goods, services and infrastructure that are not covered by chapters 5-6 of the Act if the specific purpose of the special rate is to co-fund or contribute to infrastructure or services being jointly provided with another level of government.

Income from this special rate will not form part of a council's general income under the rate peg and councils will not need to seek IPART's approval before levying the special rate.

Importantly, councils will be prevented from levying a special rate for costs that are being met by a developer under the infrastructure contributions framework or by another funding arrangement. Special rates must only be used for the purpose for which they are levied.

Before applying this special rate, a council will need to consult its community through IP&R about anticipated benefits of the project and special rate, anticipated total project costs, council's contribution to those costs, the contributions to be made by others, the total special rate that would be levied, and how, and for what time period, the rates are to be levied.

Councils will also need to provide information in their annual reports on project outcomes, actual costs to council of this project, costs reported by other parties (where available) and the total revenue generated by the special rate. Where this differs from a council's initial estimates, an explanation is to be provided. The intention is to create a monitoring and reporting framework that maximises transparency, public accountability and community benefit from these special rates.

Consultation question/s

3. Do you agree with the proposal to allow councils to levy special rates for jointly funded infrastructure?

Yes

No

Neutral

Comment:

3 INCREASING FLEXIBILITY THROUGH NEW RATING CATEGORIES AND SUBCATEGORIES

3.1 Allowing councils to set different residential rates in contiguous urban areas

IPART recommendation	Key sections of the Act	To come into effect
Recommendations 10-12	ss.529-530	On assent

The Government's commitment

Currently, the Act prevents councils from applying different residential rates on properties within a single 'centre of population.' This is difficult to apply in practice and has effectively prevented councils in urban areas, like Greater Sydney, from setting different rates in different locations across their local government area, as occurs in regional and rural NSW.

Given this, IPART recommended councils be able to set different residential rates in contiguous urban areas, but only where there is on average, different access to, demand for, or cost of, providing services and infrastructure. It proposed that councils use geographic markers to define these areas, including postcodes, suburbs, geographic features (e.g. waterways, bushland) and/or major infrastructure (e.g. arterial roads, railway lines).

Importantly, IPART also recommended that a limit apply so the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories (i.e. so the maximum difference between the highest and average rates, including *ad valorem* rates and base amounts, is 50%) except any new vacant land subcategory (see 3.4 below). To exceed this limit, councils would need to seek IPART approval.

The Government believes that councils should be able to explore different options to distribute the rating burden more equitably, in consultation with their communities, and supports enabling greater use of differential rating in urban areas. It supported these recommendations 'in principle'.

The proposal in the Bill

It is proposed to allow councils to create different rating subcategories for residential land in contiguous urban areas, while also continuing existing provisions that allow different residential rates to be set by 'centre of population', as used by regional and rural councils.

Under the proposal, a council may only set different residential rates in a contiguous urban area if there is on average, different access to, demand for, or cost of, providing services and infrastructure.

For this purpose, 'contiguous urban area' will capture a portion of an area that is urban in nature and comprises residential land where the properties within that area, taken together, are not entirely separated by land that falls within other rating categories.

Further, in these cases, councils will be required to use geographic names published by the Geographical Names Board to objectively define different residential areas to which to apply different residential rates, rather than being enabled to simply draw 'lines on a map'.

A limit will also apply so the highest rate structure is no more than 1.5 times the average rate structure across all residential subcategories, with the capacity to change this ratio in future by regulation. "Average rate structure" includes *ad valorem* amounts, minimum rates and/or base amounts, as relevant. To exceed this limit, councils would need to seek the Minister's approval.

Councils will be required to undertake community consultation under IP&R, in determining residential rating subcategories, setting rates for each subcategory and making any future amendments to these arrangements. Councils will also be required to publish the different rates and their rationale for charging different rates in their Revenue Policy.

The Minister will be able to issue guidelines that must be followed by councils in setting these rates, including how the provisions may be used appropriately by councils.

Consultation question/s

4. Do you agree with the proposal to allow for different residential rates in contiguous urban areas?

- Yes
 No
 Neutral

Comment:

5. Do you agree with the proposal to limit the highest rate structure across all residential subcategories to no more than 1.5 times the average rate structure?

- Yes
 No
 Neutral

Comment:

3.2 Creating a new rating category for environmental land

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 29	s.493, s.514, s.518, s.529	By proclamation

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. If a parcel of land does not fall within the residential, farmland or mining rating categories, it is treated as business land (the residual category).

There are concerns that these four rating categories are not sufficient to ensure that specific types of land are being rated at an appropriate level. In particular, IPART heard that this has resulted in land that cannot be developed, and therefore not falling with the residential, farmland or mining land categories, being rated as business land. As a result, a higher rate is often levied.

IPART recommended that a new, fifth rating category be created for environmental land to provide for appropriate rating of land that cannot be developed due to geographic or regulatory restrictions. The Government accepted this recommendation 'in principle', noting that it closely relates to IPART's further recommendation (No. 18) in relation to conservation agreements (see further below at 4.1).

The proposal in the Bill

It is proposed to create a new rating category for environmental land, and to define *environmental land* as that:

1. for which current and future use of the land is constrained as it:
 - a) has limited economic value relative to its size and location, or
 - b) cannot be developed, or
 - c) has low development potential for a business, residential or farming activity, and
2. is subject to *geographic restrictions* or *regulatory restrictions*.

It is proposed that, in determining whether land cannot be developed or has low development potential, councils must have regard to factors including the zoning of the land under the EP&A Act and regulations and relevant instruments, and any other matter prescribed by regulation.

It is also proposed that *geographic restrictions* include, but not be limited to, the presence of significant water areas, mud flats, swamps, marshlands, steep slopes and other terrain on which residential or commercial development is virtually impossible due to physical limitations.

Further, it is proposed that *regulatory restrictions* be defined as laws or other permanent constraints imposed or agreed to in relation to the land that prevent development. This would include, but not be limited to, restrictions due to the land being subject to an *environmental agreement or instrument* prescribed by regulation, and being not otherwise exempt from rates.

Where a parcel of land is determined to be mixed use land, like rating of business land, councils will be able to apportion rates based on the portion of the land that falls within each rating category, as currently set out under the *Valuation of Land Act 1916*. This is currently not provided for under that law. Comment is sought on the manner of determining the apportionment of rates where a parcel of land could properly be categorised as environmental and the remainder could be categorised under one or more other rating category.

It is also proposed that, as for land in other rating categories, councils may create subcategories for environmental land to allow different environmental land rates to be set.

For this purpose, it is proposed that councils be enabled to create different rating subcategories based on whether or not there is a conservation agreement or similar instrument in place, and/or, based on geographic location.

Where a council chooses to rely on geographic location to create subcategories, it will need to define the different residential areas by reference to geographic names published by the Geographical Names Board, rather than by drawing 'lines on a map'.

Consultation question/s

6. Do you agree with the proposal about how to create a new rating category for environmental land, including how environmental land is proposed to be defined?

- Yes
- No
- Neutral

Comment:

7. Do you agree that a portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of environmental land?

- Yes
- No
- Neutral

Comment:

3.3 Enabling different business rates to be set for industrial land and commercial land

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 30	s.529	By proclamation

The Government's commitment

Currently, the Act only allows councils to create different categories of business rates according to whether business land falls within a 'centre of activity'. This is essentially, therefore, limited to location, rather than the activities taking place on each property. It also means that, where businesses are not clustered together, they are most often only charged a general business rate.

IPART recommended, and the Government supported, changing this so that different rating subcategories can also be created for land where industrial and commercial activities are occurring.

This recognises that land where these activities take place typically have different access to, demand for or cost associated with providing council services and infrastructure. It also recognises that these parcels of land may, or may not, be clustered together within a local government area.

The proposal in the Bill

It is proposed that councils be given the option of setting different rates for business land based on whether it is industrial or commercial land. This would apply in addition to maintaining the current option of setting different rates based on whether there is a 'centre of activity'.

It is proposed that councils that choose to take up this option determine whether business land is industrial or commercial, as necessary, based on whether industrial activities are predominantly taking place. This approach means that property zoning is relevant but not determinative for rating purposes, as intended by IPART, and creates a clear approach for councils and ratepayers that can be updated as necessary over time.

It is further proposed that, if the 'dominant' activity conducted on a parcel of land does not fall within a list of *industrial activities* prescribed in regulations, they may be categorised as commercial. Activities which may be prescribed as industrial include, for example, manufacturing, warehousing, abattoirs and works depots.

Consultation question/s

8. Do you agree with the proposal about how to enable different business rates for industrial and commercial land?

- Yes
- No
- Neutral

Comment:

3.4 Enabling different rates for residential, business or mining land that is vacant

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 31	s.519, s.529	By proclamation

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. As above, it is now proposed to create a fifth rating category for environmental land (see 3.2).

At present, councils must rate a parcel of land as residential, farming or mining land if it determines the land falls within one of those categories whether or not it is vacant. If the land does not clearly fall into one of these categories, council must rate it according to its designated use under an environmental planning instrument or, in the absence of such an instrument, based on the predominant surrounding land.

In either case, councils are not permitted to rate land differently because it is vacant. For example, an empty block of land in a residential estate is charged the same rate as the houses in the estate.

IPART recommended that, after completing the current rating categorisation process for vacant land, councils be able to set a different rate for vacant land to that set for other land in the same rating category for residential, business and mining land.

The Government has accepted this recommendation, which would provide additional flexibility for councils to tailor their rates to the needs of local communities.

The proposal in the Bill

It is proposed to give effect to this reform by allowing councils to create rating subcategories for vacant land within the residential, business or mining land categories. This type of rating subcategory will not be able to be created for environmental or farming land.

In determining whether a parcel of land is vacant, a council will need to have regard to factors including whether the land has a *substantial and permanent* structure. For this purpose, a building or other structure may be considered substantial and permanent if it is:

- significant in size or value
- not incidental to the purpose of another structure or proposed structure
- not related to, reliant on, or existing to support use or function of a structure, and
- fixed and enduring, rather than built for a temporary purpose.

These proposed factors build on relevant aspects of the approach taken by the Australian Tax Office definition of vacant land for income tax purposes.

It is also proposed to provide guidance to councils about:

- how councils may determine whether a specific parcel of land is to be treated as vacant land and, where relevant, to which rating category it belongs
- factors councils should take into account in setting the rate to be paid for vacant land, and
- how high or low the rate for vacant land should be relative to the principal rating category.

Consultation question/s

9. Do you agree with the proposal to allow subcategories for vacant land to be created for residential, business and/or mining land, including the proposed factors set out above?

Yes

No

Neutral

Comment:

3.5 Allowing different farmland rates to also be set based on geographic location

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 32	s.529	By proclamation

The Government's commitment

Currently, councils can only sub-categorise farmland according to intensity of land use, 'irrigability' of the land or economic factors affecting the land.

Concern has been raised that, while some regional and rural councils are able to rely on these factors, it is inflexible, subjective and difficult to apply in many local government areas in an equitable way. IPART found that the majority of councils with farmland properties do not create subcategories and are applying a single rate even if there are substantial differences in the intensity of farming.

IPART therefore recommended that councils should be able to set different farmland rates based on geographic location. This reflects the view that location-based rating for farmland, like residential and business land, can better reflect access to council infrastructure and services as well as the productivity of land. It suggested that areas may be defined by locality or geographical markers (such as a riverbank or escarpment) or major infrastructure (such as a highway).

The Government supported this recommendation. This will allow councils flexibility to more fairly distribute the rating burden by creating rating subcategories that better reflect productivity, are easier to assess and may be more likely to reflect access to council services by landholders.

The proposal in the Bill

It is proposed that councils be given the option of setting different rates for farmland based on geographic location. If this option is chosen, councils will need to:

- create subcategories by reference to the geographic names published by the Geographical Names Board rather than drawing 'lines on a map', and
- have regard to certain matters prescribed by regulation in creating subcategories for farmland and determining rates to be levied for each geographic location.

This new option would apply in addition to maintaining the current option of setting different rates based on intensity of land use, 'irrigability' or economic factors affecting the land. This approach is intended to minimise disruption for councils in regional and rural NSW with rating structures that rely on the current provisions.

Relevantly, the new approach to creating rating subcategories for farmland may also be utilised by relevant councils to assist with harmonisation, or, to maintain current farmland rating structures across their former council areas, should they choose to do so, in consultation with their communities.

Consultation question/s

10. Do you agree with the proposal to enable councils to also set farmland rates based on geographic location?

- Yes
- No
- Neutral

Comment:

4 CHANGING SPECIFIC EXEMPTIONS FROM ORDINARY AND SPECIAL RATES

4.1 Removing mandatory rates exemptions for land with new conservation agreements

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 18	s.529, s.555, s.558	By proclamation

The Government's commitment

Under the Act, land subject to certain conservation agreements is exempt from all rates. This exemption was introduced to provide a financial incentive for land holders to enter into agreements for future conservation which impose costs and reduce the development potential of their land.

Over a period of time, different types of conservation agreements and similar instruments have been created and used to manage potential impacts of proposed developments on native species, cultural heritage or to address other environmental, community or development-based concerns. Some of these arrangements are exempt from rates while others are not.

IPART recommended removing rating exemptions for private land with conservation agreements and that councils rate the land under the new environmental land rating category (see above at 3.2). This reflected the finding that these parcels of land should not always be exempt from rates as owners have exclusive possession, derive private benefits, use services and impose other costs on the council and broader community.

The Government accepted IPART's recommendation in part, subject to further consultation on issues with respect to the range of agreements in force and the preservation of environmental, historical and Aboriginal cultural heritage outcomes.

The proposal in the Bill

It is proposed that there no longer be a mandatory rating exemption for private land for which a new conservation agreement is entered into after this reform comes into effect.

Instead, these properties will be categorised for rating purposes by the relevant council and may be rated under the new environmental land rating category. Further, as set out above at 3.2, councils will be permitted to create rating subcategories, and therefore to set different rates for environmental land based on whether or not there is conservation agreement or other instrument prescribed by regulation.

Importantly, to ensure fairness for parties to existing conservation agreements, it is proposed that those lands that currently benefit from this exemption continue to do so. This maintains a significant financial incentive that was taken into account by land holders when deciding whether to enter into an agreement which, in the vast majority of cases, is now binding on themselves and future owners.

Consultation question/s

11. Do you agree with the proposal to remove the requirement for councils to apply a rating exemption for land subject to new conservation agreements?

Yes

No

Neutral

Comment:

4.2 Removing certain mandatory exemptions from special rates for water and sewerage

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 24	ss.555-558	By proclamation

The Government's commitment

Some councils are responsible for providing water and sewerage services, particularly in regional and rural NSW. To fund these services, in addition to regular service charges, councils may levy special rates as a fee for service, in addition to ordinary rates. These special rates appear on rates notices.

Under the Act, councils are prevented from levying special rates for water and sewerage on the whole, or part, of a range of specific types of property, including:

- Crown land not leased for a private purpose
- land within a National Park, historic site, nature reserve, state game reserve or karst conservation reserve, whether or not the land is affected by a lease, licence, occupancy or use,
- land that is subject to a conservation agreement
- land that is vested in, owned by, held on trust by or leased by the (now) Biodiversity Conservation Trust
- land that is within a special area or controlled area for Sydney Water that is either Crown land or land vested in Sydney Water
- land that is within a special area for Hunter Water that is Crown land or vested in Hunter Water
- land that is vested in or owned by Water NSW that is in, on or over which water supply works are installed
- land that is within a special area for a water supply authority that is Crown land or vested in that authority
- land that belongs to a religious body and is occupied and used in connection with:
 - a church or other building used or occupied for public worship, or
 - a building used or occupied solely as the residence of a minister of religion in connection with any such church or building, or
 - a building used or occupied for the purpose of religious teaching or training, or
 - a building used or occupied solely as the residence of the official head and/or the assistant official head of any religious body in NSW or any diocese in NSW,
- land that belongs to and is occupied and used in connection with a government school, non-government school or certain schools with exemptions under s.78 of the *Education Act 1990*
- a playground that belongs to and is used in connection with the school, and
- a building occupied as a residence by a teacher, employee or caretaker of the school that belongs to and is used in connection with the school,
- land that is vested in the NSW Aboriginal Land Council (ALC) or a local ALC if it is declared under the *Aboriginal Land Rights Act 1983* to be exempt from rates,
- land vested in or owned by Residual Transport Corporation NSW or a public transport agency and in, on or over which rail infrastructure facilities are installed,

- land vested in or owned by Transport Asset Holding Entity of New South Wales and in, on or over which rail infrastructure facilities are installed,
- land that is vested in or owned by Sydney Metro and in, on or over which rail infrastructure facilities are installed, and
- land below the high-water mark used for aquaculture relating to the cultivation of oysters.

Under the Act, councils are also able, but not required, to choose to exempt other types of land from these types of special rates – this includes, for example, public reserves, hospitals and charities.

IPART found that it may not be appropriate for some parcels of land that fall within the above list to be exempt from paying special rates for water and sewerage as they would receive these services for free with significant private benefit. Instead, IPART recommended that the Government allow councils discretion to choose whether to exempt these properties from special rates. The Government accepted this recommendation.

It is understood, however, that in practice very few councils in regional and rural NSW levy special rates for water and sewerage, as compared to annual or service charges.

The proposal in the Bill

It is proposed that councils be able to choose whether to exempt those properties listed above from special rates, noting that these special rates are unlikely to be applied.

Importantly, it is intended that the Government provide guidance to any councils levying special rates about how best to exercise their discretion in relation to whether to continue to exempt specific types of land that were previously required to be exempt from these special rates. This guidance may specify relevant factors to consider, for example, the type of land, the land's permitted use, the land's actual use/s and access to relevant council infrastructure and services.

Consultation question/s

12. Do you agree with the proposal to remove certain mandatory exemptions from special rates for water and sewerage?

Yes

No

Neutral

Comment:

5 IMPROVING PUBLIC CONFIDENCE IN THE RATING SYSTEM

5.1 Narrow scope to postpone rates and let councils choose whether to write them off

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 40	s.585, s.595	By proclamation

The Government's commitment

Under the Act, a ratepayer is able to postpone paying higher rates if their land is rezoned, the rates payable increase after rezoning and the ratepayer does not intend to redevelop the land according to the new land uses that are permitted under the new zoning. Further, councils are required to write-off any rates and accrued interest postponed under this process after five years.

This postponement option allows people to retain properties with higher permitted uses without paying higher council rates. It is available to land consisting of a single dwelling house or rural land zoned to allow subdivision and applies to both ordinary and special rates.

IPART found that the cost to councils of administering postponement arrangements is high and is inconsistent with the taxation principles of simplicity, efficiency and equity. In particular, the postponement option:

- does not acknowledge the wealth gained in land value from rezoning
- does not recognise that the increased rates are a small proportion of the increased value of the land asset, and
- acts as a disincentive to develop land and does not promote growth and urban renewal.

IPART therefore recommended that the option to postpone rates in these circumstances should be removed, and that councils no longer be required to write-off postponed rates after five years. This would not affect the continuing ability for ratepayers to apply for rates relief on hardship grounds. The Government accepted this recommendation.

The proposal in the Bill

It is proposed to provide appropriate limits on the postponement of rates. These include:

- limiting who can postpone rates to those ratepayers that would face substantial hardship as a result of paying the higher rates attributable to rezoning
- restricting the amount of rates that can be postponed under the postponement of rates provisions to the difference between the rate applied under the former zoning, and the amount that will apply under the new zoning, and
- removing the requirement for councils to write off postponed rates after five years, while still giving them flexibility to do so in appropriate circumstances.

The Government understands that, if the provisions in relation to the postponement of rates were simply removed, ratepayers may face significant rate increases and, if unable to pay, may need to sell their properties.

These proposals are designed to limit the potential significant financial impact for some owners of properties when they face a zoning change in relation to their land. The proposals also acknowledge potential hardship for some of these ratepayers, particularly owner occupiers of residential or rural residential land already facing financial stress.

Importantly, to ensure fairness, it is proposed that those ratepayers that currently benefit from such an arrangement, or have applied to do so, continue to do so under the current provision after the reform comes into effect.

The Government believes that these proposals will create a fairer rates postponement framework that enables ratepayers needing to postpone rates for legitimate reasons to do so,

while enabling councils to collect much needed rates to meet the cost of services provided to that land, and to lessen the burden on other ratepayers.

Consultation question/s

13. Do you agree with the proposal to restrict who can seek postponement of rates?

- Yes
 No
 Neutral

Comment:

14. Do you agree with the proposal to remove the requirement to write off rates debts?

- Yes
 No
 Neutral

Comment:

5.2 Allow councils to sell properties for unpaid rates after three years

IPART recommendation	Key sections of the Act	To come into effect
Recommendation 36	s.713	On assent

The Government's commitment

Under the Act, a council may seek to sell a property that is not vacant to recover the cost of rates and charges, including interest, that remain unpaid after five years in certain circumstances. Specific provisions set out when properties may be sold and the process that must be followed by councils.

IPART recommended that the period of time after which these properties may be sold should be reduced from five years to three years. The Government accepted this recommendation, which is designed to improve the simplicity of the rating system, bring NSW in line with other States, and is likely to reduce costs and delays currently experienced by councils in recovering outstanding rates.

The proposal in the Bill

It is proposed that councils be permitted to seek to sell properties that are not vacant for unpaid rates and charges after 3 years rather than 5 years.

This would apply from the date of commencement of the provision and would not apply in respect of properties for which a ratepayer already owes unpaid rates and/or charges to council at that time.

Importantly, the *COVID-19 Legislative Amendment (Emergency Measures-Miscellaneous) Act No.2 2020* currently operates to prevent councils from commencing legal action to recover rates and charges for six months unless certain specific matters have been considered.

This temporary measure was put in place to help households that are under significant pressure to remain sustainable during the COVID19 pandemic and as steps towards economic recovery begin. It is therefore not intended to commence these new provisions while this temporary measure remains in place.

Consultation question/s

15. Do you agree with the proposal to enable councils to sell properties for unpaid rates after 3 years?

- Yes
- No
- Neutral

Comment:

Section Three – Other rating reforms

1 ALLOWING COUNCILS' GENERAL INCOME TO RISE IN LINE WITH POPULATION GROWTH

The Government's commitment

The Minister, under the Act, may specify the percentage by which councils' general income may be varied for a specific year – the 'rate peg'. IPART performs this function under delegation.

IPART has traditionally calculated the Rate Peg by reference to the Local Government Cost Index (LGCI) and improvements in productivity (a productivity factor). The LGCI measures price changes for operational inputs—including labour—used by an average council over the previous year. This overall approach to calculating the rate peg has been in place since 2010.

IPART does not take into account, directly or indirectly, the differing impacts of population growth between councils in setting the rate peg. Instead, the current methodology implicitly assumes that the cost of serving each ratepayer will be, on average, the same, or that a special rate may be levied in areas where serving groups of ratepayers involve higher and special costs. Alternatively, councils may apply to IPART for a Special Rate Variation to levy rates above the rate peg.

While this rate peg model means that council areas with higher populations can levy a greater number of ratepayers and, therefore, will have higher revenue, it is not able to take into account that certain types of residents associated with population growth (such as young families) increase demand for services more than the same number of residents in an established area, and that councils often face these costs before the future ratepayers can begin to pay for them.

The Government has committed to allowing councils to align their income with population growth. This will be achieved by adjusting how the rate peg is calculated. This will help to

ensure that adequate local infrastructure and services are provided in local government areas with growing populations.

How this reform will be delivered

The Minister for Local Government, with the approval of the Premier, has asked IPART to deliver a report recommending a rate peg methodology that allows the general income of councils to be varied annually in a way that accounts for population growth. Terms of Reference have already been provided to IPART for this review, which is expected to be completed within nine months.

The Terms of Reference for IPART's review clarify that the methodology proposed by IPART should not negatively impact the income growth that councils with stable or declining populations would have achieved under a rate peg calculated using the LGCI and productivity factor. They also state that the Government will not consider further change to the rate peg or maximum allowable income at this time.

In undertaking the review, IPART has been asked to have regard to matters including:

- the Government's commitment to protecting ratepayers from sudden or excessive rate rises, while improving the financial sustainability of local government
- ensuring the rate peg model can be understood by councils and the communities they serve
- the differing needs and circumstances of councils and communities in metropolitan, regional, and rural areas of the State, and
- any other matter it considers relevant.

To ensure that this reform may be given effect as simply and clearly as possible, the Bill puts beyond doubt that more than one rate peg can be applied to the local government sector, if required.

2 ENCOURAGING COUNCILS TO LEVY RATES ON MINING LAND TO REFLECT ADDITIONAL COSTS

The Government's commitment

Under the Act, before levying an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. The council then determines what rate to levy for land that falls in each of these categories.

IPART analysed the rates applied by councils to mining land and found that they varied widely. Further, IPART found that the different rates that applied to land within this category was unlikely to reflect differences in costs of providing council services to these types of properties. Rather, it appeared that some councils may be setting rates based primarily on 'capacity to pay' principles.

In principle, IPART recommended that mining rates should be set, relative to rates for business land, primarily to reflect differences in the cost of providing council infrastructure and services to these properties. The Government accepted this recommendation.

How this reform will be delivered

This reform will be implemented through guidance rather than seeking to amend the Act through the Bill. This will provide maximum flexibility to make adjustments in future and to cater to the different circumstances of local councils and communities across NSW.

Guidance will be issued to specify that councils should set mining rates, relative to rates for business land, primarily to reflect differences in the cost of providing council infrastructure and services. Further, if a council does apply a higher rate to mining land than business land in a specific financial year, that council should explain, as part of its Revenue Policy:

- how the rate has been set and why, and
- any additional costs in providing services to mining properties.

Consultation question/s

16. Do you agree with the proposal to implement this reform through guidance?

- Yes
- No
- Neutral

Comment:

3 RETAINING THE RATING CATEGORY FOR BUSINESS AS THE 'RESIDUAL' RATING CATEGORY

The Government's commitment

Under the Act, before making an ordinary rate, a council must have declared each parcel of rateable land in its area to be within one of four rating categories – farmland, residential, mining or business. If a parcel of land does not fall within the residential, farmland or mining rating categories, it is treated as business land (the residual category).

IPART noted that using the rating category for business as the residual category may, in some areas, lead to certain properties being more highly rated than is equitable. It therefore recommended that councils should have flexibility to choose a different 'residual' category based on the profile of local properties. The Government supported this recommendation.

How this reform will be delivered

Following further consultation and consideration of how each reform of rating categories and subcategories may be implemented by councils, this reform will not be progressed at this time. There is a real risk that allowing alternative residual categories could result in perverse outcomes, inconsistency and uncertainty for councils and ratepayers, particularly given the complexities of categorising and subcategorising land for rating purposes.

Consultation question/s

17. Do you agree with the proposal to retain the business land rating category as the residual category?

- Yes
- No
- Neutral

Comment:

4 REQUIRING COUNCILS TO REPORT THE VALUE OF EXEMPTIONS THEY GRANT EACH YEAR

The Government's commitment

IPART has identified that councils, generally, do not have a strong indication of the 'cost' of exemptions because they do not affect council's total general income, which is limited by the rate peg. As such, the cost of the exemption is effectively made up for by other ratepayers.

As rates are a tax, this should be as transparent a process as possible so that all parties involved can understand the costs and benefits of providing for exemptions.

With that in mind, IPART recommended that councils publish the estimated value of rating exemptions within their local government area in their annual reports or other information made available to the public. The Government accepted this recommendation, which is designed to improve consistency between councils as well as improving transparency of the rating system for ratepayers.

How this reform will be delivered

It is understood that most councils do not have ready access to information on the value of all exemptions and that obtaining this information would impose a significant additional burden, particularly where that would require additional land valuations at council expense.

Given this, it is proposed that councils include in their annual report an estimate of the value of those exemptions granted as a result of a decision of that council. This estimate need only be made by applying a simple, prescribed methodology based on information on each parcel of land that is available to council at the time of its decision to grant the rating exemption.

As those matters that must be included in a council's annual report may be prescribed by regulation, this reform does not feature in a provision of the Bill.

Consultation question/s

Do you agree with the proposal that councils report on the value of exemptions they choose to grant through their annual reports?

- Yes
- No
- Neutral

Comment:

Glossary & Abbreviations

The Act	<i>Local Government Act 1993</i>
OLG	Office of Local Government
Regulation	Local Government (General) Regulation 2005
DPIE	NSW Department of Planning, Industry and Environment
IPART	Independent Pricing and Regulatory Tribunal

Appendix A

Template feedback form – *Towards a Fairer Rating System* consultation

Privacy Notice

When you give us your feedback, the Office of Local Government (OLG) in the NSW Department of Planning, Industry and Environment (DPIE) will collect some personal information about you, including:

- your name
- your email address
- the name of your organisation (if provided), and
- any personal information you decide to put in additional 'general comments' fields.

All feedback received through this consultation process may be made **publicly available**. Please do not include any personal information in your feedback that you do not want published.

This information is being collected by OLG as part of the **Towards a Fairer Rating System consultation** to help the Government develop a final Bill to amend the *Local Government Act 1993* and supporting regulations, as necessary. As part of that process, we may need to share your information with people

outside OLG, including other public authorities and government agencies. We may also use your email address to notify you about further feedback opportunities or the outcome of consultation.

You should also be aware there may be circumstances when OLG is required by law to release information (for example, in accordance with the requirements of the *Government Information (Public Access) Act 2009*). There is also a Privacy Policy located on OLG's website that explains how some data is automatically collected (such as your internet protocol (IP) address) whenever you visit OLG's website. The link to that policy is <https://www.olg.nsw.gov.au/about-us/privacy-policy/>

Submitting this completed feedback form

Please print your completed form and mail or email by **COB 5 February 2021** to:

Office of Local Government, NSW Department of Planning, Industry and the Environment
Towards a Fairer Rating System
 Locked Bag 3015
 Nowra NSW 2541

olg@olg.nsw.gov.au

About you

TYPE	PLEASE SELECT ALL APPLICABLE
Council – Metropolitan	
Council – Metropolitan Fringe	
Council – Regional	
Council – Rural	
Council – Large Rural	
Private sector organisation	
Ratepayer	
NSW State agency	
Other	

FEEDBACK FORM – Towards a Fairer Rating System

Section Two – Local Government Amendment (Rating) Bill 2020

1. Allowing gradual rates harmonisation

Q.1.	Are you from a local government area newly formed in 2016 that has not yet harmonised rates?
A.1.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Q.2.	Do you agree with the proposal to enable new councils to gradually harmonise rates across former council areas over four years?
A.2.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment:

2. Allowing councils to levy special rates for jointly funded infrastructure

Q.3. Do you agree with the proposal in relation to levying special rates for jointly funded infrastructure?

- A.3.**
- Yes
- No
- Neutral

Comment:

3. Increasing flexibility through new rating categories and subcategories

3.1 Allowing councils to set different residential rates in contiguous urban areas

Q.4. Do you agree with the proposal to allow for different residential rates in contiguous urban areas?

- A.4.**
- Yes
- No
- Neutral

Comment:

Q.5. Do you agree with the proposal to limit the highest rate structure across all residential subcategories to no more than 1.5 times the average rate structure?

- A.5.**
- Yes
- No
- Neutral

Comment:

3.2 Creating a new rating category for environmental land

Q.6. Do you agree with the proposal about how to create a new rating category for environmental land, including how environmental land is proposed to be defined?

- A.6.**
- Yes
- No
- Neutral

Comment:

Q.7.	Do you agree that a portion of land that is subject to a conservation agreement or other similar instrument should be categorised by councils according to the proposed definition of <i>environmental land</i> ?
A.7.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment:
3.3 Enabling different business rates to be set for industrial land and commercial land	
Q.8.	Do you agree with the proposal about how to enable different rates for industrial and commercial land?
A.8.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment:
3.4 Enabling different rates for residential, business or mining land that is vacant	
Q.9.	Do you agree with the proposal to allow subcategories for vacant land to be created for residential, business and/or mining land, including the proposed factors set out above?
A.9.	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Neutral Comment:

3.5 Enabling different rates for residential, business or mining land that is vacant

Q.10. Do you agree with the proposal to enable councils to also set farmland rates based on geographical location?

- A.10.** Yes
 No
 Neutral

Comment:

4 Changing specific exemptions from ordinary and special rates

4.1 Removing mandatory rates exemptions for land with new conservation agreements

Q.11. Do you agree with the proposal to remove the requirement for councils to apply a rating exemption for land subject to new conservation agreements?

- A.11.** Yes
 No
 Neutral

Comment:

4.2 Removing certain mandatory exemptions from special rates for water and sewerage

Q.12. Do you agree with the proposal to remove certain mandatory exemptions from special rates for water and sewerage?

- A.12.** Yes
 No
 Neutral

Comment:

5 Improving public confidence in the rating system

5.1 Narrow scope to postpone rates and let councils choose whether to write them off

Q.13. Do you agree with the proposal to restrict who can seek postponement of rates?

- A.13.**
- Yes
- No
- Neutral

Comment:

Q.14. Do you agree with the proposal to remove the requirement to write off rates debts?

- A.14.**
- Yes
- No
- Neutral

Comment:

5.2 Allow councils to sell properties for unpaid rates after three years

Q.15. Do you agree with the proposal to enable councils to sell properties for unpaid rates after 3 years?

- A.15.**
- Yes
- No
- Neutral

Comment:

Section Three – Other rating reforms

2 Encouraging councils to levy rates on mining land to reflect additional costs

Q.16. Do you agree with the proposal to implement this reform through guidance?

- A.16.** Yes
 No
 Neutral

Comment:

3 Retaining the rating category for business as the ‘residual’ rating category

Q.17. Do you agree with the proposal to retain the business land rating category as the residual category?

- A.17.** Yes
 No
 Neutral

Comment:

4 Requiring councils to report the value of exemptions they grant each year

Q.18. Do you agree with the proposal that councils report on the value of exemptions they choose to grant through their annual reports?

- A.18.** Yes
 No
 Neutral

Comment:

General Comments



Tocumwal Soaring Centre
Lumpy Paterson and Sharon Dennis:
129 Burma Rd: PO Box 411, Tocumwal, NSW, 2714
Mobile: 0487 531 265: 0409 405 538
www.tocumwalsoaring.com



18.12.2020

Berrigan Shire Council,

To whom it may concern,

Tocumwal Soaring Centre would be proud to have the Sportavia Glider previously located on the Information Centre, back to the gliders original home at the WW2 Hangar known as Sportavia, 129 Burma Rd, Tocumwal. The glider would be on display at the front of the property along Burma Rd.

Past volunteers and gliding enthusiasts from Sportavia contributed towards the building of the information centre and the donation of the glider to hover above the Information Centre. The Glider was also dedicated to Ingo Renner with a plaque attached. We have consulted with Ingo and he is in favour of the glider being relocated to 129 Burma Rd.

Gliding remains to be a large part of the Tocumwal community and is renowned worldwide as an ideal destination for flying with ideal conditions in the picturesque landscape of the Berrigan Shire. The glider located at 129 Burma Rd will be visible to the people attending the Tocumwal Aviation Museum and it will tie in the story of the museum and the aviation history to include gliding. The glider also requires substantial amount of maintenance and repairs, including weather proofing and polishing, that Tocumwal Soaring Centre can organise and contribute to.

Kind Regards

Lumpy Paterson and
Sharon Dennis
Tocumwal Soaring Centre



17th December 2020

Our Ref: BSC/DEN271-201217

Mr Rowan Perkins
General Manager
Berrigan Shire Council
56 Chanter Street
Berrigan NSW 2712

Via email only: mail@berriganshire.nsw.gov.au

Dear Rowan,

I write to you on behalf of Mr Hugh Williamson, regarding the Crown Land nature reserve between Barooga St North and Jerilderie St North.

I have included a copy of Mr Williamson's correspondence, outlining his concerns along with images of the reserve.

I understand he has previously brought this matter to your attention, and documents relating to this are also enclosed.

I ask that you please investigate Mr Williamson's concerns and provide a response at your earliest convenience.

Yours faithfully,

Helen Dalton MP
Member for Murray
Encl.

DEN 27/1/20

Kristy Buckley

From: Hugh Williamson <hughwilliamson@gmail.com>
Sent: Tuesday, 8 December 2020 5:32 PM
To: ElectorateOffice Murray
Cc: Shaun Flood
Subject: Issue with Berrigan Shire and lack of action on nature reserve in town of Tocumwal - Crown Land on Lot 7014 DP 1016690.

Dear Mrs Dalton,

I am writing to you to express my ongoing concern for the nature reserve located in town at Tocumwal - Crown Land on Lot 7014 DP 1016690.

I have raised a complaint with Berrigan Shire in regards to this nature reserve which is located in town and used as a shortcut/speedway between Barooga Street North and Jerilderie St North.

Cars constantly speed through this nature reserve and Crown land has confirmed that this land is classified as "Reserve 35209 is reserved for Public Recreation".

I raised my concerns with Berrigan Shire on the following points back in May this year. Yet nothing has been done to stop the hoons doing burnouts and people speeding through creating huge amounts of dust for nearby residents and caravan park.

It's only a matter of time before someone is seriously injured. Residents are sick of it, and we have requested that the best option and most cost effective option for the council is to block the dirt road off and preserve the nature reserve (see image below).

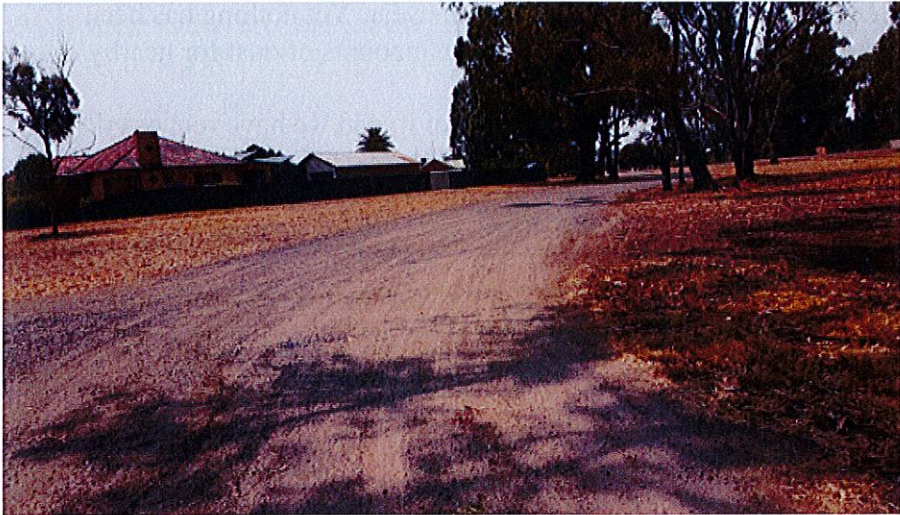
This will:

- Prevent large amounts of dust creating health issues to nearby residents (caravan park included) and destroying the nature reserve
- Stop the large number of hoons doing burnouts and speeding on the dirt road (Police cannot patrol this dirt road as it's not a road, its classified as a Nature reserve).
- Preserve the Nature reserve as per Crown land's classification
- Making it safe for residents to walk through and enjoy without the fear of being hit by speeding vehicles and being covered in dust.
- Continue to make Tocumwal a growing and livable town in the region with more parks/reserves located in town.

Due to the lack of response from Berrigan Shire and the residents this issue is affecting, I am requesting you to please reach out to Berrigan Shire to get some sort of action out of them.

Kind Regards,

Hugh Williamson B I.T MBA









Michelle Carter

From: Hugh Williamson <hughwilliamson@gmail.com>
Sent: Wednesday, 16 December 2020 10:39 AM
To: ElectorateOffice Murray
Subject: Fwd: Crown Land Complaint 00253777 - Reserve 35209 - Tocumwal

Hi Helen,

Further correspondence regarding this issue:

----- Forwarded message -----

From: **Hugh Williamson** <hughwilliamson@gmail.com>
Date: Tue, 10 Nov 2020 at 13:38
Subject: Crown Land Complaint 00253777 - Reserve 35209 - Tocumwal
To: <mail@berriganshire.nsw.gov.au>, George, Gary <gary.george@berriganshire.nsw.gov.au>
Cc: Shaun Flood <shaun.flood@crowland.nsw.gov.au>

Dear Berrigan Shire,

As per Crown land's investigation of the dirt road through the nature reserve (between Barooga Street North and Jerilderie St North) Crown land has stated that this is a nature reserve and not a public road.

Therefore, I am requesting that the council block off traffic to this reserve using bollards (positioned so residents still retain their laneway access, see below image) as a cost effective measure considering the following points:

- Cost effective option rather than sealing the road due to the current Aboriginal land claim investigation (saving council money if claim was successful). **Update: This aboriginal claim was denied on October 28th, 2020.**
- Prevent large amounts of dust creating health issues to nearby residents (caravan park included) and destroying the nature reserve
- Stop the large number of hoons doing burnouts and speeding on the dirt road
- Preserve the Nature reserve as per Crown land's classification
- Making it safe for residents to walk through and enjoy without the fear of being hit by speeding vehicles and being covered in dust.



I'd like a response to this proposal as I believe it is the most suitable option based on the above points.

Regards,

Hugh Williamson
0411 437 321

----- Forwarded message -----

From: **Shaun Flood** <shaun.flood@crowland.nsw.gov.au>
Date: Tue, 10 Nov 2020 at 12:32
Subject: RE: Complaint 00253777 Hugh Williamson
To: Hugh Williamson <hughwilliamson@gmail.com>
Cc: Peter Bisset <peter.bisset@crowland.nsw.gov.au>

Hi Hugh,

Apologies for not getting back to you quicker. Reserve 35209 is reserved for Public Recreation and has a current Aboriginal Land Claim under investigation, number 35896.

Regards,

Shaun

Shaun Flood

Group Leader- Property Management

Crown Lands | Department of Planning, Industry and Environment

T 02 6960 1341 | M 0418 732 480 | E shaun.flood@crowland.nsw.gov.au
PO Box 1030

Farm 200 Murray Road Griffith NSW 2680
www.dpie.nsw.gov.au



Planning,
Industry &
Environment

The Department of Planning, Industry and Environment acknowledges that it stands on Aboriginal land. We acknowledge the traditional custodians of the land and we show our respect for elders past, present and emerging through thoughtful and collaborative approaches to our work, seeking to demonstrate our ongoing commitment to providing places in which Aboriginal people are included socially, culturally and economically.

This message is intended for the addressee named and may contain confidential information. If you are not the intended recipient, please delete it and notify the sender. Views expressed in this message are those of the individual sender, and are not necessarily the views of their organisation.

SF2020/134935

18 December 2020

Rowan Perkins
General Manager
Berrigan Shire Council
PO Box 137
Berrigan NSW 2712

Email: mail@berriganshire.nsw.gov.au

Dear Rowan,

PAYMENT 2020-21 REGIONAL ROAD BLOCK GRANT

I am writing to notify you that the second instalment for the 2020-21 Block Grant for Berrigan Shire Council will be \$520,000.00.

This is the final payment for 2020-21.

The NSW Treasury has released 2020-21 indexation rates with the budget in October. We now confirm there is no indexation to be applied to the Block Grant scheme.

The Agreement has been attached and needs to be returned to me by 11 January 2021 to ensure payment of the final instalment can be made in January 2021.

For more information, please contact Joanne Cheshire, Manager Local Government, at TfNSW on 0427 047 121

Yours sincerely



Jonathan Tasker
Director South West Region

Agreement for Block Grant Assistance to Council for Regional Roads

(Block Grant Agreement)

2020/21

Berrigan Shire Council

1-10-2024 10:00 AM

Dated: 2020

1. PARTIES

1.1 Transport for NSW, a NSW Government agency constituted under s 80B of the *Transport Administration Act 1988* ("TfNSW")

1.2 Berrigan Shire Council 53 900 833 102 ("Council") (together, "parties")

2. INTERPRETATION

2.1 In this document unless the context otherwise requires the following words and phrases have the meanings given to them below:

2.1.1 "Act" means the *Roads Act 1993*.

2.1.2 "Agreement" means the agreement recorded in this document.

2.1.3 "Grant" means the amount of financial assistance given by Transport for NSW to Council under the terms of this Agreement.

2.1.4 "Regional Director" means Transport for NSW's Director, [insert region].

2.1.5 "Regional Roads" means the roads for which the Grant is to be made as set out in this Agreement.

2.1.6 "Traffic Facilities" means all facilities installed to assist the flow of traffic and to maximise road safety.

2.1.7 "Works" means all acts of construction, maintenance, improvements and related planning, design, environmental surveys upon Regional Roads and all incidental on-site acts in any way related to such activities.

3. RECITALS

- 3.1 Transport for NSW and councils throughout New South Wales share responsibility for the management of the roads and traffic system in New South Wales and are committed to a consultative approach to the exercise of that responsibility.
- 3.2 Transport for NSW and councils have a mutual interest to ensure that adequate funds are available from all spheres of government so that the roads and traffic system in New South Wales is managed in a manner acceptable to the community.
- 3.3 Transport for NSW and councils recognise that effective and efficient planning, management, administrative, funding and classification arrangements are necessary in the current economic and social climate.
- 3.4 Transport for NSW has offered to pay the Grant to Council on the terms set out in this Agreement and Council has accepted that offer. This Agreement is entered into under Division 1 of Part 13 of the Act.

4. PAYMENT AND EXPENDITURE OF GRANT

- 4.1 The parties hereby agree that Transport for NSW shall pay, and Council may only expend, the Grant for the financial year 1 July 2020 to 30 June 2021 in accordance with the terms contained in this Agreement.

5. GRANT

Amount

- 5.1 Transport for NSW must pay the Grant to Council in the amount set out in Schedule 1 of this Agreement. The Grant has three components:
 - 5.1.1 Roads;
 - 5.1.2 Traffic Facilities; and
 - 5.1.3 Supplementary.

Regional Roads

- 5.2 This Agreement applies to the portion of the Regional Roads listed in Schedule 2 of this Agreement that falls within the local government area of Council.

Expenditure on Works

- 5.3 The Grant may only be expended in accordance with Council's Integrated Planning and Reporting plans, and only on:
 - 5.3.1 Works on Regional Roads; and
 - 5.3.2 Works directly relating to Traffic Facilities on Regional Roads and local roads.
- 5.4 Transport for NSW may grant financial assistance in addition to the Grant for specific Works on Regional Roads in its absolute and unfettered discretion.

Flood and Storm Damage

- 5.5 Transport for NSW may grant financial assistance in addition to the Grant for urgent repairs or emergency Works necessary on Regional Roads.
- 5.6 Transport for NSW may grant financial assistance in addition to the Grant where, as a result of damage to one or more of the Regional Roads, road ferries or road bridges by flood or storm, alternative routes or additional facilities must be provided for traffic purposes.

6. PAYMENT OF FINANCIAL ASSISTANCE

- 6.1 The Grant is to be paid to Council in two instalments (being the “first” and “second” instalments referred to in this clause 6).
- 6.2 Transport for NSW will pay the first instalment (comprising funds for quarters 1 and 2) in August 2020 and is to pay the second instalment (comprising funds for quarters 3 and 4) in January 2021.
- 6.3 Councils are to submit the following information to the Regional Director, Transport for NSW by **30 September 2020**:
 - 6.3.1 a certificate of expenditure for the 2019/20 year in the form prescribed in Schedule 3 of this Agreement;
 - 6.3.2 a report of expenditure and works for the 2019/20 year completed in accordance with Clause 7.1 and Schedule 4A of this Agreement, and
 - 6.3.3 a report on the inventory of Regional Roads including bridges for the 2019/20 year in accordance with Clause 7.2 and Schedule 4B of this Agreement.
- 6.3 The second instalment will not be paid unless all documents set out in clause 6.3 are received by Transport for NSW by or on **30 September 2020**.

Under Expenditure

- 6.5 Council is expected to have fully expended the Grant by 30 June 2021.
- 6.6 Any remaining part of the Grant not expended by 30 June 2021 will be deducted from the Grant for a subsequent financial year.

7. COUNCIL REPORTING

- 7.1 Council must forward to Transport for NSW a report detailing expenditure, from all Council funding sources, and work outputs for Regional Roads for the year 2020/21 in the form prescribed in Schedule 4A to this Agreement.
- 7.2 Council must forward to Transport for NSW updated inventory information in the form prescribed in Schedule 4B of this Agreement for the 2020/21 year. Council is required to fully report on its inventory of Regional Roads under Schedule 4B, including where there is no change from previous year's inventory.

8. INSPECTION OF RECORDS

- 8.1 Council must give any authorised officer of Transport for NSW all information, evidence, access to Council's records, documents and facilities for inspection reasonably required in connection with the expenditure of the Grant promptly upon request. Any officer of Transport for NSW who is authorised by Transport for NSW in writing to seek and obtain such information and other matters is deemed to have been authorised for the purposes of this clause.

-
- 8.2 Council understands that an audit of expenditure of the Grant may be carried out at any time during the period of the Agreement.
- 8.3 Nothing in this clause 8 affects Transport for NSW's rights to direct Council to furnish information under s 228 of the Act, or otherwise.

9. INDEMNITY

- 9.1 Council must indemnify, hold harmless and keep indemnified Transport for NSW from and against all damages, costs, charges and expenses of any nature whatsoever paid suffered or incurred by Council in respect of any action, claim suit or proceedings taken by or incurred by Council in respect of any Works carried out involving expenditure of the Grant, except where Transport for NSW is itself liable in respect of any Works upon which it has subcontracted for reward and the liability arises in connection with that subcontract.
- 9.2 Any damages, costs, charges or expenses of any nature whatsoever paid suffered or incurred by Council in respect of any action, claim, suit or proceedings taken by or against Council and relating to Works carried out involving expenditure of the Grant must be paid or borne by Council and must not be paid out of the Grant; provided however that this restriction on expenditure of the Grant does not apply to any action, claim, suit or proceedings involving disputes between Council and contractors or subcontractors engaged in or assisting in Works.

10. DEFAULT

- 10.1 If there is any default by Council in the observance or performance of this Agreement, Council must, on demand by Transport for NSW, refund the whole or such part as determined by Transport for NSW of the monies which at the date of such demand have been paid by Transport for NSW on account of the Grant, together with interest thereon at the rate of 6 per cent per annum, calculated from the dates of payment thereof up to the date of refund.
- 10.2 If Transport for NSW so determines, the amount for which a demand has been made under Clause 9.1 may be set off against a grant for the succeeding year rather than repaid.
- 10.3 Any dispute or claim whatsoever arising in connection with this Agreement must be submitted to mediation administered by the Australian Commercial Disputes Centre Limited ("ACDC"). The mediator must be agreed between the parties chosen from a list suggested by ACDC. If agreement cannot be reached, the mediator must be nominated by the Secretary General of ACDC. All costs, charges and expenses resulting from referral to the ACDC shall be borne equally by the parties. In the event that the dispute or claim has not been resolved within 28 days (or such other period as agreed to in writing between the parties hereto) of appointment of the mediator the claim shall be submitted to litigation.

11. RECOVERY OF COST OF DAMAGE TO ROADS

- 11.1 In respect of damage to Regional Roads, Council agrees to carry out repairs and use its best endeavours to recover the cost of such repairs in accordance with Section 102 of the Act.
- 11.2 The Grant may be expended on the cost of repairs carried out under Clause 11.1. Council agrees that any amount recovered by it pursuant to Clause 11.1/section 102 of the Act may be applied by Council in accordance with the terms of this Agreement as if such amount were part of the Grant.

12. GENERAL

- 12.1 This document is to be read and construed and take effect in accordance with the laws of New South Wales from time to time in force and providing that the procedures

outlined in Clause 10.3 have been exhausted the parties agree to subject themselves to the jurisdiction of the courts of New South Wales and any court competent to hear appeals there from.

- 12.2 Where any time limit pursuant to this document falls on a Saturday, Sunday or public holiday in the State or Territory whose laws apply in the construction hereof then that time limit are deemed to have expired on the next business day thereafter.
- 12.3 Where a word or phrase is given a defined meaning in this document, any other part of speech or other grammatical form in respect of such word or phrase has a corresponding meaning unless the context requires otherwise. .
- 12.4 No amendment of or addition to the provisions of this document is valid and binding unless it is in writing and signed by both the parties.
- 12.5 The illegality of any provision of this document does not affect the validity or enforceability of the other provisions hereof.
- 12.6 The headings and index used in this document are for convenience only and do not affect the interpretation of this document.

13. NOTICES

13.1 Every Notice or Certificate or any communication between the parties referred to in this Agreement must be in writing and either delivered personally or sent by prepaid letter, email or facsimile and is deemed to have been received:

- 13.1.1 in the case of a letter, when delivered personally or three days after it has been put in the post; and
- 13.1.2 in the case of a facsimile or email, at the time the machine or computer at which the facsimile or email is transmitted displays or records confirmation that transmission has been completed. Except where a facsimile is received on a day other than a business day or after 5:00pm on a business day, it is deemed to have been received on the next following business day.

13.2 Every notice must be addressed to the relevant party as follows:

Transport for NSW: 193 Morgan Street
Wagga Wagga NSW 2650

Council: PO Box 137
Berrigan NSW 2712

or such other address or email or facsimile number as is notified by one party to the other party under this Agreement.

IN WITNESS of the above provisions and the following Schedules the parties have executed this Agreement on the date first hereinbefore appearing.

**Duly signed by the Regional Director of the
as delegate of Transport for NSW:**

South West Region



Regional Director signature

Jonathan Tasker

Regional Director name

AR

Witness signature

Anne Rolfe

Witness name

Duly signed by the General Manager on behalf of _____ Council:

General Manager signature

General Manager name

Witness signature

Witness name

Date:

SCHEDULE 1

Amount of Grant

Council Name: **Berrigan Shire Council**

The Grant from Transport for NSW to the Council for the financial year 1 July 2020 to 30 June 2021 shall be for the total sum of:

	\$ 1,040,000.00
Comprising:	
Roads component:	\$ 884,000.00
Traffic Facilities component	\$ 74,000.00
Supplementary component	\$ 82,000.00

SCHEDULE 2

List of Regional Roads

Council Name: Berrigan Shire Council

Road Number	Road Name/Description	Length (km)
226	Main Road	4.0
356	Main Road from Murrumbidgee/Berrigan Council boundary to Riverina Highway at Berrigan	18.7
363	Main Road	28.8
550	Main Road	41.9
564	Main Road	14.5

SCHEDULE 3
Transport for NSW
Block Grant Certificate of Expenditure

Council Name: Berrigan Shire Council

To be submitted to Transport for NSW Regional Office

TRANSPORT FOR NSW BLOCK GRANT CERTIFICATE OF EXPENDITURE

Financial Year 1 July 2020 to 30 June 2021

Total Grant approved as per Schedule 1	\$
Total payment by Transport for NSW	\$
Amount of Grant expended by Council by 30 June 2021	\$

We certify, in accordance with the terms of the Agreement governing payment of the Grant that:-

- a. the expenditure shown in this certificate has been actually and bona fide incurred and relates solely to the work covered by the Grant;
- b. the work has been executed in accordance with an appropriate standard as determined by Council in their capacity as a roads authority and conforms with legislation in place if any, and;
- c. the expenditure shown in this certificate has been expended in accordance with Council's Integrated Planning and Reporting plans.

General Manager: _____ Date: _____

Council Engineer: _____ Date: _____

SCHEDULE 4A

Regional Road Expenditure and Output Information for 2020/21

1.0 **Berrigan Shire Council**

To be submitted to Transport for NSW Regional Office

Councils are to report all expenditure relating to work outputs for Regional Roads, including in respect of road works and traffic facilities, incurred in 2020/21 on Regional Roads from all funding sources, in the format set out in this schedule.

Councils are to provide a breakdown of the total expenditure by four principal funding sources: Transport for NSW; Federal Government; Council's own funds; and (all) Other Sources (including developer contributions and grants from other agencies).

Councils are to provide a breakdown of the expenditure into key work activities as described below. Each item must record a response. **If no data is applicable, please record "Not Applicable" or "N/A"**.

Item 2: Expenditure on regional roads from all Council's funding sources

\$

2.1	Transport for NSW (Block, REPAIR, Disaster Restoration, Road Safety, Traffic Management and other Transport for NSW grants)	
2.2	Federal Government (Federal Financial Assistance and Roads to Recovery Grants, Any other federal road grants)	
2.3	Council's own funds	
2.4	Other Sources (e.g. Developers, other agencies)	
2.5	Total Expenditure in 2020/21	

Breakdown of Expenditure by work activities and output

Item	Activity	Expenditure \$	Output to be reported by council

Item 3 - Road maintenance (excluding bridges) on regional roads

3.1	Routine roadside maintenance. (route maintenance)	\$ <input style="width: 80%;" type="text"/>	
	<i>Includes expenditure on maintenance of the road corridor, excluding the pavement and associated structures. It includes control of pests and noxious weeds within the road reserve, control of vegetation and mowing, landscaping, fire hazard control, litter control plus shoulder grading and drainage cleaning.</i>		
3.2	Routine Pavement maintenance	\$ <input style="width: 80%;" type="text"/>	
	<i>Includes expenditure on minor activities to maintain the traffic pavement and shoulders of a road in a safe and trafficable condition, including maintenance of associated structures, and includes pot hole patching, crack sealing and heavy patching.</i>		

3.3.1	Pavement resurfacing SEALED Roads	\$	Length of resurfacing project (km)		Area of project (m²)	
<i>Includes expenditure on periodic pavement maintenance of sealed roads: - works to preserve pavements by correcting defects in surface integrity other than those treated by routine maintenance or rehabilitation and includes reseals (sprayed seals), asphalt resurfacing, pavement rejuvenation and micro surfacing.</i>						
3.3.2	Pavement resurfacing UNSEALED Roads	\$	Length of resurfacing project (km)		Area of project (m²)	
<i>Includes expenditure on periodic pavement resurfacing of unsealed roads - gravel re-sheeting.</i>						
3.4	Rehabilitation	\$	Length of rehabilitation project (km)		Area of project (m²)	
<i>Includes expenditure on pavement and shoulder restoration and replacement (including resurfacing).</i>						
Item 4 - route development of regional roads						
4.1	Widening/shoulder sealing	\$	Length of widening project (km)			
<i>Includes expenditure on widening formation, and sealing existing shoulders. If undertaken as part of construction and realignment works then include under construction and realignment. If undertaken as part of initial sealing then report under initial sealing.</i>						
4.2	Reconstruction/ Realignment	\$	Length of reconstruction project (km)			
<i>Includes expenditure on reconstructing road on amended alignment or to increase traffic or load capacity, excluding construction of new approaches to new bridges. If part of project to undertake initial sealing, then report under Initial Sealing.</i>						
4.3	Initial seals (including reconstruction)	\$	Length of initial seal project(km)			
<i>Includes expenditure to prepare (including deviation, widening and/or construction) to seal previously unsealed roads.</i>						
Item 5 – bridges on regional roads						
5.1	Bridge maintenance	\$	Deck area maintained (m²)			
<i>Includes expenditure on bridge maintenance, inspections, and painting other than expenditure on new bridge construction.</i>						
5.2	Bridge restoration and replacement, excluding significant approach roadworks	\$	Describe location and work			
<i>Includes expenditure, size and location of new bridges completed or under construction excluding cost of significant new approach roads.</i>						
5.3	Significant roadworks to provide approaches to new bridges.	\$				
<i>Includes expenditure on construction cost of significant new or replacement approach roads to new bridges.</i>						

Item 6 - safety and traffic works on regional roads			
6	Safety and traffic works on Regional Roads	\$	Describe any key new works
	<p><i>Include routine expenditure on maintaining and improving safety and traffic works such as linemarking, signage, traffic facilities, guardrail and cycleways.</i></p> <p><i>Include construction of new facilities such as roundabouts, new guardrail, pedestrian refuges, traffic signals, bus bays.</i></p> <p><i>Exclude works on intersections between State and Regional Roads. Include works on intersections between Regional and Local Roads.</i></p> <p><i>Do NOT include expenditure on Road Safety Officers or loan repayments.</i></p>		
Item 7 - natural disaster restoration works on regional roads			
7	Natural Disaster Restoration Works	\$	
<p><i>Include expenditure on any works not captured under the above activities, undertaken to repair damage to roads or traffic facilities from natural disasters.</i></p>			
Item 8 – other			
8	Other works on Regional Roads	\$	Describe
	<p><i>Include any other expenditure on PHYSICAL works not included above.</i></p> <p><i>Do NOT include expenditure on street lighting, Road Safety Officers, loan repayments, footpath maintenance, traffic surveys, and asset surveys.</i></p>		
9	Total Expenditure on Regional Roads	\$	Must equal to total amount reported at item 2.5 above

SCHEDULE 4B
Regional Road Inventory Statement as at 30 June 2021

1.0	Berrigan Shire Council
-----	-------------------------------

- Note 1:** This Schedule 4B sets out the required form for Council's Regional Road Inventory Statement (Inventory Statement) as at 30 June 2021
- Note 2:** Inventory Statement to be submitted to Transport for NSW Regional Office on or before 30 September 2021
- Note 3:** Inventory Statement to be completed, even where there is no change from previous year's Inventory Statement
- Note 4:** Please provide evidence/basis for determination of traffic data in column marked T4 below.

	Road Data as at 30 June 2021 (Insert data for each Regional Road)					Traffic Data			
	R1	R2	R3	R4	R5	T1	T2	T3	T4
List each Road by Roads and Maritime Road No	Total centre line length (km)	Sealed length (km)	Un-sealed Length (km)	Area Sealed	Total lane kilometres (include lanes available for travel, do not include turn	Estimated weighted average annual daily traffic	Estimated % heavy vehicles	Estimated number of heavy vehicles	Traffic data source and year
	km	km	km	m ²	Lane km		%		(counts, modelling, etc.)
Total									

Bridge Data

Timber Bridges available to traffic as at 30 June 2021 (Insert data for each timber bridge)

B1 List of timber bridges/culverts over 6 metres length (predominantly timber) - name of bridge, name of stream/river/creek. <i>(e.g Smith Bridge over Smith Creek)</i>	Road Number	Bridge Number	Length	Deck width - Metres	Bridge deck area - m ²
Total					

Non Timber Bridges as at 30 June 2021

B3	Total number of non-timber bridges/culverts over 6 metres length (materials predominantly other than timber)	
B4	Total deck area of non-timber bridges	m ²



ASSET MANAGEMENT PLAN
Berrigan Shire Council
Transport Asset Management Plan 2020

Document Control		Asset Management Plan			
Document ID :					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.00	December 2020	Draft	ESM		

The entity can choose either template to write/update their plan regardless of their level of asset management maturity and in some cases may even choose to use only the Executive Summary.

The illustrated content is suggested only and users should feel free to omit content as preferred (e.g. where info is not currently available).

This Asset Management Plan may be used as a supporting document to inform an overarching Strategic Asset Management Plan.

DISCLAIMER: This draft report has been prepared for educational purposes only as part of undertaking a Professional Certificate in Asset Management Planning. The data and conclusions have not been reviewed for accuracy nor endorsed or adopted by the organisation. DELETE if not Applicable

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The Institute of Public Works Engineering Australasia

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Asset management planning is a comprehensive process ensuring delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The Asset Management Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

This plan covers the infrastructure assets that provide transport facilities including roads, bridges, carparks, kerb and gutter and footpaths.

1.2 Asset Description

The Transport assets network comprises:

Asset category	Dimension (km)	Replacement Value (\$000)
Arterial Road	9.924	\$4,340.10
Asphalt Footpath	7.680	\$358.98
Asphalted Concrete Footpath	1.502	\$599.56
Barrier Kerb and Gutter	62.36	\$6,610.12
Brick Kerb and Gutter	0.196	\$20.77
Carpark	0.340	\$272.65
Collector Gravel Road	17.533	\$1,235.06
Collector Sealed Road	158.905	\$27,936.90
Concrete Footpath	24.094	\$ 3,021.88
Firetrail	37.915	\$2,036.76
Gravel Footpath	2.983	\$53.72
Kerb Only	5.539	\$587.18
Mountable Kerb and Gutter	58.211	\$6,170.38
Pattern Concrete Footpath	1.503	\$514.24
Paving Footpath	0.160	\$66.65
Property Access Rural	377.465	\$16,346.04
Property Access Urban	24.587	\$1,083.92
Quarry Dust Footpath	13.037	\$274.86
Regional Road	107.632	\$26,661.35
Resident Rural Gravel	300.208	\$19,561.93
Resident Rural Sealed	209.646	\$26,218.71
Resident Urban Gravel	5.303	\$332.37
Resident Urban Sealed	100.598	\$20,909.81
Formed	6.412	\$338.00
Vehicular Track	21.148	\$727.12
Road Bridge	0.497	\$7,032.32
Spoon Drain	0.083	\$7.29
Swing Bridge	0.035	\$47.25
TOTAL		\$173,365.90

The above infrastructure assets have significant total renewal value estimated at \$173,366,000

1.3 Levels of Service

Our present funding levels are sufficient to continue to provide existing services at current service levels in the medium term.

The Planned Budget should be sufficient to maintain existing service levels for the Transport assets with some gradual improvement in road width and the footpath and kerb and gutter networks.

1.4 Future Demand

The main demands for new services are created by:

- Population Increase will result in increased vehicle movements, increase the need for footpaths and kerb & gutter and roads.
- Increased demand for routes for Restricted Access Vehicles could result in decreased vehicle movements, however, it will result in increased intersection seal damage, increased operational costs evaluating route applications and increased pavement and shoulder damage.
- The aging demographic of our population will result in increased need for footpaths.

These demands will be approached using a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Assets for new developments will generally be donated by the developer.
- [Enter demand management practices]

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the Transport assets is estimated as \$46,541,120 or \$4,654,112 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$58,963,450 or \$5,896,345 on average per year as per the Long-Term Financial plan or Planned Budget. This is 102% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for Transport assets gives a excess of \$124,223 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

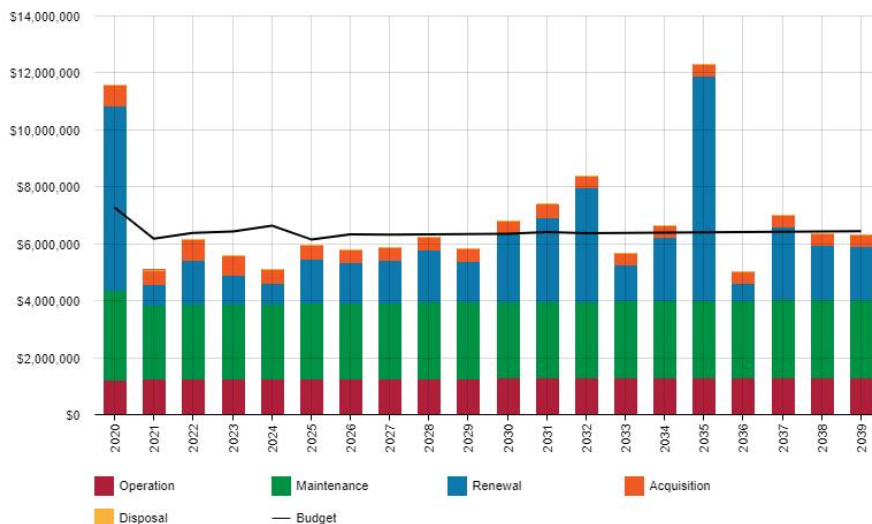


Figure Values are in current dollars.

We plan to provide Transport asset services for the following:

- Operation, maintenance, renewal and upgrade of roads, bridges, carparks, kerb and gutter and footpaths to meet service levels set by this plan and provided for in annual budgets.

1.6.2 What we cannot do

We currently allocate enough budget to sustain these services at the proposed standard, however, we do not allocate sufficient budget to provide all new services being sought or identified as being below adopted service levels. Works and services that cannot be provided under present funding levels are:

- Widening of all bridge structures to the adopted service levels.
- Widening of all roads to the adopted service levels.
- Extension of footpath network to extend identified in the Pedestrian Access and Mobility Plans
- Extension of kerb and gutter network to service all residential streets.
- Upgrading of Lower River Road to provide access to all residences in a 1 in 5 year flood event.

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term.

The identified risk consequences and treatment plans are captured in Table 6.2: Risks and Treatment Plans.

The main risk consequences are:

- Road Safety is compromised.
- Pedestrian Safety is compromised.
- Street amenity is reduced where open earth drains remain.
- Greater risk of personal and property damage and possible compensation claims against Council.

- Increased maintenance costs where road width is not fit for traffic conditions.

We will endeavor to manage these risks with available funding by:

- Maintaining a high level of inspection of assets and correction of defects
- Improving networks to meet greater level of conformance with adopted service levels

1.7 Asset Management Practices

Our systems to manage assets include:

Council's 'Practical' accounting software and 'AssetFinda' asset management system in conjunction with MapInfo mapping and database.

Assets requiring renewal/replacement are identified from either the asset register or an alternative method. These methods are part of the Lifecycle Model.

- If Asset Register data is used to forecast the renewal costs this is done using the acquisition year and the useful life,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems (such as Pavement Management Systems) and may be supplemented with, or based on, expert knowledge.

The Asset Register was used to forecast the renewal life cycle costs for this Asset Management Plan.

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Condition rating of Assets
- Review remaining life of assets
- Componentisation of assets such as drainage structures, signs and traffic facilities including review of unit costs
- Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.
- Investigate options to integrate Asset Management system with the Accounting / financial system
- Review customer request /complaint settings in customer request management system to reflect desirable data being collected
- Ensure all assets in Asset Management System have a condition score

2.0 Introduction

2.1 Background

This Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the long term planning period.

The asset management plan is to be read with the Berrigan Shire Council's Asset Management Policy (2020), and the following associated planning documents:

- Berrigan Shire 2023
- Berrigan Shire Council Asset Accounting Policy 2019
- Engagement Framework 2011
- Resourcing Strategy 2013-2023 (includes Asset Management Strategy and LTFP)
- Delivery Program 2020-2024
- Liveability and Healthy Ageing Strategy Action Plan 2013-2017
- Berrigan Pedestrian and Mobility Plan 2020
- Barooga Pedestrian and Mobility Plan 2020
- Finley Pedestrian and Mobility Plan 2020
- Tocumwal Pedestrian and Mobility Plan 2020

Berrigan Shire Council is well advanced in Asset Management practices. This is the fourth version of asset management plans prepared for these assets using the NAMS process with the initial plan being developed in 2009. All plans have been developed by Council staff and processes have been set up for inspection and management of assets along with long term financial planning to ensure the assets are maintained and improved to satisfy adopted service levels.

The infrastructure assets covered by this Asset Management Plan include roads, bridges, carparks, kerb and gutter and footpaths. For a detailed summary of the assets covered in this Asset Management Plan refer to Table 5.1.1 in Section 5.

These assets are used to provide an adequate transport network to be used by road transport, motor vehicles, bicycles, pedestrians and people using mobility aids.

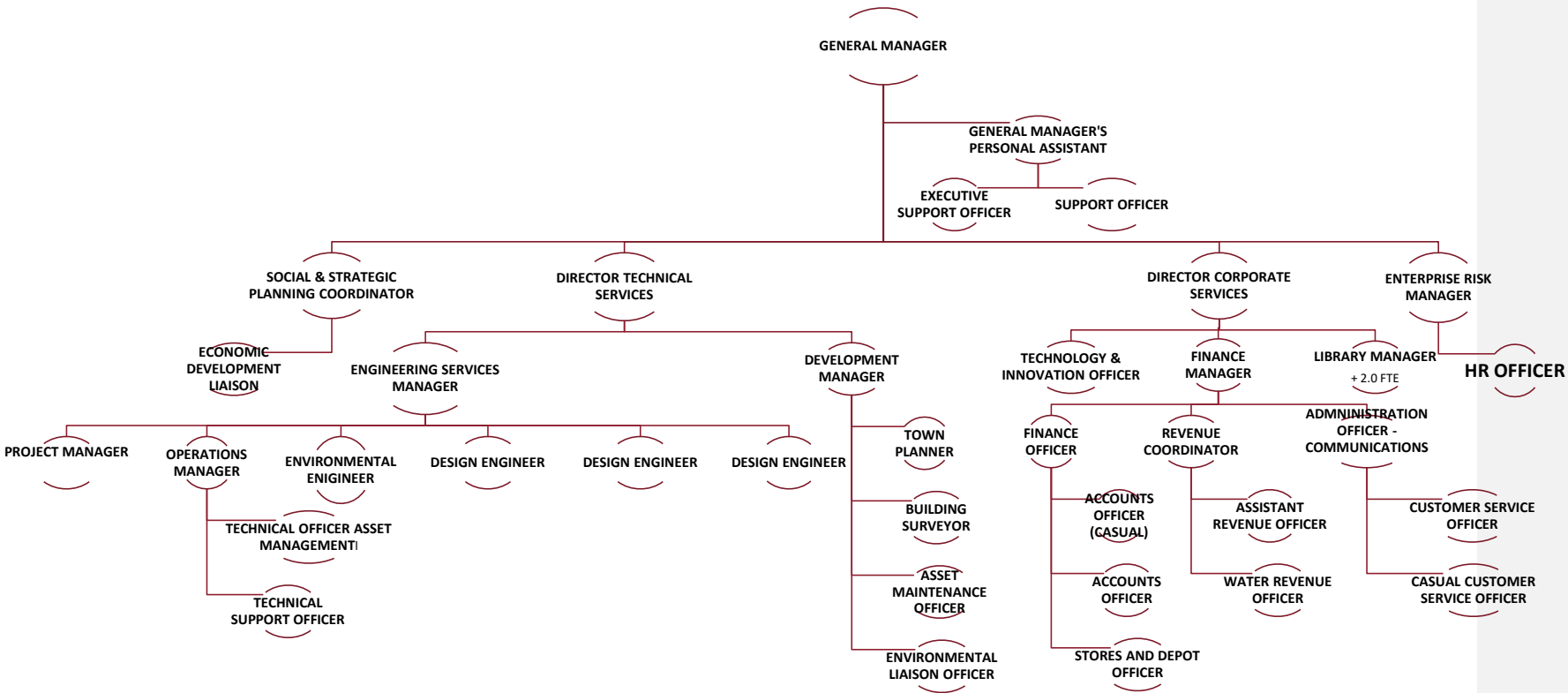
The infrastructure assets included in this plan have a total replacement value of **\$173,365,905**

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
Shire Councillors	<ul style="list-style-type: none"> • Represent needs of community/shareholders, • Allocate resources to meet the organisation's objectives in providing services while managing risks, • Ensure organisation is financial sustainable.
State Local Member	<ul style="list-style-type: none"> • Represent community interest
Transport NSW	<ul style="list-style-type: none"> • State department responsible for management of Federal and State Highways and Murray River Crossings and traffic facilities on all roads. • Has control of works carried out by Council on Regional Roads and provides funding for works on these roads.
Murray Irrigation	<ul style="list-style-type: none"> • CAAT agreement for maintenance and improvement of bridges and culverts conveying irrigation water across roads. • Interest in drainage from roads and streets
West Cororgan Private Irrigation District	<ul style="list-style-type: none"> • Interest in drainage from roads and streets • Interest in irrigation bridges and culverts
Local Land Services	<ul style="list-style-type: none"> • Coordinate management strategies within the Murray Catchment for the sustainable use of its natural resources and protection of native vegetation. • Travelling Stock Routes • Vegetation
The General Public	<ul style="list-style-type: none"> • Road network that provides reliable and safe transport connectivity between homes, commercial centres, employment locations and recreation locations.
Local Businesses	<ul style="list-style-type: none"> • Road network adequate to transfer freight throughout the shire. • Road network adequate for customers to access their businesses and for freight transfers to and from.
National Heavy Vehicle Regulator	<ul style="list-style-type: none"> • Road network adequate for restricted access vehicles • Road network to have designated freight networks.
NSW Department of Infrastructure	<ul style="list-style-type: none"> • Funding organisation for grants for roadworks.

Our organisational structure for service delivery from infrastructure assets is detailed below,



2.2 Goals and Objectives of Asset Ownership

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015¹
- ISO 55000²

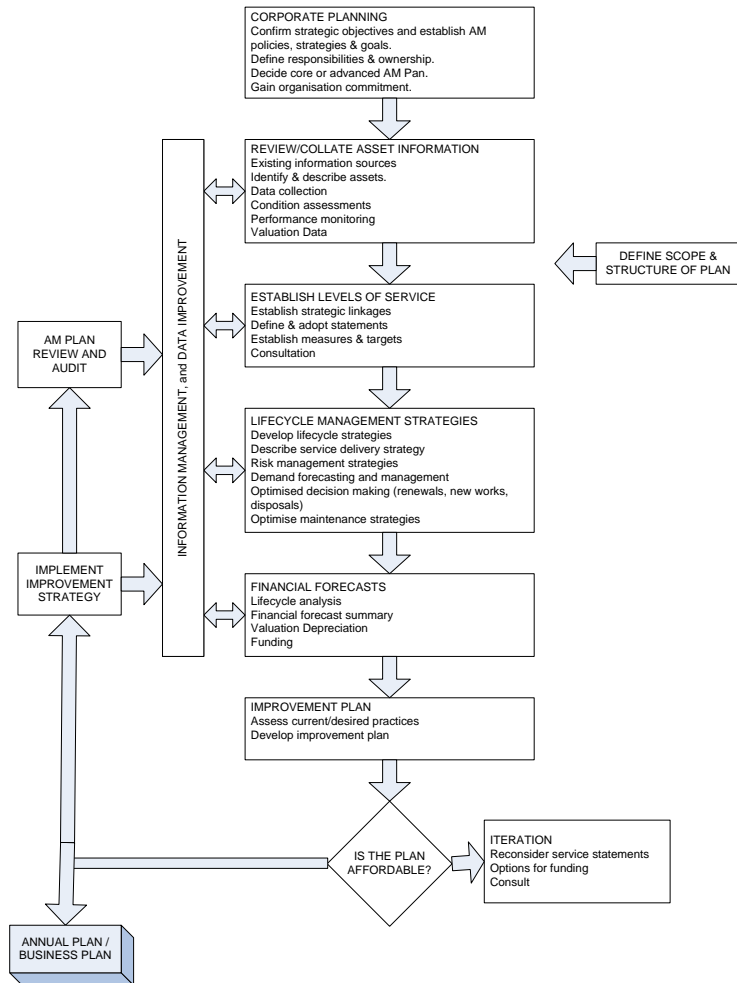
A road map for preparing an Asset Management Plan is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

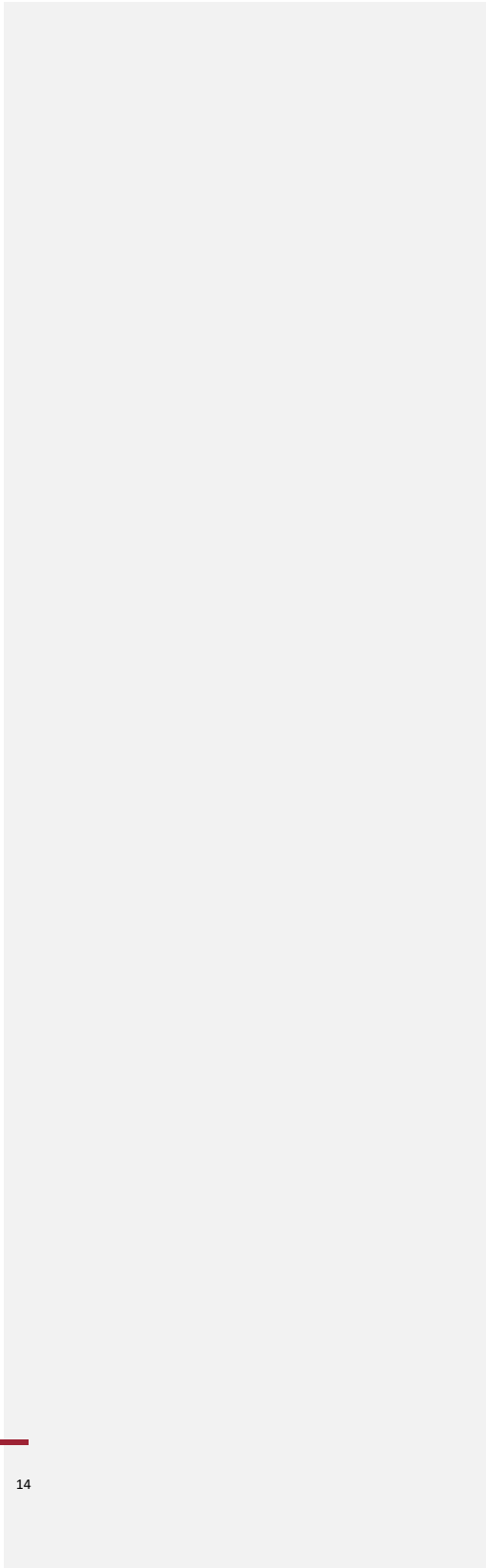
¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology



2.3 Community Consultation

This asset management plan includes community comments and feedback on service levels and the condition of the Council's transport network prior to adoption by the Council. This revision of the asset management plan will assist the Council and the community match the level of service needed by the community, service risks and the benefits with our community's ability and willingness to pay for the service.



3.0 LEVELS OF SERVICE

3.1 Customer Research and Expectations

The last review of this asset management (2014) was conducted in conjunction with the Council's review of its Pedestrian Access and Mobility Plans (Barooga, Berrigan, Finley and Tocumwal). This consultation and engagement process included town-based street meetings. At these meetings Shire residents were given information on Council's 10-year program of works with resident feedback sought on the proposed service levels. Comment, at these meetings, was also sought on what works also needs be prioritised.

Since this March 2014 program of engagement the key messages which inform the Council's Transport Asset Management Plan 2014 – 2019 and the Council's Pedestrian Access and Mobility Plans and this review of these plans remains unchanged. These messages are that the Council's Transport Asset Plan and Pedestrian Access and Mobility Plan (PAMP) must:

1. Ensure that the asset management of our Roads, Streets and Bridges is financially sustainable.
2. Meet legislative requirements for asset management and pedestrian access and mobility
3. Ensure Council decision-making on the management of Roads, Bridges, Footpaths, Kerb and Guttering is informed by community consultation, feedback from other stakeholders and road users.
4. Ensure that Council has the resources and operational capabilities it needs over the life of its Transport Asset Management Plan to meet the service levels identified in the asset management Plan and PAMP.

Engagement Program 2014 - 2020

The Council, per its [Community Engagement Framework](#), is committed to a rolling program of engagement with Council residents, other stakeholders and service users. The Council's transport and PAMP network contributes to the social and economic fabric of our communities therefore, as part of the Council's rolling program of community engagement in the development of its Town Landscape Management Plan's (2014 – 2018), Precinct Landscape Management Plan's ([Tocumwal Foreshore Master Plan 2016](#), [Barooga Foreshore Master Plan 2016](#), [Finley Railway Park Master Plan 2018](#), Hayes and Apex Park – Berrigan Master Plans 2019), also the 2016 review of the Council's [Community Strategic Plan 2027](#) and the 2018 review of the Berrigan Shire Council [Liveability and Disability Action Plan 2017 – 2021](#) a comprehensive program of community engagement which is documented in these plans has informed the development and adoption by the Council of these plans.

The Council's [Town Landscape Management Plans](#) include actions about the 'walkability' of our pedestrian access, the separation of road uses: access for local traffic, parking and opportunities for the resolution of heavy vehicle parking and other long vehicle parking in our urban areas. The precinct landscape plans provide detailed information on service levels and expectations for active transport in particular the connectivity of routes, also service levels for local access and parking requirements. The Council's review of its Community Strategic Plan 2016 provided residents, visitors and local business with further opportunities to comment on the connectivity and service levels and priorities with the maintenance of existing transport network, pedestrian access and trails between our towns identified as central to strengthening the liveability of our towns. This theme was expanded by community feedback in the development of the Council's Liveability and Disability Action Plan 2017 with community feedback highlighting the need to continue the Council's investment in improving pedestrian access and parking.

Specific feedback on service users expectations and experience of the Council's transport infrastructure network was also sought from community members as part of the Berrigan Shire Council's Residents and Business Satisfaction Survey 2015. This statistically valid survey was conducted by Nexus Research Pty Ltd. This 2015 survey confirmed that current levels of service be maintained. Overall, there were no comments received suggesting an increase in current service levels i.e.: gravel roads upgraded to sealed etc.

Specific comments drawn from the Council's rolling program of community engagement includes the need to investigate and where possible address the following:

- The intersection of Vermont Street, Golf Course Road and Collie Street, Barooga
- The intersection of Murray Street and Pinnuck Street, Finley safety for pedestrians Murray Street – NSW Transport controlled road
- Long vehicle parking in Finley – adjacent to or near Murray Street, retail precinct
- Heavy vehicle parking in Berrigan – opposite Hayes Park, Jerilderie Street, Berrigan

- Heavy vehicle and long vehicle parking in Tocumwal – Dean Street, Tocumwal and also various locations within Tocumwal
- Pedestrian access to Finley Hospital and Finley Regional Care – Dawe Avenue, Finley – condition of parking bays Dawe Avenue, Finley
- Safety of angle parking for disabled parking bays Jerilderie Street, Tocumwal and Murray Street, Finley
- Connectivity – footpaths and signage from off street car parking areas and Finley’s railway park
- The camber and undulation of the footpath network in various locations

During the course of the development of the Town Landscape Plans no substantive comments were received requesting a change to overall service levels for footpaths and kerb and guttering. Observations, as has been the case previously, were made by some property owners that they would like the footpath network extended to their side of the street. There is, however, limited support from property owners for the installation of a footpath if the NSW the property owner is required to pay a contribution toward the path’s installation. Comments continue to be received in relation to weed management – in particular the control of Bindi and the difficulty this caused for property owners.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of Berrigan Shire Council’s vision, mission, goals and objectives.

Our vision is:

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.

Relevant organisation goals and objectives and how these are addressed in this asset management plan are:

Table 3.2: Organisation Goals and how these are addressed in this Plan

Outcome	Objective	How Goal and Objectives are addressed in AM Plan
Sustainable and Natural Built Landscapes	Support sustainable use of our natural resources and built landscape	Ensuring that Council’s services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment. (Asset Management Strategy 2019)
	Connect and protect our communities	
Good Government	Ensure effective governance by Council of Council operations and reporting	Establishing processes that integrate asset management and community strategic planning with Council corporate and long-term financial planning. Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council. Meeting legislative requirements for asset management. Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice. (Asset Management Strategy 2019)
Supported and Engaged Communities	Create safe, friendly and accessible communities	Safe paths and travel in and between our towns. Age friendly pedestrian access in and between open space, public buildings and retail centres (Liveability and Healthy Ageing Strategy 2017-2021)
	Support community engagement through life-long learning, culture and recreation	
Diverse and Resilient	Strengthen and diversify the local economy	Develop and promote Berrigan Shire regional transport and freight infrastructure. (Economic Development Strategy 2019-2023)
	Connect local, regional and national road, rail and aviation infrastructure	

The Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 5.2

3.3 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Transport service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993 No 30	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Environmental Planning and Assessment Act 1979 No 203	Requirement for Local Environmental Plans and Development Control Plans. Provides for Council control of development of towns and approval of infrastructure expansion.
Local Land Services Act 2013 No 51	Requirement for ongoing management plan. Promotes the coordination of activities within catchment areas. Under the provision of this Act, Local Catchment Management Authorities oversee this process in the region. Also oversee travelling stock routes
Soil Conservation Act 1938 No 10	Preservation of water course environment.
Work Health and Safety Act 2011 No 10	Impacts all operations in relation to safety of workers and the public. Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Roads Act 1993 No 33	Provides authority to Council for administration and development of roads and streets
Road Transport Act 2013 No 18	Sets requirements for vehicles and operators using roads.
Transport Administration Act 1988 No 109	Provides authority to Roads and Traffic Authority for management of roads.
Australian Road Rules	Sets requirements for vehicles and operators using roads.
Heavy Vehicle (Adoption of National Law) Act 2013 No 42 Heavy Vehicle National Law Act 2013 No 42a	Establishes a national scheme for facilitating and regulating the use of heavy vehicles on roads in a way that-- (a) promotes public safety; and (b) manages the impact of heavy vehicles on the environment, road infrastructure and public amenity; and (c) promotes industry productivity and efficiency in the road transport of goods and passengers by heavy vehicles; and (d) encourages and promotes productive, efficient, innovative and safe business practices.

3.4 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
To be able to drive/ride on roads and streets that are safe and functional.	Customer Requests received and periodic community consultation.	Customers are reasonably happy with the current level of service.	Council budgets for continual improvement of the road network and therefore it is expected that the trend will be greater satisfaction
To be able to walk on footpaths and tracks that are safe and functional.	Customer Requests received and periodic community consultation.	Customers are reasonably happy with the current level of service.	Council budgets for continual improvement of the road network and therefore it is expected that the trend will be greater satisfaction
To have kerb and gutter in urban areas that is safe and functional and enhances the amenity of the neighbourhood	Customer Requests received and periodic community consultation.	There are current issues with damaged/deformed gutters and unserviced areas.	Council budgets for continual improvement of the road network and therefore it is expected that the trend will be greater satisfaction

3.5 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Quality How good is the service ... what is the condition or quality of the service?

Function Is it suitable for its intended purpose Is it the right service?

Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In Tables 3.5.1 to 3.5.4 under each of the service measures types (Quality, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current funding level.

These are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good and provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5.1: Sealed Roads Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Rideability	Customer Requests	8	Expected to trend down
	Visibility	Customer Requests	2	
	Confidence levels		Medium	Medium
Function	Meet user requirements for:	Customer Requests		Expected to trend down
	<ul style="list-style-type: none"> • Accessibility • Road width • Traffic management 		1 1 1	
	Confidence levels		Medium	Medium
Safety	Safe, accessible network	Accident Reports	1	Expected to trend down
		Customer Requests	1	
	Confidence levels		Medium	Medium

Commented [CM1]: we will need to look at Assetfinda I think it will be worthwhile to put in some better descriptions in assetfinda to make it easier next time

Commented [CM2]: No reports of accidents 1 request (review speed zone)

Table 3.5.2: Unsealed Roads Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Rideability	Customer Requests	17	Expected to trend down
	Visibility	Customer Requests	1	
	Confidence levels		Medium	Medium
Function	Meet user requirements for:	Customer Requests		Expected to trend down
	<ul style="list-style-type: none"> • Accessibility • Road width • Traffic Management 		4 1 29	
	Confidence levels		Medium	Medium
Safety	Safe, accessible network	Accident Reports	0	Expected to remain the same
		Customer Requests	14	Expected to trend down
	Confidence levels		Medium	Medium

Table 3.5.3: Footpaths Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Surface Lighting	Customer Requests	14	Expected to trend down
		Customer Requests	1	
	Confidence levels		Medium	Medium
Function	Meet user requirements for:	Customer Requests		Expected to remain the same
	<ul style="list-style-type: none"> • Accessibility • Location 		1 0	
	Confidence levels		Medium	Medium
Safety	Safe, accessible network	Incident Reports	11	Expected to trend down
		Customer Requests	6	
	Confidence levels		Medium	Medium

Table 3.5.4: Kerb & Gutter Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Flooding/Amenity	Customer Requests	4	Expected to trend down
	Confidence levels		Medium	Medium
Function	Meet user requirements for: <ul style="list-style-type: none"> • Accessibility • Location 	Customer Requests	0 0	Expected to remain the same
	Confidence levels		Medium	Medium
Safety	Damage	Customer Requests	9	Expected to trend down
	Confidence levels		Medium	Medium

3.6 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

³ IPWEA, 2015, IIMM, p 2|28.

3.6.1 Adopted Levels of Service Road Width and Clearzones

The following tables 3.6.a to 3.6.c set out the adopted desirable standards for road width and clearzone distance.

Table 3.6.a - Road Hierarchy									
Road Classification No.	Road Classification	Standard	Pavement/Seal Width	Lane Width	Typical Warrants				
					Traffic Counts	% Heavy Vehicles	No. of Homes/Km	Mail Run	School Buses/Day
	Highways (RTA Determined)								
1	Regional Roads	Seal	8.0m	3.5m	>300 AADT	n/a	n/a	n/a	n/a
2	Arterial Roads	Seal	8.0m	3.5m	>300 AADT	>20%	n/a	n/a	n/a
3	Collector Roads	Seal	7.5m	3.25m	>80 AADT	>20%	>3 homes/km	>1	>1
	Collector Roads	Gravel	6.5m	3.25m	<80 AADT				
4	Residential Access	Seal	6.2m	3.1m	>80 AADT	>20%	>3 homes/km	>1	>1
	Residential Access	Gravel	6.2m	3.1m	<80 AADT		1 or more homes/km		
5	Property Access	Seal	6.2m	3.1m	>80 AADT	>30%	No homes		
	Property Access	Gravel	5.0m	Shared 3.5m	<80>10 AADT	>20%	No homes		
	Property Access	Formed	5.0m	Shared 3.5m	<10 AADT		No homes		
	Property Access	Unformed	n/a		<1 AADT		No homes		
NOTES:									
		1. For a road to be considered for upgrading from formed to gravel or gravel to seal it must meet traffic count warrants plus 1 of the other 4 warrants.							
		2. Priority for works will be given to roads meeting the most warrants.							
		3. Urban streets construction standards determined on an individual basis depending on site conditions, traffic and in accordance with the Council's Subdivision Code.							

Clear Zones

Berrigan Shire Council adopted the Roadside Hazard Treatment Policy (Jan 2012). This policy set desired lane widths and these have been subjected to minor amendments to suit current conditions. They are set out in Table 3.6.b and clear zones in Table 3.6.c below and the Roadside Hazard Treatment Policy should be amended accordingly.

Road Classification	Design AADT (vpd)	Design Lane Width (m)
Sealed Roads		
Regional Roads	1500	3.5
Arterial Roads	800	3.5
Collector Roads	300	3.25
Residential Access	200	3.1
Property Access	200	3.1
Unsealed Roads		
Collector Roads	100	3.25
Residential Access Roads	100	3.1
Property Access Roads	100	Shared 3.5

Road Classification	Design AADT (vpd)	Design Lane Width (m)	Minimum Clear Zone (m)	Minimum Clear Zone + Lane Width (m)
Sealed Roads				
Regional Roads	1500	3.5	5.0	8.5
Arterial Roads	800	3.5	5.0	8.5
Collector Roads	300	3.25	3.0	6.25
Residential Access	200	3.1	2.0	5.1
Property Access	200	3.1	2.0	5.1
Unsealed Roads				
Collector Roads	100	3.1	2.0	5.1
Residential Access Roads	100	3.1	2.0	5.1
Property Access Roads	100	Shared 3.5	2.75	4.5

Tables 3.6.1 to 3.6.4 show the activities expected to be provided under the current Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

Table 3.6.1: Sealed Roads Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Widen roads to meet adopted standards for road classification	Percentage of road network complying	46%	100%
	Upgrade pavements to meet current loading requirements	Percentage of road network in poor condition due to inadequate pavement	6%	0%

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	Replace/Upgrade Bridges to meet adopted standards	Percentage of bridges complying	60%	100%
	Reseal roads within adopted lifecycle time for road classification	Percentage of seal network complying	95%	100%
	Accept gifted roads for new developments	Roads accepted are constructed to adopted standards	100%	100%
		Budget	\$322,775	\$322,775
Operation	Ensure road network is managed and developed in a sustainable manner	AMP Reviewed and Updated on time Adopted inspection and reporting timelines adhered to NHVR applications responded to within timeline Council reporting on budget and achievement completed on time Environmental requirements are complied with. Design, Supervision and Contract Management are provided in a professional manner	Compliant	Compliant
		Budget	\$792,950	\$792,950
Maintenance	To maintain the sealed road network including bridges and drainage structures in a safe and functional state	Adopted inspections intervals and response times achieved	60% compliance	100% compliance
		Budget	\$1,493,922	\$1,493,922
Renewal	To reconstruct and reseal segments of the sealed road network before they become unserviceable	Condition Rating Useful life	100% serviceable	100% serviceable
	To reconstruct bridges and drainage structures before they	Condition Rating Useful life	100% serviceable	100% serviceable

Commented [CM3]: We should have a chat about lower river road as they are working fine as a single lane bridge, but would be better as a two lane causeway.

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	become unserviceable			
		Budget	\$1,790,725	\$2,558,677
Disposal	Dispose of sealed road pavements and seals that are being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of sealed road pavements and seals that are no longer required due to realignment	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of bridges and drainage structures that are being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.		
		Budget	<i>Nil</i>	<i>Nil</i>

Table 3.6.2: Unsealed Roads Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Widen roads to meet adopted standards for road classification	Percentage of road network complying	6%	100%
	Upgrade pavements to meet current loading requirements	Percentage of road network in poor condition due to inadequate pavement	5%	0%
	Replace/Upgrade Bridges to meet adopted standards	Percentage of bridges complying	0% on bridge width	100%
		Budget	<i>Nil</i>	<i>Nil</i>
Operation	Ensure road network is managed and developed in a sustainable manner	AMP Reviewed and Updated on time Adopted inspection and reporting timelines adhered to	Non compliance with AMP review time and some Maintenance Response Times	Full Compliance

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		NHVR applications responded to within timeline Council reporting on budget and achievement completed on time Environmental requirements are complied with. Design, Supervision and Contract Management are provided in a professional manner		
		Budget	\$400,000	\$400,000
Maintenance	To maintain the unsealed road network including bridges and drainage structures in a safe and functional state	Adopted inspections intervals and response times achieved	100% compliance	100% compliance
		Budget	\$1,087,848	\$1,087,848
Renewal	To reconstruct segments of the unsealed road network before they become unserviceable	Condition Rating Useful life	100% serviceable	100% serviceable
	To reconstruct bridges and drainage structures before they become unserviceable	Condition Rating Useful life	100% serviceable	100% serviceable
		Budget	Nil	Nil
Disposal	Dispose of unsealed road pavements that are being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of unsealed road pavements that are no longer required due to realignment	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of bridges and drainage structures that are	Asset inventory and data maintained to be		

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	being renewed prior to the end of the adopted useful life	current at the end of financial year.		
		Budget	<i>Nil</i>	<i>Nil</i>

Table 3.6.3: Footpaths Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Extend footpath network to areas adopted in the Pedestrian Access and Mobility Plans for each town	Percentage of footpath network constructed	78%	100%
	Widen existing footpath to meet current standards	Percentage of footpath network complying	100%	100%
	Accept gifted footpaths for new developments	Footpaths accepted are constructed to adopted standards	100%	100%
		Budget	<i>\$58,000</i>	<i>\$168,000</i>
Operation	Ensure footpath network is managed and developed in a sustainable manner	AMP Reviewed and Updated on time Adopted inspection and reporting timelines adhered to Council reporting on budget and achievement completed on time Environmental requirements are complied with. Design, Supervision and Contract Management are provided in a professional manner	Non compliance with AMP review time and some Maintenance Response Times	Full Compliance
		Budget	<i>\$25,000</i>	<i>\$25,000</i>
Maintenance	To maintain the footpath network in a safe and functional state	Adopted inspections intervals and response times achieved	50% compliance	100% compliance
		Budget	<i>\$20,306</i>	<i>\$20,306</i>
Renewal	To reconstruct segments of the	Condition Rating	100% serviceable	100% serviceable

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
	footpath network before they become unserviceable	Useful life		
		Budget	\$35,000	\$15,220
Disposal	Dispose of footpaths that are being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of footpaths that are no longer required due to realignment	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
		Budget	Nil	Nil

Table 3.6.4: Kerb & Gutter Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Extend Kerb and Gutter network to service developed urban areas	Percentage of developed urban area serviced	86%	100%
	Accept gifted kerb and gutter for new developments	Kerb and gutter accepted is constructed to adopted standards	100%	100%
		Budget	\$101,200	\$101,200
Operation	Ensure kerb and gutter network is managed and developed in a sustainable manner	AMP Reviewed and Updated on time Adopted inspection and reporting timelines adhered to Council reporting on budget and achievement completed on time Environmental requirements are complied with. Design, Supervision and Contract Management are provided in a	Non compliance with AMP review time and Maintenance Response Times	Full Compliance

Commented [CM4]: Sounds high

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
		professional manner		
		Budget	\$25,000	\$25,000
Maintenance	To maintain the kerb and gutter network in a safe and functional state	Adopted inspections intervals and response times achieved	Non Compliance	Full Compliance
		Budget	\$16,020	\$16,400
Renewal	To reconstruct segments of the kerb and gutter network before they become unserviceable	Condition Rating Useful life	Periodic replacement of segments that have been identified as having rotated and are holding puddles of water or creating trip hazards.	100% serviceable
		Budget	\$130,500	\$6,886
Disposal	Dispose of kerb and gutter that is being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
	Dispose of kerb and gutter that is no longer required due to realignment	Asset inventory and data maintained to be current at the end of financial year.	Comply	Comply
		Budget	Nil	Nil

Note: * Current activities related to Planned Budget.

** Forecast required performance related to forecast lifecycle costs.

It is important to monitor the service levels provided regularly as these will change. The current performance is influenced by work efficiencies and technology, and customer priorities will change over time.

4.0 FUTURE DEMAND

4.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

4.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

4.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	8510	9688	Increased vehicle movements. Increase need for footpaths and kerb & gutter and roads	Assets for new developments will generally be donated by the developer. Kerb and gutter extensions will be provided on a priority basis and within capital budget constraints. Footpath network extensions will be provided generally in accordance with the adopted PAMP priorities and within capital budget constraints.
Restricted Access Vehicles	Standard Vehicles/Road Trains	B-Triples. AB-Triples and Higher Mass Limits	Decreased vehicle movements. Increased intersection seal damage. Increased route applications. Increase pavement damage	The rural road network will be continually upgraded generally in accordance with priorities set out in this plan and within capital budget constraints.
Demographics	Average age of population greater than State average	Will become even greater	Increased need for footpaths	Footpath network extensions will be provided generally in accordance with the adopted PAMP priorities and within capital budget constraints.

4.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Berrigan Shire Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

4.5 Climate Change and Adaption

The impacts of climate change can have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.

As a minimum we should consider both how to manage our existing assets given the potential climate change impacts, and then also how to create resilience to climate change in any new works or acquisitions.

Opportunities identified to date for management of climate change impacts on existing assets are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
Lower River Road, Taylors Road, Bullatale Road	Road will become impassable and damaged due to flooding more frequently	More frequent damage to roads and structures due to flooding. More frequent interruptions to access to properties	Increase level of causeways to provide uninterrupted access for 1 in 5 year design flood.

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Buildings resilience will have benefits:

- Assets will withstand the impacts of climate change
- Services can be sustained
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Upgrade Lower River Road, Taylors Road and Bullatale Road to provide uninterrupted access to all dwellings for 1 in 5 year design flood	Access to properties will be available for 99% of time.	Road constructed with structures that allow 1 in 10 year flood flows only over/through protected structures. Water depth for 1 in 5 year flow over causeways to be maximum 200mm deep.

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this Asset Management Plan.

5.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Berrigan Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.1.1.

They include roads, bridges, carparks, kerb and gutter and footpaths.

These assets are used to provide an adequate transport network to be used by road transport, motor vehicles, bicycles, pedestrians and people using mobility aids.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

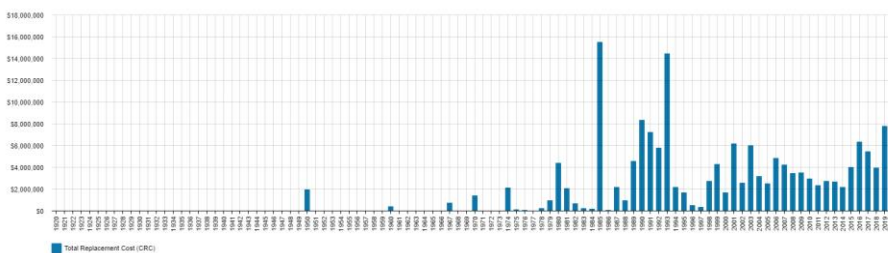
Table 5.1.1: Assets covered by this Plan

Asset category	Dimension (km)	Replacement Value (\$000)
Arterial Road	9.924	\$4,340.10
Asphalt Footpath	7.680	\$358.98
Asphalted Concrete Footpath	1.502	\$599.56
Barrier Kerb and Gutter	62.36	\$6,610.12
Brick Kerb and Gutter	0.196	\$20.77
Carpark	0.340	\$272.65
Collector Gravel Road	17.533	\$1,235.06
Collector Sealed Road	158.905	\$27,936.90
Concrete Footpath	24.094	\$ 3,021.88
Firetrail	37.915	\$2,036.76
Gravel Footpath	2.983	\$53.72
Kerb Only	5.539	\$587.18
Mountable Kerb and Gutter	58.211	\$6,170.38
Pattern Concrete Footpath	1.503	\$514.24
Paving Footpath	0.160	\$66.65
Property Access Rural	377.465	\$16,346.04
Property Access Urban	24.587	\$1,083.92
Quarry Dust Footpath	13.037	\$274.86

¹ IPWEA, 2011, Sec 4.2.6, Example of an Asset Management Plan Structure, pp 4|24 – 27.

Asset category	Dimension (km)	Replacement Value (\$000)
Regional Road	107.632	\$26,661.35
Resident Rural Gravel	300.208	\$19,561.93
Resident Rural Sealed	209.646	\$26,218.71
Resident Urban Gravel	5.303	\$332.37
Resident Urban Sealed	100.598	\$20,909.81
Formed	6.412	\$338.00
Vehicular Track	21.148	\$727.12
Road Bridge	0.497	\$7,032.32
Spoon Drain	0.083	\$7.29
Swing Bridge	0.035	\$47.25
TOTAL		\$173,365.90

Figure 5.1.1: Asset Age Profile



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

5.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Berrigan township	Some area lacking kerb and gutter and associated drainage
Finley Township	Some area with very flat kerb and no associated drainage
Rural road network	Many segments of road do not meet the adopted warrants in relation to width and clear zones
Lower River Road	Causeways are of substandard width and vertical alignment. Bridges and pavement are of substandard width.
Rural road intersections	No provision for turning traffic on most intersections

Barooga Township	Footpaths as shown in updated PAMPS
Berrigan Township	Footpaths as shown in updated PAMPS
Finley Township	Footpaths as shown in updated PAMPS
Tocumwal township	Footpaths as shown in updated PAMPS

The above service deficiencies were identified from Shire Officers experience and knowledge.

5.1.3 Asset condition

Condition is currently monitored in different ways for different assets as follows:

Sealed roads are regularly inspected and annually rated for condition;

Unsealed roads are regularly inspected but not formally rated for condition;

Kerb and Gutter is regularly inspected and a condition rating applied to obvious poor sections;

Footpaths are regularly inspected and formally rated for condition.

Bridges and Structures are regularly inspected and formally rated for condition.

Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. It is important that consistent condition grades be used in reporting various assets across an organisation. This supports effective communication. At the detailed level assets may be measured utilising different condition scales, however, for reporting in the AM plan they are all translated to the 1 – 5 grading scale.

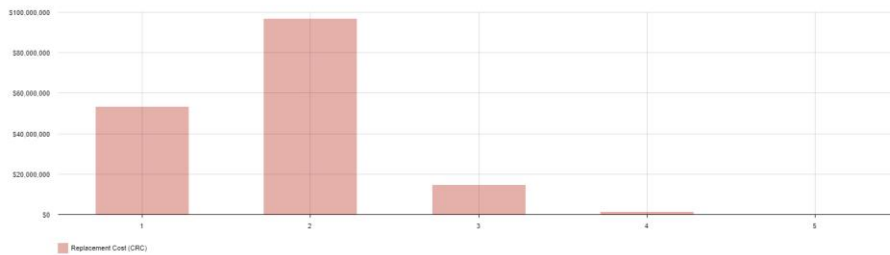
Table 5.1.3: Simple Condition Grading Model

Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

The condition profile of our assets is shown in Figure 5.1.3.

Figure 5.1.3: Asset Condition Profile

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2 | 80.



As can be seen from the graph above, the majority of transport assets are in good to excellent condition. All assets are in a serviceable condition and those that are rated in Condition 4 are programmed for renewal.

All figure values are shown in current day dollars.

5.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget \$
	\$
2019/20	\$3,146,500
2020/21	\$2,619,500

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Reactive maintenance is carried out in accordance with response levels of service detailed in Appendix C.

Asset hierarchy

An asset hierarchy provides a framework for structuring data in an information system to assist in collection of data, reporting information and making decisions. The hierarchy includes the asset class and component used for asset planning and financial reporting and service level hierarchy used for service planning and delivery.

The service hierarchy is shown in Table 5.2.2.

Table 5.2.2: Asset Service Hierarchy

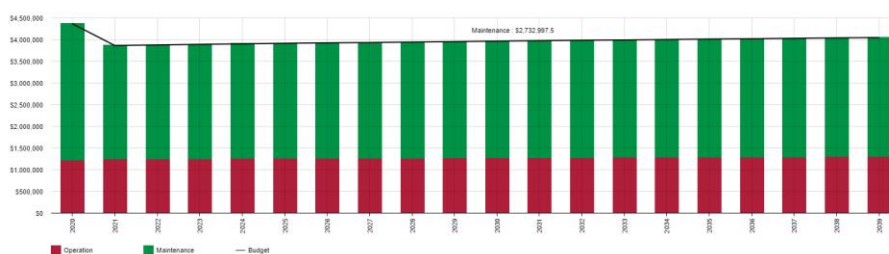
Service Hierarchy	Service Level Objective
Regional Road Seal	Minimum width of 8.0m

Arterial Road Seal	Minimum width of 8.0m
Sealed Collector Road Seal	Minimum width of 7.5m
Gravel Collector Road Pavement	Minimum width of 6.2m
Sealed Residential Access Road Seal	Minimum width of 6.5m
Gravel Residential Access Road Pavement	Minimum width of 6.2m
Gravel Property Access Road Pavement	Minimum width of 5.0m
Formed Property Access Road Formation	Minimum width of 5.0m
Road Clear Zones	As per Berrigan Shire Council Roadside Hazard Treatment Policy
Kerb and Gutter	Minimum Fall of 1:300
Footpath	Minimum width of 1.2m
Bridges and Structures	HML capacity and width to match road classification objectives

Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2 shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

Maintenance and operational costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

5.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 30 June, 2016 when transport assets were last revalued.⁵

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Arterial Road Formation	1000
Arterial Road Pavement	50
Arterial Road Seal	15
Asphalt Footpath	25
Asphalted Concrete Footpath	80
Barrier Kerb and Gutter	80
Brick Kerb and Gutter	50
Carpark Formation	1000
Carpark Pavement	50
Carpark Seal	18
Collector Gravel Road Formation	1000
Collector Gravel Road Pavement	50
Collector Sealed Road Formation	1000
Collector Sealed Road Pavement	50
Collector Sealed Road Seal	15
Concrete Footpath	80
Firetrail Formation	1000
Gravel Footpath	30
Kerb Only	80
Mountable Kerb and Gutter	80
Pattern Concrete Footpath	80
Paving Footpath	50
Property Access Rural Formed Road Formation	1000

⁵ Enter Reference to Report documenting Review of Useful Life of Assets

Property Access Rural Gravel Road Formation	1000
Property Access Rural Gravel Road Pavement	50
Property Access Urban Formed Road Formation	1000
Property Access Urban Gravel Road Formation	1000
Property Access Urban Gravel Road Pavement	50
Quarry Dust Footpath	50
Regional Road Formation	1000
Regional Road Pavement	50
Regional Road Seal	12
Residential Access Rural Gravel Road Formation	1000
Residential Access Rural Gravel Road Pavement	50
Residential Access Rural Sealed Road Formation	1000
Residential Access Rural Sealed Road Pavement	50
Residential Access Rural Sealed Road Seal	15
Residential Access Urban Gravel Road Formation	1000
Residential Access Urban Gravel Road Pavement	50
Residential Access Urban Sealed Road Formation	1000
Residential Access Urban Sealed Road Pavement	50
Residential Access Urban Sealed Road Seal	18
Road Bridge	80
Spoon Drain	80
Swing Bridge	50

The estimates for renewals in this Asset Management Plan were based on the asset register.

5.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or

Commented [CM5]: Looking at some of the 1960s footpath the agg is starting to get kicked out of it. I would be surprised if we get 10 more years out them.

1960s K&G is similar to the Footpath, the agg is exposed, however, it is not being kicked out of it

Our heavily trafficked regional roads will probably only last 30 years unless we do something heavier with the pavements. We will aim for 50 though.

- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁶

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁷

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

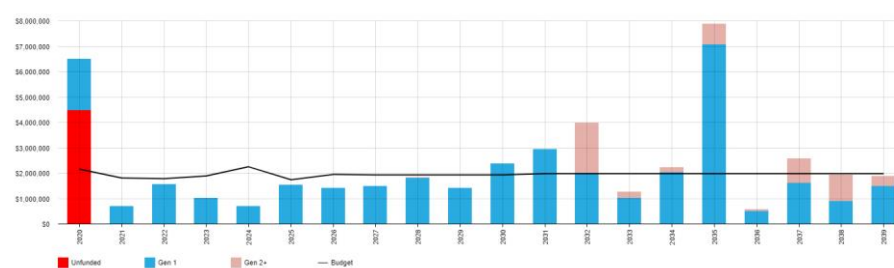
Table 5.3.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Risk / Safety	30%
Condition Rating	25%
Road Hierarchy	25%
Other Technical	20%
Total	100%

5.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

The average spend that is budgeted generally allows for renewal of assets as required. There is a significant backlog that should be addressed over the coming five years and then progress with renewal will need to be monitored as the mid term of the budget is approached at 2030 when some significant renewals are forecast.

⁶ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁷ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

It is possible that these issues can be addressed by deferring renewals if condition ratings are favourable or alternatively the budget may have to be increased for this period.

5.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Berrigan Shire Council.

5.5.1 Selection criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

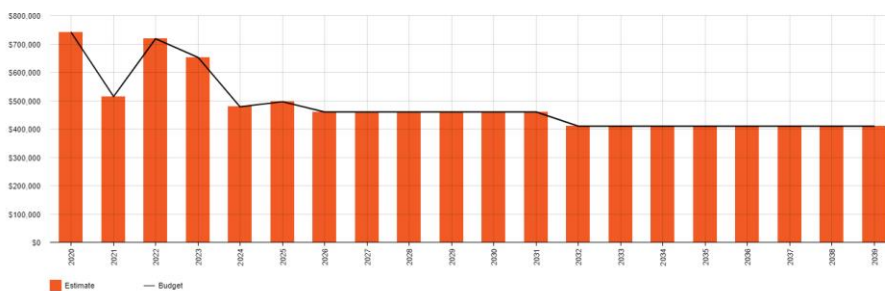
Table 5.5.1: Acquired Assets Priority Ranking Criteria

Criteria	Weighting
Risk / Safety	30%
Condition Rating	25%
Road Hierarchy	25%
Other Technical	20%
Total	100%

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised / summarised in Figure 5.4.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

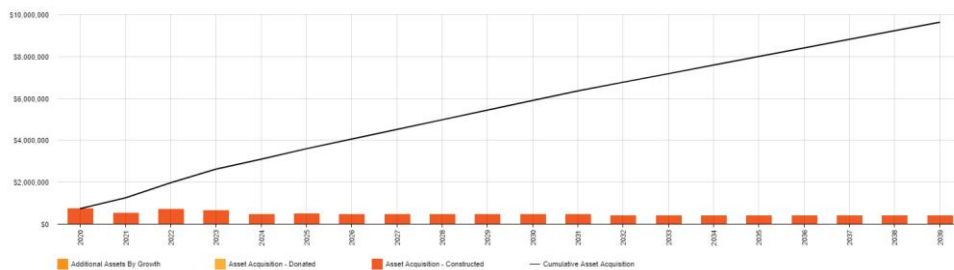
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.4.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

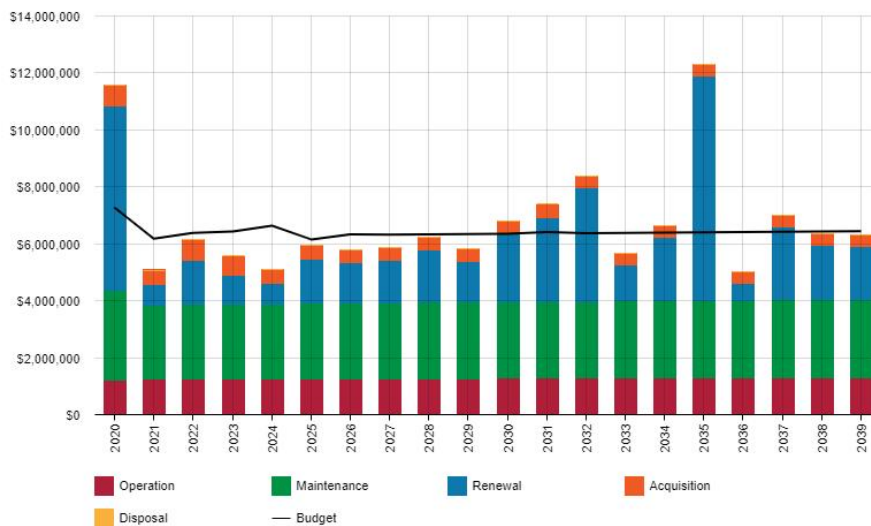
Acquisitions will generally be associated with widening of rural roads to adopted service standards or the extension of the kerb and gutter and footpath networks to service the existing residential areas. There will be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.4.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: Lifecycle Summary



All figure values are shown in current day dollars.

The proposed budget is adequate to service the predicted costs for the planning period, however, as previously mentioned, there is a significant backlog to be addressed over the coming five years and then progress with renewal will need to be monitored as the mid term of the budget is approached at 2030 when some significant renewals are forecast.

5.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

The only assets identified for disposal during life of this plan are components of the transport infrastructure that replaced prior to reaching their adopted useful life. These assets will have not revenue value and the remaining valuation will be written off the asset register as a book entry.

6.0 RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁸.

An assessment of risks⁹ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

6.1 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Bridge Structures	Collapse/Damage due to overloading of flood event	Access along key roads prevented until repairs/alternative crossing can be completed

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

6.2 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁸ ISO 31000:2009, p 2

⁹ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

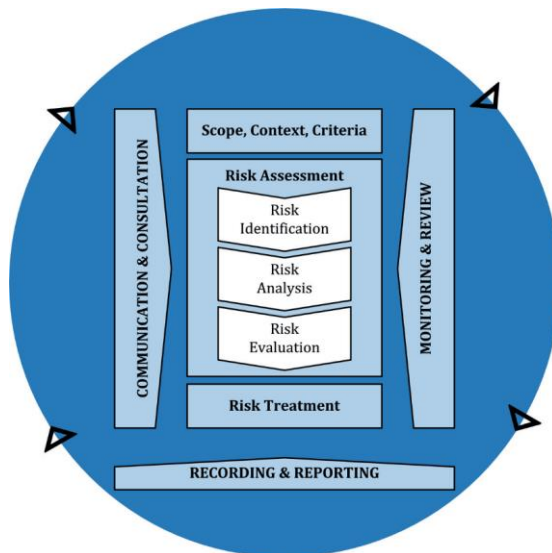


Fig 6.2 Risk Management Process – Abridged
 Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks¹⁰ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Berrigan Shire Council

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs \$,000
Road Structure /Roadside furniture/ signs/ traffic	Damage to roads and signs etc and blockage of traffic lanes from traffic accident	Very High	Existing Procedures considered adequate	Very High	\$0

¹⁰ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

<i>Lower River Road/Taylor's Road/Bushlands Road</i>	<i>Road can be impassable and damaged due to flooding</i>	<i>High</i>	<i>Ensure staff are aware of monitoring requirements and procedures and have suitable resources for road closures</i>	<i>High</i>	<i>\$5</i>
<i>All roads and streets</i>	<i>Trees and debris blocking traffic lanes and damaging road furniture</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with wildlife</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock associated with travelling stock</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock at stock crossing</i>	<i>Very High</i>	<i>Improved signage and maintenance and encourage owners to Construct Underpasses</i>	<i>High</i>	<i>\$5</i>
<i>Lower River Road concrete causeways</i>	<i>Vehicle accident due to narrow crossing and poor vertical alignment</i>	<i>Very High</i>	<i>Upgrade causeways</i>	<i>High</i>	<i>\$800</i>
<i>Lower River Road Bridges</i>	<i>Vehicle accident due to narrow bridges and approaches</i>	<i>Very High</i>	<i>upgrade bridges with a preference to replacing bridges with causeways</i>	<i>High</i>	<i>\$2,550</i>
<i>Lower River Road , Taylor's Road, Tocumwal Boat Ramp Access, Town Beach Road, MR 226 Barooga</i>	<i>Damaged by floodwaters</i>	<i>High</i>	<i>Routine maintenance and improvement. Monitor condition of roads and structures to allow for emergency relief funding to be obtained.</i>	<i>High</i>	<i>\$52</i>
<i>Rural Road</i>	<i>Traffic accident due to narrow pavement</i>	<i>Very High</i>	<i>Develop program to upgrade council roads to adopted widths</i>	<i>very high</i>	<i>\$1,000</i>
<i>Rural Road</i>	<i>Traffic accident due to inadequate clearance to roadside obstacles</i>	<i>Very High</i>	<i>Develop program to clear roadsides of obstacles</i>	<i>very high</i>	<i>\$500</i>

<i>Rural road intersection</i>	<i>Traffic accident due to no right turn lanes</i>	<i>Very High</i>	<i>Provide right turn lanes where traffic warrants and intersections are being reconstructed</i>	<i>very high</i>	<i>\$100</i>
<i>Footpath</i>	<i>Trip / Fall</i>	<i>High</i>	<i>Update SOP's for Footpath inspection and maintenance</i>	<i>High</i>	<i>\$0</i>
<i>Pedestrian Crossing</i>	<i>Pedestrian colliding with vehicle</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Road Bridge</i>	<i>Collapse due to Age, structural fatigue, Not built for current/future loadings</i>	<i>High</i>	<i>Develop SOP's for Bridge Inspection and maintenance</i>	<i>High</i>	<i>\$5</i>
<i>Rural Roads</i>	<i>Vehicle accident due to faded or missing linemarking</i>	<i>High</i>	<i>Adequate provision made in works budget for remarking faded linemarking and marking new works. Develop a procurement agreement that requires linemarking contractor to complete works within 7 days of order.</i>	<i>High</i>	<i>\$10</i>
<i>Railway Level Crossings Tuppal Road and Browne Street</i>	<i>Vehicle/Pedestrian collision with Train</i>	<i>High</i>	<i>Existing Procedures considered adequate</i>	<i>High</i>	<i>\$0</i>
<i>Rural Roads</i>	<i>Collision involving school bus/children</i>	<i>High</i>	<i>Develop procedures for ongoing updating of changes to school bus routes. Determine and adopt standards for school bus routes and bus stops and adopt a programme for the ongoing improvement of school bus routes.</i>	<i>Medium</i>	<i>\$0</i>
<i>Road pavements</i>	<i>Pavement failure due to inadequate strength</i>	<i>High</i>	<i>Progressively upgrade road pavements on a priority basis based on condition and risk ratings.</i>	<i>High</i>	<i>\$510</i>
<i>Paved Footpaths</i>	<i>Visually impaired pedestrians could</i>	<i>High</i>	<i>Upgrade tactile markings on all Priority Level 1</i>	<i>High</i>	<i>\$20</i>

	<i>walk into traffic or fall</i>		<i>paths to AS1428.4 compliance</i>		
<i>Urban Roads</i>	<i>Vehicles could collide with pedestrians walking along urban roads.</i>	<i>High</i>	<i>Construct paved footpaths on urban roads and streets in accordance with priorities determined in the Pedestrian Access and Mobility Plan for each town</i>	<i>High</i>	<i>\$150</i>
<i>Intersection of Golf Course Road and Vermont Street, Barooga</i>	<i>Vehicle collision with pedestrian</i>	<i>High</i>	<i>Reconfigure intersection to provide more direct and safer pedestrian linkages on all 4 approaches</i>	<i>High</i>	<i>\$150</i>
<i>Chanter Street (Riverina Highway), Berrigan</i>	<i>Vehicle collision with pedestrian</i>	<i>High</i>	<i>Construct a pedestrian crossing point in front of the Berrigan Library with build out protection to the edge of the traffic lanes.</i>	<i>High</i>	<i>\$10</i>
<i>intersection of Chanter Street and Jerilderie Street, Berrigan</i>	<i>Vehicle collision with pedestrian</i>	<i>High</i>	<i>Construct a pedestrian crossing point from the south east corner of Jerilderie Street/Chanter Street to the north west corner of Jerilderie Street/Carter Street.</i>	<i>High</i>	<i>\$10</i>
<i>Pedestrian Crossing, Murray Street, Finley</i>	<i>Vehicle collision with pedestrian</i>	<i>High</i>	<i>Relocate the Pedestrian Crossing north of the intersection.</i>	<i>High</i>	<i>#VALUE!</i>
<i>Footpaths and Walking/Cycling Tracks</i>	<i>Pedestrians or cyclists could fall down slopes on verges of paths</i>	<i>High</i>	<i>Provide guidepost delineation and/or barriers on paths/cycle tracks with steep batters or drop offs.</i>	<i>High</i>	<i>\$17</i>
<i>Concrete Footpaths</i>	<i>Pedestrians could trip or fall as a result of excessive drop off at edge of concrete paths</i>	<i>High</i>	<i>Place fill along edge of concrete paths where there is a drop off</i>	<i>Medium</i>	<i>\$10</i>

Endeavour Street carparks, Finley	<i>Pedestrians could trip and fall and disabled could be hit by vehicles on road due to no pedestrian connections</i>	High	<i>Construct concrete path connections from carparks in Endeavour Street to public toilets and Railway Park entrance path.</i>	Medium	\$9
Bushlands Road-Jerilderie Street intersection, Tocumwal	<i>Pedestrian connections from Levee walk through Pony Club and across Jerilderie Street are not provided</i>	High	<i>Provide gravel path connection from the levee path in the Tocumwal Pony Club to the path on the north side of Jerilderie Street at Bushlands Road</i>	High	\$20
Sealed Rural Roads - Cross Intersections	<i>Vehicle collision</i>	High	<i>Progressively reconfigure sealed rural roads cross intersections to staggered T intersections on a priority basis</i>	High	\$200
Unsealed Rural Roads	<i>Vehicle collision due to Vehicles traversing Road construction works or maintenance works in progress.</i>	High	<i>Existing Procedures considered adequate</i>	High	0
Sealed Rural Roads	<i>Vehicle collision due to Vehicles traversing Road construction works or maintenance works in progress.</i>	High	<i>Existing Procedures considered adequate</i>	High	0
Footpaths and Walking/Cycling Tracks	<i>Pedestrians or cyclists fall while traversing path/track construction works or maintenance works in progress.</i>	High	<i>Existing Procedures considered adequate</i>	High	0

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

6.3 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', 1 and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the Asset Management Plan.

6.4 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

6.4.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years. These include:

- Widening of all bridge structures to the adopted service levels.
- Widening of all roads to the adopted service levels.
- Extension of footpath network to extend identified in the Pedestrian Access and Mobility Plans.
- Extension of kerb and gutter network to service all residential streets.

6.4.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Road Safety is compromised.
- Pedestrian Safety is compromised.
- Street amenity is reduced where open earth drains remain.

6.4.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Greater risk of personal and property damage and possible compensation claims against Council.
- Increased maintenance costs where road width is not fit for traffic conditions.

These actions and expenditures are considered and included in the forecast costs, and where developed, the Risk Management Plan.

7.0 FINANCIAL SUMMARY

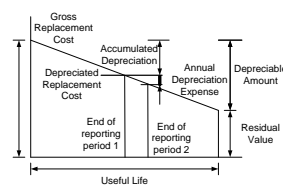
This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

7.1 Financial Statements and Projections

7.1.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. The assets are valued at fair value:

Current (Gross) Replacement Cost	\$173,365,905
Depreciable Amount	\$173,365,905
Depreciated Replacement Cost ¹¹	\$123,905,834
Depreciation	\$2,785,348



7.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹² 107%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have 107% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the 10 year period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$4,654,112 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$5,896,345 on average per year giving a 10 year funding excess of \$124,223 per year. This indicates that 102% of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. This excludes acquired assets.

¹¹ Also reported as Written Down Value, Carrying or Net Book Value.

¹² AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long-Term Financial Plan.

7.1.3 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) for the 10 year long-term financial plan.

Forecast costs are shown in 2020 dollar values.

Table 7.1.3: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Forecast Acquisition	Forecast Operation	Forecast Maintenance	Forecast Renewal	Forecast Disposal
2020	\$741,500	\$1,223,000	\$3,146,007	\$2,159,700	\$0
2021	\$514,200	\$1,244,000	\$2,619,520	\$1,807,300	\$0
2022	\$718,400	\$1,249,118	\$2,630,297	\$1,784,500	\$0
2023	\$652,000	\$1,253,763	\$2,640,078	\$1,890,000	\$0
2024	\$478,200	\$1,257,169	\$2,647,251	\$2,251,000	\$0
2025	\$496,000	\$1,260,703	\$2,654,692	\$1,742,000	\$0
2026	\$460,000	\$1,263,980	\$2,661,592	\$1,950,000	\$0
2027	\$460,000	\$1,267,257	\$2,668,493	\$1,930,000	\$0
2028	\$460,000	\$1,270,534	\$2,675,393	\$1,930,000	\$0
2029	\$460,000	\$1,273,811	\$2,682,294	\$1,930,000	\$0
2030	\$460,000	\$1,277,088	\$2,689,194	\$1,930,000	\$0
2031	\$460,000	\$1,280,365	\$2,696,095	\$1,980,000	\$0
1980000	\$410000	\$1,283,286	\$2,702,245	\$1,980,000	\$0
1980000	\$410000	\$1,286,207	\$2,708,396	\$1,980,000	\$0
1980000	\$410000	\$1,289,128	\$2,714,546	\$1,980,000	\$0
1980000	\$410000	\$1,292,048	\$2,720,697	\$1,980,000	\$0
1980000	\$410000	\$1,294,969	\$2,726,847	\$1,980,000	\$0
1980000	\$410000	\$1,297,890	\$2,732,998	\$1,980,000	\$0
1980000	\$410000	\$1,300,811	\$2,739,148	\$1,980,000	\$0
1980000	\$410000	\$1,303,732	\$2,745,298	\$1,980,000	\$0

7.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

7.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

7.4 Key Assumptions Made in Financial Forecasts

In compiling this Asset Management Plan, it was necessary to make some assumptions. This section details the key assumptions made in the development of this AM plan and should provide readers with an understanding of the level of confidence in the data behind the financial forecasts.

Key assumptions made in this Asset Management Plan are:

Key Assumptions	Risks of Change to Assumptions
The useful lives of rural road assets have been reviewed on the basis of condition and roughness reports and these will be required to be updated prior to the next review of the plan.	Changes to traffic conditions or extreme wet conditions could accelerate deterioration
For sealed roads carrying less than 80 vehicles per day a lifecycle of 100 years has been assumed regardless of condition and roughness measures. Should dangerous conditions materialise on these roads they will be corrected by maintenance strategies including heavy patching.	Changes to traffic conditions could accelerate deterioration
The urban street network and bridges have not had condition ratings carried out and these need to be done to improve the accuracy of this plan.	Condition inspections may generate additional works for repairs
Bitumen reseals have been considered as capital renewal works for this plan	Nil
The useful life of footpath assets has been taken from the asset management model	Review of useful life's on the basis of condition could change required annual expenditure
It is assumed that asset utilisation frequency will not change	Acceleration / deceleration of asset condition

7.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale¹³ in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$
E. Unknown	None or very little data held.

¹³ IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	Medium	Based on current figures
Growth projections	Medium	Based on current figures
Operations expenditures	High	Based on current actual costs
Maintenance expenditures	High	Based on current actual costs
Projected Renewal exps. - Asset values	High	Based on current actual costs
- Asset residual values	High	Based on current actual costs
- Asset useful lives	High	Based on current actual costs
- Condition modelling	High	Based on current actual costs
- Network renewals	High	Based on current actual costs
- Defect repairs	High	Based on current actual costs
Upgrade/New expenditures	High	Based on current actual costs
Disposal expenditures	N/A	N/A

Over all data sources, the data confidence is assessed as high confidence level for data used in the preparation of this AM Plan.

8.0 PLAN IMPROVEMENT AND MONITORING

8.1 Status of Asset Management Practices¹⁴

8.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is Council's 'Practical' accounting software.

8.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is Council's 'AssetFinda' asset management system in conjunction with MapInfo mapping and database.

8.2 Improvement Plan

It is important that an entity recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Condition rating of Assets	ESM	Staff	June 2023
2	Review remaining life of assets	ESM	Staff	June 2023
3	Componentisation of assets such as drainage structures, signs and traffic facilities including review of unit costs	ESM	Staff	June 2023
4	Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.	FM	Staff	June 2023
5	Investigate options to integrate Asset Management system with the Accounting / financial system	DTS DCS ESM FM	Staff	June 2023
6	Review customer request /complaint settings in customer request management system to reflect desirable data being collected	AOM	Staff	June 2022
7	Ensure all assets in Asset Mangement System have a condition score	AOM	Staff	June 2021
8				
9				
10				

¹⁴ ISO 55000 Refers to this the Asset Management System

8.3 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, upgrade/new and asset disposal costs and proposed budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Berrigan Shire Council election.

8.4 Performance Measures

The effectiveness of this Asset Management Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the Asset Management Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 1.0).

9.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
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- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Berrigan Shire Council Asset Management Strategy 2020 – 2030,
- Berrigan Shire Council Asset Accounting Policy 2020
- Berrigan Shire Council Annual Report, Management Plan, Financial Statements and Budget.

10.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

Acquisitions will generally be associated with widening of rural roads to adopted service standards or the extension of the kerb and gutter and footpath networks to service the existing residential areas. There will be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

Year	Project	\$ Estimate
2020	Footpath Network Extension	211000
2020	Kerb & Gutter Network Extension	135000
2020	Road widening	395500
2021	Road widening	292000
2021	Kerb & Gutter Network Extension	124000
2021	Footpath Network Extension	98200
2022	Footpath Network Extension	116400
2022	Kerb & Gutter Network Extension	293000
2022	Road widening	309000
2023	Road widening	310000
2023	Kerb & Gutter Network Extension	272000
2023	Footpath Network Extension	70000
2024	Footpath Network Extension	29200
2024	Kerb & Gutter Network Extension	100000
2024	Road widening	349000
2025	Road widening	320000
2025	Kerb & Gutter Network Extension	100000
2025	Footpath Network Extension	76000
2026	Footpath Network Extension	40000
2026	Kerb & Gutter Network Extension	100000
2026	Road widening	320000
2027	Road widening	320000
2027	Kerb & Gutter Network Extension	100000
2027	Footpath Network Extension	40000
2028	Footpath Network Extension	40000
2028	Kerb & Gutter Network Extension	100000
2028	Road widening	320000
2029	Road widening	320000
2029	Kerb & Gutter Network Extension	100000
2029	Footpath Network Extension	40000
2030	Footpath Network Extension	40000
2030	Kerb & Gutter Network Extension	100000
2030	Road widening	320000

2031	Road widening	320000
2031	Kerb & Gutter Network Extension	100000
2031	Footpath Network Extension	40000
2032	Footpath Network Extension	40000
2032	Kerb & Gutter Network Extension	50000
2032	Road widening	320000
2033	Road widening	320000
2033	Kerb & Gutter Network Extension	50000
2033	Footpath Network Extension	40000
2034	Footpath Network Extension	40000
2034	Kerb & Gutter Network Extension	50000
2034	Road widening	320000
2035	Road widening	320000
2035	Kerb & Gutter Network Extension	50000
2035	Footpath Network Extension	40000
2036	Footpath Network Extension	40000
2036	Kerb & Gutter Network Extension	50000
2036	Road widening	320000
2037	Road widening	320000
2037	Kerb & Gutter Network Extension	50000
2037	Footpath Network Extension	40000
2038	Footpath Network Extension	40000
2038	Kerb & Gutter Network Extension	50000
2038	Road widening	320000
2039	Road widening	320000
2039	Kerb & Gutter Network Extension	50000
2039	Footpath Network Extension	40000

Insert Acquisition table with year project \$Estimate titles.

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Contributed	Planned Budget
2020	741500	0	0
2021	514200	0	0
2022	718400	0	0
2023	652000	0	0
2024	478200	0	0
2025	496000	0	0

2026	460000	0	0
2027	460000	0	0
2028	460000	0	0
2029	460000	0	0
2030	460000	0	0
2031	460000	0	0
2032	410000	0	0
2033	410000	0	0
2034	410000	0	0
2035	410000	0	0
2036	410000	0	0
2037	410000	0	0
2038	410000	0	0
2039	410000	0	0

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operational costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2020	1223000	0	1223000
2021	1244000	0	1244000
2022	1249117	0	1249117
2023	1253762	0	1253762
2024	1257169	0	1257169
2025	1260702	0	1260702
2026	1263979	0	1263979
2027	1267257	0	1267257
2028	1270534	0	1270534
2029	1273811	0	1273811
2030	1277088	0	1277088
2031	1280365	0	1280365
2032	1283285	0	1283285
2033	1286206	0	1286206
2034	1289127	0	1289127
2035	1292048	0	1292048
2036	1294969	0	1294969
2037	1297890	0	1297890
2038	1300810	0	1300810
2039	1303732	0	1303732

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Forecast	Additional Costs	Additional Forecast	Total Forecast
2020	3146007		0	3146007
2021	2619520	0	0	2619520
2022	2630296.75	0	0	2630296.75
2023	2640077.5	0	0	2640077.5
2024	2647251	0	0	2647251
2025	2654691.75	0	0	2654691.75
2026	2661592.25	0	0	2661592.25
2027	2668492.75	0	0	2668492.75
2028	2675393.25	0	0	2675393.25
2029	2682293.75	0	0	2682293.75
2030	2689194.25	0	0	2689194.25
2031	2696094.75	0	0	2696094.75
2032	2702245.25	0	0	2702245.25
2033	2708395.75	0	0	2708395.75
2034	2714546.25	0	0	2714546.25
2035	2720696.5	0	0	2720696.5
2036	2726847	0	0	2726847
2037	2732997.5	0	0	2732997.5
2038	2739148	0	0	2739148
2039	2745298.5	0	0	2745298.5

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Asset renewals are determined using Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year). The useful life of assets is reviewed periodically following condition assessments of the assets and a reassessment of the remaining useful life. A spreadsheet has been developed for the assessment of road pavement assets and renewal priorities have been heavily weighted to roads that carry higher volumes of traffic.

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed on 30 June, 2016 when transport assets were last revalued.¹⁵

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Arterial Road Formation	1000
Arterial Road Pavement	50
Arterial Road Seal	15
Asphalt Footpath	25
Asphalted Concrete Footpath	80
Barrier Kerb and Gutter	70-80
Brick Kerb and Gutter	50
Carpark Formation	1000
Carpark Pavement	50
Carpark Seal	18
Collector Gravel Road Formation	1000
Collector Gravel Road Pavement	50
Collector Sealed Road Formation	1000
Collector Sealed Road Pavement	50
Collector Sealed Road Seal	15
Concrete Footpath	70-80
Firetrail Formation	1000
Gravel Footpath	30
Kerb Only	80
Mountable Kerb and Gutter	80

¹⁵

Pattern Concrete Footpath	80
Paving Footpath	50
Property Access Rural Formed Road Formation	1000
Property Access Rural Gravel Road Formation	1000
Property Access Rural Gravel Road Pavement	50
Property Access Urban Formed Road Formation	1000
Property Access Urban Gravel Road Formation	1000
Property Access Urban Gravel Road Pavement	50
Quarry Dust Footpath	50
Regional Road Formation	1000
Regional Road Pavement	30-50
Regional Road Seal	12
Residential Access Rural Gravel Road Formation	1000
Residential Access Rural Gravel Road Pavement	50
Residential Access Rural Sealed Road Formation	1000
Residential Access Rural Sealed Road Pavement	50
Residential Access Rural Sealed Road Seal	15
Residential Access Urban Gravel Road Formation	1000
Residential Access Urban Gravel Road Pavement	50
Residential Access Urban Sealed Road Formation	1000
Residential Access Urban Sealed Road Pavement	50
Residential Access Urban Sealed Road Seal	18
Road Bridge	80
Spoon Drain	80
Swing Bridge	50

The estimates for renewals in this Asset Management Plan were based on the asset register. The average spend that is budgeted generally allows for renewal of assets as required. There is a significant backlog that should be addressed over the coming five years and then progress with renewal will need to be monitored as the mid term of the budget is approached at 2030 when some significant renewals are forecast. It is possible that these issues can be addressed by deferring renewals if condition ratings are favourable or alternatively the budget may have to be increased for this period.

Commented [CM6]: Looking at some of the 1960s footpath the agg is starting to get kicked out of it. I would be surprised if we get 10 more years out them.

1960s K&G is similar to the Footpath, the agg is exposed, however, it is not being kicked out of it

Our heavily trafficked regional roads will probably only last 30 years unless we do something heavier with the pavements. We will aim for 50 though.

D.2 – Renewal Project Summary

The project renewals included in the lifecycle forecast are summarized here.

Year	Total	Kerb & Gutter	Footpaths	Roads
2020	2159700	235000	10000	1914700
2021	1807300	120000	50000	1637300
2022	1784500	40000	20000	1724500
2023	1890000	40000	50000	1800000
2024	2251000	225000	80000	1946000
2025	1742000	100000	50000	1592000
2026	1950000	100000	50000	1800000
2027	1930000	100000	30000	1800000
2028	1930000	100000	30000	1800000
2029	1930000	100000	30000	1800000
2030	1930000	100000	30000	1800000
2031	1980000	150000	30000	1800000
2032	1980000	150000	30000	1800000
2033	1980000	150000	30000	1800000
2034	1980000	150000	30000	1800000
2035	1980000	150000	30000	1800000
2036	1980000	150000	30000	1800000
2037	1980000	150000	30000	1800000
2038	1980000	150000	30000	1800000
2039	1980000	150000	30000	1800000

D.3 – Renewal Forecast Summary*Table D3 - Renewal Forecast Summary*

Year	Renewal Forecast	Renewal Budget
2020	6480245	2159700
2021	688992	1807300
2022	1560174	1784500
2023	1021994	1890000
2024	698651	2251000
2025	1542517	1742000
2026	1416987	1950000
2027	1476591	1930000

2028	1840273	1930000
2029	1405843	1930000
2030	2374275	1930000
2031	2950594	1980000
2032	3976775	1980000
2033	1257682	1980000
2034	2225334	1980000
2035	7893870	1980000
2036	581479	1980000
2037	2578268	1980000
2038	1913635	1980000
2039	1869757	1980000

D.4 –Renewal Plan

Proposed renewals are included with acquisitions in the detailed construction programs included below:

CAPITAL WORKS PLAN DRAFT 20-21

	Original 2020-21	Adapted 2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
KERB & GUTTER							
KERB & GUTTER INCOME							
BAROOGA							
Snell Rd - Arramagong to McKinley	2000	2000	0	0	0	0	0
Snell Rd - Kamarooka to Chomley	35000	35000	0	0	0	0	0
BAROOGA Total	37000	37000	0	0	0	0	0
BERRIGAN							
Horsfall St - Jerilderie to Denison	12000	0	12000	0	0	0	0
Barooga St - Horsfall to Nangunia St	0	0	0	28000	0	0	0
Nangunia St - Jerilderie to Barooga St	0	0	0	0	7000	0	0
Barooga St - Nangunia to Orr St	0	0	0	28000	0	0	0
Denison St - Horsfall to Nangunia West side	0	0	0	0	0	28000	0
Denison St -Nangunia to Orr St - West Side	0	0	0	0	0	0	28000
BERRIGAN Total	12000	0	12000	56000	7000	28000	28000
FINLEY							
Murray St - Wollamai Sth	0	0	0	0	0	0	0
Dawe Ave - Full Length	7000	7000	0	0	0	0	0
McCallister St - Headford St to Osborne St	0	0	0	0	0	0	0
FINLEY Total	7000	7000	0	0	0	0	0
TOCUMWAL							

Bruton St - End existing kerb to Bruce Birrell Dr north side	0	0	0	0	17000	0	0
Barooga St - Murray to Morris	12000	12000	0	0	0	0	0
Bruton St - Barooga St Nth to Charlotte - Sth side	0	0	0	21000	0	0	0
Hannah St - Calaway to end existing	0	0	0	0	0	0	0
Emily St - Lane 960 to Hennessy	0	0	10000	0	0	0	0
Calaway St - Emily to Charlotte (bs)	0	0	0	30000	0	0	0
Charlotte St - Hennessy to Kelly	0	0	0	0	20000	0	0
Hennessy St - South side Jerilderie to Emily	0	0	0	0	0	0	0
Hill St - Stabilise Pavement & Repair Kerb	0	0	0	0	0	0	0
TOCUMWAL Total	12000	12000	10000	51000	37000	0	0
UNGROUPED							
To be determined	0	0	0	0	0		
UNGROUPED Total	0	0	0	0	0	0	0
KERB & GUTTER INCOME Total	68000	56000	22000	107000	44000	28000	28000
KERB & GUTTER EXPENDITURE							
BAROOGA							
Snell Rd - Arramagong to McKinley	-12000	-12000	0	0	0	0	0
Snell Rd - Kamarooka to Chomley	-63000	-63000	0	0	0	0	0
BAROOGA Total	-75000	-75000	0	0	0	0	0
BERRIGAN							
Horsfall St - Jerilderie to Denison	-65000	0	-65000	0	0	0	0
Barooga St - Horsfall to Nangunia St	0	0	0	-60000	0	0	0
Nangunia St - Jerilderie to Barooga St	0	0	0	0	-32000	0	0
Barooga St - Nangunia to Orr St	0	0	0	-60000	0	0	0
Corcoran St - Drainage improvements	0	0	0	-10000	0	0	0

Denison St - Horsfall to Nangunia West side	0	0	0	0	0	-60000	0
Denison St -Nangunia to Orr St - West Side	0	0	0	0	0	0	-60000
BERRIGAN Total	-65000	0	-65000	-130000	-32000	-60000	-60000
FINLEY							
Tocumwal St Tuppal St to Wollamai St	0	0	0	0	0	0	-60000
Dawe Ave - Full Length	-50000	-50000	0	0	0	0	0
Denison St - Ulupna to Tongs inc Median Treatment	0	0	0	0	0	-300000	0
McCallister St - Headford St to Osborne St	0	0	-80000	0	0	0	0
FINLEY Total	-50000	-50000	-80000	0	0	-300000	-60000
TOCUMWAL							
Deniliquin Rd - Replace brick K&G Cowley to Duff ST	0	0	0	0	0		
Barooga St - Murray to Morris	-60000	-60000	0	0	0	0	0
Bruton St - End existing kerb to Bruce Birrell Dr north side	0	0	0	0	-40000	0	0
Bruton St - Barooga St Nth to Charlotte - Sth side	0	0	0	-60000	0	0	0
Jerilderie St Nth - Connect to Bruton St	0	0	0	0	0	0	0
Hannah St - Calaway to end existing	0	0	0	0	0	0	0
Emily St - Lane 960 to Hennessy	0	0	-44000	0	0	0	0
Emily St - Falkiner to Hennessy (east)	0	0	-15000	0	0	0	0
Calaway St - Emily to Charlotte (bs)	0	0	0	-63000	0	0	0
Charlotte St - Hennessy to Kelly	0	0	0	0	-70000	0	0
Hennessy St - South side Jerilderie to Emily	0	0	0	0	-90000	0	0
Hill St - Repair and Realign Kerb - Reconstruct Shoulder	0	0	-40000	0	0	0	0
TOCUMWAL Total	-60000	-60000	-99000	-123000	-200000	0	0
UNGROUPED							
Repair existing kerb and shoulder	0	0	0	-40000	-40000	-40000	-40000
UNGROUPED Total	0	0	0	-40000	-40000	-40000	-40000

KERB & GUTTER EXPENDITURE Total	-250000	-185000	-244000	-293000	-272000	-400000	-160000
KERB & GUTTER TOTAL	-182000	-129000	-222000	-186000	-228000	-372000	-132000
SHIRE ROADS							
URBAN ROADS CONSTRUCTION INCOME							
BAROOGA							
To be determined	0	0	0	0	0		
BAROOGA Total	0	0	0	0	0	0	0
BERRIGAN							
To be determined	0	0	0	0	0		
BERRIGAN Total	0	0	0	0	0	0	0
FINLEY							
To be determined	0	0	0	0	0		
FINLEY Total	0	0	0	0	0	0	0
TOCUMWAL							
Transfer from Works Reserve - Jersey St - TOC Upgrades	0	0	0	0	0		
TOCUMWAL Total	0	0	0	0	0	0	0
URBAN ROADS CONSTRUCTION INCOME Total	0	0	0	0	0	0	0
URBAN ROADS CONSTRUCTION EXPENDITURE							
BAROOGA							
To be determined	0	0	0	0	0		
Snell Rd - Arramagong to McKinley	-5000	-5000	0	0	0	0	0

Snell Rd - Kamarooka to Chomley	-80000	-80000	0	0	0	0	0
BAROOGA Total	-85000	-85000	0	0	0	0	0
BERRIGAN							
To be determined	0	0	0	0	0		
Horsfall St - Jerilderie to Denison	-90000	0	-90000	0	0	0	0
Barooga St - Horsfall to Nangunia St	0	0	0	-40000	0	0	0
Nangunia St - Jerilderie to Barooga St	0	0	0	0	-16000	0	0
Barooga St - Nangunia to Orr St	0	0	0	-40000	0	0	0
Denison St - Horsfall to Nangunia West side	0	0	0	0	0	-40000	0
Denison St -Nangunia to Orr St - West Side	0	0	0	0	0	0	-40000
Corcoran St - Drainage improvements				-29000			
Drohan St - Construct & Seal - Lysaght to Hayes	0	0	-50000	0	0	0	0
BERRIGAN Total	-90000	0	-140000	-109000	-16000	-40000	-40000
FINLEY							
Murray St - Wollamai Sth (drainage)	0	0	0	0	0	0	0
Dawe Ave - Full Length	-150000	-150000	0	0	0	0	0
McCallister St - Headford St to Osborne St	0	0	-70000	0	0	0	0
Tocumwal St Tuppal St to Wollamai St	0	0	0	0	0	0	-40000
Coree St - Ulupna to Tongs Median Treatment	-24000	-476253	0	0	0	0	0
Denison St - Ulupna to Tongs inc Median Treatment	0	0	0	0	0	-475000	0
FINLEY Total	-174000	-626253	-70000	0	0	-475000	-40000
TOCUMWAL							
Bruton St - Barooga St Nth to Charlotte - Sth side	0	0	0	-120000	0	0	0
Bruton St - End existing kerb to Bruce Birrell Dr north side	0	0	0	0	-80000	0	0
Barooga St - Murray to Morris	-95000	-95000	0	0	0	0	0
Town Beach Road - Construct & Seal	0	0	0	0	0		

Jerilderie St Nth - Connect to Bruton St	0	0	0	0	0	0	0
Hannah St - Calaway to end existing	0	0	0	0	0	0	0
Emily St - Lane 960 to Hennessy	0	0	-18000	0	0	0	0
Emily St - Falkiner to Hennessy (east)	0	0	-5000	0	0	0	0
Calaway St - Emily to Charlotte (bs)	0	0	0	-25000	0	0	0
Hennessy St - South side Jerilderie to Emily	0	0	0	0	-120000	0	0
Charlotte St - Hennessy to Kelly	0	0	0	0	-140000	0	0
Repair existing kerb and shoulder Hill St - Repair and Realign Kerb - Reconstruct Shoulder	0	0	-35000	0	0	0	0
TOCUMWAL Total	-95000	-95000	-58000	-145000	-340000	0	0
UNGROUPED							
Repair existing kerb and shoulder	0	0	0	-60000	-60000	-60000	-60000
UNGROUPED Total	0	0	0	-60000	-60000	-60000	-60000
URBAN ROADS CONSTRUCTION EXPENDITURE Total	-444000	-806253	-268000	-314000	-416000	-575000	-140000
URBAN ROADS - RESEALS EXPENDITURE							
CHANTER ST 771 - 833 (Park Lanes)	0	-1000	0	0	0	0	0
SCOLLAR ST 980 - 1028	0	0	-1000	0	0	0	0
SCOLLAR ST 926 - 980	0	0	-1000	0	0	0	0
HILL ST 393 - 494 (Reco?)	0	-5268	0	0	0	0	0
HILL ST 70 - 392 (Reco?)	0	-15245	0	0	0	0	0
HILL ST 00 - 70 (Reco?)	0	-4000	0	0	0	0	0
MCALLISTER ST 216 - 679 (Reco?)	0	-5000	0	0	0	0	0
TOCUMWAL ST 944 - 1173 (Reco?)	0	-13995	0	0	0	0	0
WILLIAM ST BER 155 - 321	0	0	0	-5000	0	0	0
DENISON ST 702 - 937	0	-12000	0	0	0	0	0
DENISON ST 937 - 1409	0	-17323	0	0	0	0	0
MURRAY ST 1725 - 2025 (Park Lane)	0	-15000	0	0	0	0	0

BARKER ST 263 - 402	0	0	-6500	0	0	0	0
BURMA RD 00 - 1311	0	0	0	0	0	-21000	0
MURRAY ST 220 - 460	0	-8000	0	0	0	0	0
MURRAY ST 460 - 690	0	-3930	0	0	0	0	0
AMAROO AVE 00 - 216	0	-5500	0	0	0	0	0
AMAROO AVE 216 - 456	0	-5500	0	0	0	0	0
BANKER ST 00 - 124	0	-6000	0	0	0	0	0
BANKER ST 124 - 262	0	-8000	0	0	0	0	0
BARINYA ST 392 - 839	0	-11000	0	0	0	0	0
BARKER ST 00 - 130	0	0	-4000	0	0	0	0
BARKER ST 130 - 187	0	0	-5000	0	0	0	0
BARKER ST 187 - 263	0	0	-5000	0	0	0	0
BERRIGAN RD 00 - 303	0	0	0	-5000	0	0	0
BURTON ST 00 - 88	0	-4500	0	0	0	0	0
CHARLOTTE ST 323 - 463	0	0	-3500	0	0	0	0
DAVIS ST 527 - 668	0	0	-12000	0	0	0	0
DAVIS ST 296 - 527	0	0	-26000	0	0	0	0
DENILIQVIN ST 585 - 823	0	-12000	0	0	0	0	0
DENILIQVIN ST 1302 - 1498	0	0	-7000	0	0	0	0
DENISON ST 1409 - 1619	0	-13000	0	0	0	0	0
DENISON ST BER 217 - 1242	0	0	-5000	0	0	0	0
ENDEAVOUR ST 00 - 391	0	0	-8000	0	0	0	0
HAMPDEN ST 617 - 647	0	0	-2000	0	0	0	0
HILES CRT 00 - 88	0	0	-2500	0	0	0	0
HORSFALL ST 00 - 134	0	-2200	0	0	0	0	0
HORSFALL ST 134 - 277	0	-2300	0	0	0	0	0
LAWSON DRIVE 00 - 129	0	0	-6000	0	0	0	0
MACDONALD CRT 00 - 105	0	0	-3000	0	0	0	0
MCALLISTER ST 679 - 914	0	-8000	0	0	0	0	0
MCFARLAND ST 175 - 405	0	-10000	0	0	0	0	0

MCFARLAND ST 00 - 175	0	-5000	0	0	0	0	0
MURRAY ST 2025 - 2085	0	0	-2000	0	0	0	0
STILLARDS CRT 00 - 186	0	0	-7000	0	0	0	0
TONGS ST 1017 -1152	0	0	-3000	0	0	0	0
WELLS ST 1008 - 1295	0	0	-6000	0	0	0	0
WOLLAMAI ST 00 - 116	0	-8000	0	0	0	0	0
WOLLAMAI ST 116 - 329	0	-11000	0	0	0	0	0
WOLLAMAI ST 329 - 402	0	-20000	0	0	0	0	0
WOLLAMAI ST 402 - 552	0	-16000	0	0	0	0	0
BAROOGA ST 00 - 506	0	0	0	-17000	0	0	0
BRUTON ST 1126 - 1264	0	0	-6000	0	0	0	0
BRUTON ST 1040 - 1126	0	0	-4000	0	0	0	0
BUCHANANS RD 1500 - 1887	0	0	-10000	0	0	0	0
CLOSE ST 00 - 100	0	0	-5000	0	0	0	0
COBRAM ST TOC 516 - 612	0	0	-2500	0	0	0	0
COBRAM ST TOC 275 - 413	0	0	-2500	0	0	0	0
COBRAM ST TOC 413 - 516	0	0	-5000	0	0	0	0
DAWE AVE 253 - 576	0	0	-13000	0	0	0	0
DAWE AVE 00 - 253	0	0	-12000	0	0	0	0
GUNNAMARA ST 121 - 346	0	0	-10000	0	0	0	0
HOYLE ST 00 - 216	0	0	-6000	0	0	0	0
KAMAROOKA ST 475 - 788	0	0	-7000	0	0	0	0
TUPPAL ST 630 - 684	0	0	-4000	0	0	0	0
WISE CRT 00 - 275	0	0	-10000	0	0	0	0
BUCHANANS RD 866 - 900	0	0	-2000	0	0	0	0
BURKE ST 00 - 243	0	0	0	-6000	0	0	0
CLOSE ST 100 - 236	0	0	-5500	0	0	0	0
CORCORAN ST 00 - 382	0	0	-16000	0	0	0	0
COREE ST 00 - 245	0	0	0	-14000	0	0	0
DEAN ST EAST 00 - 190	0	0	-9000	0	0	0	0

DENISON ST BER 00 - 217	0	0	-8000	0	0	0	0
DRUITT CRT 00 - 86	0	0	0	-2500	0	0	0
ENDEAVOUR ST 391 - 673	0	0	-8000	0	0	0	0
FORREST CRT 00 - 57	0	0	0	-2000	0	0	0
GORMLEY CRT 00 - 195	0	0	0	-4500	0	0	0
GREGGERYS RD 198 - 396	0	0	-7000	0	0	0	0
GUNNAMARA ST 00 - 121	0	0	-6000	0	0	0	0
JAMES CRT 00 - 196	0	0	0	-6000	0	0	0
KELLY ST 439 - 664	0	0	0	-3000	0	0	0
KELLY ST 664 - 801	0	0	0	-4000	0	0	0
KELLY ST 801 - 948	0	0	0	-2000	0	0	0
KELLY ST 948 - 1030	0	0	0	-2500	0	0	0
LANE NO 840 809 - 1039	0	0	0	-3500	0	0	0
MURRAY ST 690 - 920	0	0	-11000	0	0	0	0
TOCUMWAL ST 372 - 715	0	-23000	0	0	0	0	0
TOCUMWAL ST 242 - 372	0	0	0	0	-9000	0	0
TOCUMWAL ST 00 - 242	0	0	0	-11000	0	0	0
TONGS ST 912 - 1017	0	0	0	-3500	0	0	0
TONGS ST 386 - 912	0	0	0	-19500	0	0	0
TOWN BEACH RD 00 - 110	0	0	0	-2000	0	0	0
TUPPAL ST 684 - 914	0	0	0	-8000	0	0	0
WILLIAM ST 289 - 376	0	0	-2000	0	0	0	0
WILLIAM ST BER 00 - 155	0	0	0	double	0	0	0
WILLIAM ST BER 321 - 399	0	0	-3000	0	0	0	0
WOLLAMAI ST 1497 - 1599	0	0	0	0	-3000	0	0
WOLLAMAI ST 1282 - 1497	0	0	0	0	-11000	0	0
ADAMS ST 70 - 195	0	0	0	0	-7000	0	0
ADAMS ST 00 - 30	0	0	0	0	-2000	0	0
ADAMS ST 30 - 70	0	0	0	0	-3000	0	0
ALEXANDER AVE 00 - 286	0	0	0	-12000	0	0	0

ANTHONY AVE 00 - 151	0	0	0	0	0	-3000	0
BARINYA ST 00 - 392	0	0	0	0	-14000	0	0
BERRIGAN ST 00 - 266	0	0	0	0	0	-7000	0
CARTER ST 00 - 258	0	0	0	-9000	0	0	0
CHANTER ST 341 - 771	0	0	0	0	-8000	0	0
COWLEY ST 00 - 150	0	0	0	0	-4500	0	0
DUFF ST 00 - 104	0	0	0	0	-4500	0	0
HILLSON ST 00 - 88	0	0	0	0	0	-3000	0
ISABEL AVE 00 - 101	0	0	0	0	-3500	0	0
LAWSON DRIVE 129 - 295	0	0	0	0	0	-5000	0
LAWSON DRIVE 295 - 532	0	0	-9000	0	0	0	0
LORELLE CRT 00 - 71	0	0	0	0	0	-1000	0
LORELLE CRT 71 - 136	0	0	0	0	0	-1000	0
MURRAY ST NTH 127 - 1030	0	0	0	0	-19000	0	0
PARKES ST 00 - 234	0	0	0	0	0	-10000	0
RILEY COURT A 265 - 304	0	0	0	0	-1000	0	0
RILEY COURT A 304 - 310	0	0	0	0	-1000	0	0
RILEY CRT 103 - 265	0	0	0	0	-3000	0	0
SCOLLAR ST 256 - 340	0	0	0	0	0	-2000	0
SHORT ST A 00 - 59	0	0	0	0	0	-1000	0
WOLLAMAI ST 552 - 665	0	0	-9000	0	0	0	0
WOLLAMAI ST 728 - 822	0	0	0	0	0	-7000	0
CALAWAY ST 696 - 914	0	0	0	0	-6000	0	0
FINLEY ST 480 - 713	0	0	0	0	-12000	0	0
GOLFCOURSE RD 00 - 150	0	0	0	0	0	-7500	0
HUTSONS RD 00 - 941	0	-20000	0	0	0	0	0
MURRAY GROVE 00 - 285	0	0	0	0	-6000	0	0
PINNUCK ST 00 - 246	0	0	0	0	0	-5000	0
PINNUCK ST 246 - 302	0	0	0	0	0	-3000	0
PINNUCK ST 302 - 732	0	0	0	0	0	-25000	0

PINNUCK ST 732 - 976	0	0	0	0	0	-14000	0
ULUPNA ST 00 - 411	0	0	0	0	0	-33000	0
BRIDGE ST 298 - 436	0	0	0	0	0	0	-3000
COLLIE ST 698 - 915	0	0	0	0	0	-6500	0
FLIGHT PLACE 00 - 202	0	0	0	0	0	-4000	0
HEADFORD ST 452 - 710	0	0	0	0	0	0	-9000
HENNESSY ST 250 - 291	0	0	0	0	0	-1000	0
HENNESSY ST 00 - 250	0	0	0	0	0	-3000	0
HONNIBALL DR 00 - 325	0	0	0	-6000	0	0	0
HONNIBALL DR 325 - 1101	0	0	0	-13000	0	0	0
INGO RENER DR 00 - 257	0	0	0	0	0	-7800	0
JERILDERIE ST 580 - 831	0	0	0	0	0	-8000	0
JERILDERIE ST 831 - 1120	0	0	0	0	-9000	0	0
SCOLLAR ST 748 - 926	0	0	0	0	0	0	-4000
TONGS ST 1152 - 1322	0	0	0	0	0	-9000	0
TOWN BEACH RD 110 - 361	0	0	0	0	0	0	-2000
ANTHONY AVE 151 - 337	0	0	0	0	-4000	0	0
BABS CRT 00 - 311	0	0	0	0	0	-7500	0
BANKER ST 536 - 879	0	0	0	0	0	0	-7000
BRIDGET ST 00 - 300	0	0	0	0	0	0	-13000
BROOKS AVE 00 - 139	0	0	0	0	0	0	-4000
BROOKS AVE 139 - 209	0	0	0	0	0	0	-2000
BROOKS AVE 209 - 376	0	0	0	0	0	0	-5000
BRUNKER ST 344 - 513	0	0	0	0	-4500	0	0
BRUTON ST 1264 - 1440	0	0	0	0	0	0	-9000
BRUTON ST 00 - 591	0	0	0	0	0	0	-23000
CALAWAY ST 356 - 458	0	0	0	0	0	0	-3000
CHARLOTTE ST 00 - 149	0	0	0	0	0	0	-6000
CHARLOTTE ST 146 - 323	0	0	0	0	0	0	-7000
CLAIRE DR 00 - 508	0	0	0	0	0	0	-10000

CORCORAN ST 522 - 723	0	0	0	0	0	0	-7000
COWLEY ST 150 - 220	0	0	0	0	-2500	0	0
CREED ST 00 - 157	0	0	0	0	0	0	-6000
FOUNDRY LANE 1039 - 1274	0	0	0	0	0	0	-3000
GEORGE ST 00 - 122	0	0	0	0	0	-3000	0
GREGGERYS RD 516 - 725	0	0	0	-4500	0	0	0
HAMPDEN ST 250 - 617	0	0	0	0	0	0	-16000
HAMPDEN ST 65 - 250	0	0	0	0	0	0	-10000
HANNAH ST 00 - 287	0	0	0	0	0	0	-12000
JAMES CRT TOC 00 - 228	0	0	0	0	0	-5500	0
LYSAGHT ST 00 - 405	0	0	0	0	-11000	0	0
MOORE ST 00 - 526	0	0	0	0	0	-15000	0
NANGUNIA ST BER 00 - 492	0	0	0	0	0	-11000	0
PINE VIEW DR 00 - 427	0	0	0	0	0	-10500	0
URBAN ROADS - RESEALS EXPENDITURE Total	0	-291761	-308000	-165500	-148500	-240300	-161000
TOWNSCAPE WORKS INCOME							
BAROOGA							
To be determined	0	0	0	0	0		
BAROOGA Total	0	0	0	0	0	0	0
BERRIGAN							
To be determined	0	0	0	0	0		
BERRIGAN Total	0	0	0	0	0	0	0
FINLEY							
To be determined	0	0	0	0	0		
FINLEY Total	0	0	0	0	0	0	0

TOCUMWAL							
To be determined	0	0	0	0	0	0	0
TOCUMWAL Total	0	0	0	0	0	0	0
TOWNSCAPE WORKS INCOME Total	0	0	0	0	0	0	0
TOWNSCAPE WORKS EXPENDITURE							
BAROOGA							
Town Entry	0	0	0	0	0		
BAROOGA Total	0	0	0	0	0	0	0
BERRIGAN							
Town Entry	0	0	0	0	0		
BERRIGAN Total	0	0	0	0	0	0	0
FINLEY							
Coree St - Ulupna to Tongs Median Treatment	-50000	0	-50000	-50000	0		
Denison St - Ulupna to Tongs Median Treatment	0	0	0	0	-50000		
FINLEY Total	-50000	0	-50000	-50000	-50000	0	0
TOCUMWAL							
To be determined	0	0	0	0	0		
TOCUMWAL Total	0	0	0	0	0	0	0
UNGROUPED							
Town Entry	-100000	-50000	-100000	-100000	-100000		
UNGROUPED Total	-100000	-50000	-100000	-100000	-100000	0	0
TOWNSCAPE WORKS EXPENDITURE Total	-150000	-50000	-150000	-150000	-150000	0	0

TOWNSCAPE WORKS TOTAL	-150000	-50000	-150000	-150000	-150000	0	0
RURAL ROADS UNSEALED - RESHEET INCOME							
UNGROUPED							
To be determined	0	0	0	0	0		
UNGROUPED Total	0	0	0	0	0	0	0
RURAL ROADS UNSEALED - RESHEET INCOME Total	0	0	0	0	0	0	0
RURAL ROADS UNSEALED - RESHEET EXPENDITURE							
UNGROUPED	0	0	0	0	0	0	
Alexanders Rd From End of Bitumen to Old Toc Berrigan Rd	-70000	-70000	0	0	0	0	0
Womboin RdMR363 to Nolans Rd - 3150	0	0	-115083.4	0	0	0	0
Womboin RdMR550 to Kennedy's Rd - 3350	0	0	-121896.92	0	0	0	0
MIECHELS RD0 to 3040 - 3040	0	0	-111335.96	0	0	0	0
Laffeys Rd from Ennals Rd to MIL ent - 980	0	0	-41156.708	0	0	0	0
Laffeys Rd from Ennals Rd to house entrance	-20000	-20000	0	0	0	0	0
Hogans Rd371 to 2459 - 2088	0	0	-78903.609	0	0	0	0
BOXWOOD RD0 to 2753 - 2753	0	0	0	-101559	0	0	0
Miechels Rd from SH17 to 3.1km West	-119000	-119000	0	0	0	0	0
EDNIES RD0 to 2003 - 2003	0	0	0	-76007.9	0	0	0
Winters Rd MR363 to 2.4km - 2400	0	0	0	-89532.7	0	0	0
SHERWINS RD1585 to 5313 - 3728	0	0	0	-134774	0	0	0
Winters Rd from MR363 to 1.5km East	-50000	-50000	0	0	0	0	0
OLD ADCOCKS RD2637 to 6026 - 3389	0	0	0	0	-123226	0	0
EARLS RD0 to 2363 - 2363	0	0	0	0	-88272.2	0	0
EDGECOMBE RD0 to 2134 - 2134	0	0	0	0	-80470.7	0	0
SULLIVANS RD0 to 2660 - 2660	0	0	0	0	-98390.3	0	0
LARKINS RD5417 to 7563 - 2146	0	0	0	0	0	-80879.5	0
MCDONALDS RD2763 to 6300 - 3537	0	0	0	0	0	-128268	0

MILLS RD0 to 4849 - 4849	0	0	0	0	0	-172964	0
MORTONS RD6028 to 6686 - 658	0	0	0	0	0	-30186.9	0
Wiltons Rd3000 to 5300 - 2300	0	0	0	0	0	0	-86125.9
hogans Rd	-180000	-180000	0	0	0	0	0
Daltons Rd0 to 1782 - 1782	0	0	0	0	0	0	-68478.9
Thorburn Rd5113 to 9632 - 4519	0	0	0	0	0	0	-161722
Creed St157 to 407 - 250	0	0	0	0	0	0	-16287.4
cronulla Rd0 to 1495 - 1495	0	0	0	0	0	0	-58701.5
Spring Rd 300 (near Jenkins) - 300	0	0	0	0	0	0	-17990.7
urban lanes / rec	0	0	-50000	-50000	-50000	-50000	-50000
Jenkins Rd0 to 1108 - 1108	0	0	0	0	0	0	0
Back Barooga Rdconfirm location - 2000	0	0	0	0	0	0	0
Lower River Rdconfirm location - 2000	0	0	0	0	0	0	0
Clearview RdYarrowonga Rd to end - 2347	0	0	0	0	0	0	0
Stonebank Rd2020/2021	0	0	0	0	0	0	0
Lawlors Rd from Thorntons Rd to 1.6k Eastfrom Thorntons Rd to 1.6k East - 1600	0	0	0	0	0	0	0
Greggerys Rd725 to 975 - 250	0	0	0	0	0	0	0
Marantells RdRiverina hwt to nth 750m - 750	0	0	0	0	0	0	0
Ruwolts Rdsections not responsible by quarry's - 530	0	0	0	0	0	0	0
Taylor's Rd2270 to 6201 - 3931	0	0	0	0	0	0	0
VAGGS RD0 to 2800 - 2800	0	0	0	0	0	0	0
BROOKMANNS RD4500 to 9000 - 4500	0	0	0	0	0	0	0
CAMERONS LANE0 to 500 - 500	0	0	0	0	0	0	0
STOCK ROUTE RD6659 to 11416 - 4757	0	0	0	0	0	0	0
Smithers Rd0 to 3590 - 3590	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
UNGROUPED Total							

RURAL ROADS UNSEALED - RESHEET EXPENDITURE Total	-439000	-439000	-518376.6	-451874	-440359	-462298	-459306
RURAL ROADS SEALED - RESEALS INCOME							
UNGROUPED							
To be determined	0	0	0	0	0		
UNGROUPED Total	0	0	0	0	0	0	0
RURAL ROADS SEALED - RESEALS INCOME Total	0	0	0	0	0	0	0
RURAL ROADS SEALED - RESEALS EXPENDITURE							
HUGHES ST 326 - 463	0	0	0	0	-11000	0	0
HUGHES ST 463 - 623	0	0	0	0	-8000	0	0
GOLFCOURSE RD 150 - 273	0	0	0	0	0	-10000	0
GOLFCOURSE RD 273 - 2063	0	0	0	0	0	-90000	0
GOLFCOURSE RD 2063 - 2955	0	0	0	0	0	-45000	0
COLDWELLS RD 6615 - 6830	0	0	-4000	0	0	0	0
COLDWELLS RD 00 - 3621	0	-63000	0	0	0	0	0
COLDWELLS RD 5395 - 6615	0	0	-18000	0	0	0	0
COLDWELLS RD 6830 - 7052	0	0	-4000	0	0	0	0
RACECOURSE RD 7322 - 7862	0	-15000	0	0	0	0	0
RACECOURSE RD BER - 00 - 1080	0	-22000	0	0	0	0	0
TUPPAL RD 1398 - 1799	0	0	-8000	0	0	0	0
WOOLSHED RD 2562 - 2819	0	0	-4000	0	0	0	0
RACECOURSE RD 4279 - 5669	0	0	-53000	0	0	0	0
LOWER RIVER RD 1902 - 2278	0	0	-8000	0	0	0	0
LOWER RIVER RD 00 - 1902	0	0	0	-38000	0	0	0
COLDWELLS RD 7052 - 8185	0	0	0	-15000	0	0	0
MELROSE RD 00 - 4948	0	0	0	0	-150000	0	0
RACECOURSE RD 00 - 1541	0	0	-20000	0	0	0	0
SOUTH COREE RD 8777 - 10395	0	0	-36000	0	0	0	0

TUPPAL RD 13292 - 18491	0	0	0	-120000	0	0	0
TUPPAL RD 8408 - 3290	0	0	0	0	-150000	0	0
TUPPAL RD 2852 - 4800	0	0	0	0	-50000	0	0
TUPPAL RD 4800 - 5558	0	0	0	0	0	-58000	0
YARRAWONGA RD 10495 - 12331	0	0	0	0	-37000	0	0
YARRAWONGA RD13149 - 18728	0	0	0	0	0	-114000	0
CROSBIES RD 00 - 98	0	0	0	0	0	-2000	0
CROSBIES RD 2665 - 3032	0	0	0	0	0	-4000	0
CROSBIES RD 3972 - 4421	0	0	0	0	0	0	-8000
CROSBIES RD 5692 - 5993	0	0	0	0	0	-5000	0
WOOLSHED RD 15180 - 17214	0	0	0	0	-35000	0	0
YARRAWONGA RD 7082 - 10495	0	0	0	0	0	0	-85000
YARRAWONGA RD 6490 - 7082	0	0	0	0	0	-20000	0
YARRAWONGA RD 3592 - 6490	0	0	0	0	0	0	-65000
YARRAWONGA RD2632 - 3592	0	0	0	0	0	0	-21000
YARRAWONGA RD 29403 - 30501	0	0	0	0	0	0	-43000
FULLERS RD 3400 - 6498	0	0	0	0	0	0	-50000
TUPPAL RD 879 - 1398	0	0	0	0	0	0	-9000
YARRAWONGA RD 24662 - 26084	0	0	0	0	0	0	-55000
FULLERS RD 3255 - 3400	0	0	0	0	0	0	-5000
YARRAWONGA RD 26084 - 29403	0	0	0	0	0	0	-129000
SEPPELTS RD 0 - 60	0	-2000	0	0	0	0	0
BACK BAROOGA RD 6558 - 6787	0	0	-3000	0	0	0	0
PINEY RD 4576 -5941 (Shoulder Widening)	0	0	-172500	0	0	0	0
PINEY RD 5941 - 6594	0	0	-11000	0	0	0	0
BURMA RD 00 - 1311	0	-25000	0	0	0	0	0
BARNES RD 2740 - 3462	0	0	0	0	0	0	0
CARAMAR RD 622 - 5876	0	0	0	0	0	-95000	0
LOGIE BRAE RD 2379 - 2726	0	-6000	0	0	0	0	0
LOGIE BRAE RD 2726 - 5466	0	-56000	0	0	0	0	0

MARSHES RD 00 - 1956	0	0	0	0	0	-76000	0
PINEY RD 11377 - 13763	0	-30000	0	0	0	0	0
SHANDS RD 00 - 5718	0	0	0	-72000	0	0	0
ALEXANDERS RD 00 - 65	0	0	-1000	0	0	0	0
ALEXANDERS RD 65 - 1307	0	0	-16000	0	0	0	0
CARAMAR RD 5876 - 6160	0	0	0	-7000	0	0	0
CARAMAR RD 6160 - 6802	0	0	0	-10000	0	0	0
CASEYS RD 4960 - 5948	0	0	-13000	0	0	0	0
CLEARVIEW RD 00 - 310	0	0	-6000	0	0	0	0
DALES RD 00 - 1831	0	-36000	0	0	0	0	0
DALES RD 1871 - 2665	0	-15000	0	0	0	0	0
PINELODGE RD3086.007577.00	0	0	-85000	0	0	0	0
SPRINGFIELD RD3855.004628.00	0	0	-10000	0	0	0	0
BABBINGTONS RD841.001717.00	0	0	0	-18000	0	0	0
BURMA RD1311.002243.00	0	0	0	-18000	0	0	0
BUSHFIELD RD0.004012.00	-22000	0	0	-51000	0	0	0
CASEYS RD5948.006321.00	-29000	0	0	0	-4000	0	0
CASEYS RD6321.007276.00	-72000	0	0	0	-19000	0	0
LAWLORS RD BER0.003572.00	0	0	0	-45000	0	0	0
MCMURRAYS RD0.001110.00	0	0	0	0	0	-19000	0
NARROW PLAINS RD0.001119.00	0	0	0	-60000	0	0	0
PEPPERTREE RD5188.005801.00	0	0	0	-12000	0	0	0
PEPPERTREE RD5801.008004.00	0	0	0	-5000	0	0	0
PEPPERTREE RD8004.008354.00	0	0	0	-42000	0	0	0
PINEY RD6594.008581.00	0	0	0	-25000	0	0	0
SEPPELTS RD60.001484.00	0	-27000	0	0	0	0	0
STOCK ROUTE RD0.002358.00	0	0	-30000	0	0	0	0
STOCK ROUTE RD2358.002707.00	0	0	-7000	0	0	0	0
STOCK ROUTE RD2707.003035.00	0	0	-4000	0	0	0	0
BATTENS RD0.00141.00	0	0	0	-3000	0	0	0

BATTENS RD143.00478.00	0	0	0	-5000	0	0	0
BATTENS RD478.00691.00	0	0	0	-3000	0	0	0
BATTENS RD691.001073.00	0	0	0	-5000	0	0	0
BATTENS RD1073.001321.00	0	0	0	-4000	0	0	0
BATTENS RD1321.004404.00	0	0	0	-42000	0	0	0
BRAYBONS RD0.003574.00	0	0	0	0	-46000	0	0
CARAMAR RD0.00622.00	0	0	0	0	-14000	0	0
CARRUTHERS RD0.001660.00	0	0	0	0	-21000	0	0
CASEYS RD7276.008371.00	0	0	0	0	0	-39000	0
HOGANS RD2459.003079.00	0	0	0	0	-12000	0	0
KILLEENS RD2386.002742.00	0	0	0	-9000	0	0	0
MARIAN DR0.00679.00	0	0	0	0	-14000	0	0
MAXWELLS RD0.005100.00	0	0	0	0	0	0	-122000
MAXWELLS RD8368.008454.00	0	0	0	0	0	0	-1000
MCCULLOCHS RD0.003043.00	0	0	0	0	-38000	0	0
NARROW PLAINS RD0.001119.00	0	0	0	-20000	0	0	0
OLD TOC BER RD4306.004932.00	0	0	0	0	-11000	0	0
PINELODGE RD0.003086.00	0	0	0	0	-59000	0	0
PINEY RD3390.004576.00	0	0	0	-25000	0	0	0
QUICKS RD TOC0.001931.00	0	0	0	-39000	0	0	0
QUIRKS RD5017.006644.00	0	0	0	0	-21000	0	0
THORBURNS RD4426.005113.00	0	0	0	0	-9000	0	0
HUESTONS RD292.004845.00	0	0	0	0	0	0	-49000
HUESTONS RD4845.008726.00	0	0	0	0	0	0	-42000
RURAL ROADS SEALED - RESEALS EXPENDITURE Total	-123000	-297000	-513500	-693000	-709000	-577000	-684000
RURAL ROADS CONSTRUCTION INCOME							

UNGROUPED							
Fixing Country Roads - Strathvale Rd	0	0	0	0	0		
UNGROUPED Total	0	0	0	0	0	0	0
RURAL ROADS CONSTRUCTION INCOME Total	0	0	0	0	0	0	0
RURAL ROADS CONSTRUCTION EXPENDITURE							
UNGROUPED	0	0	0	0	0	0	0
Barnes Rd - Logie Brae Rd to Maxwells Rd	0	0	0	0	0	0	0
Barnes Rd - Maxwell Rd to South Coree Rd	0	0	0	-220000	0	0	0
Battens Rd MR356 to Green Swamp Rd	0	0	0	0	0	0	0
Caseys Rd 00 to 1.5km	0	0	0	0	0	0	0
Clearzones	-75000	-50000	-50000	-50000	-50000	-50000	-50000
Coldwells Rd - 5300 to 6300 east of Berrigan-Barooga Rd	0	0	0	0	0	0	0
Coldwells Rd - 4965-5395	0	0	-113000	0	0	0	0
Draytons Rd - Withers Rd to Yarrawonga Rd	0	0	0	0	0	0	0
Piney Rd - Bends Section	0	0	0	0	0	0	0
Shands Rd - MR363 to Rockcliffs Rd	0	0	0	0	0	0	0
To be determined	0	0	0	0	0	0	0
Burma Rd 00 to 1.3km	0	0	0	0	0	0	0
Woolshed Rd 2.4 to 2.9 & 3.5 to 4.8	0	0	0	0	0	0	0
Yarrawonga Rd 2.1 to 6.1	-560000	-140000	-140000	-140000	-140000	0	0
Yarrawonga Rd 20.1 to 21.7	0	0	-225000	0	0	0	0
Yarrawonga Rd 00-733	0	0	0	0	0	0	-174000
Maxwells Rd - 5.7 to 7.4	0	0	0	0	0	0	0
Piney Rd - 11.8 to 13.8	0	0	0	0	0	-250000	0
Bushfield Rd 00 to 5km	-355174	-355174	-250000	0	0	0	0
Yarrawonga Rd 18.7 to 21.7	-100000	-100000	0	0	0	0	0
Peppertree Rd - to 3.5 to 4.2 from woolshed	0	0	0	0	0	0	0
Crosbies Rd Bridge Approaches	0	0	0	0	0	0	0

Crosbies Rd from 4.4 to 5.7	0	0	0	0	0	0	0
Heavy Patching	0	0	0	0	0	-250000	-250000
Lower River Rd - 2278-3047	0	0	0	0	0	-133000	0
Lower River Rd - 3480-4836	0	0	0	0	0	-235000	0
Lower River Rd - 5415-6813	0	0	0	0	0	-242000	0
Lower River Rd - 1902-2278	0	0	0	0	0	0	-78000
Lower River Rd - Causeways 2.8 and 3.2	-200000	-200000	0	0	0	-200000	0
Racecourse Rd Toc - 7322-7862	0	0	0	0	-171000	0	0
Racecourse Rd Toc - 4279-5669	0	0	0	0	0	0	-345000
Snell Road 00-1225	0	0	0	0	-260000	0	0
Strathvale Rd	0	0	0	0	0	0	0
South Coree Rd 8320-8777	0	0	-112000	0	0	0	0
South Coree Rd 0-1742	0	0	0	0	-460000	0	0
Tuppall Road 1398-1799	0	0	0	0	-98000	0	0
Woolshed Rd 21.0-22.0	0	0	-90000	-380000	0	0	0
Maxwells Rd - Larkins Rd to Riverina Hwy	0	0	0	0	0	0	0
Melrose Rd - 9637 to 10653	0	0	0	0	0	0	0
Melrose Rd - 8637-9637	0	0	-223000	0	0	0	0
Melrose Rd -7570-8637	0	0	0	-238000	0	0	0
Melrose Rd - 00-4948 (part)	0	0	0	0	-265000	0	0
Coldwells Rd	0	0	0	0	0	0	0
Peppertree Rd - to 2.4 to 3.5 from woolshed	0	0	0	0	0	0	0
Lawlors Rd Berrigan - Heavy Patching	-70000	-70000	0	0	0	0	0
Crosbies Rd - Curves	0	0	0	0	0	0	0
Stock Route Road 0-3032	0	0	-150000	-300000	0	0	0
RURAL ROADS CONSTRUCTION EXPENDITURE Total	-1360174	-915174	-1353000	-1328000	-1444000	-1360000	-897000
RURAL ROADS CONSTRUCTION TOTAL	-1360174	-915174	-1353000	-1328000	-1444000	-1360000	-897000
RMS WORKS INCOME							
UNGROUPED							

RMS Block	175000	175000	175000	175000	175000	175000	175000
RMS Repair	175000	175000	175000	175000	175000	175000	175000
UNGROUPED Total	350000	350000	350000	350000	350000	350000	350000
RMS WORKS INCOME Total	350000	350000	350000	350000	350000	350000	350000
RMS WORKS EXPENDITURE							
MR363 -12626.00-14786.00						233000	391000
MR550-17304.00-20569.00							
MR363-1246-1665		170000					
MR550-2934-3710					113000		111000
MR550-1016-2654				113000	360000		
MR363-1665-4250		190000	360000	197000			
MR226-2105-3469		150000	150000	200000	Asphalt overlay		
MR564-1957-3419							
MR363-8033-8924							119000
MR363-4250-4378					37000		
MR363-168-744							166000
RMS CONSTRUCTION TOTAL		510000	510000	510000	510000	510000	510000
RMS RESEALING		350000	350000	350000	350000	350000	350000

RMS WORKS EXPENDITURE Total								
R2R GRANT								
	UNGROUPED							
	To be determined	1316290.5	1316290.5	987218	987218	987218	987218	987218
R2R GRANT Total		1316290.5	1316290.5	987218	987218	987218	987218	987218
FOOTPATHS INCOME								
BAROOGA								
	Nangunia St - Botanical Gardens to Takari St	0	0	0	0	0	0	0
BAROOGA Total		0	0	0	0	0	0	0
BERRIGAN								
	Jerilderie St - End of concrete path to Stafford St					14000		
	Stafford St - Jerilderie St to FlynnSt					1500		
	Momalong St - Jerilderie St to Davis St			0	5808	0		
	Jerilderie St - Horsfall St to Orr St				22000			
BERRIGAN Total		0	0	0	27808	15500	0	0
FINLEY								
	Tongs St - Coree St to Murray St	0	0	0	0	0	0	0
	Coree St McNamara to Tongs	23000	23000	0	0	0	0	0

Dawe Ave - Finley Regional Care to Pre-School	0	15000	0	0	0	0	
Donaldson Street - Schoullar to Dawe	0	6000	0	0	0	0	
Schoullar St - Donaldson to Finley Regional Care	0	0	0	0	0	0	
Finley Chamber Walking Track Tongs St	0	0	0	0	0	0	
FINLEY Total	23000	44000	0	0	0	0	0
TOCUMWAL							
Jerilderie St Nth	25000	25000	0	0	0	0	
SCCF - Extension Path Network	0	0	0	0	0	0	
Bruton St - Anthony to Hannah	0	0	13500	0	0	0	
Hannah St - Hennessy to Bruton	0	0	21500	0	0	0	
Hennessy St - Town Beach Rd to Morris St						7300	
Charlotte St - Bruton St to Hennessy St				10000			
Kelly St - Charlotte St to Jerilderie St							7500
TOCUMWAL Total	25000	25000	35000	10000	0	7300	7500
FOOTPATHS INCOME Total	48000	69000	35000	37808	15500	7300	7500
FOOTPATHS EXPENDITURE							
BAROOGA							
Nangunia St - Botanical Gardens to Takari St	0	0	0	0	0	0	
BAROOGA Total	0	0	0	0	0	0	0
BERRIGAN							
Jerilderie St - End of concrete path to Stafford St					-45000		
Stafford St - Jerilderie St to FlynnSt					-15000		
Momalong St - Jerilderie St to Davis St			0	-13200	0		
Jerilderie St - Horsfall St to Orr St				-56400			
Hayes Park Toilets Footpath	0	0	0	0	0	0	

Racecourse Rd - Walking Tr Cobram to Jerilderie	0	0	0	0	0	0	
BERRIGAN Total	0	0	0	-69600	-60000	0	0
FINLEY							
Tong St walking Track	0	0	0	0	0		
Tongs St - Coree St to Murray St	0	0	0	0	0		
Coree St McNamara to Tongs	-48000	-48000	0	0	0	0	
Dawe Ave - Finley Regional Care to Pre-School	0	-40000	0	0	0	0	
Donaldson Street - Schoullar to Dawe	0	-13000	0	0	0	0	
Scoullar St - Donaldson to Finley Regional Care	0	0	0	0	0	0	
Finley St Detention Basin	-20000	-20000	0	0	0	0	
Finley Chamber Walking Track Tongs St	-20000	-20000	0	0	0	0	
FINLEY Total	-88000	-141000	0	0	0	0	0
TOCUMWAL							
Jerilderie St Nth	-60000	-60000	0	0	0	0	
SCCF - Walking track to Quicks Rd / Babingtons / MR550	0	0	0	0	0	0	
Quicks Rd Walking Track	0	0	0	0	0	0	
Bruton St - Anthony to Hannah	0	0	-30000	0	0	0	
Hannah St - Hennessy to Bruton	0	0	-45000	0	0	0	
Hennessy St - Town Beach Rd to Morris St	0	0	0	0	0	-19200	
Charlotte St - Bruton St to Hennessy St				-50000			
Kelly St - Charlotte St to Jerilderie St							-66000
TOCUMWAL Total	-60000	-60000	-75000	-50000	0	-19200	-66000
UNGROUPED							
Street Lighting in Towns	-10000	-10000	-10000	-10000	-10000	-10000	-10000
New Footpaths / replace existing	-10000	-10000	-50000	-20000	-50000	-80000	-50000
UNGROUPED Total	-20000	-20000	-60000	-30000	-60000	-90000	-60000

FOOTPATHS EXPENDITURE Total	-168000	-221000	-135000	-149600	-120000	-109200	-126000
FOOTPATHS NET COST	-120000	-152000	-100000	-111792	-104500	-101900	-118500

Appendix E Disposal Summary

E.1 – Disposal Forecast Assumptions and Source

The only assets identified for disposal during life of this plan are components of the transport infrastructure that replaced prior to reaching their adopted useful life. These assets will have no revenue value and the remaining valuation will be written off the asset register as a book entry.

E.2 – Disposal Forecast Summary

Table E3 – Disposal Activity Summary

Year	Disposals Forecast	Disposal Budget
2020	0	0
2021	0	0
2022	0	0
2023	0	0
2024	0	0
2025	0	0
2026	0	0
2027	0	0
2028	0	0
2029	0	0
2030	0	0
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	0	0
2036	0	0
2037	0	0
2038	0	0
2039	0	0

Appendix F Budget Summary by Lifecycle Activity

Acquisitions will generally be associated with widening of rural roads to adopted service standards or the extension of the kerb and gutter and footpath networks to service the existing residential areas. There will be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

Operational and maintenance costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

The estimates for renewals in this Asset Management Plan were based on the asset register. The average spend that is budgeted generally allows for renewal of assets as required. There is a significant backlog that should be addressed over the coming five years and then progress with renewal will need to be monitored as the mid term of the budget is approached at 2030 when some significant renewals are forecast. It is possible that these issues can be addressed by deferring renewals if condition ratings are favourable or alternatively the budget may have to be increased for this period.

The only assets identified for disposal during life of this plan are components of the transport infrastructure that replaced prior to reaching their adopted useful life. These assets will have no revenue value and the remaining valuation will be written off the asset register as a book entry.

Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2020	\$741,500	\$1,223,000	\$3,146,007	\$2,159,700	0	\$7,270,207
2021	\$514,200	\$1,244,000	\$2,619,520	\$1,807,300	0	\$6,185,020
2022	\$718,400	\$1,249,117	\$2,630,297	\$1,784,500	0	\$6,382,314
2023	\$652,000	\$1,253,762	\$2,640,078	\$1,890,000	0	\$6,435,840
2024	\$478,200	\$1,257,169	\$2,647,251	\$2,251,000	0	\$6,633,620
2025	\$496,000	\$1,260,702	\$2,654,692	\$1,742,000	0	\$6,153,394
2026	\$460,000	\$1,263,979	\$2,661,592	\$1,950,000	0	\$6,335,571
2027	\$460,000	\$1,267,257	\$2,668,493	\$1,930,000	0	\$6,325,750
2028	\$460,000	\$1,270,534	\$2,675,393	\$1,930,000	0	\$6,335,927
2029	\$460,000	\$1,273,811	\$2,682,294	\$1,930,000	0	\$6,346,105
2030	\$460,000	\$1,277,088	\$2,689,194	\$1,930,000	0	\$6,356,282
2031	\$460,000	\$1,280,365	\$2,696,095	\$1,980,000	0	\$6,416,460
2032	\$410,000	\$1,283,285	\$2,702,245	\$1,980,000	0	\$6,375,530
2033	\$410,000	\$1,286,206	\$2,708,396	\$1,980,000	0	\$6,384,602
2034	\$410,000	\$1,289,127	\$2,714,546	\$1,980,000	0	\$6,393,673
2035	\$410,000	\$1,292,048	\$2,720,697	\$1,980,000	0	\$6,402,745
2036	\$410,000	\$1,294,969	\$2,726,847	\$1,980,000	0	\$6,411,816
2037	\$410,000	\$1,297,890	\$2,732,998	\$1,980,000	0	\$6,420,888
2038	\$410,000	\$1,300,810	\$2,739,148	\$1,980,000	0	\$6,429,958
2039	\$410,000	\$1,303,732	\$2,745,299	\$1,980,000	0	\$6,439,031

Infrastructure Risk Management Plan

Transport 2020



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1. INTRODUCTION

1.1 Purpose

The purpose of this infrastructure risk management plan is to document the results and recommendations resulting from regular identification, assessment and treatment of risks associated with providing services to the organization from infrastructure, using the fundamentals of International Standard ISO 31000:2018 *Risk management – Guidelines*.

Risk Management is defined in ISO 31000:2018 as: “coordinated activities to direct and control an organisation with regard to risk”¹.

1.2 Objectives

The objectives of the risk management plan are:

- to identify risks to the Berrigan Shire Council that may impact the delivery of services from infrastructure
- to select credible risks for detailed analysis,
- to analyse and evaluate risks in accordance with ISO 31000:2018,
- to prioritise risks,
- to identify risks requiring treatment by management action,
- to develop risk treatment plans identifying the tasks required to manage the risks, the person responsible for each task, the resources required and the due completion date.

1.3 Infrastructure Risk Management Plan

This infrastructure risk management plan has been designed to be read as a supporting document to the infrastructure asset management plan. It has been prepared using the fundamentals of International Standard ISO 31000:2018 *Risk management – Guidelines*.

Organisations aiming at effectively managing risk should comply with the following principles.

- Risk management is an integral part of all organizational activities.
- A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- The risk management framework and process are customized and proportionate to the organization’s external and internal context related to its objectives.
- Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
- Risks can emerge, change or disappear as an organization’s external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.²

¹ ISO 31000:2018, p 1.

² ISO 3100:2009, Sec 4, p 3

1.4 Scope

This plan considers risks associated with delivery of services from infrastructure.

1.5 The Risk Management Context

Organisations implement management practices and procedures to identify and manage risks associated with providing services from infrastructure assets. These include:

- operating a reactive maintenance service for all assets and services;
- operating a planned maintenance system for key assets;
- monitoring condition and remaining service life of assets nearing the end of their service life;
- renewing and upgrading assets to maintain service delivery;
- closing and disposing of assets not providing the required service level; and
- acquiring or constructing new assets to provide new and improved services.

The Berrigan Shire Council's planning is underpinned by the Integrated Planning and Reporting Framework for NSW Local Government and the Integrated Planning and Reporting principles described by the Local Government Act 1993. The adjacent Figure illustrates the outcome, input, output, action and review logic and operational integration of Berrigan Shire 2027 (a Community Strategic Plan) with the Council's suite of Integrated Plans.

The Council's Delivery Program 2017 – 2021 includes the activities undertaken by the Council and is integrated with Berrigan Shire 2027 strategic outcomes. Describing the Council's commitments for the next four years and the resources it can draw on: resources identified in the Council's Resourcing Strategy 2017 - 2027. The Council's 4-year Delivery Program developed from the Shire Council's 10-year Resourcing Strategy includes the Shire's Asset Management Plans, Workforce Development Plan 2017 – 2021 and Long Term Financial Plan 2017 – 2027. Asset Management Plans describe and estimate the resources needed by Council to achieve service levels and community expectations and are the basis of the Shire's 4-year Capital Works Program an element of the Shire's Long Term Financial Management Plan. The Shire's Long Term Financial Plan and the costings included in the forward projections of its Capital Works Program are subject to ongoing monitoring and review by Council. This ensures Council's Delivery Program and cost estimates do not compromise the Council's Financial Strategy 2016 objectives of:

1. Financial sustainability;
2. Cost effective maintenance of infrastructure service levels; and
3. Financial capacity and freedom.

Themed according to the outcomes we want to achieve the Delivery Program 2017- 2021 describes:

- The full range of Council services and activities – operations
- High level responsibility for Council services and operations; and
- The monitoring measures we use to determine the efficiency and effectiveness of Council's Delivery Program and its contribution to Berrigan Shire 2027 Strategic Outcomes.

Berrigan Shire Council has assigned responsibilities for managing risks associated with transport assets and associated service delivery to the following departments and positions.

Technical Services Department

Enterprise Risk Manager

1.6 Risk Management Process

The risk management process used is shown in Figure 1.6 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018

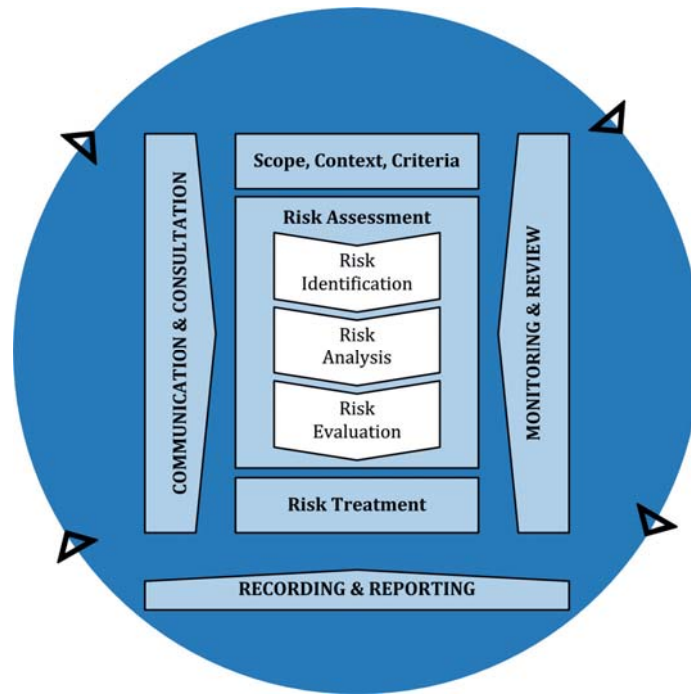


Fig 1.6. Risk Management Process – Abridged
 Source: ISO 31000:2018, Figure 1, p9

An abridged version of the process from the previous ISO 21000:2009 (now withdrawn) describes and expands the process

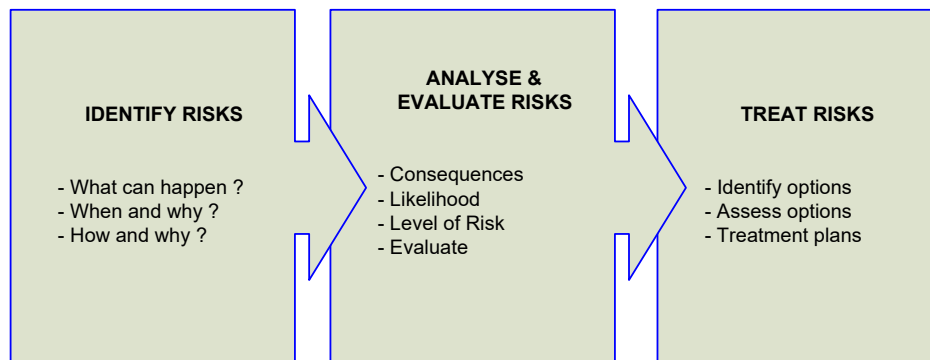


Fig 1.7. Risk Management Process – Abridged
 Source: ISO 31000:2009 (now withdrawn)

2. COMMUNICATION AND CONSULTATION

Risk communication and consultation is to “assist relevant stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required”³.

Appropriate communication and consultation seeks to:

- ‘bring different areas of expertise together for each step of the risk management process;
- ensure that different views are appropriately considered when defining risk criteria and when evaluating risks;
- provide sufficient information to facilitate risk oversight and decision-making;
- build a sense of inclusiveness and ownership among those affected by risk.’⁴

The development of this infrastructure risk management plan was undertaken using a consultative team approach to:

- Identify stakeholders and specialist advisors who need to be involved in the risk management process;
- Discuss and consider the views of stakeholder and specialist advisors
- Communicate the results of the risk management process to ensure that all stakeholders are aware of and understand their and roles and responsibilities in risk treatment plans.
- Create “ownership”

The results from the risk management planning process will frequently identify areas requiring expenditure. This might be in the form of additional operations and maintenance activities, asset renewals, or the creation of upgraded / new assets. It is essential that this forecast work be prioritised and included for funding consideration in the related Asset Management Plans.

Risks that are rated as ‘high’ or ‘very high’ and needing near term activities to manage are summarized and included in the related asset management Plan. These ‘high’ and ‘very high’ risks are also summarized in Appendix 1

Members of the team responsible for preparation of this risk management plan are:

- Matthew Clarke – Director Technical Services
- Fred Exton – Engineering Services Manager
- Gary George – Assets and Operations Manager
- Michelle Koopman – Enterprise Risk Manager
- Darron Freund – Technical Support Officer
- Paul Glanville – Technical Officer Asset Management
- Dean Loats – Roads Overseer
- Andrew Frazer – Maintenance Overseer

³ ISO 31000:2018, p 9

⁴ ISO 31000:2018, p 9-10

3. RISK IDENTIFICATION

3.1 General

Risk identification seeks to identify the risks that need to be managed. A well-structured systematic process is crucial, because a potential risk not identified at this stage is excluded from further analysis. All risks should be identified, whether or not they are under the control of the organisation.

The risks are identified in three stages:

- What can happen? The aim is to generate a comprehensive list of events which might affect each element of the organisation's service delivery.
- How and why it can happen? It is necessary to consider possible causes and scenarios. There are many ways and event can be initiated. It is important that no significant causes are omitted.
- Are risks credible? An assessment of credibility of all risk is undertaken to ensure that credible risks receive proper and due consideration.

Potential risks associated with providing services from infrastructure were identified at meetings of the council's infrastructure risk management team.

Team members were asked to identify "what can happen, where and when" to the various council services, at the network level and for critical assets at the asset level, then to identify possible "why and how can it happen" as causes for each potential event together with any existing risk management controls.

Each risk was then tested for credibility to ensure that available resources were applied to those risks that the team considered were necessary to proceed with detailed risk analysis

The assets at risk, what can happen, when, possible cause(s), existing controls and credibility are shown in Appendix 2.1 – Risk Identification.

Credible risks are subjected to risk analysis in Section 4.4.5. Risks assessed as non-credible were not considered further and will be managed by routine procedures.

4. RISK ANALYSIS

4.1 General

Once risks have been identified it is necessary to analyse the risk in terms of the **likelihood** and **consequences** of an event occurring. These two parameters can be used to produce a level of risk which will help set treatment priorities and options.

In general Berrigan Shire Council will use a qualitative process to measure risks. This process uses descriptive information about the nature of the consequences and likelihood rather than a strict numerical analysis.

In analysing risks the most pertinent information sources should be used and any assumptions made in the analysis of risks should be recorded. Some relevant sources of information could include:

- Past records
- Practice and relevant experience
- Relevant published literature
- Specialist and expert judgements

4.2 Likelihood

Likelihood is a qualitative description of chance of an event occurring. The process of determining likelihood involves combining information about estimated or calculated probability, history or experience. Where possible it is based on past records, relevant experience, industry practice and experience, published literature or expert judgement.

4.3 Consequences

Consequences are a qualitative description of the outcome of an event affecting objectives. The process of determining consequences involved combining information about estimated or calculated effects, history and experience.

4.4 Method

The risk analysis method uses the risk rating chart shown in Section 4.4.3. This process uses a qualitative assessment of likelihood/probability and history/experience compared against a qualitative assessment of severity of consequences to derive a risk rating.

The qualitative descriptors for each assessment are shown below.

4.4.1 Likelihood

Level	Likelihood	Descriptor	Probability of occurrence (in relation to assets)
E	Rare	May occur only in exceptional circumstances	More than 20 years
D	Unlikely	Could occur at some time	Within 10-20 years
C	Possible	Might occur at some time	Within 3-5 years
B	Likely	Will probably occur in most circumstances	Within 2 years
A	Almost certain	Expected to occur in most circumstances	Within 1 year

4.4.2 Consequences

Consequence	Injury	Service Interruption	Environment	Finance	Reputation
1	Nil	< 4 hrs	Nil	< \$20k	Nil
2	First Aid	Up to 1 day	Minor short term	\$20k - \$100k	Minor media
3	Medical treatment	1 day – 1 week	Wide short term	\$100k - \$500k	Moderate media
4	Disability	1 week – 1 month	Wide long term	\$500k - \$1M	High media
5	Fatality	More than 1 month	Irreversible long term	> \$1M	Censure/ Inquiry

4.4.3 Risk Assessment

The risk assessment process compares the likelihood of a risk event occurring against the consequences of the event occurring. In the risk rating table below, a risk event with a likelihood of 'Possible' and a consequence of '3' has a risk rating of 'High'. This rating is used to develop a typical risk treatment in Section 5.3.

Likelihood	Consequence				
	1	2	3	4	5
A	Medium (11)	High (16)	High (20)	Very High (23)	Very High (25)
B	Medium (7)	Medium (12)	High (17)	High (21)	Very High (24)
C	Low (4)	Medium (8)	High (14)	High (18)	High (22)
D	Low (2)	Low (5)	Medium (9)	Medium (13)	High (19)
E	Low (1)	Low (3)	Medium (6)	Medium (10)	High (15)

4.4.4 Indicator of Risk Treatment

The risk rating is used to determine the required timing and type of risk treatments. Risk treatments can range from immediate corrective action (such as stop work or prevent use of the asset) for 'Very High' risks to being managed by routine procedures for 'Low' risks.

An event with a 'High' risk rating will require 'Prioritised action'. This may include actions such as reducing the likelihood of the event occurring by physical methods (limiting usage to within the asset's capacity, increasing monitoring and maintenance practices, etc), reducing consequences (limiting speed of use, preparing response plans, etc) and/or sharing the risk with others (insuring the organisation against the risk).

	Response	Action
Very High	Senior management attention required. Action plan required.	Immediate response Specify management responsibility
High	Senior management attention Action plan required	Response required within 7 working days Specify management responsibility
Medium	Implement specific monitoring or response procedures	Strategic action required Specify management responsibility
Low	Manage by routine procedures. Unlikely to require a specific application of resources	Business as usual Response may not be necessary

Immediate corrective action may include combinations of stopping work, making the area safe, preventing use of the asset and/or scheduling replacement as soon as possible. Prioritised action may include making the areas safe and implementing a short term work program to reduce the risk through improved maintenance or replacement of the asset. Planned action may include shifting the asset from a reactive maintenance to a planned maintenance management regime and/or scheduling component/asset replacement in the current or next budget. Manage by routine procedures involves managing the risk through existing operations and maintenance procedures.

4.4.5 Analysis of Risk

The team conducted an analysis of credible risks identified in section 3.1 using the method described above to determine a risk rating for each credible risk.

The credible risks and risk ratings are shown in Appendix 2.2 – Risk Analysis

4.5 Risk Evaluation

The risk management team evaluated the need for risk treatment plans using an overall assessment of the following evaluation criteria to answer the question “is the risk acceptable?”

Criterion	Risk Evaluation Notes
Operational	Risks that have the potential to reduce services for a period of time unacceptable to the community and/or adversely affect the council's public image.
Technical	Risks that cannot be treated by council's existing and/or readily available technical resources.
Financial	Risks that cannot be treated within council's normal maintenance budgets or by reallocation of an annual capital works program.
Legal	Risks that have the potential to generate unacceptable exposure to litigation.
Social	Risks that have the potential to: - cause personal injury or death and/or - cause significant social/political disruption in the community.
Environmental	Risks that have the potential to cause environmental harm.

The evaluation criteria are to provide guidance to evaluate whether the risks are acceptable to the council and its stakeholders in providing services to the community. Risks that do not meet the evaluation criteria above are deemed to be unacceptable and risk treatment plans are required to be developed and documented in this Infrastructure Risk Management Plan, for consideration by council.

“Decisions on managing risk should take account of the wider context of the risk and include consideration of the tolerance of the risks borne by parties, other than the organisation that benefits from the risk. Decisions should be made in accordance with legal, regulatory and other requirements.

In some circumstances, the risk evaluation can lead to a decision to undertake further analysis. The risk evaluation can also lead to a decision not to treat the risk in any way other than maintaining existing controls. This decision will be influenced by Berrigan Shire Council's risk attitudes and the risk criteria than have been established.”⁵

⁵ ISO 3100:2009, Sec 5.4.4, p 18.

5. RISK TREATMENT PLANS

5.1 General

The treatment of risk involves identifying the range of options for treating risk, evaluating those options, preparing risk treatment plans and implementing those plans. This includes reviewing existing guides for treating that particular risk, such as legislation and regulations, International Standards and Best Practice Guides.

Developing risk treatment options starts with understanding how risks arise, understanding the immediate causes and the underlying factors that influence whether the proposed treatment will be effective.

Options for managing risk are shown below. The optimum solution may involve a combination of options.

- **Avoid the risk** by deciding not to proceed with the activity that would incur the risk, or choose an alternative course of action that achieves the same outcome,
- **Reduce the level of risk** by reducing the likelihood of occurrence or the consequences, or both;
 - * the likelihood may be reduced through management controls, organisational or other arrangements which reduce the frequency of, or opportunity for errors, such as alternative procedures, quality assurance, testing, training, supervision, review, documented policy and procedures, research and development.
 - * the consequences may be reduced by ensuring that management or other controls, or physical barriers, are in place to minimise any adverse consequences, such as contingency planning, contract conditions or other arrangements,
- **Transfer the risk** by shifting the responsibility to another party (such as an insurer), who ultimately bears the consequences if the event occurs. Risks should be allocated to the party which can exercise the most effective control over those risks.
- **Accept and retain the risks** within the organisation where they cannot be avoided, reduced or reduced or transferred, or where the cost to avoid or transfer the risk is not justified, usually because the risk is acceptable or low. Risks can be retained by default, ie. Where there is a failure to identify and/or appropriately transfer or otherwise manage risks

The cost of managing risks needs to be less than with the benefits obtained, the significance of the event and the risks involved.

5.2 Risk Treatment Options

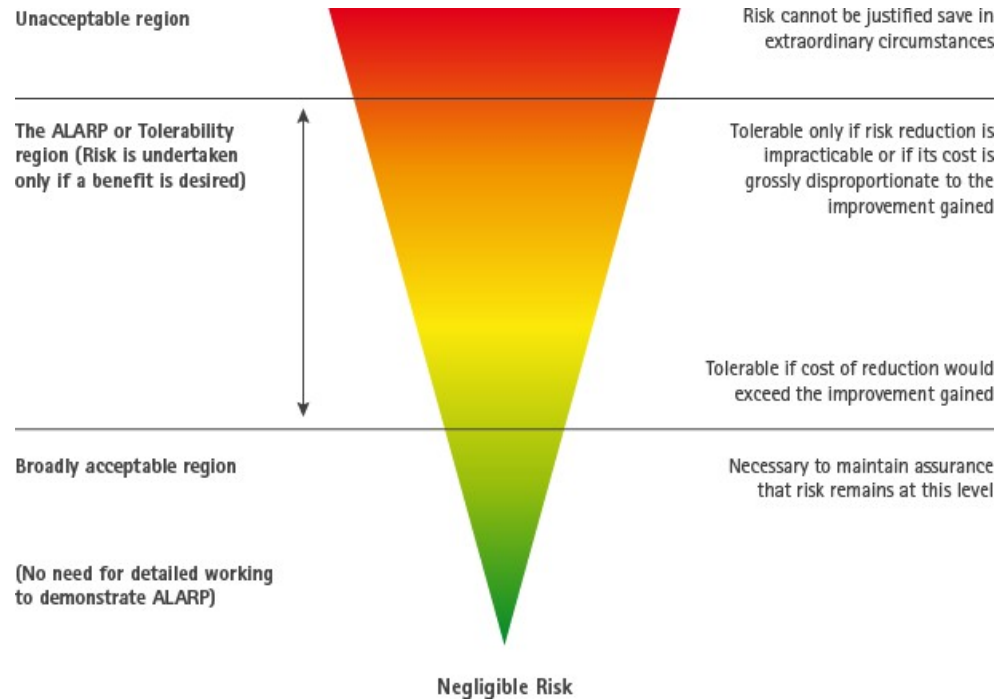
Council will use the ALARP (*“As Low as Reasonably Practicable”*) technique in determining which risks will be treated through an evaluation of “tolerable risk”. ALARP enlists the concept of what is “reasonably practicable” by evaluating if something can be done against the costs and benefits of action or inaction. These two aspects need to be balanced carefully if the risk being treated is related to an expressed or implied duty of care.

ALARP divides risks into three bands:

1. An upper band where adverse risks are **intolerable (red area)** whatever benefits the activity may bring, and risk reduction measures are essential whatever their cost.
2. A middle band, or **orange/yellow area**, where costs and benefits are taken into account and opportunities balanced against potential adverse consequences.
3. A lower band where positive or negative risks are **negligible (green area)**, or so small that no risk treatment measures are needed.

In applying this principle it is expected that, when the risk is close to the intolerable level, the risk will be reduced unless the cost of reducing the risk is grossly disproportionate to the benefits gained. Similarly when the risks are close to the negligible level the action may only be undertaken to reduce the risk where the benefits exceed the costs of reduction.

The ALARP Principle



5.3 Risk Treatments

The risk treatments identified for non-acceptable risks are detailed in Appendix 2.3 – Risk Treatment.

5.4 Risk Treatment Plans

From each of the risk treatments identified in Appendix A – Risk Register, risk treatment plans were developed.

The risk treatment plans identify for each non-acceptable risk: -

1. Proposed action
2. Responsibility
3. Resource requirement/budget
4. Timing
5. Reporting and monitoring required

The risk treatment plan is shown in Appendix 2.4 A – Risk Treatment Plan.

6. MONITORING AND REVIEW

Monitoring and review is an essential and integral step in the process of managing risk. It is necessary to monitor risks, the effectiveness of any plans, strategies and management systems that have been established to control implementation of risk management actions.

The plan will be monitored and reviewed as follows.

Activity	Review Process
Review of new risks and changes to existing risks	Annual review by team with stakeholders and report to council
Review of Risk Management Plan	4 yearly review and re-write by team and report to council
Performance review of Risk Treatment Plan	Action plan tasks incorporated in council staff performance criteria with 6 monthly performance reviews. Action plan tasks for other organisations reviewed at annual team review meeting

7. REFERENCES

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Standards Australia, 2004, *AS/NZS 4360:2004, Australian/New Zealand Standard, Risk Management*, Sydney (superseded by ISO 3100:2009).

Standards Australia, 2004, *HB 436:2004, Risk Management Guidelines, Companion to AS/NZS 4360:2004*, Sydney.

Berrigan Shire Council Risk Management Policy and Framework, adopted 15/03/2017.

INSERT OTHER APPLICABLE REFERENCES IN ALPHABETICAL ORDER

Appendix 1 - Risk Register Summary for inclusion in Asset Management Plans

<i>Critical Risks and Treatment Plans</i>					
<i>Service or Asset at Risk</i>	<i>What can Happen</i>	<i>Risk Rating (VH, H)</i>	<i>Risk Treatment Plan</i>	<i>Residual Risk *</i>	<i>Treatment Costs \$,000</i>
<i>Road Structure /Roadside furniture/ signs/ traffic</i>	<i>Damage to roads and signs etc and blockage of traffic lanes from traffic accident</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Lower River Road/Taylor's Road/Bushlands Road</i>	<i>Road can be impassable and damaged due to flooding</i>	<i>High</i>	<i>Ensure staff are aware of monitoring requirements and procedures and have suitable resources for road closures</i>	<i>High</i>	<i>\$5</i>
<i>All roads and streets</i>	<i>Trees and debris blocking traffic lanes and damaging road furniture</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with wildlife</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock associated with travelling stock</i>	<i>Very High</i>	<i>Existing Procedures considered adequate</i>	<i>Very High</i>	<i>\$0</i>
<i>Rural Road</i>	<i>Vehicle collision with livestock at stock crossing</i>	<i>Very High</i>	<i>Improved signage and maintenance and encourage owners to Construct Underpasses</i>	<i>High</i>	<i>\$5</i>
<i>Lower River Road concrete causeways</i>	<i>Vehicle accident due to narrow crossing and poor vertical alignment</i>	<i>Very High</i>	<i>Upgrade causeways</i>	<i>High</i>	<i>\$800</i>
<i>Lower River Road Bridges</i>	<i>Vehicle accident due to narrow bridges and approaches</i>	<i>Very High</i>	<i>upgrade bridges with a preference to replacing bridges with causeways</i>	<i>High</i>	<i>\$2,550</i>

Lower River Road , Taylors Road, Tocumwal Boat Ramp Access, Town Beach Road, MR 226 Barooga	Damaged by floodwaters	High	Routine maintenance and improvement. Monitor condition of roads and structures to allow for emergency relief funding to be obtained.	High	\$52
Rural Road	Traffic accident due to narrow pavement	Very High	Develop program to upgrade council roads to adopted widths	very high	\$1,000
Rural Road	Traffic accident due to inadequate clearance to roadside obstacles	Very High	Develop program to clear roadsides of obstacles	very high	\$500
Rural road intersection	Traffic accident due to no right turn lanes	Very High	Provide right turn lanes where traffic warrants and intersections are being reconstructed	very high	\$100
Footpath	Trip / Fall	High	Update SOP's for Footpath inspection and maintenance	High	\$0
Pedestrian Crossing	Pedestrian colliding with vehicle	Very High	Existing Procedures considered adequate	Very High	\$0
Road Bridge	Collapse due to Age, structural fatigue, Not built for current/future loadings	High	Devlop SOP's for Bridge Inspection and maintenance	High	\$5
Rural Roads	Vehicle accident due to faded or missing linemarking	High	Adequate provision made in works budget for remarking faded linemarking and marking new works. Develop a procurement agreement that requires linemarking contractor to complete works within 7 days of order.	High	\$10
Railway Level Crossings Tuppall Road and Browne Street	Vehicle/Pedestrian collision with Train	High	Existing Procedures considered adequate	High	\$0

Rural Roads	Collision involving school bus/children	High	Develop procedures for ongoing updating of changes to school bus routes. Determine and adopt standards for school bus routes and bus stops and adopt a programme for the ongoing improvement of school bus routes.	Medium	\$0
Road pavements	Pavement failure due to inadequate strength	High	Progressively upgrade road pavements on a priority basis based on condition and risk ratings.	High	\$510
Paved Footpaths	Visually impaired pedestrians could walk into traffic or fall	High	Upgrade tactile markings on all Priority Level 1 paths to AS1428.4 compliance	High	\$20
Urban Roads	Vehicles could collide with pedestrians walking along urban roads.	High	Construct paved footpaths on urban roads and streets in accordance with priorities determined in the Pedestrian Access and Mobility Plan for each town	High	\$150
Intersection of Golf Course Road and Vermont Street, Barooga	Vehicle collision with pedestrian	High	Reconfigure intersection to provide more direct and safer pedestrian linkages on all 4 approaches	High	\$150
Chanter Street (Riverina Highway), Berrigan	Vehicle collision with pedestrian	High	Construct a pedestrian crossing point in front of the Berrigan Library with build out protection to the edge of the traffic lanes.	High	\$10
intersection of Chanter Street and Jerilderie Street, Berrigan	Vehicle collision with pedestrian	High	Construct a pedestrian crossing point from the south east corner of Jerilderie Street/Chanter Street to the north west corner of Jerilderie Street/Carter Street.	High	\$10

<i>Pedestrian Crossing, Murray Street, Finley</i>	<i>Vehicle collision with pedestrian</i>	<i>High</i>	<i>Relocate the Pedestrian Crossing north of the intersection.</i>	<i>High</i>	<i>#VALUE!</i>
<i>Footpaths and Walking/Cycling Tracks</i>	<i>Pedestrians or cyclists could fall down slopes on verges of paths</i>	<i>High</i>	<i>Provide guidepost delineation and/or barriers on paths/cycle tracks with steep batters or drop offs.</i>	<i>High</i>	<i>\$17</i>
<i>Concrete Footpaths</i>	<i>Pedestrians could trip or fall as a result of excessive drop off at edge of concrete paths</i>	<i>High</i>	<i>Place fill along edge of concrete paths where there is a drop off</i>	<i>Medium</i>	<i>\$10</i>
<i>Endeavour Street carparks, Finley</i>	<i>Pedestrians could trip and fall and disabled could be hit by vehicles on road due to no pedestrian connections</i>	<i>High</i>	<i>Construct concrete path connections from carparks in Endeavour Street to public toilets and Railway Park entrance path.</i>	<i>Medium</i>	<i>\$9</i>
<i>Bushlands Road-Jerilderie Street intersection, Tocumwal</i>	<i>Pedestrian connections from Levee walk through Pony Club and across Jerilderie Street are not provided</i>	<i>High</i>	<i>Provide gravel path connection from the levee path in the Tocumwal Pony Club to the path on the north side of Jerilderie Street at Bushlands Road</i>	<i>High</i>	<i>\$20</i>
<i>Sealed Rural Roads - Cross Intersections</i>	<i>Vehicle collision</i>	<i>High</i>	<i>Progressively reconfigure sealed rural roads cross intersections to staggered T intersections on a priority basis</i>	<i>High</i>	<i>\$200</i>
<i>Unsealed Rural Roads</i>	<i>Vehicle collision due to Vehicles traversing Road construction works or maintenance works in progress.</i>	<i>High</i>	<i>Existing Procedures considered adequate</i>	<i>High</i>	<i>0</i>
<i>Sealed Rural Roads</i>	<i>Vehicle collision due to Vehicles traversing Road construction works or maintenance works in progress.</i>	<i>High</i>	<i>Existing Procedures considered adequate</i>	<i>High</i>	<i>0</i>
<i>Footpaths and Walking/Cycling Tracks</i>	<i>Pedestrians or cyclists fall while traversing path/track construction works or maintenance works in progress.</i>	<i>High</i>	<i>Existing Procedures considered adequate</i>	<i>High</i>	<i>0</i>

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Appendix 2 - Risk Register

Berrigan Shire Council Transport Infrastructure Risk Register																							
RISK IDENTIFICATION							RISK ANALYSIS & EVALUATION					RISK TREATMENT OPTIONS		OPTIONS RESIDUAL RISK			RISK TREATMENT PLAN						
Risk No.	Asset providing the Service	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Likelihood	Overall Consequences	Risk Rating	Action Required Timing	Is risk acceptable?	Treatment option	Est. Cost \$000	Likelihood	Consequence	Options Residual Risk	Risk Treatment Plan [best option(s)]	Residual Risk	Actions	Responsibility	Resources	Budget \$000	Date due
1	Urban Road Pavements	Pavement failure due to poor drainage	Anytime now	Tree roots blocking underground drains and/or lifting kerb and gutter	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Possible	2	Medium	Strategic action required	No	A Develop Inspection program and Remove intrusive roots	\$10	Rare	2	Low	Improve documentation for kerb and gutter and drains inspections including resource provision.		1 Prepare works program	AOM	Staff Time	\$10	Dec each year
												B					Prepare works program		2 Document program and responsibility for kerb and gutter inspections	AOM	Staff Time	\$0	Dec-20
												C							3 Document program and responsibility for drains inspections	AOM	Staff Time	\$0	Dec-20
												D							4				

2	Rural Road Pavement	Pavement failure due to poor drainage	Anytime now	Blocked Culverts and/or drains	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Possible	2	Medium	Strategic action required	No	A	Develop Inspection program and Develop maintenance program	\$50	Rare	2	Low	Improve documentation for inspection of rural culverts and drainage including resource provision.	1	Prepare works program	AOM	Staff Time	\$50	Dec each year
												B						Prepare works program	2	Document program and responsibility for culverts and drains inspections	AOM	Staff Time	\$0	Dec-20
												C							3					
												D							4					
3	Bitumen Surface	Bitumen damaged by oil or other chemical	Anytime now	Oil/chemical spill as a result of accident	Emergency Response/Clean up kits	Yes	Likely	1	Medium	Strategic action required	Yes	A							1					
												B							2					
												C							3					
												D							4					
4	Environment	Oil or chemical spilled into roadside environment	Anytime now	Oil/chemical spill as a result of accident	Emergency Response/Clean up kits	Yes	Unlikely	2	Low	Manage by routine procedures	Yes	A							1					
												B							2					

												C													3																
												D														4															
5	Road Structure /Roadside furniture / signs/ traffic	Damage to roads and signs etc and blockage of traffic lanes from traffic accident	Anytime now	Traffic Accident	Emergency Response	Yes	Almost certain	5	Very High	Immediate corrective action	Yes	A													1																
												B													2																
												C													3																
												D													4																
6	Road/Bridge/ Culvert Structure	Unstable surface due to failure of irrigation crossings	Anytime now	Inadequate inspection, maintenance and repair program, not built for current/future loading	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Possible	2	Medium	Strategic action required	No	A	Scheduled inspection by Irrigation Authorities and Scheduled maintenance of structures by Irrigation Authorities	\$0	Possible	2	Medium	Write to Irrigation Authorities and request details of their inspection and maintenance plans. Suggest improvements if not considered adequate.	1	Write to Irrigation Authorities and request details of their inspection and maintenance plans	AOM	Staff Time	0	Dec-20																	
												B												2	Suggest improvements if not considered adequate.	AOM	Staff Time	\$0	Dec-20												
												C												3																	
												D												4																	

7	Road/Bridge/ Culvert Structure	Rough surface due to failure of irrigation crossings	Anytime now	Overloading	RMS / Police/NHVR monitoring and Maintenanc e Response Levels of Service and Maintenanc e Inspection Intervals. Road and Corridor Asset Inspections Schedule for Rural Roads	Yes	Possi ble	2	Med ium	Strategic action required	No	A	Schedul ed inspecti ons of bridge and culvert assets	\$0	Possi ble	2	Med ium	Continu ed monitori ng and respons e to any damag ed structur es	1	Docume nt program and responsi bility for bridges and structur es inspecti ons and actions required	AOM	Staff Time	0	Dec-20
												B							2					
												C												
												D												
8	Sealed Road Structure / Surface	Potholes/ Rutting/ Shoving/ Edge Break	Anytime in the futu re	Extended wet conditions poor maintenance	Maintenanc e Response Levels of Service and Maintenanc e Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	2	Med ium	Strategic action required	No	A	Increase inspecti on frequ ncy during extende d wet periods and carry out timely repairs	\$0	Possi ble	2	Med ium	Roads to be inspecte d followin g storm events and at twice the schedule d frequ ncy during extende d wet periods. Mainten ance respons e to be a soon as practical	1	Roads to be inspecte d followin g storm events and at twice the schedule d frequ ncy during extende d wet periods.	AOM	Staff Time	0	Ongoing
												B												

																		following identification of defects			g identification of defects			contractors		
																			C			3				
																			D			4				
9	Sealed Road Structure / Surface	Potholes/Rutting/Shoving/ Edge Break	Anytime now	Traffic Loadings exceed road standard	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	2	Medium	Strategic action required	No	A	Continue scheduled inspections and timely repairs	\$0	Possible	2	Medium	Continue scheduled inspections and timely repairs		1	Review timelines for inspections and response times during extended wet periods	AOM	Staff Time	0	Dec-20	
																			B		2					
																			C		3					
																			D		4					
10	Gravel Road Structure / Surface	Potholes/Rutting/Shoving / Corrugations / Slippery Surface	Anytime in the future	Extended wet conditions, poor maintenance	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	2	Medium	Strategic action required	No	A	Increase inspection frequency during extended wet periods	\$0	Possible	2	Medium	Roads to be inspected following storm events and at twice the scheduled frequency during extended wet		1	Roads to be inspected following storm events and at twice the scheduled frequency during extended wet periods.	AOM	Staff Time	0	Ongoing	

												B						periods. Maintenance response to be as soon as practical following identification of defects		2	Maintenance response to be as soon as practical following identification of defects	AOM	Works staff, equipment, materials and contractors	\$50	Ongoing
												C								3					
												D								4					
1	Gravel Road Structure / Surface	Potholes/Rutting/Shoving / Corrugations / Slippery Surface	Anytime in the future	Traffic Loading exceeds road standard	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	2	Medium	Strategic action required	No	A	Continue scheduled inspections and timely repairs	\$0	Possible	2	Medium	Continue scheduled inspections and timely repairs		1	Document program and responsibility for roads inspections and actions required	AOM	Staff Time	0	Dec-20
												B								2					
												C								3					
												D								4					
1	Lower River Road/Taylor Road/Bushlands Road	Road can be impassable and damaged due to flooding	Within 5 years	Flooding of Murray River	Monitoring of up river water levels to determine when road will require closing. Signage plans for road closure prepared. Road closure followed by inspection and repair	Yes	Possible	3	High	Response within 7 days	No	A	Ensure staff are aware of monitoring requirements and procedures	\$0	Possible	3	High	Ensure staff are aware of monitoring requirements and procedures and have suitable resources for road closures		1	Develop procedures for implementation	AOM	Staff Time	\$0	Dec-20
												B								2	Ensure permanent signage	AOM	Staff Time	\$0	July each year

												D								4					
19	Davis St, Berrigan South End	Water over road due to flooding	With in 1 year	Drainage system inadequate during Severe Storms	Signage followed by inspection and repair - Improvements have been made with increase in flow to tank paddock but no storm to test effectiveness	Yes	Likely	1	Medium	Strategic action required	Yes	A	Monitor recent improvements, Wait for next good rain and Prioritise any need for improvement	\$0	Possible	1	Low	monitor drainage issues		1	Monitor drainage issues	ESM	Staff Time	\$0	Ongoing
												B								2					
												C								3					
												D								4					
20	Anthony Avenue, Tocumwal	Water over road due to flooding	With in 1 year	Drainage system inadequate during Severe Storms - Has been improved with drainage retention and pump in Tessier Drive but still reliant on pump.	Signage followed by inspection and repair	Yes	Likely	1	Medium	Strategic action required	Yes	A	Monitor recent improvements, Wait for next good rain and Prioritise any need for improvement	\$0	Possible	1	Low	monitor drainage issues		1	Monitor drainage issues	ESM	Staff Time	\$0	Ongoing
												B								2					
												C								3					
												D								4					
21	Lorelle Ct, Tocumwal	Water over road due to flooding	With in 1 year	Drainage system inadequate during Severe Storms	Signage followed by inspection and repair	Yes	Likely	1	Medium	Strategic action required	Yes	A	Monitor recent improvements, Wait for next good rain and Prioritise any need for improvement	\$0	Possible	1	Low	monitor drainage issues		1	Monitor drainage issues	ESM	Staff Time	\$0	Ongoing

												B								2							
												C									3						
												D									4						
2 2	Rural Road	Water over road due to flooding	With in 1 year	Drains or culverts bolcked	Maintenanc e Response Levels of Service and Maintenanc e Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	1	Med ium	Strategic action required	Yes	A	Develop SOP's for Rural Roads, drainage inspecti ons and maintea nce	\$0	Possi ble	1	Low	Develop SOP's for Rural Roads, drainage inspecti ons and maintea nce		1	Develop SOP's for Rural Roads, drainage inspectio ns and maintea nce	AOM	Staff Time	\$0	Dec-20		
												B									2	Collect GIS informat ion relating to culverts	AOM	staff Time	\$0	Jul-21	
												C									3						
												D									4						
2 3	Urban Road	Water over road due to flooding	With in 1 year	Drains or pits blocked	Maintenanc e Response Levels of Service and Maintenanc e Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	1	Med ium	Strategic action required	Yes	A	Develop SOP's for drainage inspecti on and mainten ance	\$0	Possi ble	1	Low	Develop SOP's for drainage inspecti on and mainten ance		1	Develop SOP's for drainage inspectio n and mainten ance	AOM	Staff Time	\$0	Dec-20		

												B								2	Ensure GIS information for drainage system is accurate and up to date.	AOM	Staff Time	\$0	July each year
												C									3				
												D									4				
2 4	Urban Road	Water over road due to flooding	Within 1 year	Drainage system inadequate in severe storms	Drainage systems in all towns have been improved. Emergency procedures, Signage followed by inspection and repair	Yes	Likely	1	Medium	Strategic action required	No	A	Monitor recent improvements, Wait for next good rain and Prioritise any need for improvement	\$0	Likely	1	Medium	monitor drainage issues		1	Monitor drainage issues	ESM	Staff Time	\$0	Ongoing
												B									2				
												C									3				
												D									4				
2 5	Rural Road	Vehicle collision with wildlife	Anytime now	Wildlife on road	Emergency procedures and Signage	Yes	Almost certain	5	Very High	Immediate corrective action	Yes	A								1					
												B									2				
												C									3				
												D									4				
2 6	Rural Road	Vehicle collision with livestock	Anytime now	Livestock on roads	Ranger patrols, policing and emergency procedures	Yes	Likely	5	Very High	Immediate corrective action	Yes	A								1					

																					tion of underpasses in the long term								
29	Rural Road	Damage to road surface	Anytime in the future	Stock Crossings	Signage and requirement for owners to repair road	Yes	Almost certain	1	Medium	Strategic action required	No	A	Construct underpasses	\$200	Rare	5	High	Improve signage and maintenance and encourage owners to Construct Underpasses			1	Regularly inspect sites to ensure adequate signage is in place when stock is crossing	TSO	Staff Time	\$5	Ongoing			
												B	Timely repair of road damage caused by stock crossing	\$0	Possible	5	High				2	Liaise with landowners and advise them of their obligations regarding signage and maintenance and that they should be providing for the construction of underpasses in the long term	AOM	Staff Time	\$0	Dec-21			

												C								3							
												D									4						
30	Lower River Road concrete causeways	Vehicle accident	Anytime in the future	Inadequate width and vertical alignment	signage and two causeways have been widened and vertical alignment improved	Yes	Likely	5	Very High	Immediate corrective action	No	A	Upgrade causeways	\$800	Possible	5	High	Upgrade causeways		1	upgrade causeways when traffic volumes and budget allow	ESM	Staff Time	\$800	Dec-21		
												B									2						
												C										3					
												D										4					
31	Lower River Road Bridges	Vehicle accident	Anytime in the future	Inadequate width and guard rails	Signage - Bridge railing has been replaced with w-beam	Yes	Likely	5	Very High	Immediate corrective action	No	A	upgrade bridges with a preference to replacing bridges with causeways	\$2,500	Possible	5	High	upgrade bridges with a preference to replacing bridges with causeways		1	upgrade bridges to causeways with adequate width for traffic when traffic volumes and budget allow	ESM	Staff Time & Contractors	\$2,500	Dec-21		
												B									2	Complete flood study to determine waterway required	DTS	Consultants	\$50	Dec-21	
												C										3					
												D										4					

3	Roadside furniture and signs	Damaged removed	Anytime now	Vandalism	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Almost certain	1	Medium	Strategic action required	Yes	A									1					
												B									2					
												C									3					
												D									4					
3	Lower River Road , Taylors Road, Tocumwal Boat Ramp Access, Town Beach Road, MR 226 Barooga	Damaged by floodwaters	Within 5 years	Severe flood event	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Likely	3	High	Manage by routine procedures , seek financial assistance for repair following event	No	A	Routine maintenance and improvement. Monitor condition of roads and structures to allow for emergency relief funding to be obtained.	\$52	Likely	3	High	Routine maintenance and improvement. Monitor condition of roads and structures to allow for emergency relief funding to be obtained .		1	Inspect roads following flood events	AOM	staff Time	\$0	Each event	
												B								2	Maintain video records of road condition prior to flood event	AOM	staff Time	\$2	annually	

												C								3	Carry out timely repairs of flood damaged roads	AOM	Works staff, equipment, materials and contractors	\$50	Each event
												D								4					
3 4	Bridges	Damaged by floodwaters	With in 5 years	Severe flood event	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Unlikely	3	Medium	Strategic action required	Yes	A								1					
												B								2					
												C								3					
												D								4					
3 5	Rural Road	Traffic accident	Anytime now	too narrow for traffic conditions	Emergency response procedures and Road construction program to construct to adopted standard	Yes	Likely	5	Very High	Immediate corrective action	No	A	Upgrade council roads to adopted widths	\$100,000	Possible	5	very high	Develop program to upgrade council roads to adopted widths	1	Develop program to upgrade council roads to adopted widths	ESM	Works and engineering staff, equipment, materials and contractors	\$1,000	Reviewed with capital works budget by December each year	
												B								2					
												C								3					
												D								4					
3 6	Rural Road	Traffic accident	Anytime now	Roadside obstacles too close too traffic lane	Emergency response procedures. Adopted roadside hazard policy. Ongoing	Yes	Likely	5	Very High	Immediate corrective action	No	A	Develop program to clear roadside s of obstacles	\$500	Possible	5	very high	Develop program to clear roadside s of obstacles	1	Develop program to clear roadside s of obstacles	AOM	Works and engineering staff, equipment, materi	\$500	Reviewed with capital works budget by December each	

					budget to remedy on priority basis.															als and contractors		year		
37	Rural road intersection	Traffic accident	Anytime now	no provision for right turn traffic	Signage, low traffic volumes.	Yes	Likely	5	Very High	Immediate corrective action	No	A	Provision of right turn lanes at intersections being upgraded	Excessive	Possible	5	very high	Provide right turn lanes where traffic warrants and intersections are being reconstructed	1	Provide right turn lanes where traffic warrants and intersections are being reconstructed	DTS	Works staff, equipment, materials and contractors	\$100	Considered with design of road reconstruction projects
												B												
												C												
												D												
38	Urban Road	Water over road due to flooding	Anytime now	Pump failure	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Possible	1	Low	Manage by routine procedures	Yes	A								1				
												B								2				
												C								3				
												D								4				

39	Kerb and Gutter	Flood	Anytime now	Movement in kerb	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Rare	1	Low	Manage by routine procedures	Yes	A																																				
												B																																				
												C																																				
												D																																				
40	Kerb and Gutter	Road collapse	Anytime now	Movement in kerb	Maintenance Response Levels of Service and Maintenance Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Rare	2	Low	Manage by routine procedures	Yes	A																																				
												B																																				
												C																																				
												D																																				
41	Footpath	Trip / Fall	Anytime now	Tree Roots, Holes, Lifting or Moving Concrete/Bitumen/Gravel Pavement, Service Pits etc, Signage or Street Furniture	Maintenance Response Levels of Service Footpaths	Yes	Likely	3	High	Response within 7 days	No	A	Update SOP's for Footpath inspection and maintenance	\$0	Possible	3	High	Update SOP's for Footpath inspection and maintenance																														
												B																																				
												C																																				
												D																																				

4 2	Footpath	Hitting Head	Anytime now	Tree or street furniture	Maintenance Response Levels of Service Footpaths	Yes	Possible	2	Medium	Strategic action required	Yes	A								1					
												B									2				
												C									3				
												D									4				
4 3	Swing Bridge	Bridge collapse	Within 20 years	Age, structural fatigue,	Regular inspections and maintenance	Yes	Rare	3	Medium	Strategic action required	Yes	A								1					
												B									2				
												C									3				
												D									4				
4 4	Pedestrian Crossing	Pedestrian colliding with vehicle	Anytime now	Limited visibility, missing or damaged signs faded linemarking	Regular inspections and maintenance	Yes	Rare	5	Very High	Immediate corrective action	Yes	A								1					
												B									2				
												C									3				
												D									4				
4 5	Footpath	Pedestrian colliding with mobility aide	Anytime now	Narrow path	Maintenance Response Levels of Service Footpaths	Yes	Rare	3	Medium	Strategic action required	Yes	A								1					
												B									2				
												C									3				
												D									4				
4 6	Footpath	Water laying on footpath	Anytime now	Storm or flood	Maintenance Response Levels of Service Footpaths	Yes	Almost certain	1	Medium	Strategic action required	Yes	A								1					
												B									2				
												C									3				
												D									4				

47	Road Bridge	Collaspe	With in 20 years	Age, structural fatigue, Not built for current/future loadings	Maintenanc e Response Levels of Service and Maintenanc e Inspection Intervals. Road & Corridor Asset Inspections Schedule for Rural and Urban Roads	Yes	Rare	5	High	Response within 7 days	No	A	Develop Inspecti on and Mainten ance Program	\$0	Rare	5	High	Devlop SOP"s for Bridge Inspecti on and mainten ance	1	Devlop SOP"s for Bridge Inspecti on and mainten ance	ESM	Staff Time	\$0	Dec-20
												B	Replace or Upgrade Bridge to satisfy current loadings	\$5,000	Rare	5	High		2	Ensure staff are trained for bridge inspectio ns	ESM	Traini ng Cours es	\$5	Jun-21
												C							3					
												D							4					
48	Rural Roads	Gullies washed in pavement	Anyt ime now	Storm or flood	Inspections following weather events and reports of damage followed by timely maintenanc e	Yes	Likely	2	Med ium	Strategic action required	Yes	A							1					
												B							2					
												C							3					
												D							4					

4 9	Rural Roads	Vehicle accident	Anyt ime now	faded or missing linemarking	Regular inspections and maintenanc e. Project Manageme nt Plans include linemarking following resealing or new works.	Yes	Unlik ely	5	High	Response within 7 days	No	A	Ensure funding levels are maintain ed to allow timely mainten ance and remarki ng of lines and Develop contract ural arrange ments with linemark ing contract ors to ensure timely completi on of linemark ing	\$10	Unlik ely	5	High	Adequat e provisio n made in works budget for remarki ng faded linemark ing and marking new works. Develop a procure ment agreeme nt that requires linemark ing contract or to complet e works within 7 days of order.	Low	1	Annual Works Budget prepare d with adquate provisio n for required line marking	AOM	Staff Time	\$0	Each Decemb er for capital and Each Februar y for Mainten ance						
																B								2	Procure ment agreeme nt entered into for line marking including non negotiab le time lines	AOM	Staff Time	\$10	Dec-20		
																	C									3					
																	D										4				

50	Sealed Road Structure / Surface	pavement failure due to oxidization of bitumen leading to stripping/cracking and ingress of water	With in 20 years	excessive reseal frequency	Regular inspections and maintenance. Reseal programme in place	Yes	Unlikely	3	Medium	Strategic action required	No	A	Ensure funding levels are maintained to allow regular maintenance and resealing	\$200	Rare	3	Medium	Adequate provision made in works budget for crack sealing and timely resealing.	Low	1	Annual Works Budget prepared with adequate provision for required crack sealing and resealing	AOM	Staff Time	\$0	Each December for capital and Each February for Maintenance											
												B														2	Completion of works included in budget	AOM	Staff Time & Contractors	\$200	30 June each year					
												C															3									
												D																								
51	Railway Level Crossings Tuppal Road and Browne Street	Vehicle/Pedestrian collision with Train	Anytime now	Poor visibility, inadequate signage	Signage and emergency response procedures	Yes	Rare	5	High	Response within 7 days to assess possible deficiencies in signage/line marking	Yes	A								1																
												B																								
												C																								
												D																								
52	Rural Roads	Collision involving school bus/children	Anytime now	Poor visibility, inadequate bus stops, road condition unsuitable	Assessment of routes, provision of bus stop areas. Emergency response procedures.	Yes	Unlikely	5	High	Response within 7 days to assess possible deficiencies in route/bus stop	No	A	Improve all school bus routes and bus stops to accepted standard.	Excessive	Rare	5	High	Develop procedures for ongoing updating of changes to school bus routes. Determine and adopt standards for school bus routes and bus	Medium	1	Consult with the Department of Transport NSW to confirm approved school bus routes in Berrigan Shire annually	TOAM	Staff Time	\$0	Each April											
												B	Progressively improve school bus routes	\$50	Rare	5	High																			

53	Road pavements	Pavement failure due to inadequate strength	With in 20 years	Not constructed for current/future loadings	Regular inspections and maintenance, upgrading program	Yes												stops and adopt a programme for the ongoing improvement of school bus routes.		Bus Routes									
												C											3	Prepare a programme for the progressive upgrading of School Bus Routes for incorporation in Budget	ESM	Staff Time	\$0	Dec-21	
												D												4	Completion of works included in budget	AOM	Staff Time & Contractors	\$50	30 June each year
							Likely	3	High	Response within 7 days to correct defects.	No	A	Upgrade all road pavements to AustRoads standards.	Excessive	Possible	3	High	Progressively upgrade road pavements on a priority basis based on condition and risk ratings.	Medium	1	Complete condition ratings and roughometer surveys of all sealed roads on an annual basis	TSO	Staff Time and vehicle	\$10	Nominally every 3 years but at least once with each review of the Transport AMP				
							B	Progressively upgrade road pavements on a priority basis based on condition and	Within current budget	Likely	3	High		2	Assess condition and risk data and prepare a works programme for upgrading sealed roads for	AOM	Staff Time	\$0	By December each year										

5 5	Urban Roads	Vehicles could collide with pedestrians walking along urban roads.	Anytime now	Non existent or substandard footpaths along urban road.	Pedestrian Access and Mobility Plans prepared for each town and priority list for extension of footpath network	Yes	Unlikely	5	High	Response within 7 days	No	A	Construct paved footpaths on all urban roads and streets	Excessive	Unlikely	5	High	Construct paved footpaths on urban roads and streets in accordance with priorities determined in the Pedestrian Access and Mobility Plan for each town	High	1	Prepare a programme for the installation of paved footpaths in accordance with priorities determined in the PAMPS for incorporation in Budget	AOM	Staff Time	\$0	November each year	
													B	Construct paved footpaths on urban roads and streets in accordance with priorities determined in the Pedestrian Access and Mobility Plan for each town	\$150	Unlikely	5		High	2	Completion of works included in budget	AOM	Staff Time & Contractors	\$150	30 June each year	
													C								3					
													D									4				

56	Intersecti on of Golf Course Road and Vermont Street, Barooga	Vehicle collision with pedestrian	Anyt ime now	Pedestrian connections from Library/Park to shopping strip on west of Vermont Street are not defined	Provision is made for pedestrians to cross Vermont Street by walking under the bridge, however, this is not well used	Yes	Unlik ely	5	High	Response within 7 days	No	A	Reconfig ure intersect ion to provide more direct and safer pedestr ian linkages on all 4 approach es	\$150	Unlik ely	5	High	Reconfig ure intersect ion to provide more direct and safer pedestr ian linkages on all 4 approach es	High	1	Design Complet ed for reconfig uration of intersect ion, approve d for installati on and funded in budget	AOM	Staff Time	\$0	Nov-21						
												B												2	Construc tion of reconfig ured intersect ion	AOM	Day Labour & Contra ctors	\$150	Jun-22		
												C													3						
												D														4					
57	Chanter Street (Riverina Highway) , Berrigan	Vehicle collision with pedestrian	Anyt ime now	The removal of the informal Chanter Street crossing has resulted in pedestrians crossing at multiple locations with no build out protection	There are substandar d crossing points at Cobram Street	Yes	Unlik ely	5	High	Response within 7 days	No	A	Construc t a pedestri an crossing point in front of the Berrigan Library with build out protecti on to the edge of the traffic lanes.	\$10	Unlik ely	5	High	Construc t a pedestri an crossing point in front of the Berrigan Library with build out protecti on to the edge of the traffic lanes.		1	Design Complet ed for crossing point, approve d for installati on and funded in budget	AOM	Staff Time	\$0	Nov-20						
												B													2	Construc tion of pedestri an crossing point	AOM	Day Labour & Contra ctors	\$10	Jun-21	
												C														3					
												D															4				

58	Footpath, Davis Street, Berrigan	Motorized Scooter/Wheelchair could tip over or occupant could fall out	Anytime now	Excessive slope on footpath	Nil	Yes	Rare	3	Medium	Strategic action required	No	A	Adjust crossfall to approved standards during asset renewal	\$50	Rare	3	Medium	Adjust crossfall to approved standards during asset renewal	Medium	1	Adjust crossfall to approved standards during asset renewal	AOM	Day Labour & Contractors	\$50	At asset replacement					
												B												2						
												C													3					
												D													4					
59	Intersection of Chanter Street and Jerilderie Street, Berrigan	Vehicle collision with pedestrian	Anytime now	Pedestrian connections from south east corner to north of Jerilderie Street are not defined.	Provision is made for pedestrians to cross Jerilderie Street some distance either side of the Chanter Street intersection, however, observations are that these are not used	Yes	Unlikely	5	High	Response within 7 days	No	A	Construct a pedestrian crossing point from the south east corner of Jerilderie Street/Chanter Street to the north west corner of Jerilderie Street/Arter Street.	\$10	Unlikely	5	High	Construct a pedestrian crossing point from the south east corner of Jerilderie Street/Chanter Street to the north west corner of Jerilderie Street/Arter Street.	High	1	Design Completed for crossing point, approved for installation and funded in budget	AOM	Staff Time	\$0	Nov-20					
												B												2	Construction of pedestrian crossing point	AOM	Day Labour & Contractors	\$10	Jun-21	
												C													3					
												D													4					

60	Pedestrian Crossing, Murray Street, Finley	Vehicle collision with pedestrian	Anytime now	Location of the crossing at the intersection creates too many conflict points	Linemarking and signage at the crossing is well maintained	Yes	Possible	5	High	Response within 7 days	No	A	Relocate the Pedestrian Crossing north of the intersection.	?	Unlikely	5	High	Relocate the Pedestrian Crossing north of the intersection.	Medium	1	Design Completed for relocated crossing, approved for installation and funded in budget	Roads and Maritime Services	?	?	?					
													B											2	Construction of pedestrian crossing	Roads and Maritime Services	?	?	?	
													C												3					
													D													4				
61	Footpaths and Walking/Cycling Tracks	Pedestrians or cyclists could fall down slopes on verges of paths	Anytime now	Steep batters and dropoffs along paths that are not adequately delineated or have physical barriers.	Some areas with delineation or barriers	Yes	Likely	3	High	Response within 7 days	No	A	Provide guidepost delineation and/or barriers on paths/cycle tracks with steep batters or drop offs.	\$17	Possible	3	High	Provide guidepost delineation and/or barriers on paths/cycle tracks with steep batters or drop offs.	Medium	1	Assess all paths and cycle track to determine areas that have steep batters and drop offs that are not adequately delineated or fitted with barriers.	TSO	Staff & Vehicle	\$2	Sep-20					
													B												2	Required delineation and barriers budgeted and installed	AOM	Day Labour & Contractors	\$15	Nov-20
													C													3				
													D														4			

62	Footpath bridge, Morris Street-Barooga Street, Tocumwal	Pedestrians could fall off edge of bridge	Anytime now	Bridge has no railing or delineation	Nil	Yes	Unlikely	3	Medium	Strategic action required	No	A	Guide posts installed on bridge approaches	\$0.3	Unlikely	3	Medium	Guide posts installed on bridge approaches	Medium	1	Guide posts installed on bridge approaches	AOM	Day Labour & Contractors	\$0.3	Jun-20					
													B																	
													C																	
													D																	
63	Bullanginya Bridge walkway	Pedestrian could fall through gap in bridge railing	Anytime now	There is a gap between bridge railing and safety fence wide enough for someone to fall through	Nil	Yes	Rare	3	Medium	Strategic action required	No	A	Construct barrier in gap	\$0.3	Rare	3	Medium	Construct barrier in gap	Medium	1	Construct barrier in gap	AOM	Day Labour & Contractors	\$0.3	Jun-20					
													B																	
													C																	
													D																	
64	Concrete Footpaths	Pedestrians could trip and fall	Anytime now	There are many concrete paths where the edge drop off is in excess of 50mm	Maintenance Response Levels of Service Footpaths	Yes	Likely	3	High	Response within 7 days	No	A	Place fill along edge of concrete paths where there is a drop off	\$10	Rare	3	Medium	Place fill along edge of concrete paths where there is a drop off	Medium	1	Place fill along edge of concrete paths where there is a drop off	AOM	Day Labour	\$10	Jun-20					
													B																	
													C																	
													D																	
65	Endeavour Street carparks, Finley	Pedestrians could trip and fall and disabled could be hit by vehicles on road	Anytime now	There are no pedestrian connections from either carpark to the public toilets or the Railway Park paths	Nil	Yes	Unlikely	5	High	Response within 7 days	No	A	Construct concrete path connections from carparks in Endeavour Street to public toilets and Railway Park	\$9	Unlikely	3	Medium	Construct concrete path connections from carparks in Endeavour Street to public toilets and Railway Park	Medium	1	Prepare design for concrete path connections and make budget provision	AOM	Design Staff	\$0	Jun-20					

66	Bushlands Road-Jerilderie Street intersection, Tocumwal	Vehicle collision with pedestrian	Anytime now	Pedestrian connections from Levee walk through Pony Club and across Jerilderie Street are not provided	Nil	Yes						entrance path.					entrance path.													
											B												2	Construct concrete path connections	AOM	Day Labour & Contractors	\$9	Jun-21		
											C													3						
											D														4					
							Unlikely	5	High	Response within 7 days	No	A	Provide gravel path connection from the levee path in the Tocumwal Pony Club to the path on the north side of Jerilderie Street at Bushlands Road	\$20	Unlikely	5	High	Provide gravel path connection from the levee path in the Tocumwal Pony Club to the path on the north side of Jerilderie Street at Bushlands Road	High	1	Prepare design for gravel path connections and make budget provision	AOM	Design Staff	\$0	Jun-20					
												B													2	Construct Gravel Path Connections	AOM	Day Labour & Contractors	\$20	Jun-21
					C													3												
					D													4												
67	Sealed Rural Roads - Cross Intersections	Vehicle collision	Anytime now	Vehicles not giving way as required	Giveaway signs and markings and Emergency Response Procedures	Yes	Unlikely	5	High	Response within 7 days	No	A	Reconfigure all sealed rural roads cross intersections to staggered	Excessive	Unlikely	5	High	Progressively reconfigure sealed rural roads cross intersect	High	1	Complete condition ratings, surveys, safety audits and	AOM	Technical Services Staff	\$0	Dec-20					

												d T intersections		ions to staggered T intersections on a priority basis					traffic counts of all sealed rural roads cross intersections																
												B												Progressively reconfigure sealed rural roads cross intersections to staggered T intersections on a priority basis	\$200	Unlikely	5	High	2		Assess condition and risk data and prepare a works programme for upgrading sealed roads cross intersections to staggered T intersections for inclusion in budget	AOM	Technical Services Staff	\$0	Dec-20
												C																	3		Completion of works included in budget each year	AOM	Day Labour & Contractors	\$200	30 June each year.
												D																	4						
68	Sealed Rural Roads	Vehicle collision	Anytime now	Vehicles traversing Road construction works or maintenance works in progress.	Traffic control plans prepared and implemented. Project management plans and standard operating procedures prepared	Yes	Unlikely	5	High	Response within 7 days	Yes	A		1																					

					and implemented to ensure sites left in a safe state.																				
69	Unsealed Rural Roads	Vehicle collision	Anytime now	Vehicles traversing Road construction works or maintenance works in progress.	Traffic control plans prepared and implemented. Project management plans and standard operating procedures prepared and implemented to ensure sites left in a safe state.	Yes	Unlikely	5	High	Response within 7 days	Yes	A										1			
												B											2		
												C												3	
												D												4	
70	Footpaths and Walking/ Cycling Tracks	Pedestrian and cyclist fall	Anytime now	Pedestrians or cyclists traversing path/track construction works or maintenance works in progress.	Traffic control plans prepared and implemented. Project management plans and standard operating procedures prepared and implemented to ensure sites left in a safe state.	Yes	Unlikely	5	High	Response within 7 days	Yes	A											1		
												B												2	
												C													3
												D													4

		B								2							
		C								3							
		D								4							
											1						
											2						
											3						
									4								

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ASSET MANAGEMENT PLAN

Berrigan Shire Council

Stormwater Asset Management Plan 2020

Document Control		Asset Management Plan			
Document ID :					
Rev No	Date	Revision Details	Author	Reviewer	Approver
V1.00	December 2020	Draft	ESM		

The entity can choose either template to write/update their plan regardless of their level of asset management maturity and in some cases may even choose to use only the Executive Summary.

The illustrated content is suggested only and users should feel free to omit content as preferred (e.g. where info is not currently available).

This Asset Management Plan may be used as a supporting document to inform an overarching Strategic Asset Management Plan.

DISCLAIMER: This draft report has been prepared for educational purposes only as part of undertaking a Professional Certificate in Asset Management Planning. The data and conclusions have not been reviewed for accuracy nor endorsed or adopted by the organisation. DELETE if not Applicable

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The Institute of Public Works Engineering Australasia

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1.0 EXECUTIVE SUMMARY

1.1 The Purpose of the Plan

Asset management planning is a comprehensive process ensuring delivery of services from infrastructure is financially sustainable.

This Asset Management Plan (AM Plan) details information about infrastructure assets with actions required to provide an agreed level of service in the most cost-effective manner while outlining associated risks. The plan defines the services to be provided, how the services are provided and what funds are required to provide over the 20 year planning period. The Asset Management Plan will link to a Long-Term Financial Plan which typically considers a 10 year planning period.

This plan covers the infrastructure assets that provide stormwater management facilities including gravity mains, rising mains, pumping stations, detention and storage basins and also levee banks.

1.2 Asset Description

The stormwater asset network comprises:

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Gravity Mains	63,318 m	\$15,089,421
Rising Mains/Valves	10,982 m	\$1,264,433
Pits/Headwalls	2022 No.	\$3,201,451
Pumpstations	26 No.	\$2,055,000
Detention Basins and Storage Dams	18 No.	\$894,765
Open Drains	17,266 m	\$284,314
Levee Banks	15,622m	\$4,587,110
TOTAL		\$22,789,385

The above infrastructure assets have significant total renewal value estimated at \$22,789,385.

1.3 Levels of Service

Our present funding levels are sufficient to continue to provide existing services at current service levels in the medium term.

The Planned Budget should be sufficient to maintain existing service levels for the Stormwater assets with some gradual expansion of the stormwater pipe networks to service new kerb and gutter.

1.4 Future Demand

The main demands for new services are created by:

- Population Increase will result in increased expectations for kerb & gutter and stormwater management in currently unserviced urban areas.

These demands will be approached using a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand. Demand management practices may also include a combination of non-asset solutions, insuring against risks and managing failures.

- Assets for new developments will generally be donated by the developer.

1.5 Lifecycle Management Plan

1.5.1 What does it Cost?

The forecast lifecycle costs necessary to provide the services covered by this AM Plan includes operation, maintenance, renewal, acquisition, and disposal of assets. Although the AM Plan may be prepared for a range of time periods, it typically informs a Long-Term Financial Planning period of 10 years. Therefore, a summary output from the AM Plan is the forecast of 10 year total outlays, which for the Stormwater assets is estimated as \$3,666,890 or \$366,689 on average per year.

1.6 Financial Summary

1.6.1 What we will do

Estimated available funding for the 10 year period is \$3,666,890 or \$366,689 on average per year as per the Long-Term Financial plan or Planned Budget. This is 100% of the cost to sustain the current level of service at the lowest lifecycle cost.

The infrastructure reality is that only what is funded in the long-term financial plan can be provided. The Informed decision making depends on the AM Plan emphasising the consequences of Planned Budgets on the service levels provided and risks.

The anticipated Planned Budget for [Enter Asset Group] leaves a shortfall of \$0 on average per year of the forecast lifecycle costs required to provide services in the AM Plan compared with the Planned Budget currently included in the Long-Term Financial Plan. This is shown in the figure below.

Forecast Lifecycle Costs and Planned Budgets

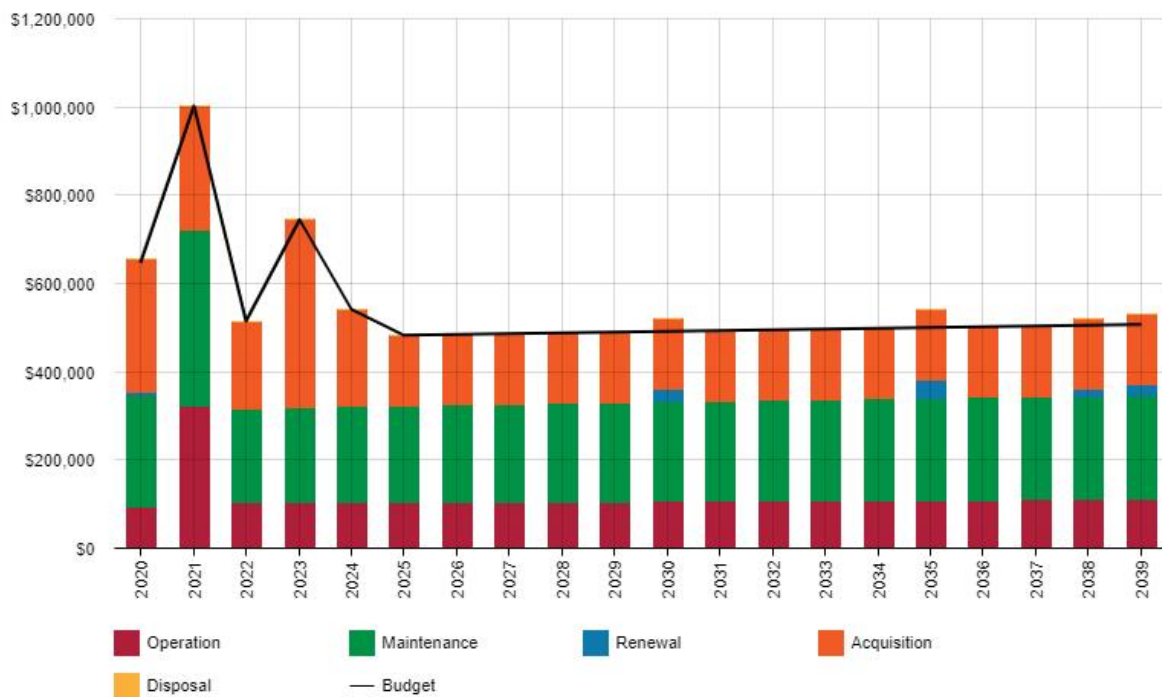


Figure Values are in current dollars.

We plan to provide Stormwater asset services for the following:

- Operation, maintenance, renewal and upgrade of gravity mains, rising mains, pumping stations, detention and storage basins and also levee banks to meet service levels set by this plan and provided for in annual budgets.

1.6.2 What we cannot do

We currently do **not** allocate enough budget to sustain these services at the proposed standard or to provide all new services being sought. Works and services that cannot be provided under present funding levels are:

- Construction of Levee 5a if Flood Study confirms it is required
- Drainage at the following locations have had minor improvements carried out and are being monitored for performance in high intensity storms – There is no provision in budget for further improvements in this program:
Hughes St and Snell Rd, Barooga, Davis St, Berrigan, Anthony Av and Lorelle Ct, Tocumwal.
- Extension of Stormwater drainage network to service all residential streets
- Upgrade of Stormwater drainage network to comply with current recommended capacity standards.

1.6.3 Managing the Risks

Our present budget levels are sufficient to continue to manage risks in the medium term.

The main risk consequences are:

- Higher flooding levels in some areas
- Risk of more property damage due to flooding

We will endeavour to manage these risks within available funding by:

- Maintaining a high level of inspection of assets and correction of defects
- Improving networks to meet greater level of conformance with adopted service levels
- Updating the floodstudy of leveed area to identify all low areas of levees to allow implementation of a works program to upgrade them

1.7 Asset Management Practices

Our systems to manage assets include:

Council's 'Practical' accounting software and 'AssetFinda' asset management system in conjunction with MapInfo mapping and database.

Assets requiring renewal/replacement are identified from either the asset register or an alternative method. These methods are part of the Lifecycle Model.

- If Asset Register data is used to forecast the renewal costs this is done using the acquisition year and the useful life,
- Alternatively, an estimate of renewal lifecycle costs is projected from external condition modelling systems (such as Pavement Management Systems) and may be supplemented with, or based on, expert knowledge.

The Asset Register was used to forecast the renewal life cycle costs for this Asset Management Plan.

1.8 Monitoring and Improvement Program

The next steps resulting from this AM Plan to improve asset management practices are:

- Condition rating of Assets
- Review remaining life of assets
- Componentisation of assets such as drainage structures, signs and traffic facilities including review of unit costs

- Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.
- Investigate options to integrate Asset Management system with the Accounting / financial system
- Review customer request /complaint settings in customer request management system to reflect desirable data being collected
- Ensure all assets in Asset Mangement System have a condition score

2.0 Introduction

2.1 Background

This Asset Management Plan communicates the requirements for the sustainable delivery of services through management of assets, compliance with regulatory requirements, and required funding to provide the appropriate levels of service over the long term planning period.

The asset management plan is to be read with the Berrigan Shire Council's Asset Management Policy (2020), and the following associated planning documents:

- Berrigan Shire 2023
- Berrigan Shire Council Asset Accounting Policy 2019
- Engagement Framework 2011
- Resourcing Strategy 2013-2023 (includes Asset Management Strategy and LTFP)
- Delivery Program 2020-2024

Berrigan Shire Council is well advanced in Asset Management practices. This is the fourth version of asset management plans prepared for these assets using the NAMS process with the initial plan being developed in 2009. All plans have been developed by Council staff and processes have been set up for inspection and management of assets along with long term financial planning to ensure the assets are maintained and improved to satisfy adopted service levels.

The infrastructure assets covered by this Asset Management Plan include stormwater pipes, pits pumpstations, detention basins, storage dams and levee banks. For a detailed summary of the assets covered in this Asset Management Plan refer to Table 5.1.1 in Section 5.

These assets are used to provide an adequate stormwater drainage network to alleviate flooding and nuisance in the urban areas of Barooga, Berrigan, Finley and Tocumwal.

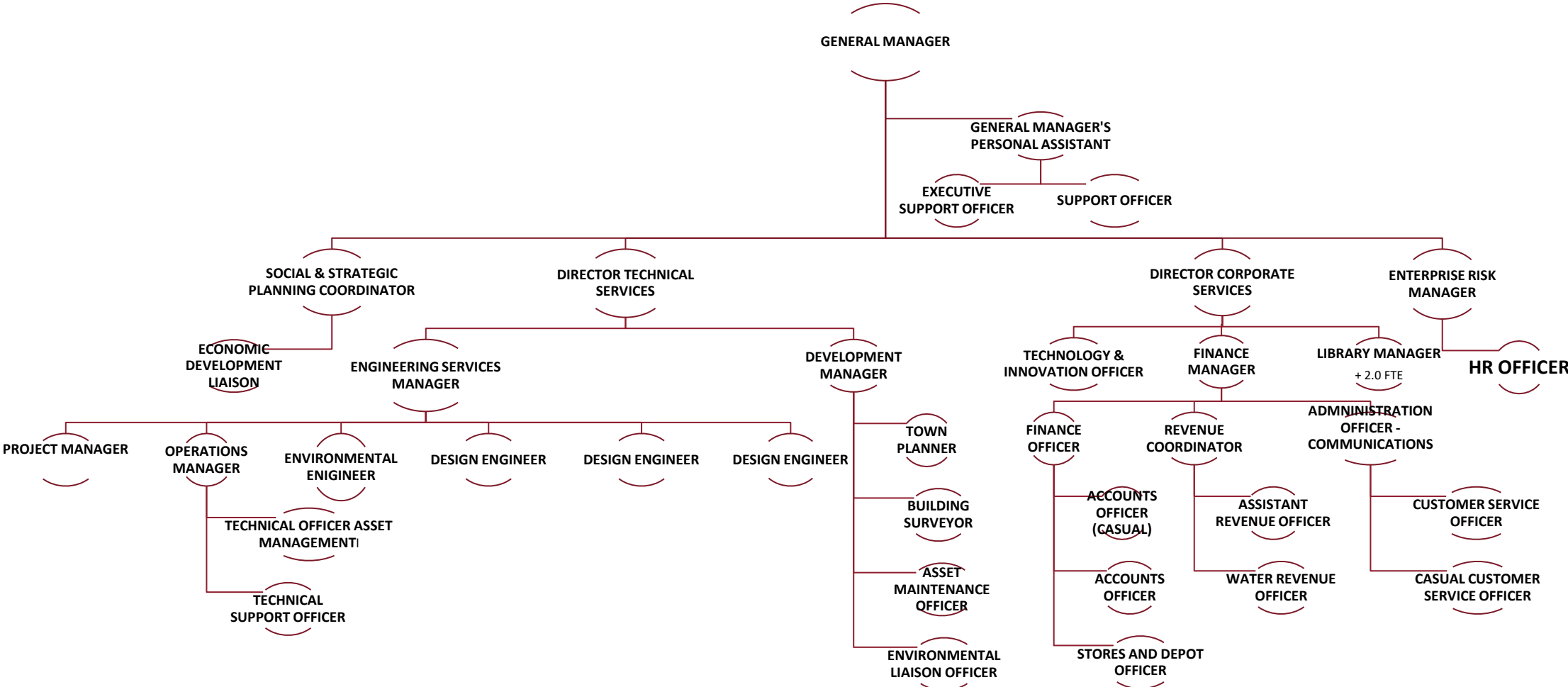
The infrastructure assets included in this plan have a total replacement value of \$27,362,046

Key stakeholders in the preparation and implementation of this Asset Management Plan are shown in Table 2.1.

Table 2.1: Key Stakeholders in the AM Plan

Key Stakeholder	Role in Asset Management Plan
State Local Member	<ul style="list-style-type: none"> Represents community interests
Shire Councillors	<ul style="list-style-type: none"> Represent needs of community/shareholders, Allocate resources to meet the organisation's objectives in providing services while managing risks, Ensure organisation is financial sustainable.
Department of Planning Industry and Environment	<ul style="list-style-type: none"> Protection of the natural environment and the equitable use of natural resources
Local Land Services	<ul style="list-style-type: none"> Coordinate management strategies within the Murray Catchment for the sustainable use of its natural resources
Roads and Traffic Authority	<ul style="list-style-type: none"> Minimising flooding and transport disruption Comply with EPA directive
The General Public	<ul style="list-style-type: none"> Improved recreational opportunities Improved visual amenity Maximise property values Reduction of flooding disruption
Finley Tidy Towns	<ul style="list-style-type: none"> Protection of visual amenity of towns
Murray Irrigation Ltd	<ul style="list-style-type: none"> Protection of irrigation canals and drainage channels from polluting discharges
NSW Environmental Protection Agency	<ul style="list-style-type: none"> Pollution prevention Protection of environmental values Legislative requirements are met
Local businesses	<ul style="list-style-type: none"> Minimise disruption from flooding Improve recreational opportunities and visual amenity
Berrigan Golf Club	<ul style="list-style-type: none"> Utilisation of stormwater for irrigation of greens and fairways
Tocumwal Golf Club	<ul style="list-style-type: none"> Utilisation of stormwater for irrigation of greens and fairways
Water Customers	<ul style="list-style-type: none"> Protection of water supply from disruption due to flooding, and contamination of sources

Our organisational structure for service delivery from infrastructure assets is detailed below,



2.2 Goals and Objectives of Asset Ownership

Our goal in managing infrastructure assets is to meet the defined level of service (as amended from time to time) in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Providing a defined level of service and monitoring performance,
- Managing the impact of growth through demand management and infrastructure investment,
- Taking a lifecycle approach to developing cost-effective management strategies for the long-term that meet the defined level of service,
- Identifying, assessing and appropriately controlling risks, and
- Linking to a Long-Term Financial Plan which identifies required, affordable forecast costs and how it will be allocated.

Key elements of the planning framework are

- Levels of service – specifies the services and levels of service to be provided,
- Future demand – how this will impact on future service delivery and how this is to be met,
- Lifecycle management – how to manage its existing and future assets to provide defined levels of service,
- Financial summary – what funds are required to provide the defined services,
- Asset management practices – how we manage provision of the services,
- Monitoring – how the plan will be monitored to ensure objectives are met,
- Asset management improvement plan – how we increase asset management maturity.

Other references to the benefits, fundamentals principles and objectives of asset management are:

- International Infrastructure Management Manual 2015 ¹
- ISO 55000²

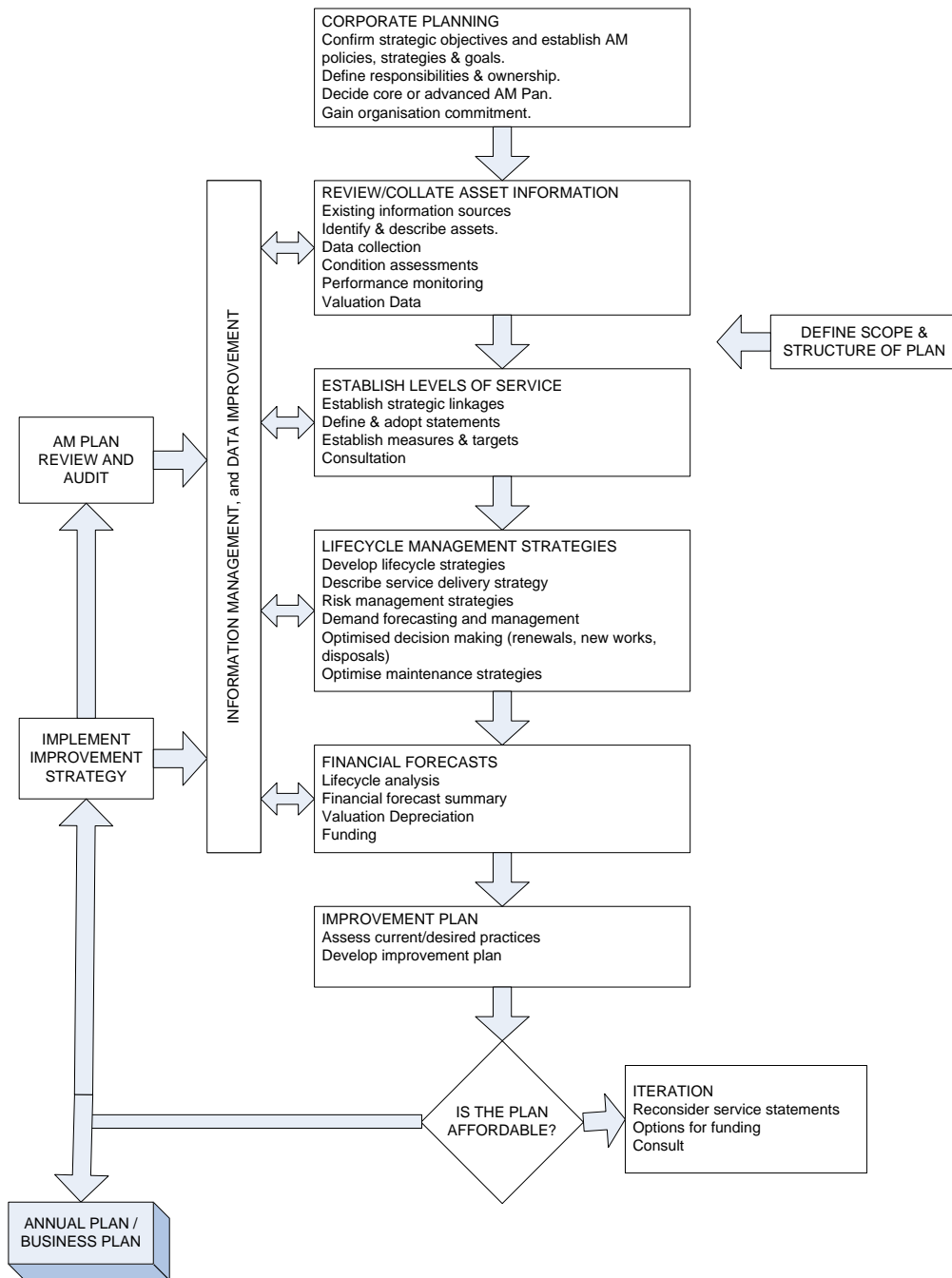
A road map for preparing an Asset Management Plan is shown below.

Road Map for preparing an Asset Management Plan

Source: IPWEA, 2006, IIMM, Fig 1.5.1, p 1.11

¹ Based on IPWEA 2015 IIMM, Sec 2.1.3, p 2 | 13

² ISO 55000 Overview, principles and terminology



2.3 Community Consultation

This asset management plan includes community comments and feedback on service levels and the condition of the Council's stormwater network prior to adoption by the Council. This revision of the asset management plan will assist the Council and the community match the level of service needed by the community, service risks and the benefits with our community's ability and willingness to pay for the service.

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any direct research on customer expectations with community expectations being gauged by the low level of complaints and requests received. The possibility of incorporating a level of customer research will be investigated for future updates of the asset management plan.

3.2 Strategic and Corporate Goals

This asset management plan is prepared under the direction of Berrigan Shire Council's vision, mission, goals and objectives.

Our vision is:

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.

Relevant organisation goals and objectives and how these are addressed in this asset management plan are:

Table 3.2: Organisation Goals and how these are addressed in this Plan

Outcome	Objective	How Goal and Objectives are addressed in AM Plan
Sustainable and Natural Built Landscapes	Support sustainable use of our natural resources and built landscape	Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment. (Asset Management Strategy 2019)
	Connect and protect our communities	
Good Government	Ensure effective governance by Council of Council operations and reporting	Establishing processes that integrate asset management and community strategic planning with Council corporate and long-term financial planning. Creating an environment where all Council employees take an integral part in overall management of Council assets by creating and sustaining asset management awareness throughout the Council. Meeting legislative requirements for asset management. Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated. Demonstrating transparent and responsible asset management processes that align with demonstrated best practice. (Asset Management Strategy 2019)
Supported and Engaged Communities	Create safe, friendly and accessible communities	Adequate drainage to provide safe paths and travel our towns and protect private and public assets.
	Support community engagement through life-long learning, culture and recreation	
Diverse and Resilient	Strengthen and diversify the local economy	Adequate drainage to support expansion of business and residential interests and protect transport routes.
	Connect local, regional and national road, rail and aviation infrastructure	

The Council will exercise its duty of care to ensure public safety in accordance with the infrastructure risk management plan prepared in conjunction with this AM Plan. Management of infrastructure risks is covered in Section 5.2

2.4 Legislative Requirements

There are many legislative requirements relating to the management of assets. Legislative requirements that impact the delivery of the Transport service are outlined in Table 3.3.

Table 3.3: Legislative Requirements

Legislation	Requirement
Local Government Act 1993 No 30	Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Environmental Planning and Assessment Act 1979 No 203	Requirement for Local Environmental Plans and Development Control Plans. Provides for Council control of development of towns and approval of infrastructure expansion.
Local Land Services Act 2013 No 51	Requirement for ongoing management plan. Promotes the coordination of activities within catchment areas. Under the provision of this Act, Local Catchment Management Authorities oversee this process in the region. Also oversee travelling stock routes
Soil Conservation Act 1938 No 10	Preservation of water course environment.
Work Health and Safety Act 2011 No 10	Impacts all operations in relation to safety of workers and the public. Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Roads Act 1993 No 33	Provides authority to Council for administration and development of roads and streets and associated drainage.

2.5 Customer Values

Service levels are defined in three ways, customer values, customer levels of service and technical levels of service.

Customer Values indicate:

- what aspects of the service is important to the customer,
- whether they see value in what is currently provided and
- the likely trend over time based on the current budget provision

Table 3.4: Customer Values

Service Objective:			
Customer Values	Customer Satisfaction Measure	Current Feedback	Expected Trend Based on Planned Budget
Drainage system copes with significant rainfall event without impacting safe access or damaging properties.	Customer Requests received and periodic community consultation.	Customers are reasonably happy with the current level of service.	Council budgets for continual improvement of the stormwater network extent and capacity and therefore it is expected that the trend will be greater satisfaction
Rainfall events do not significantly affect the environment or amenity of the area.	Customer Requests received and periodic community consultation.	Customers are reasonably happy with the current level of service.	Council budgets for continual improvement of the stormwater network extent and capacity and therefore it is expected that the trend will be greater satisfaction.
Levee system does not fail in flood event	No levee failures	No historical failure issues	Continued performance

2.6 Customer Levels of Service

The Customer Levels of Service are considered in terms of:

Quality How good is the service ... what is the condition or quality of the service?

Function Is it suitable for its intended purpose Is it the right service?

Capacity/Use Is the service over or under used ... do we need more or less of these assets?

In Tables 3.5.1 to 3.5.4 under each of the service measures types (Quality, Function, Capacity/Use) there is a summary of the performance measure being used, the current performance, and the expected performance based on the current funding level.

These are measures of fact related to the service delivery outcome e.g. number of occasions when service is not available, condition %'s of Very Poor, Poor/Average/Good, Very Good and provide a balance in comparison to the customer perception that may be more subjective.

Table 3.5.1: Stormwater and Levee Network Customer Level of Service Measures

Type of Measure	Level of Service	Performance Measure	Current Performance	Expected Trend Based on Planned Budget
Condition	Extent of flooding, water over road or blocked drains	Customer Requests	<15	Expected to trend down
	Confidence levels		Medium	Medium
Function	Meet user requirements for: <ul style="list-style-type: none"> • Accessibility • location 	Customer Requests	<5	Expected to trend down
	Confidence levels		Medium	Medium
Safety	No dangerous flooding or subsidence	Accident Reports Customer Requests	<5	Expected to trend down
	Confidence levels		Medium	Medium

2.7 Technical Levels of Service

Technical Levels of Service – To deliver the customer values, and impact the achieved Customer Levels of Service, are operational or technical measures of performance. These technical measures relate to the activities and allocation of resources to best achieve the desired customer outcomes and demonstrate effective performance.

Technical service measures are linked to the activities and annual budgets covering:

- **Acquisition** – the activities to provide a higher level of service (e.g. widening a road, sealing an unsealed road, replacing a pipeline with a larger size) or a new service that did not exist previously (e.g. a new library).
- **Operation** – the regular activities to provide services (e.g. opening hours, cleansing, mowing grass, energy, inspections, etc).
- **Maintenance** – the activities necessary to retain an asset as near as practicable to an appropriate service condition. Maintenance activities enable an asset to provide service for its planned life (e.g. road patching, unsealed road grading, building and structure repairs),
- **Renewal** – the activities that return the service capability of an asset up to that which it had originally provided (e.g. road resurfacing and pavement reconstruction, pipeline replacement and building component replacement),

Service and asset managers plan, implement and control technical service levels to influence the service outcomes.³

Tables 3.6.1 to 3.6.4 show the activities expected to be provided under the current Planned Budget allocation, and the Forecast activity requirements being recommended in this AM Plan.

³ IPWEA, 2015, IIMM, p 2|28.

Table 3.6.1: Stormwater and Levee Technical Levels of Service

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
TECHNICAL LEVELS OF SERVICE				
Acquisition	Extend stormwater network to serve unserved areas	Percentage of unserved urban areas	33%	20%
	Upgrade pumpstations and/or retarding basins to increase capacity	Flooding due to insufficient capacity of pumpstations	Several areas being monitored for performance following upgrade works	Zero flooding due to insufficient pumping capacity
	Constsruct new Levee 5a and at Barooga Library	Levee protection to 1% flood	Protection not provided at these locations	Levee protection to 1% flood
		Budget	<i>\$191,400</i>	<i>\$191,400</i>
Operation	Ensure stormwater drainage network is managed in a sustainable manner	AMP Reviewed and Updated on time	Non Compliant	Compliant
		Adopted inspection and reporting timelines adhered to	Compliant	Compliant
		Council reporting on budget and achievement completed on time	Compliant	Compliant
		Environmental requirements are complied with.	Compliant	Compliant
		Design, Supervision and Contract Management are provided in a professional manner	Compliant	Compliant
	Comply with adopted Standard Operating Procedures for pumpstations and control structures	Inspection records and check lists	Compliant	Compliant
	Levees operated in accordance with Levee Owners Manual	No failures	No failures	No failures
		Budget	<i>\$118,542</i>	<i>\$118,542</i>

Lifecycle Activity	Purpose of Activity	Activity Measure	Current Performance*	Recommended Performance **
Maintenance	To maintain the stormwater drainage network including pumpstations and control structures in a safe and functional state	Adopted inspections intervals and response times achieved	Compliant	Compliant
	What is the purpose of the Activity	Describe the Measure being used for performance monitoring	The Maintenance activities that can be done within the current Planned Budget restraints	The Maintenance activities we would like to do as per the Lifecycle Forecast
	Levees maintained in accordance with Levee Owners Manual	No failures	No failures	No failures
		Budget	\$235,697	\$235,697
Renewal	To replace or reline segments of the pipe network before they become unserviceable	Condition Rating Useful life	All pipework is currently serviceable	Renewal as per budget developed in AMP
	To refurbish or replace pumpstation components and control structures before they become unserviceable	Condition Rating Useful life	All components are currently serviceable	Renewal as per budget developed in AMP
		Budget	Nil	\$8,813
Disposal	Dispose of pipe segments and other drainage assets that are being renewed prior to the end of the adopted useful life	Asset inventory and data maintained to be current at the end of financial year.	Compliant	Compliant
		Budget	Nil	Nil

Note: * Current activities related to Planned Budget.

** Forecast required performance related to forecast lifecycle costs.

It is important to monitor the service levels provided regularly as these will change. The current performance is influenced by work efficiencies and technology, and customer priorities will change over time.

3.0 FUTURE DEMAND

3.1 Demand Drivers

Drivers affecting demand include things such as population change, regulations, changes in demographics, seasonal factors, vehicle ownership rates, consumer preferences and expectations, technological changes, economic factors, agricultural practices, environmental awareness, etc.

3.2 Demand Forecasts

The present position and projections for demand drivers that may impact future service delivery and use of assets have been identified and documented.

3.3 Demand Impact and Demand Management Plan

The impact of demand drivers that may affect future service delivery and use of assets are shown in Table 4.3.

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices can include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this Asset Management Plan.

Table 4.3: Demand Management Plan

Demand driver	Current position	Projection	Impact on services	Demand Management Plan
Population	8863	9404	Increase in system size due to new subdivision (Developer Funded)	Assets for new developments will generally be donated by the developer.
Climate Change/Storm Intensity	Stormwater System capacity exceeded once in 5 years	System capacity exceeded more regularly	More regular localized flooding	The stormwater drainage network will be continually upgraded generally in accordance with priorities set out in this plan and within capital budget constraints.
	Levees generally provide protection for 1% floods	Could increase the level of probable maximum floods	Could result in levee failure	New flood study being prepared to better predict likely flood levels and expected performance of levee system
Demographics	Average age of population greater than State average	Will become even greater	Insignificant	NA

3.4 Asset Programs to meet Demand

The new assets required to meet demand may be acquired, donated or constructed. Additional assets are discussed in Section 5.4.

Acquiring new assets will commit the Berrigan Shire Council to ongoing operations, maintenance and renewal costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operations, maintenance and renewal costs for inclusion in the long-term financial plan (Refer to Section 5).

3.5 Climate Change and Adaption

The impacts of climate change can have a significant impact on the assets we manage and the services they provide. In the context of the Asset Management Planning process climate change can be considered as both a future demand and a risk.

How climate change will impact on assets can vary significantly depending on the location and the type of services provided, as will the way in which we respond and manage those impacts.

As a minimum we should consider both how to manage our existing assets given the potential climate change impacts, and then also how to create resilience to climate change in any new works or acquisitions.

Opportunities identified to date for management of climate change impacts on existing assets are shown in Table 4.5.1

Table 4.5.1 Managing the Impact of Climate Change on Assets

Climate Change Description	Projected Change	Potential Impact on Assets and Services	Management
System capacity exceeded once in 5 years	System capacity exceeded more regularly	More regular localized flooding	The stormwater drainage network will be continually upgraded generally in accordance with priorities set out in this plan and within capital budget constraints.
Could result in increased flood levels on Murray River	Flood levels will increase	Could diminish levee factor of safety	New flood study being prepared to better predict likely flood levels and expected performance of levee system

Additionally, the way in which we construct new assets should recognise that there is opportunity to build in resilience to climate change impacts. Buildings resilience will have benefits:

- Assets will withstand the impacts of climate change
- Services can be sustained
- Assets that can endure may potentially lower the lifecycle cost and reduce their carbon footprint

Table 4.5.2 summarises some asset climate change resilience opportunities.

Table 4.5.2 Building Asset Resilience to Climate Change

New Asset Description	Climate Change impact These assets?	Build Resilience in New Works
Drainage connection Chanter Street to Davis Street, Berrigan	Reduce flooding to Berrigan CBD and Apex Park	Pipe connection will provide outlet for increased flows that would otherwise have to surface flow to discharge points
New pumpstation and rising main for Davis Street Berrigan retard basin	Pumping capacity increased to cope with higher rainfall events	Increasing the pumping capacity of this critical pumpstation will reduce flooding from predicted higher intensity storms.
Drainage connection east side Murray Street to Wollamai Street, Finley	Reduce flooding to Finley CBD	Pipe connection will provide outlet for increased flows that would otherwise have to surface flow to discharge points

New retard basin and connecting pipework to Brookmans Road, Finley retard basin	Storage capacity increased to cope with higher rainfall events	Increasing the storage capacity of this critical retard basin and pumpstation will reduce flooding from predicted higher intensity storms.
Underground drainage system extended to south east of Finley Township	Reduce flooding to residential areas	Pipe connections will provide outlet for increased flows that would otherwise have to surface flow to discharge points
New pumpstation and rising main for Collie/Hughes Street, Barooga	Pumping capacity increased to cope with higher rainfall events	Increasing the pumping capacity of this critical pumpstation will reduce flooding from predicted higher intensity storms.
Known deficiencies in levee system to be rectified	Will bring system to 1% flood protection	Level of levees to be determined by new flood study

The impact of climate change on assets is a new and complex discussion and further opportunities will be developed in future revisions of this Asset Management Plan.

4.0 LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how the Berrigan Shire Council plans to manage and operate the assets at the agreed levels of service (Refer to Section 3) while managing life cycle costs.

4.1 Background Data

4.1.1 Physical parameters

The assets covered by this Asset Management Plan are shown in Table 5.1.1.

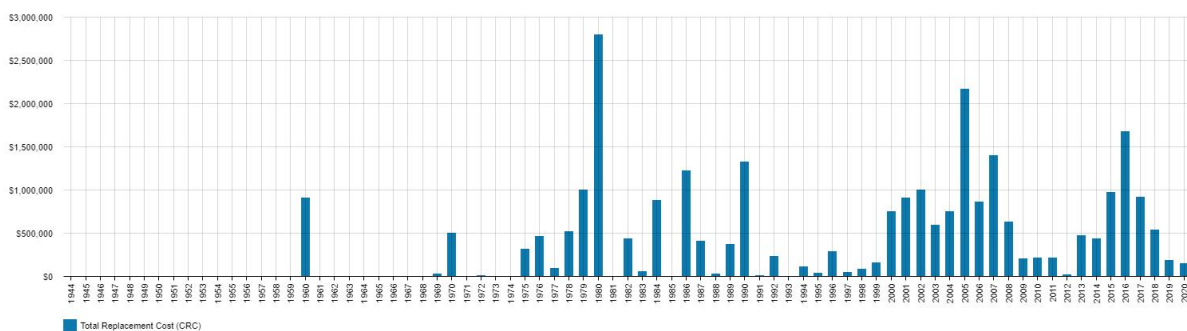
They include stormwater pipes, pits/headwalls, pumpstations, detention basins, open drains and storage dams that service the stormwater management in the towns of Barooga, Berrigan, Finley and Tocumwal.

The age profile of the assets included in this AM Plan are shown in Figure 5.1.1.

Table 5.1.1: Assets covered by this Plan

Asset Category	Dimension	Replacement Value
Gravity Mains	63,318 m	\$15,089,421
Rising Mains/Valves	10,982 m	\$1,264,433
Pits/Headwalls	2022 No.	\$3,201,451
Pumpstations	26 No.	\$2,055,000
Detention Basins and Storage Dams	18 No.	\$894,765
Open Drains	17,266 m	\$284,314
Levee Banks	15,622m	\$4,587,110
TOTAL		\$22,789,385

Figure 5.1.1: Asset Age Profile



All figure values are shown in current day dollars.

Add discussion about the age asset profile. Outline how past peaks of investment that may require peaks in renewals in the future. Comment on the overall age versus useful lives of the assets.

4.1.2 Asset capacity and performance

Assets are generally provided to meet design standards where these are available. However, there is insufficient resources to address all known deficiencies. Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2: Known Service Performance Deficiencies

Location	Service Deficiency
Hughes St, Barooga at Collie St, Barooga	Pump Station inadequate during Severe Storms
Snell Rd, Barooga	Drainage system inadequate during Severe Storms
Davis St, Berrigan at Momalong St, Berrigan	Drainage system inadequate during Severe Storms
Davis St, Berrigan South End	Drainage system inadequate during Severe Storms
Anthony Avenue, Tocumwal	Drainage system inadequate during Severe Storms - Has been improved with drainage retention and pump in Tessier Drive but still reliant on pump.
Lorelle Ct, Tocumwal	Drainage system inadequate during Severe Storms
Murray Street, Finley – East side south of Wollamai Street.	Drainage system inadequate during Severe Storms
South East quadrant of Finley	Drainage system inadequate during Severe Storms
Chanter Street, Hayes Park, Davis Street, Berrigan	Drainage system inadequate during Severe Storms
Jerilderie Street Pumpstation, Berrigan	Rising Main discharges to Kerb and Gutter causing flooding in Severe Storms
Levee 1 – Ch 9100-9560	Sand layer underlying levee could result in failure in long severe event
Levee 5a	The need for this levee has been identified in the flood study but it has never been constructed
Barooga Foreshore Levee	This levee has been partially constructed in conjunction with other works but is incomplete.
Seppelts Levee	This levee has been identified as being below the required 1% protection level.

The above service deficiencies were identified from observed issues, routine service inspections and 2011 – Murray River Regional Flood Study carried out by Water Technology.

4.1.3 Asset condition

Condition of stormwater pipes and pits is currently monitored only by service issues such as blockages or subsidence. There are few issues reported in relation to poor condition of these assets.

Condition of levees are monitored by regular inspections in accordance with the Levee Owners Manual and maintenance is carried out in a timely manner to ensure all levees are in sound condition.

Condition of pumps and storages are also monitored by regular inspection and maintenance is carried out to in a timely manner to ensure they are in sound operational condition.

Condition is measured using a 1 – 5 grading system⁴ as detailed in Table 5.1.3. It is important that consistent condition grades be used in reporting various assets across an organisation. This supports effective communication. At the detailed level assets may be measured utilising different condition scales, however, for reporting in the AM plan they are all translated to the 1 – 5 grading scale.

Table 5.1.3: Simple Condition Grading Model

Condition Grading	Description of Condition
1	Very Good: only planned maintenance required
2	Good: minor maintenance required plus planned maintenance
3	Fair: significant maintenance required
4	Poor: significant renewal/rehabilitation required
5	Very Poor: physically unsound and/or beyond rehabilitation

While condition of stormwater and levee assets is not currently monitored in a formal way it is considered that all assets would be at least rated as 2.5 using the above model.

4.2 Operations and Maintenance Plan

Operations include regular activities to provide services. Examples of typical operational activities include cleaning, street sweeping, asset inspection, and utility costs.

Maintenance includes all actions necessary for retaining an asset as near as practicable to an appropriate service condition including regular ongoing day-to-day work necessary to keep assets operating. Examples of typical maintenance activities include pipe repairs, asphalt patching, and equipment repairs.

The trend in maintenance budgets are shown in Table 5.2.1.

Table 5.2.1: Maintenance Budget Trends

Year	Maintenance Budget \$
2019/20	\$252,400
2020/21	\$398,143

Maintenance budget levels are considered to be adequate to meet projected service levels, which may be less than or equal to current service levels. Where maintenance budget allocations are such that they will result in a lesser level of service, the service consequences and service risks have been identified and are highlighted in this AM Plan and service risks considered in the Infrastructure Risk Management Plan.

Reactive maintenance is carried out in accordance with response levels of service detailed in Appendix C.

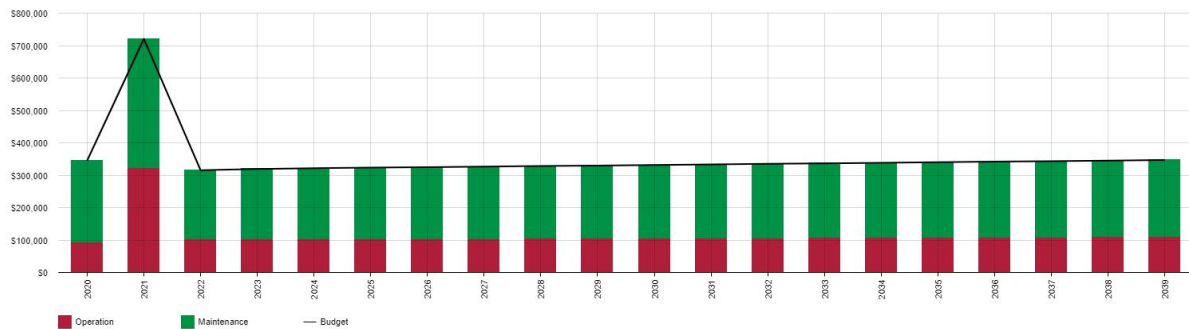
Summary of forecast operations and maintenance costs

Forecast operations and maintenance costs are expected to vary in relation to the total value of the asset stock. If additional assets are acquired, the future operations and maintenance costs are forecast to increase. If assets are disposed of the forecast operation and maintenance costs are expected to decrease. Figure 5.2

⁴ IPWEA, 2015, IIMM, Sec 2.5.4, p 2 | 80.

shows the forecast operations and maintenance costs relative to the proposed operations and maintenance Planned Budget.

Figure 5.2: Operations and Maintenance Summary



All figure values are shown in current day dollars.

There is currently budget provision to catch up on a backlog of maintenance to remove trees from the vicinity of the levee and improve access to the crest with gravel sheeting. There is also provision for a new flood study to be prepared and therefore a short term increase in operational costs associated with this work.

Maintenance and operational costs are then expected to stabilize for the balance of the forecast period with only minor increases due to acquisitions.

4.3 Renewal Plan

Renewal is major capital work which does not significantly alter the original service provided by the asset, but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is considered to be an acquisition resulting in additional future operations and maintenance costs.

Assets requiring renewal are identified from one of two approaches in the Lifecycle Model.

- The first method uses Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year), or
- The second method uses an alternative approach to estimate the timing and cost of forecast renewal work (i.e. condition modelling system, staff judgement, average network renewals, or other).

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed are reviewed annually along with current replacement costs.

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Headwalls	60
Pits	100
Valves and Gates	40
Dams and Ponds	1000
Pump Stations	60
Gross Pollutant Traps	40
Gravity Mains – Precast Concrete	100

Gravity Mains - PVC	80
Rising Mains - PVC	80
Flood Levees	1000

The estimates for renewals in this Asset Management Plan were based on the asset register.

4.3.1 Renewal ranking criteria

Asset renewal is typically undertaken to either:

- Ensure the reliability of the existing infrastructure to deliver the service it was constructed to facilitate (e.g. replacing a bridge that has a 5 t load limit), or
- To ensure the infrastructure is of sufficient quality to meet the service requirements (e.g. condition of a playground).⁵

It is possible to prioritise renewals by identifying assets or asset groups that:

- Have a high consequence of failure,
- Have high use and subsequent impact on users would be significant,
- Have higher than expected operational or maintenance costs, and
- Have potential to reduce life cycle costs by replacement with a modern equivalent asset that would provide the equivalent service.⁶

The ranking criteria used to determine priority of identified renewal proposals is detailed in Table 5.3.1.

Table 5.3.1: Renewal Priority Ranking Criteria

Criteria	Weighting
Stormwater Quality	10
Stormwater Collection	20
Visual Amenity	10
Safe Waters	10
Flooding	30
Efficiency Measure	10
Cost Benefit Ration	10
Total	100%

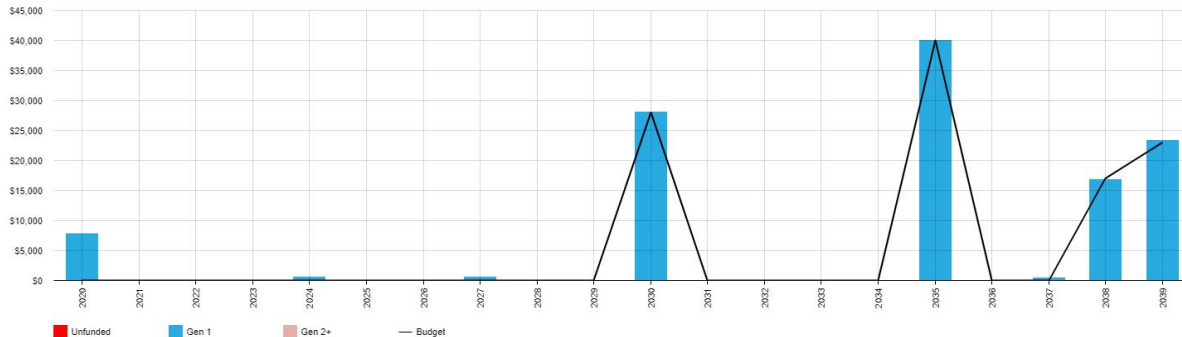
⁵ IPWEA, 2015, IIMM, Sec 3.4.4, p 3|91.

⁶ Based on IPWEA, 2015, IIMM, Sec 3.4.5, p 3|97.

4.4 Summary of future renewal costs

Forecast renewal costs are projected to increase over time if the asset stock increases. The forecast costs associated with renewals are shown relative to the proposed renewal budget in Figure 5.4.1. A detailed summary of the forecast renewal costs is shown in Appendix D.

Figure 5.4.1: Forecast Renewal Costs



All figure values are shown in current day dollars.

Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

Deferred renewal (assets identified for renewal and not scheduled in capital works programs) relate to pumps and valves and these are currently maintained in a satisfactory operational condition and the useful life of these assets can be reasonably extended at the next review.

4.5 Acquisition Plan

Acquisition reflects are new assets that did not previously exist or works which will upgrade or improve an existing asset beyond its existing capacity. They may result from growth, demand, social or environmental needs. Assets may also be donated to the Berrigan Shire Council.

4.5.1 Selection criteria

Proposed upgrade of existing assets, and new assets, are identified from various sources such as community requests, proposals identified by strategic plans or partnerships with others. Potential upgrade and new works should be reviewed to verify that they are essential to the Entities needs. Proposed upgrade and new work analysis should also include the development of a preliminary renewal estimate to ensure that the services are sustainable over the longer term. Verified proposals can then be ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.5.1: Acquired Assets Priority Ranking Criteria

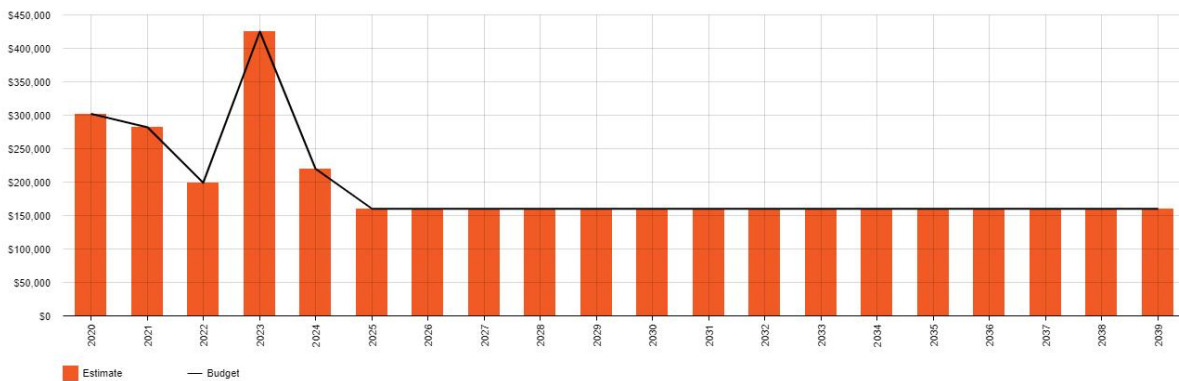
Criteria	Weighting
Stormwater Quality	10
Stormwater Collection	20
Visual Amenity	10
Safe Waters	10
Flooding	30
Efficiency Measure	10

Cost Benefit Ratio	10
Total	100%

Summary of future asset acquisition costs

Forecast acquisition asset costs are summarised in Figure 5.4.1 and shown relative to the proposed acquisition budget. The forecast acquisition capital works program is shown in Appendix A.

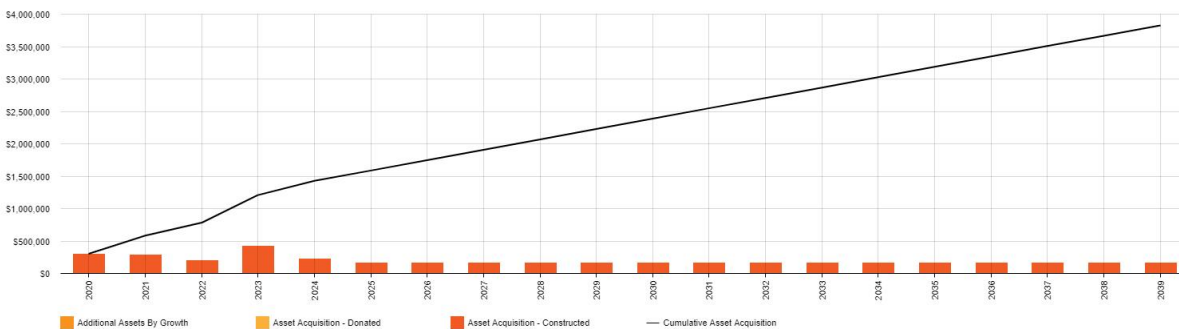
Figure 5.5.1: Acquisition (Constructed) Summary



All figure values are shown in current day dollars.

When an Entity commits to new assets, they must be prepared to fund future operations, maintenance and renewal costs. They must also account for future depreciation when reviewing long term sustainability. When reviewing the long-term impacts of asset acquisition, it is useful to consider the cumulative value of the acquired assets being taken on by the Entity. The cumulative value of all acquisition work, including assets that are constructed and contributed shown in Figure 5.4.2.

Figure 5.5.2: Acquisition Summary



All figure values are shown in current dollars.

Expenditure on new assets and services in the capital works program will be accommodated in the long-term financial plan, but only to the extent that there is available funding.

The long useful life of stormwater and levee assets determines that renewal costs will be minimal in life of this plan. The majority of capital expenditure within the life of this plan is therefore related to constructing new assets to cater for known deficiencies in the system or service unserved areas. There will also be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

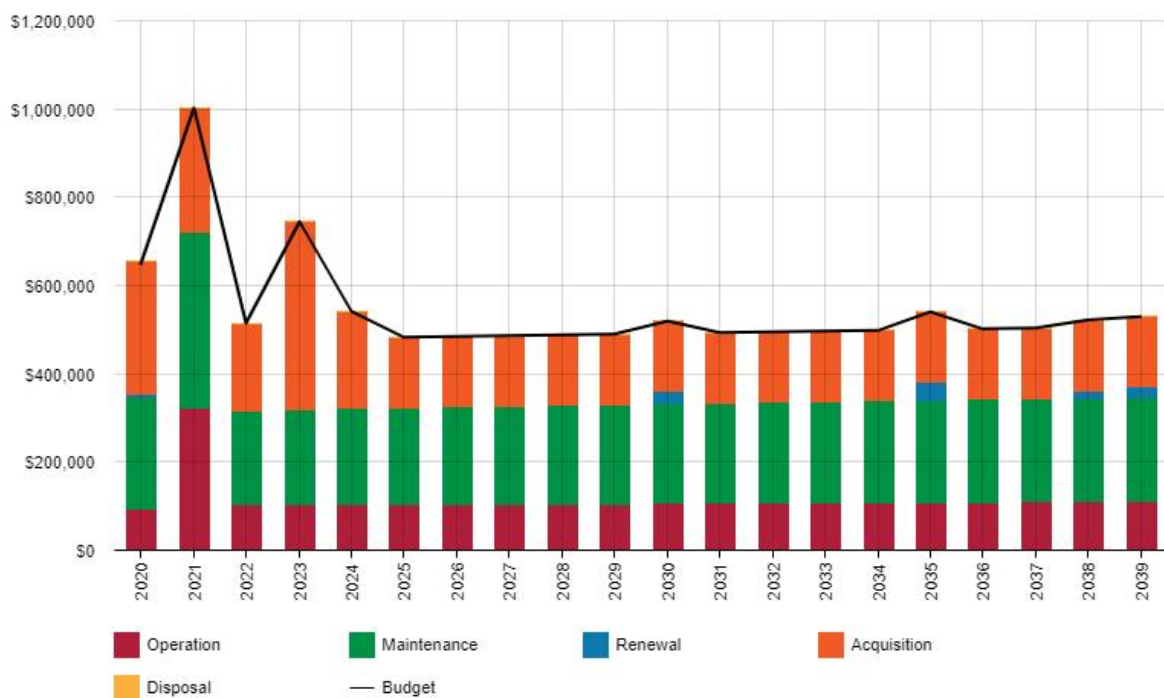
The continued expansion of the system will add to the maintenance and operational costs of the system but as only minor expenditure is required in pumpstations it is not envisaged that the will be major impact on budget going forward.

Summary of asset forecast costs

The financial projections from this asset plan are shown in Figure 5.4.3. These projections include forecast costs for acquisition, operation, maintenance, renewal, and disposal. These forecast costs are shown relative to the proposed budget.

The bars in the graphs represent the forecast costs needed to minimise the life cycle costs associated with the service provision. The proposed budget line indicates the estimate of available funding. The gap between the forecast work and the proposed budget is the basis of the discussion on achieving balance between costs, levels of service and risk to achieve the best value outcome.

Figure 5.5.3: Lifecycle Summary



All figure values are shown in current day dollars.

Budget and forecast cost are very well matched and required expenditure should be able to provided without stressing the available budget.

4.6 Disposal Plan

Disposal includes any activity associated with the disposal of a decommissioned asset including sale, demolition or relocation. Assets identified for possible decommissioning and disposal are shown in Table 5.6. A summary of the disposal costs and estimated reductions in annual operations and maintenance of disposing of the assets are also outlined in Table 5.6. Any costs or revenue gained from asset disposals is included in the long-term financial plan.

There are no assets identified for disposal within the forecast period.

RISK MANAGEMENT PLANNING

The purpose of infrastructure risk management is to document the findings and recommendations resulting from the periodic identification, assessment and treatment of risks associated with providing services from

infrastructure, using the fundamentals of International Standard ISO 31000:2018 Risk management – Principles and guidelines.

Risk Management is defined in ISO 31000:2018 as: ‘coordinated activities to direct and control with regard to risk’⁷.

An assessment of risks⁸ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a ‘financial shock’, reputational impacts, or other consequences. The risk assessment process identifies credible risks, the likelihood of the risk event occurring, and the consequences should the event occur. The risk assessment should also include the development of a risk rating, evaluation of the risks and development of a risk treatment plan for those risks that are deemed to be non-acceptable.

4.7 Critical Assets

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction of service. Critical assets have been identified and along with their typical failure mode, and the impact on service delivery, are summarised in Table 6.1. Failure modes may include physical failure, collapse or essential service interruption.

Table 6.1 Critical Assets

Critical Asset(s)	Failure Mode	Impact
Pumpstations	Electrical Failure	Flooding of properties
Pumpstations	Mechanical Failure	Flooding of properties
Levee Banks	Overtopping	Flooding of properties

By identifying critical assets and failure modes an organisation can ensure that investigative activities, condition inspection programs, maintenance and capital expenditure plans are targeted at critical assets.

4.8 Risk Assessment

The risk management process used is shown in Figure 6.2 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018.

⁷ ISO 31000:2009, p 2

⁸ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

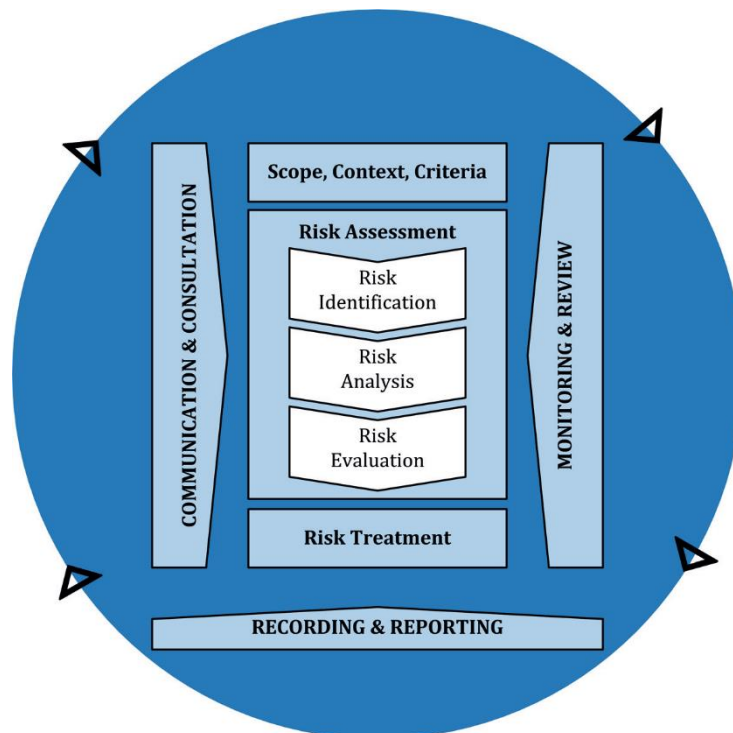


Fig 6.2 Risk Management Process – Abridged
 Source: ISO 31000:2018, Figure 1, p9

The risk assessment process identifies credible risks, the likelihood of the risk event occurring, the consequences should the event occur, development of a risk rating, evaluation of the risk and development of a risk treatment plan for non-acceptable risks.

An assessment of risks⁹ associated with service delivery will identify risks that will result in loss or reduction in service, personal injury, environmental impacts, a 'financial shock', reputational impacts, or other consequences.

Critical risks are those assessed with 'Very High' (requiring immediate corrective action) and 'High' (requiring corrective action) risk ratings identified in the Infrastructure Risk Management Plan. The residual risk and treatment costs of implementing the selected treatment plan is shown in Table 6.2. It is essential that these critical risks and costs are reported to management and the Berrigan Shire Council.

⁹ REPLACE with Reference to the Corporate or Infrastructure Risk Management Plan as the footnote

Table 6.2: Risks and Treatment Plans

Service or Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan	Residual Risk *	Treatment Costs
Levee Bank	Flood when Levee Bank Overtopped due to inadequate height	High	Update floodstudy of leveed area to identify all low areas of levees and implement works program to upgrade them	Nil	\$1,050,000
Levee Bank	Flood when Levee undermined due to sand underlying foundations	High	Provide cutoff wall to prevent levee being undermined	Low	\$200,000
Pipe discharge terminal	Child could enter pipe and become trapped or drowned	High	Fit guards to discharge terminals of pipes larger than 375mm diameter	Low	\$20,000

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

4.9 Infrastructure Resilience Approach

The resilience of our critical infrastructure is vital to the ongoing provision of services to customers. To adapt to changing conditions we need to understand our capacity to 'withstand a given level of stress or demand', 1 and to respond to possible disruptions to ensure continuity of service.

Resilience is built on aspects such as response and recovery planning, financial capacity, climate change and crisis leadership.

We do not currently measure our resilience in service delivery. This will be included in future iterations of the Asset Management Plan.

4.10 Service and Risk Trade-Offs

The decisions made in adopting this AM Plan are based on the objective to achieve the optimum benefits from the available resources.

4.10.1 What we cannot do

There are some operations and maintenance activities and capital projects that are unable to be undertaken within the next 10 years without revising the budget. These include:

- Construction of Levee 5a if Flood Study confirms it is required

- Drainage at the following locations have had minor improvements carried out and are being monitored for performance in high intensity storms – There is no provision in budget for further improvements in this program:

Hughes St and Snell Rd, Barooga, Davis St, Berrigan, Anthony Av and Lorelle Ct, Tocumwal.

4.10.2 Service trade-off

If there is forecast work (operations, maintenance, renewal, acquisition or disposal) that cannot be undertaken due to available resources, then this will result in service consequences for users. These service consequences include:

- Higher flooding levels in some areas

4.10.3 Risk trade-off

The operations and maintenance activities and capital projects that cannot be undertaken may sustain or create risk consequences. These risk consequences include:

- Risk of more property damage due to flooding

These actions and expenditures are considered and included in the forecast costs and the Risk Management Plan.

5.0 FINANCIAL SUMMARY

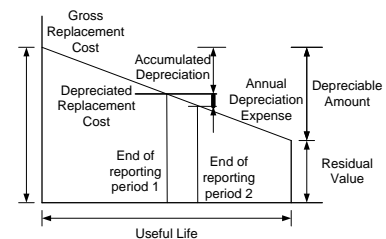
This section contains the financial requirements resulting from the information presented in the previous sections of this Asset Management Plan. The financial projections will be improved as the discussion on desired levels of service and asset performance matures.

5.1 Financial Statements and Projections

5.1.1 Asset valuations

The best available estimate of the value of assets included in this Asset Management Plan are shown below. The assets are valued at fair value at cost to replace service capacity:

Current (Gross) Replacement Cost	\$27,362,046
Depreciable Amount	\$ 22,774,936
Depreciated Replacement Cost ¹⁰	\$22,336,134
Depreciation	\$242,009



5.1.2 Sustainability of service delivery

There are two key indicators of sustainable service delivery that are considered in the Asset Management Plan for this service area. The two indicators are the:

- asset renewal funding ratio (proposed renewal budget for the next 10 years / forecast renewal costs for next 10 years), and
- medium term forecast costs/proposed budget (over 10 years of the planning period).

Asset Renewal Funding Ratio

Asset Renewal Funding Ratio¹¹ 100%

The Asset Renewal Funding Ratio is an important indicator and illustrates that over the next 10 years we expect to have \$100% of the funds required for the optimal renewal of assets.

The forecast renewal work along with the proposed renewal budget, and the cumulative shortfall, is illustrated in Appendix D.

Medium term – 10 year financial planning period

This Asset Management Plan identifies the forecast operations, maintenance and renewal costs required to provide an agreed level of service to the community over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner.

This forecast work can be compared to the proposed budget over the 10 year period to identify any funding shortfall.

The forecast operations, maintenance and renewal costs over the 10 year planning period is \$366,689 on average per year.

The proposed (budget) operations, maintenance and renewal funding is \$366,689 on average per year giving a 10 year funding shortfall or funding excess of \$0 per year. This indicates that 100% of the forecast costs needed to provide the services documented in this Asset Management Plan are accommodated in the proposed budget. This excludes acquired assets.

¹⁰ Also reported as Written Down Value, Carrying or Net Book Value.

¹¹ AIFMM, 2015, Version 1.0, Financial Sustainability Indicator 3, Sec 2.6, p 9.

Providing sustainable services from infrastructure requires the management of service levels, risks, forecast outlays and financing to achieve a financial indicator of approximately 1.0 for the first years of the Asset Management Plan and ideally over the 10 year life of the Long-Term Financial Plan.

5.1.3 Forecast Costs (outlays) for the long-term financial plan

Table 7.1.3 shows the forecast costs (outlays) for the 10 year long-term financial plan.

Forecast costs are shown in 2020 dollar values.

Table 7.1.3: Forecast Costs (Outlays) for the Long-Term Financial Plan

Year	Forecast Acquisition	Forecast Operation	Forecast Maintenance	Forecast Renewal	Forecast Disposal
2020	\$302,000	\$92,981	\$252,440	\$7,718	\$0
2021	\$282,000	\$322,565	\$398,143	\$0	\$0
2022	\$199,000	\$102,565	\$213,143	\$0	\$0
2023	\$425,000	\$104,114	\$216,361	\$0	\$0
2024	\$220,000	\$104,916	\$218,028	\$548	\$0
2025	\$160,000	\$105,498	\$219,239	\$0	\$0
2026	\$160,000	\$106,082	\$220,451	\$0	\$0
2027	\$160,000	\$106,665	\$221,663	\$547	\$0
2028	\$160,000	\$107,248	\$222,874	\$0	\$0
2029	\$160,000	\$107,831	\$224,086	\$0	\$0
2030	\$160,000	\$108,414	\$225,298	\$28,059	\$0
2031	\$160,000	\$108,997	\$226,509	\$0	\$0
2032	\$160,000	\$109,580	\$227,721	\$0	\$0
2033	\$160,000	\$110,163	\$228,933	\$0	\$0
2034	\$160,000	\$110,746	\$230,144	\$0	\$0
2035	\$160,000	\$111,329	\$231,356	\$40,000	\$0
2036	\$160,000	\$111,912	\$232,568	\$0	\$0
2037	\$160,000	\$112,495	\$233,779	\$382	\$0
2038	\$160,000	\$113,078	\$234,991	\$16,777	\$0
2039	\$160,000	\$113,662	\$236,203	\$23,328	\$0

5.2 Funding Strategy

The proposed funding for assets is outlined in the Entity's budget and Long-Term financial plan.

The financial strategy of the entity determines how funding will be provided, whereas the Asset Management Plan communicates how and when this will be spent, along with the service and risk consequences of various service alternatives.

5.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added.

Additional assets will generally add to the operations and maintenance needs in the longer term. Additional assets will also require additional costs due to future renewals. Any additional assets will also add to future depreciation forecasts.

5.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

Key Assumptions	Risks of Change to Assumptions
The useful life and unit cost of stormwater drainage assets have been taken from the asset management model.	Assets could deteriorate more quickly and require earlier expenditure.
As condition of stormwater and levee assets is not currently monitored in a formal way it is assumed that all assets would be at least rated as 2.5.	Condition assessment may result in useful lives being either shortened or extended.
It is assumed that asset utilisation frequency will not change	Acceleration / deceleration of asset condition

5.5 Forecast Reliability and Confidence

The forecast costs, proposed budgets, and valuation projections in this AM Plan are based on the best available data. For effective asset and financial management, it is critical that the information is current and accurate. Data confidence is classified on a A - E level scale¹² in accordance with Table 7.5.1.

Table 7.5.1: Data Confidence Grading System

Confidence Grade	Description
A. Highly reliable	Data based on sound records, procedures, investigations and analysis, documented properly and agreed as the best method of assessment. Dataset is complete and estimated to be accurate $\pm 2\%$
B. Reliable	Data based on sound records, procedures, investigations and analysis, documented properly but has minor shortcomings, for example some of the data is old, some documentation is missing and/or reliance is placed on unconfirmed reports or some extrapolation. Dataset is complete and estimated to be accurate $\pm 10\%$
C. Uncertain	Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data are available. Dataset is substantially complete but up to 50% is extrapolated data and accuracy estimated $\pm 25\%$
D. Very Uncertain	Data is based on unconfirmed verbal reports and/or cursory inspections and analysis. Dataset may not be fully complete, and most data is estimated or extrapolated. Accuracy $\pm 40\%$

¹² IPWEA, 2015, IIMM, Table 2.4.6, p 2|71.

Confidence Grade	Description
E. Unknown	None or very little data held.

The estimated confidence level for and reliability of data used in this AM Plan is shown in Table 7.5.2.

Table 7.5.2: Data Confidence Assessment for Data used in AM Plan

Data	Confidence Assessment	Comment
Demand drivers	Reliable	Low growth rate
Growth projections	Reliable	Low growth rate and known areas of network expansion
Acquisition forecast	Reliable	Historical costs but no allowance for additional costs associated with network expansion
Operation forecast	Reliable	Historical costs but no allowance for additional costs associated with network expansion
Maintenance forecast	Reliable	Historical costs but no allowance for additional costs associated with network expansion
Renewal forecast - Asset values	Reliable	Worked on current costs
- Asset useful lives	Reliable	Required to be substantiated by condition inspections
- Condition modelling	Uncertain	Currently done mainly on assumption
Disposal forecast	Highly Reliable	No saleable assets

The estimated confidence level for and reliability of data used in this AM Plan is considered to be Reliable.

6.0 PLAN IMPROVEMENT AND MONITORING

6.1 Status of Asset Management Practices¹³

6.1.1 Accounting and financial data sources

This Asset Management Plan utilises accounting and financial data. The source of the data is Berrigan Shire Council Annual Report, Management Plan, Financial Statements and Budget and costings contained in the corporate accounting system.

6.1.2 Asset management data sources

This Asset Management Plan also utilises asset management data. The source of the data is Berrigan Shire Council corporate asset management system "AssetFinda".

6.2 Improvement Plan

It is important that an entity recognise areas of their Asset Management Plan and planning process that require future improvements to ensure effective asset management and informed decision making. The improvement plan generated from this Asset Management Plan is shown in Table 8.2.

Table 8.2: Improvement Plan

Task	Task	Responsibility	Resources Required	Timeline
1	Condition rating of Assets	EXE	Staff	June 2021
2	Review remaining life of assets	EXE	Staff	June 2021
3	Componentisation of assets such as drainage structures, signs and traffic facilities including review of unit costs	Exe, TOA	Staff	June 2023
4	Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.	FM	Staff	June 2022
5	Investigate options to integrate Asset Management system with the Accounting / financial system	DTS DCS EXE FM	Staff	June 2022
6	Review customer request /complaint settings in customer request management system to reflect desirable data being collected	AOM	Staff	June 2022
7	Ensure all assets in Asset Mangement System have a condition score	AOM	Staff	June 2021

6.3 Monitoring and Review Procedures

This Asset Management Plan will be reviewed during the annual budget planning process and revised to show any material changes in service levels, risks, forecast costs and proposed budgets as a result of budget decisions.

The AM Plan will be reviewed and updated annually to ensure it represents the current service level, asset values, forecast operations, maintenance, renewals, upgrade/new and asset disposal costs and proposed

¹³ ISO 55000 Refers to this the Asset Management System

budgets. These forecast costs and proposed budget are incorporated into the Long-Term Financial Plan or will be incorporated into the Long-Term Financial Plan once completed.

The AM Plan has a maximum life of 4 years and is due for complete revision and updating within 2 years of each Berrigan Shire Council election.

6.4 Performance Measures

The effectiveness of this Asset Management Plan can be measured in the following ways:

- The degree to which the required forecast costs identified in this Asset Management Plan are incorporated into the long-term financial plan,
- The degree to which the 1-5 year detailed works programs, budgets, business plans and corporate structures take into account the 'global' works program trends provided by the Asset Management Plan,
- The degree to which the existing and projected service levels and service consequences, risks and residual risks are incorporated into the Strategic Plan and associated plans,
- The Asset Renewal Funding Ratio achieving the Organisational target (this target is often 1.0).

7.0 REFERENCES

- IPWEA, 2006, 'International Infrastructure Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/IIMM
- IPWEA, 2008, 'NAMS.PLUS Asset Management', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/namsplus.
- IPWEA, 2015, 2nd edn., 'Australian Infrastructure Financial Management Manual', Institute of Public Works Engineering Australasia, Sydney, www.ipwea.org/AIFMM.
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- IPWEA, 2012 LTFP Practice Note 6 PN Long-Term Financial Plan, Institute of Public Works Engineering Australasia, Sydney
- ISO, 2018, ISO 31000:2018, Risk management – Guidelines
- Berrigan Shire Council Asset Management Strategy 2020 – 2030,
- Berrigan Shire Council Asset Accounting Policy 2020
- Berrigan Shire Council Annual Report, Management Plan, Financial Statements and Budget.

8.0 APPENDICES

Appendix A Acquisition Forecast

A.1 – Acquisition Forecast Assumptions and Source

The majority of capital expenditure within the life of this plan is related to constructing new assets to cater for known deficiencies in the system or service unserved areas. There will also be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

A.2 – Acquisition Project Summary

The project titles included in the lifecycle forecast are included here.

Year	Project	\$ Estimate
2020	Stormwater Network Extension	302000
2021	Stormwater Network Extension	282000
2022	Stormwater Network Extension	199000
2023	Stormwater Network Extension	125000
2023	Levee 1 - Ch 9100-9560 Cut Off	200000
2023	Levee Network Extension	100000
2024	Stormwater Network Extension	220000
2025	Stormwater Network Extension	160000
2026	Stormwater Network Extension	160000
2027	Stormwater Network Extension	160000
2028	Stormwater Network Extension	160000
2029	Stormwater Network Extension	160000
2030	Stormwater Network Extension	160000
2031	Stormwater Network Extension	160000
2032	Stormwater Network Extension	160000
2033	Stormwater Network Extension	160000
2034	Stormwater Network Extension	160000
2035	Stormwater Network Extension	160000
2036	Stormwater Network Extension	160000
2037	Stormwater Network Extension	160000
2038	Stormwater Network Extension	160000
2039	Stormwater Network Extension	160000

A.3 – Acquisition Forecast Summary

Table A3 - Acquisition Forecast Summary

Year	Constructed	Contributed	Planned Budget
2020	302000	0	302000
2021	282000	0	282000

2022	199000	0	199000
2023	425000	0	425000
2024	220000	0	220000
2025	160000	0	160000
2026	160000	0	160000
2027	160000	0	160000
2028	160000	0	160000
2029	160000	0	160000
2030	160000	0	160000
2031	160000	0	160000
2032	160000	0	160000
2033	160000	0	160000
2034	160000	0	160000
2035	160000	0	160000
2036	160000	0	160000
2037	160000	0	160000
2038	160000	0	160000
2039	160000	0	160000

Appendix B Operation Forecast

B.1 – Operation Forecast Assumptions and Source

Operational costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

B.2 – Operation Forecast Summary

Table B2 - Operation Forecast Summary

Year	Operation Forecast	Additional Operation Forecast	Total Operation Forecast
2020	92981	0	92981
2021	322565	0	322565
2022	102565	0	102565
2023	104113.8	0	104113.8
2024	104915.5	0	104915.5
2025	105498.5	0	105498.5
2026	106081.6	0	106081.6
2027	106664.7	0	106664.7
2028	107247.7	0	107247.7
2029	107830.8	0	107830.8
2030	108413.9	0	108413.9
2031	108996.9	0	108996.9
2032	109580	0	109580
2033	110163.1	0	110163.1
2034	110746.1	0	110746.1
2035	111329.2	0	111329.2
2036	111912.3	0	111912.3
2037	112495.3	0	112495.3
2038	113078.4	0	113078.4
2039	113661.5	0	113661.5

Appendix C Maintenance Forecast

C.1 – Maintenance Forecast Assumptions and Source

Maintenance costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

C.2 – Maintenance Forecast Summary

Table C2 - Maintenance Forecast Summary

Year	Maintenance Forecast	Additional Maintenance Forecast	Total Maintenance Forecast
2020	252440	0	252440
2021	398143	0	398143
2022	213143	0	213143
2023	216361.5	0	216361.5
2024	218027.6	0	218027.6
2025	219239.3	0	219239.3
2026	220451	0	220451
2027	221662.6	0	221662.6
2028	222874.3	0	222874.3
2029	224086	0	224086
2030	225297.7	0	225297.7
2031	226509.4	0	226509.4
2032	227721.1	0	227721.1
2033	228932.7	0	228932.7
2034	230144.4	0	230144.4
2035	231356.1	0	231356.1
2036	232567.8	0	232567.8
2037	233779.5	0	233779.5
2038	234991.2	0	234991.2
2039	236202.8	0	236202.8

Appendix D Renewal Forecast Summary

D.1 – Renewal Forecast Assumptions and Source

Asset renewals are determined using Asset Register data to project the renewal costs (current replacement cost) and renewal timing (acquisition year plus updated useful life to determine the renewal year). The useful life of assets is reviewed periodically following condition assessments of the assets and a reassessment of the remaining useful life.

The typical useful lives of assets used to develop projected asset renewal forecasts are shown in Table 5.3. Asset useful lives were last reviewed are reviewed annually along with current replacement costs.

Table 5.3: Useful Lives of Assets

Asset (Sub)Category	Useful life
Headwalls	60
Pits	100
Valves and Gates	40
Dams and Ponds	1000
Pump Stations	60
Gross Pollutant Traps	40
Gravity Mains – Precast Concrete	100
Gravity Mains - PVC	80
Rising Mains - PVC	80
Flood Levees	1000

D.2 – Renewal Project Summary

There are no renewal projects forecast in the 20 year term of this plan.

Although there is \$198,000 of renewals forecast the majority of the assets are pre-cast concrete headwalls and gross pollutant traps and the condition of these will be monitored to determine if useful life should be extended.

There is one pumpstation identified for replacement in 2035 and similarly the condition will be assessed to determine if useful life should be extended.

Budget has been nominally provided for the GPTs and the Pumpstation.

D.3 – Renewal Forecast Summary

Recommend using NAMS+ Outputs Summary for Renewal

Table D3 - Renewal Forecast Summary

Year	Renewal Forecast	Renewal Budget
2020	7718	0

2021	0	0
2022	0	0
2023	0	0
2024	548	0
2025	0	0
2026	0	0
2027	547	0
2028	0	0
2029	0	0
2030	28059	28000
2031	0	0
2032	0	0
2033	0	0
2034	0	0
2035	40000	40000
2036	0	0
2037	382	0
2038	16777	17000
2039	23328	23000

D.4 –Renewal Plan

In the first 10 years the only renewal budgeted for is replacement of GPTs at a cost of \$28,000.

Appendix E Disposal Summary0

E0.1 – Disposal Forecast Assumptions and Source

There are no assets forecast for disposal.

Appendix F Budget Summary by Lifecycle Activity

Acquisitions will generally be associated with the extension of the stormwater network to service the existing residential areas. There will be some donated assets received from property developments, however, there has been no attempt to factor these in as the development rate is unpredictable and they will have only a minor effect on the total asset quantum.

Operational and maintenance costs are expected to increase slightly for the forecast period to service acquisitions and budgets have been prepared to balance expected costs.

There are no renewal projects forecast in the 20 year term of this plan.

Although there is \$198,000 of renewals forecast the majority of the assets are pre-cast concrete headwalls and gross pollutant traps and the condition of these will be monitored to determine if useful life should be extended.

There is one pumpstation identified for replacement in 2035 and similarly the condition will be assessed to determine if useful life should be extended.

Budget has been nominally provided for the GPTs and the Pumpstation.

There are no assets identified for disposal during life of this plan.

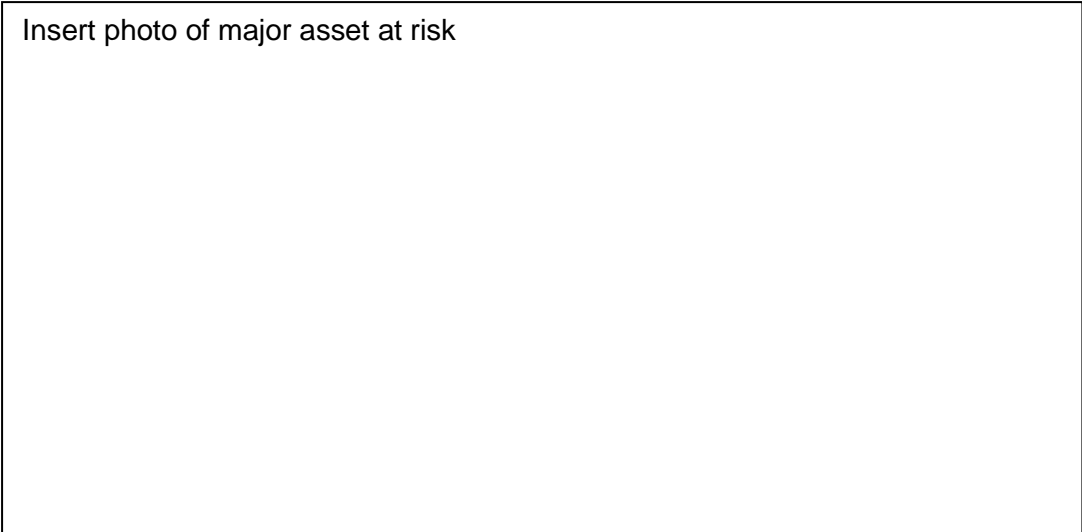
Table F1 – Budget Summary by Lifecycle Activity

Year	Acquisition	Operation	Maintenance	Renewal	Disposal	Total
2020	302000	92981	252440	0	0	647421
2021	282000	322565	398143	0	0	1002708
2022	199000	102565	213143	0	0	514708
2023	425000	104113.8	216361.5	0	0	745475.3
2024	220000	104915.5	218027.6	0	0	542943.1
2025	160000	105498.5	219239.3	0	0	484737.8
2026	160000	106081.6	220451	0	0	486532.6
2027	160000	106664.7	221662.6	0	0	488327.3
2028	160000	107247.7	222874.3	0	0	490122
2029	160000	107830.8	224086	0	0	491916.8
2030	160000	108413.9	225297.7	28000	0	521711.6
2031	160000	108996.9	226509.4	0	0	495506.3
2032	160000	109580	227721.1	0	0	497301.1
2033	160000	110163.1	228932.7	0	0	499095.8
2034	160000	110746.1	230144.4	0	0	500890.5
2035	160000	111329.2	231356.1	40000	0	542685.3
2036	160000	111912.3	232567.8	0	0	504480.1
2037	160000	112495.3	233779.5	0	0	506274.8
2038	160000	113078.4	234991.2	17000	0	525069.6
2039	160000	113661.5	236202.8	23000	0	532864.3

Infrastructure Risk Management Plan

Stormwater 2020

Insert photo of major asset at risk



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1. INTRODUCTION

1.1 Purpose

The purpose of this infrastructure risk management plan is to document the results and recommendations resulting from regular identification, assessment and treatment of risks associated with providing services to the organization from infrastructure, using the fundamentals of International Standard ISO 31000:2018 *Risk management – Guidelines*.

Risk Management is defined in ISO 31000:2018 as: “coordinated activities to direct and control an organisation with regard to risk”¹.

1.2 Objectives

The objectives of the risk management plan are:

- to identify risks to the Berrigan Shire Council that may impact the delivery of services from infrastructure
- to select credible risks for detailed analysis,
- to analyse and evaluate risks in accordance with ISO 31000:2018,
- to prioritise risks,
- to identify risks requiring treatment by management action,
- to develop risk treatment plans identifying the tasks required to manage the risks, the person responsible for each task, the resources required and the due completion date.

1.3 Infrastructure Risk Management Plan

This infrastructure risk management plan has been designed to be read as a supporting document to the infrastructure asset management plan. It has been prepared using the fundamentals of International Standard ISO 31000:2018 *Risk management – Guidelines*.

Organisations aiming at effectively managing risk should comply with the following principles.

- Risk management is an integral part of all organizational activities.
- A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- The risk management framework and process are customized and proportionate to the organization’s external and internal context related to its objectives.
- Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
- Risks can emerge, change or disappear as an organization’s external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.
- The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.²

¹ ISO 31000:2018, p 1.

² ISO 3100:2009, Sec 4, p 3

1.4 Scope

This plan considers risks associated with delivery of services from infrastructure.

1.5 The Risk Management Context

Organisations implement management practices and procedures to identify and manage risks associated with providing services from infrastructure assets. These include:

- operating a reactive maintenance service for all assets and services;
- operating a planned maintenance system for key assets;
- monitoring condition and remaining service life of assets nearing the end of their service life;
- renewing and upgrading assets to maintain service delivery;
- closing and disposing of assets not providing the required service level; and
- acquiring or constructing new assets to provide new and improved services.

The Berrigan Shire Council's planning is underpinned by the Integrated Planning and Reporting Framework for NSW Local Government and the Integrated Planning and Reporting principles described by the Local Government Act 1993. The adjacent Figure illustrates the outcome, input, output, action and review logic and operational integration of Berrigan Shire 2027 (a Community Strategic Plan) with the Council's suite of Integrated Plans.

The Council's Delivery Program 2017 – 2021 includes the activities undertaken by the Council and is integrated with Berrigan Shire 2027 strategic outcomes. Describing the Council's commitments for the next four years and the resources it can draw on: resources identified in the Council's Resourcing Strategy 2017 - 2027. The Council's 4-year Delivery Program developed from the Shire Council's 10-year Resourcing Strategy includes the Shire's Asset Management Plans, Workforce Development Plan 2017 – 2021 and Long Term Financial Plan 2017 – 2027. Asset Management Plans describe and estimate the resources needed by Council to achieve service levels and community expectations and are the basis of the Shire's 4-year Capital Works Program an element of the Shire's Long Term Financial Management Plan. The Shire's Long Term Financial Plan and the costings included in the forward projections of its Capital Works Program are subject to ongoing monitoring and review by Council. This ensures Council's Delivery Program and cost estimates do not compromise the Council's Financial Strategy 2016 objectives of:

1. Financial sustainability;
2. Cost effective maintenance of infrastructure service levels; and
3. Financial capacity and freedom.

Themed according to the outcomes we want to achieve the Delivery Program 2017- 2021 describes:

- The full range of Council services and activities – operations
- High level responsibility for Council services and operations; and
- The monitoring measures we use to determine the efficiency and effectiveness of Council's Delivery Program and its contribution to Berrigan Shire 2027 Strategic Outcomes.

Berrigan Shire Council has assigned responsibilities for managing risks associated with stormwater assets and associated service delivery to the following departments and positions.

Technical Services Department

Enterprise Risk Manager

1.6 Risk Management Process

The risk management process used is shown in Figure 1.6 below.

It is an analysis and problem-solving technique designed to provide a logical process for the selection of treatment plans and management actions to protect the community against unacceptable risks.

The process is based on the fundamentals of International Standard ISO 31000:2018

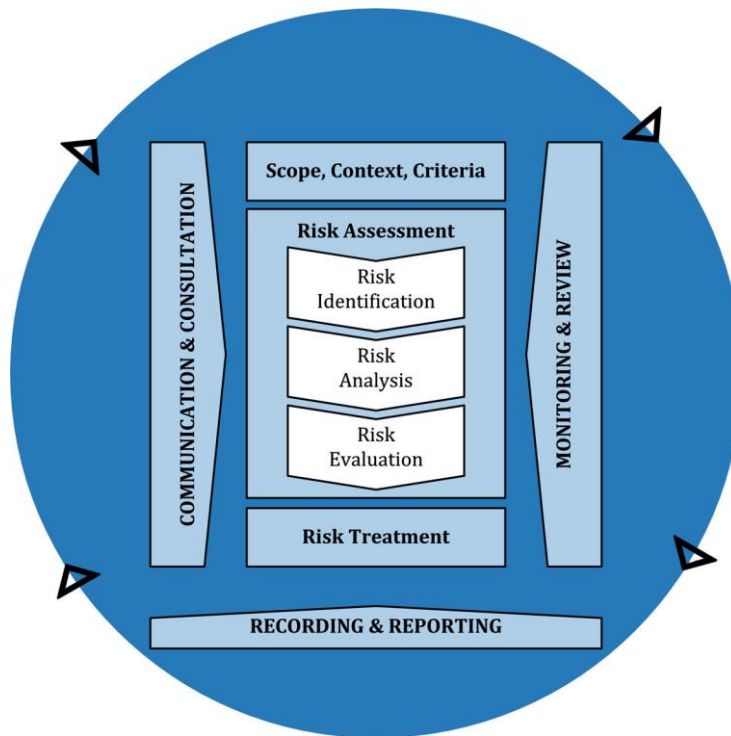


Fig 1.6. Risk Management Process – Abridged
 Source: ISO 31000:2018, Figure 1, p9

An abridged version of the process from the previous ISO 21000:2009 (now withdrawn) describes and expands the process

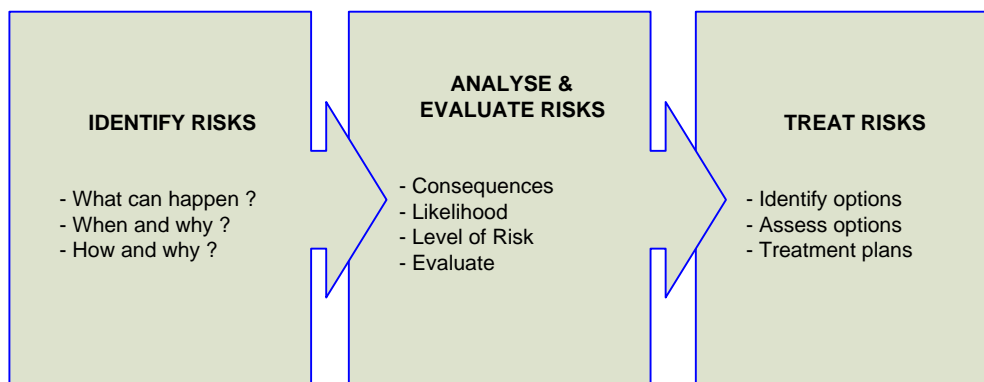


Fig 1.7. Risk Management Process – Abridged
 Source: ISO 31000:2009 (now withdrawn)

2. COMMUNICATION AND CONSULTATION

Risk communication and consultation is to “assist relevant stakeholders in understanding risk, the basis on which decisions are made and the reasons why particular actions are required”³.

Appropriate communication and consultation seeks to:

- ‘bring different areas of expertise together for each step of the risk management process;
- ensure that different views are appropriately considered when defining risk criteria and when evaluating risks;
- provide sufficient information to facilitate risk oversight and decision-making;
- build a sense of inclusiveness and ownership among those affected by risk.’⁴

The development of this infrastructure risk management plan was undertaken using a consultative team approach to:

- Identify stakeholders and specialist advisors who need to be involved in the risk management process;
- Discuss and consider the views of stakeholder and specialist advisors
- Communicate the results of the risk management process to ensure that all stakeholders are aware of and understand their roles and responsibilities in risk treatment plans.
- Create “ownership”

The results from the risk management planning process will frequently identify areas requiring expenditure. This might be in the form of additional operations and maintenance activities, asset renewals, or the creation of upgraded / new assets. It is essential that this forecast work be prioritised and included for funding consideration in the related Asset Management Plans.

Risks that are rated as ‘high’ or ‘very high’ and needing near term activities to manage are summarized and included in the related asset management Plan. These ‘high’ and ‘very high’ risks are also summarized in Appendix 1

Members of the team responsible for preparation of this risk management plan are:

- Matthew Clarke – Director Technical Services
- Fred Exton – Engineering Services Manager
- Gary George – Assets and Operations Manager
- Michelle Koopman – Enterprise Risk Manager
- Darron Freund – Technical Support Officer
- Paul Glanville – Technical Officer Asset Management
- Dean Loats – Roads Overseer
- Andrew Frazer – Maintenance Overseer

³ ISO 31000:2018, p 9

⁴ ISO 31000:2018, p 9-10

3. RISK IDENTIFICATION

3.1 General

Risk identification seeks to identify the risks that need to be managed. A well-structured systematic process is crucial, because a potential risk not identified at this stage is excluded from further analysis. All risks should be identified, whether or not they are under the control of the organisation.

The risks are identified in three stages:

- What can happen? The aim is to generate a comprehensive list of events which might affect each element of the organisation's service delivery.
- How and why it can happen? It is necessary to consider possible causes and scenarios. There are many ways and event can be initiated. It is important that no significant causes are omitted.
- Are risks credible? An assessment of credibility of all risk is undertaken to ensure that credible risks receive proper and due consideration.

Potential risks associated with providing services from infrastructure were identified at meetings of the council's infrastructure risk management team.

Team members were asked to identify "what can happen, where and when" to the various council services, at the network level and for critical assets at the asset level, then to identify possible "why and how can it happen" as causes for each potential event together with any existing risk management controls.

Each risk was then tested for credibility to ensure that available resources were applied to those risks that the team considered were necessary to proceed with detailed risk analysis

The assets at risk, what can happen, when, possible cause(s), existing controls and credibility are shown in Appendix 2.1 – Risk Identification.

Credible risks are subjected to risk analysis in Section 4.4.5. Risks assessed as non-credible were not considered further and will be managed by routine procedures.

4. RISK ANALYSIS

4.1 General

Once risks have been identified it is necessary to analyse the risk in terms of the **likelihood** and **consequences** of an event occurring. These two parameters can be used to produce a level of risk which will help set treatment priorities and options.

In general Berrigan Shire Council will use a qualitative process to measure risks. This process uses descriptive information about the nature of the consequences and likelihood rather than a strict numerical analysis.

In analysing risks the most pertinent information sources should be used and any assumptions made in the analysis of risks should be recorded. Some relevant sources of information could include:

- Past records
- Practice and relevant experience
- Relevant published literature
- Specialist and expert judgements

4.2 Likelihood

Likelihood is a qualitative description of chance of an event occurring. The process of determining likelihood involves combining information about estimated or calculated probability, history or experience. Where possible it is based on past records, relevant experience, industry practice and experience, published literature or expert judgement.

4.3 Consequences

Consequences are a qualitative description of the outcome of an event affecting objectives. The process of determining consequences involved combining information about estimated or calculated effects, history and experience.

4.4 Method

The risk analysis method uses the risk rating chart shown in Section 4.4.3. This process uses a qualitative assessment of likelihood/probability and history/experience compared against a qualitative assessment of severity of consequences to derive a risk rating.

The qualitative descriptors for each assessment are shown below.

4.4.1 Likelihood

Level	Likelihood	Descriptor	Probability of occurrence (in relation to assets)
E	Rare	May occur only in exceptional circumstances	More than 20 years
D	Unlikely	Could occur at some time	Within 10-20 years
C	Possible	Might occur at some time	Within 3-5 years
B	Likely	Will probably occur in most circumstances	Within 2 years
A	Almost certain	Expected to occur in most circumstances	Within 1 year

4.4.2 Consequences

Consequence	Injury	Service Interruption	Environment	Finance	Reputation
1	Nil	< 4 hrs	Nil	< \$20k	Nil
2	First Aid	Up to 1 day	Minor short term	\$20k - \$100k	Minor media
3	Medical treatment	1 day – 1 week	Wide short term	\$100k - \$500k	Moderate media
4	Disability	1 week – 1 month	Wide long term	\$500k - \$1M	High media
5	Fatality	More than 1 month	Irreversible long term	> \$1M	Censure/ Inquiry

4.4.3 Risk Assessment

The risk assessment process compares the likelihood of a risk event occurring against the consequences of the event occurring. In the risk rating table below, a risk event with a likelihood of 'Possible' and a consequence of '3' has a risk rating of 'High'. This rating is used to develop a typical risk treatment in Section 5.3.

Likelihood	Consequence				
	1	2	3	4	5
A	Medium (11)	High (16)	High (20)	Very High (23)	Very High (25)
B	Medium (7)	Medium (12)	High (17)	High (21)	Very High (24)
C	Low (4)	Medium (8)	High (14)	High (18)	High (22)
D	Low (2)	Low (5)	Medium (9)	Medium (13)	High (19)
E	Low (1)	Low (3)	Medium (6)	Medium (10)	High (15)

4.4.4 Indicator of Risk Treatment

The risk rating is used to determine the required timing and type of risk treatments. Risk treatments can range from immediate corrective action (such as stop work or prevent use of the asset) for 'Very High' risks to being managed by routine procedures for 'Low' risks.

An event with a 'High' risk rating will require 'Prioritised action'. This may include actions such as reducing the likelihood of the event occurring by physical methods (limiting usage to within the asset's capacity, increasing monitoring and maintenance practices, etc), reducing consequences (limiting speed of use, preparing response plans, etc) and/or sharing the risk with others (insuring the organisation against the risk).

	Response	Action
Very High	Senior management attention required. Action plan required.	Immediate response Specify management responsibility
High	Senior management attention Action plan required	Response required within 7 working days Specify management responsibility
Medium	Implement specific monitoring or response procedures	Strategic action required Specify management responsibility
Low	Manage by routine procedures. Unlikely to require a specific application of resources	Business as usual Response may not be necessary

Immediate corrective action may include combinations of stopping work, making the area safe, preventing use of the asset and/or scheduling replacement as soon as possible. Prioritised action may include making the areas safe and implementing a short term work program to reduce the risk through improved maintenance or replacement of the asset. Planned action may include shifting the asset from a reactive maintenance to a planned maintenance management regime and/or scheduling component/asset replacement in the current or next budget. Manage by routine procedures involves managing the risk through existing operations and maintenance procedures.

4.4.5 Analysis of Risk

The team conducted an analysis of credible risks identified in section 3.1 using the method described above to determine a risk rating for each credible risk.

The credible risks and risk ratings are shown in Appendix 2.2 – Risk Analysis

4.5 Risk Evaluation

The risk management team evaluated the need for risk treatment plans using an overall assessment of the following evaluation criteria to answer the question “is the risk acceptable?”

Criterion	Risk Evaluation Notes
Operational	Risks that have the potential to reduce services for a period of time unacceptable to the community and/or adversely affect the council's public image.
Technical	Risks that cannot be treated by council's existing and/or readily available technical resources.
Financial	Risks that cannot be treated within council's normal maintenance budgets or by reallocation of an annual capital works program.
Legal	Risks that have the potential to generate unacceptable exposure to litigation.
Social	Risks that have the potential to: <ul style="list-style-type: none"> - cause personal injury or death and/or - cause significant social/political disruption in the community.
Environmental	Risks that have the potential to cause environmental harm.

The evaluation criteria are to provide guidance to evaluate whether the risks are acceptable to the council and its stakeholders in providing services to the community. Risks that do not meet the evaluation criteria above are deemed to be unacceptable and risk treatment plans are required to be developed and documented in this Infrastructure Risk Management Plan, for consideration by council.

“Decisions on managing risk should take account of the wider context of the risk and include consideration of the tolerance of the risks borne by parties, other than the organisation that benefits from the risk. Decisions should be made in accordance with legal, regulatory and other requirements.

In some circumstances, the risk evaluation can lead to a decision to undertake further analysis. The risk evaluation can also lead to a decision not to treat the risk in any way other than maintaining existing controls. This decision will be influenced by Berrigan Shire Council's risk attitudes and the risk criteria than have been established.”⁵

⁵ ISO 3100:2009, Sec 5.4.4, p 18.

5. RISK TREATMENT PLANS

5.1 General

The treatment of risk involves identifying the range of options for treating risk, evaluating those options, preparing risk treatment plans and implementing those plans. This includes reviewing existing guides for treating that particular risk, such as legislation and regulations, International Standards and Best Practice Guides.

Developing risk treatment options starts with understanding how risks arise, understanding the immediate causes and the underlying factors that influence whether the proposed treatment will be effective.

Options for managing risk are shown below. The optimum solution may involve a combination of options.

- **Avoid the risk** by deciding not to proceed with the activity that would incur the risk, or choose an alternative course of action that achieves the same outcome,
- **Reduce the level of risk** by reducing the likelihood of occurrence or the consequences, or both;
 - * the likelihood may be reduced through management controls, organisational or other arrangements which reduce the frequency of, or opportunity for errors, such as alternative procedures, quality assurance, testing, training, supervision, review, documented policy and procedures, research and development.
 - * the consequences may be reduced by ensuring that management or other controls, or physical barriers, are in place to minimise any adverse consequences, such as contingency planning, contract conditions or other arrangements,
- **Transfer the risk** by shifting the responsibility to another party (such as an insurer), who ultimately bears the consequences if the event occurs. Risks should be allocated to the party which can exercise the most effective control over those risks.
- **Accept and retain the risks** within the organisation where they cannot be avoided, reduced or reduced or transferred, or where the cost to avoid or transfer the risk is not justified, usually because the risk is acceptable or low. Risks can be retained by default, ie. Where there is a failure to identify and/or appropriately transfer or otherwise manage risks

The cost of managing risks needs to be less than with the benefits obtained, the significance of the event and the risks involved.

5.2 Risk Treatment Options

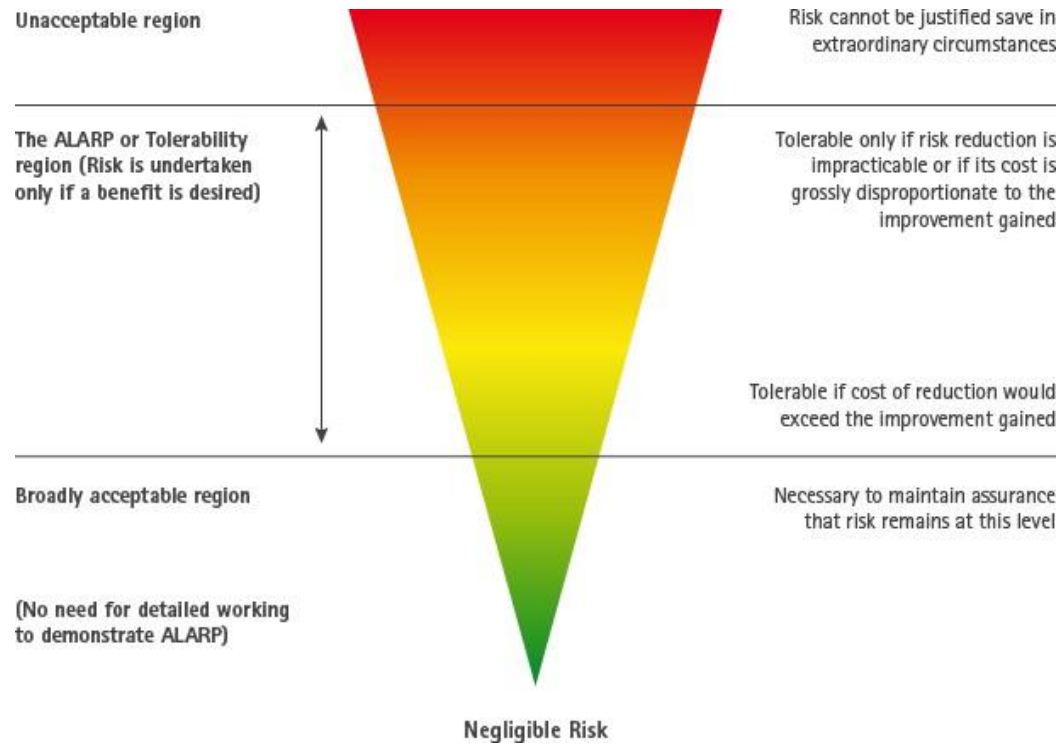
Council will use the ALARP (“As Low as Reasonably Practicable”) technique in determining which risks will be treated through an evaluation of “tolerable risk”. ALARP enlists the concept of what is “reasonably practicable” by evaluating if something can be done against the costs and benefits of action or inaction. These two aspects need to be balanced carefully if the risk being treated is related to an expressed or implied duty of care.

ALARP divides risks into three bands:

1. An upper band where adverse risks are **intolerable (red area)** whatever benefits the activity may bring, and risk reduction measures are essential whatever their cost.
2. A middle band, or **orange/yellow area**, where costs and benefits are taken into account and opportunities balanced against potential adverse consequences.
3. A lower band where positive or negative risks are **negligible (green area)**, or so small that no risk treatment measures are needed.

In applying this principle it is expected that, when the risk is close to the intolerable level, the risk will be reduced unless the cost of reducing the risk is grossly disproportionate to the benefits gained. Similarly when the risks are close to the negligible level the action may only be undertaken to reduce the risk where the benefits exceed the costs of reduction.

The ALARP Principle



5.3 Risk Treatments

The risk treatments identified for non-acceptable risks are detailed in Appendix 2.3 – Risk Treatment.

5.4 Risk Treatment Plans

From each of the risk treatments identified in Appendix A – Risk Register, risk treatment plans were developed.

The risk treatment plans identify for each non-acceptable risk: -

1. Proposed action
2. Responsibility
3. Resource requirement/budget
4. Timing
5. Reporting and monitoring required

The risk treatment plan is shown in Appendix 2.4 A – Risk Treatment Plan.

6. MONITORING AND REVIEW

Monitoring and review is an essential and integral step in the process of managing risk. It is necessary to monitor risks, the effectiveness of any plans, strategies and management systems that have been established to control implementation of risk management actions.

The plan will be monitored and reviewed as follows.

Activity	Review Process
Review of new risks and changes to existing risks	Annual review by team with stakeholders and report to council
Review of Risk Management Plan	4 yearly review and re-write by team and report to council
Performance review of Risk Treatment Plan	Action plan tasks incorporated in council staff performance criteria with 6 monthly performance reviews. Action plan tasks for other organisations reviewed at annual team review meeting

7. REFERENCES

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Standards Australia, 2004, *AS/NZS 4360:2004, Australian/New Zealand Standard, Risk Management*, Sydney (superseded by ISO 3100:2009).

Standards Australia, 2004, *HB 436:2004, Risk Management Guidelines, Companion to AS/NZS 4360:2004*, Sydney.

Berrigan Shire Council Risk Management Policy and Framework, adopted 15/03/2017.

INSERT OTHER APPLICABLE REFERENCES IN ALPHABETICAL ORDER

Appendix 1 - Risk Register Summary for inclusion in Asset Management Plans

<i>Critical Risks and Treatment Plans</i>					
<i>Service or Asset at Risk</i>	<i>What can Happen</i>	<i>Risk Rating (VH, H)</i>	<i>Risk Treatment Plan</i>	<i>Residual Risk *</i>	<i>Treatment Costs \$,000</i>
Levee Bank	Flood when Levee Bank Overtopped due to inadequate height	High	Update floodstudy of leveed area to identify all low areas of levees and implement works program to upgrade them	Nil	\$1,050
Levee Bank	Flood when Levee undermined due to sand underlying foundations	High	Provide cutoff wall to prevent levee being undermined	Low	\$200
Pipe discharge terminal	Child could enter pipe and become trapped or drowned	High	Fit guards to discharge terminals of pipes larger than 375mm diameter	Low	\$20

Note * The residual risk is the risk remaining after the selected risk treatment plan is implemented.

Appendix 2 - Risk Register

RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT			RISK TREATMENT PLAN				
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Likelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment option(s)	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
1	Pit	Flood	Anytime now	Pit Blockage	Inspections, Customer Request / Suggestion Form and Maintenance	Yes	Possible	Minor	Medium	Planned action required	Yes								
2	Pipe	Flood	Anytime now	Pipe Blockage or Collapse	Inspections, Customer Request / Suggestion Form and Maintenance	Yes	Possible	Minor	Medium	Planned action required	Yes								
3	Pipe	Road or Path collapse	Anytime now	Pipe Collapse under Road	Inspections, Customer Request / Suggestion Form and Maintenance	Yes	Unlikely	Major	Medium	Planned action required	Yes								
4	Pump Station	Flood	Anytime now	Pump Failure	Standard Operation Procedures implemented / Inspections and Maintenance	Yes	Possible	Minor	Medium	Planned action required	Yes								
5	Levee Bank	Flood	Anytime now	Levee Bank Collapse	Levee Owners Manual prepared including Standard Operating Procedures / Inspections and Maintenance	Yes	Rare	Catastrophic	High	Prioritised action required	Yes								

6	Levee Bank	Flood	Anytime now	Levee Bank Overtopped due to inadequate height	Low areas identified and emergency procedures developed	Yes	Rare	Catastrophic	High	Prioritised action required	No	Increase height of low sections of levees to provide 1% protection	Nil	Update floodstudy of leveed area to identify all low areas of levees and implement works program to upgrade them	Update Floodstudy	DTS/DOPIE	Staff Time/ Consultants	\$50,000	Jun-21
															Implement works program to upgrade levees	DTS	Staff Time/ Consultants/ Contractors	\$1,000,000	Jun-22
7	Levee Bank	Flood	Anytime now	Levee undermined due to sand underlying foundations	Suspect areas identified and emergency procedures developed	Yes	Rare	Catastrophic	High	Prioritised action required	No	Provide cutoff wall to prevent levee being undermined	low	Provide cutoff wall to prevent levee being undermined	Design Cutoff Wall Construct Cutoff Wall	DTS	Staff Time/ Consultants/ Contractors	\$200,000	Jun-21
8	Flood control structures/ gates	Flood	Anytime now	Flooding behind Levee due to failure or incorrect operation of flood gates / flaps	Levee Owners Manual prepared including Standard Operating Procedures / Inspections and Maintenance	Yes	Possible	Major	High	Prioritised action required	Yes								
9	Retention Basin	Public Drowning	Anytime now	Public gaining access to Retention Basin	Signage and Fencing	Yes	Rare	Catastrophic	High	Prioritised action required	Yes								
10	Retention Basin	Staff Bitten by Snake	Anytime now	Snake Habitat	SWMS, Safety boots and long pants	Yes	Rare	Catastrophic	High	Prioritised action required	Yes								
11	Gross Pollutant Trap	Flood	Anytime now	Block or failure to work	Inspections and Maintenance	Yes	Unlikely	Minor	Low	Manage by routine procedures	Yes								
12	Gross Pollutant Trap	Contaminate Water Downstream	Anytime now	Block or failure to work	Inspections and Maintenance	Yes	Rare	Moderate	Medium	Planned action required	Yes								

13	Pipe discharge terminal	Child could enter pipe and become trapped or drowned	Anytime now	Unguarded entry into pipes large enough for children to enter	Some pipes fitted with guards	Yes	Rare	Catastrophic	High	Prioritised action required	No	Fit guards to discharge terminals of pipes larger than 375mm diameter	low	Fit guards to discharge terminals of pipes larger than 375mm diameter	Fit guards to discharge terminals of pipes larger than 375mm diameter	AOM	Staff Time/ Contractors	\$20,000	Jun-21
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BERRIGAN SHIRE COUNCIL





SEWERAGE SYSTEM

ASSET MANAGEMENT PLAN



Version

March 2018

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ABBREVIATIONS

AAAC	Average annual asset consumption
AMP	Asset management plan
ARI	Average recurrence interval
BOD	Biochemical (biological) oxygen demand
CRC	Current replacement cost
CWMS	Community wastewater management systems
DA	Depreciable amount
DoH	Department of Health
EF	Earthworks/formation
IRMP	Infrastructure risk management plan
LCC	Life Cycle cost
LCE	Life cycle expenditure
MMS	Maintenance management system
PCI	Pavement condition index
RV	Residual value
SS	Suspended solids
vph	Vehicles per hour

GLOSSARY

Annual service cost (ASC)

An estimate of the cost that would be tendered, per annum, if tenders were called for the supply of a service to a performance specification for a fixed term. The Annual Service Cost includes operating, maintenance, depreciation, finance/ opportunity and disposal costs, less revenue.

Asset class

Grouping of assets of a similar nature and use in an entity's operations (AASB 166.37).

Asset condition assessment

The process of continuous or periodic inspection, assessment, measurement and interpretation of the resultant data to indicate the condition of a specific asset so as to determine the need for some preventative or remedial action.

Asset management

The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.

Assets

Future economic benefits controlled by the entity as a result of past transactions or other past events (AAS27.12).

Property, plant and equipment including infrastructure and other assets (such as furniture and fittings) with benefits expected to last more than 12 month.

Average annual asset consumption (AAAC)*

The amount of a local government's asset base consumed during a year. This may be calculated by dividing the Depreciable Amount (DA) by the Useful Life and totalled for each and every asset OR by dividing the Fair Value (Depreciated Replacement Cost) by the Remaining Life and totalled for each and every asset in an asset category or class.

Brownfield asset values**

Asset (re)valuation values based on the cost to replace the asset including demolition and restoration costs.

Capital expansion expenditure

Expenditure that extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure, which increases future operating, and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group, eg. extending a drainage or road network, the provision of an oval or park in a new suburb for new residents.

Capital expenditure

Relatively large (material) expenditure, which has benefits, expected to last for more than 12 months. Capital expenditure includes renewal, expansion and upgrade. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital funding

Funding to pay for capital expenditure.

Capital grants

Monies received generally tied to the specific projects for which they are granted, which are often upgrade and/or expansion or new investment proposals.

Capital investment expenditure

See capital expenditure definition

Capital new expenditure

Expenditure which creates a new asset providing a new service to the community that did not exist beforehand. As it increases service potential it may impact revenue and will increase future operating and maintenance expenditure.

Capital renewal expenditure

Expenditure on an existing asset, which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time, eg. resurfacing or resheeting a material part of a road network, replacing a material section of a drainage network with pipes of the same capacity, resurfacing an oval. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Capital upgrade expenditure

Expenditure, which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base, eg. widening the sealed area of an existing road, replacing drainage pipes with pipes of a greater capacity, enlarging a grandstand at a sporting facility. Where capital projects involve a combination of renewal, expansion and/or upgrade expenditures, the total project cost needs to be allocated accordingly.

Carrying amount

The amount at which an asset is recognised after deducting any accumulated depreciation / amortisation and accumulated impairment losses thereon.

Class of assets

See asset class definition

Component

An individual part of an asset which contributes to the composition of the whole and can be separated from or attached to an asset or a system.

Cost of an asset

The amount of cash or cash equivalents paid or the fair value of the consideration given to acquire an asset at the time of its acquisition or construction, plus any costs necessary to place the asset into service. This includes one-off design and project management costs.

Current replacement cost (CRC)

The cost the entity would incur to acquire the asset on the reporting date. The cost is measured by reference to the lowest cost at which the gross future economic benefits could be obtained in the normal course of business or the minimum it would cost, to replace the existing asset with a technologically modern equivalent new asset (not a second hand one) with the same economic benefits (gross service potential) allowing for any differences in the quantity and quality of output and in operating costs.

Current replacement cost "As New" (CRC)

The current cost of replacing the original service potential of an existing asset, with a similar modern equivalent asset, i.e. the total cost of replacing an existing asset with an as NEW or similar asset expressed in current dollar values.

Cyclic Maintenance**

Replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, cycle, replacement of air conditioning equipment, etc. This work generally falls below the capital/ maintenance threshold and needs to be identified in a specific maintenance budget allocation.

Depreciable amount

The cost of an asset, or other amount substituted for its cost, less its residual value (AASB 116.6)

Depreciated replacement cost (DRC)

The current replacement cost (CRC) of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset

Depreciation / amortisation

The systematic allocation of the depreciable amount (service potential) of an asset over its useful life.

Economic life

See useful life definition.

Expenditure

The spending of money on goods and services. Expenditure includes recurrent and capital.

Fair value

The amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arms length transaction.

Greenfield asset values **

Asset (re)valuation values based on the cost to initially acquire the asset.

Heritage asset

An asset with historic, artistic, scientific, technological, geographical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture and this purpose is central to the objectives of the entity holding it.

Impairment Loss

The amount by which the carrying amount of an asset exceeds its recoverable amount.

Infrastructure assets

Physical assets of the entity or of another entity that contribute to meeting the public's need for access to major economic and social facilities and services, eg. roads, drainage, footpaths and cycleways. These are typically large, interconnected networks or portfolios of composite assets. The components of these assets may be separately maintained, renewed or replaced individually so that the required level and standard of service from the network of assets is continuously sustained. Generally the components and hence the assets have long lives. They are fixed in place and are often have no market value.

Investment property

Property held to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of business (AASB 140.5)

Level of service

The defined service quality for a particular service against which service performance may be measured. Service levels usually relate to quality, quantity, reliability, responsiveness, environmental, acceptability and cost).

Life Cycle Cost **

The life cycle cost (LCC) is average cost to provide the service over the longest asset life cycle. It comprises annual maintenance and asset consumption expense, represented by depreciation expense. The Life Cycle Cost does not indicate the funds required to provide the service in a particular year.

Life Cycle Expenditure **

The Life Cycle Expenditure (LCE) is the actual or planned annual maintenance and capital renewal expenditure incurred in providing the service in a particular year. Life Cycle Expenditure may be compared to Life Cycle Expenditure to give an initial indicator of life cycle sustainability.

Loans / borrowings

Loans result in funds being received which are then repaid over a period of time with interest (an additional cost). Their primary benefit is in 'spreading the burden' of capital expenditure over time. Although loans enable works to be completed sooner, they are only ultimately cost effective where the capital works funded (generally renewals) result in operating and maintenance cost savings, which are greater than the cost of the loan (interest and charges).

Maintenance and renewal gap

Difference between estimated budgets and projected expenditures for maintenance and renewal of assets, totalled over a defined time (eg 5, 10 and 15 years).

Maintenance and renewal sustainability index

Ratio of estimated budget to projected expenditure for maintenance and renewal of assets over a defined time (eg 5, 10 and 15 years).

Maintenance expenditure

Recurrent expenditure, which is periodically or regularly required as part of the anticipated schedule of works required to ensure that the asset achieves its useful life and provides the required level of service. It is expenditure, which was anticipated in determining the asset's useful life.

Materiality

An item is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial report. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances.

Modern equivalent asset.

A structure similar to an existing structure and having the equivalent productive capacity, which could be built using modern materials, techniques and design. Replacement cost is the basis used to estimate the cost of constructing a modern equivalent asset.

Non-revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are not expected to generate any savings or revenue to the Council, eg. parks and playgrounds, footpaths, roads and bridges, libraries, etc.

Operating expenditure

Recurrent expenditure, which is continuously required excluding maintenance and depreciation, eg power, fuel, staff, plant equipment, on-costs and overheads.

Pavement management system

A systematic process for measuring and predicting the condition of road pavements and wearing surfaces over time and recommending corrective actions.

Planned Maintenance**

Repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown criteria/experience, prioritising scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

PMS Score

A measure of condition of a road segment determined from a Pavement Management System.

Rate of annual asset consumption*

A measure of average annual consumption of assets (AAAC) expressed as a percentage of the depreciable amount (AAAC/DA). Depreciation may be used for AAAC.

Rate of annual asset renewal*

A measure of the rate at which assets are being renewed per annum expressed as a percentage of depreciable amount (capital renewal expenditure/DA).

Rate of annual asset upgrade*

A measure of the rate at which assets are being upgraded and expanded per annum expressed as a percentage of depreciable amount (capital upgrade/expansion expenditure/DA).

Reactive maintenance

Unplanned repair work that carried out in response to service requests and management/supervisory directions.

Recoverable amount

The higher of an asset's fair value, less costs to sell and its value in use.

Recurrent expenditure

Relatively small (immaterial) expenditure or that which has benefits expected to last less than 12 months. Recurrent expenditure includes operating and maintenance expenditure.

Recurrent funding

Funding to pay for recurrent expenditure.

Rehabilitation

See capital renewal expenditure definition above.

Remaining life

The time remaining until an asset ceases to provide the required service level or economic usefulness. Age plus remaining life is economic life.

Renewal

See capital renewal expenditure definition above.

Residual value

The net amount which an entity expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

Revenue generating investments

Investments for the provision of goods and services to sustain or improve services to the community that are expected to generate some savings or revenue to offset operating costs, eg public halls and theatres, childcare centres, sporting and recreation facilities, tourist information centres, etc.

Risk management

The application of a formal process to the range of possible values relating to key factors associated with a risk in order to determine the resultant ranges of outcomes and their probability of occurrence.

Section or segment

A self-contained part or piece of an infrastructure asset.

Service potential

The capacity to provide goods and services in accordance with the entity's objectives, whether those objectives are the generation of net cash inflows or the provision of goods and services of a particular volume and quantity to the beneficiaries thereof.

Service potential remaining*

A measure of the remaining life of assets expressed as a percentage of economic life. It is also a measure of the percentage of the asset's potential to provide services that is still available for use in providing services (DRC/DA).

Strategic Management Plan (SA)**

Documents Council objectives for a specified period (3-5 yrs), the principle activities to achieve the objectives, the means by which that will be carried out, estimated income and expenditure, measures to assess performance and how rating policy relates to the Council's objectives and activities.

Sub-component

Smaller individual parts that make up a component part.

Useful life

Either:

- (a) the period over which an asset is expected to be available for use by an entity, or
- (b) the number of production or similar units expected to be obtained from the asset by the entity.

It is estimated or expected time between placing the asset into service and removing it from service, or the estimated period of time over which the future economic benefits embodied in a depreciable asset, are expected to be consumed by the council. It is the same as the economic life.

Value in Use

The present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. It is deemed to be depreciated replacement cost (DRC) for those assets whose future economic benefits are not primarily dependent on the asset's ability to generate new cash flows, where if deprived of the asset its future economic benefits would be replaced.

Source: DVC 2006, Glossary

Note: Items shown * modified to use DA instead of CRC
Additional glossary items shown **

1. EXECUTIVE SUMMARY

What Council Provides

Council provides a sewerage network in each of its four townships to enable the efficient collection, treatment and disposal of waste water.

This asset management plan covers the following infrastructure assets:

Sewerage infrastructure for the townships of Barooga, Berrigan, Finley and Tocumwal

Table 2.1. Assets covered by this Plan

Asset category	Dimension	Replacement Value (\$M)
Gravity Mains including Manholes and Property Connections	76.0 km	\$19,298,861
Rising Mains	41.5 km	\$4,394,597
Pump Stations	51 No.	\$12,318,288
Treatment Works	4 No.	\$3,541,048
Storage Ponds	6 No.	\$1,193,472
TOTAL		\$40,746,266

What does it Cost?

There are two key indicators of cost to provide the sewerage service.

The life cycle cost being the average cost over the life cycle of the asset, and

The total maintenance and capital renewal expenditure required to deliver existing service levels in the next 10 years covered by Council's long term financial plan.

The annual average life cycle cost for the services covered in this asset management plan is \$1,858,000.

The life cycle expenditure at the start of the plan is \$1,646,000.

The life cycle gap for services covered by this asset management plan is \$-212,000 per annum. The life cycle sustainability index is 0.89

The total maintenance and capital renewal expenditure required over the 10 years is \$13,076,000. This is an average expenditure of \$1,307,600.

Estimated maintenance and capital renewal expenditure over the 10 years is \$17,301,000 This is an average expenditure of \$1,730,100 this would give a 10 year sustainability index of 1.32.

Plans for the Future

Council plans to operate and maintain the sewerage network to achieve the following strategic objectives.

1. Ensure the sewerage network is maintained at a safe and functional standard as set out in this asset management plan.
2. Ensure sufficient funds are raised through fees and charges to provide for sewer asset renewal over the life of the assets.
3. Meet or exceed community expectations in relation to sewer services.

Measuring our Performance

Quality

Sewer assets will be maintained in a reasonably usable condition. Defects found or reported that are outside our service standard will be repaired. See our maintenance response service levels for details of defect prioritisation and response time.

Function

Our intent is that an appropriate sewerage network is maintained in partnership with other levels of government and stakeholders to collect, treat and dispose of waste water from the townships of Barooga, Berrigan, Finley and Tocumwal.

Sewer asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. We need to ensure key functional objectives are met:

- Waste water is efficiently and effectively collected from properties, conveyed to the sewer treatment plants, treated and re used or disposed of.
- The operation of the sewerage system does not result in an adverse impact on the environment.

The main functional consequence of ensuring the sewerage network is maintained at a safe and functional standard as set out in this asset management plan is the continued provision of sewerage services to the four townships within the Berrigan Shire at a level acceptable to the community and other stakeholders..

Safety

We inspect all sewerage infrastructure regularly and prioritise and repair defects in accordance with our inspection schedule to ensure they are safe.

- Complete the Improvement Plan as set out in Table 8.2
- Make provision for the completion of the Capital Works Program attached as Appendix C
- Carry out community consultation

The Next Steps

The actions resulting from this asset management plan are:

• **Table 8.2 Improvement Plan**

Task No	Task	Responsibility	Resources Required	Timeline
1.	Condition Rating of assets including CCTV survey of gravity mains	EE	Staff	June 2020
2.	Review of remaining life of assets following condition ratings	EE	Staff	June 2020
3.	Componentisation of point assets such as pumping stations and treatment plants including review of unit costs	EE, TOA	Staff	March 2021
4.	Document methodology and procedures for asset useful lives, asset unit costs, condition rating and depreciation calculations	DTS, DCS	Staff	June 2019
5.	Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.	FM	Staff	June 2019
6.	Carry out community consultation to allow the development of Desired Levels of Service when this plan is reviewed in 2022	DCS	Staff/External	March 2022
Task No	Task	Responsibility	Resources Required	Timeline

2. INTRODUCTION

2.1 Background

This asset management plan is to demonstrate responsive management of assets (and services provided from assets), compliance with regulatory requirements, and to communicate funding required to provide the required levels of service.

The asset management plan is to be read with the following associated planning documents:

Berrigan Shire Council Integrated Planning and Reporting Documents

- Community Strategic Plan: Berrigan Shire 2027
- Resourcing Strategy 2017 – 2027
- Long Term Financial Plan 2017 – 2027
- Workforce Development Plan 2017 – 2021
- Asset Management Strategy 2017 – 2027
- Delivery Program 2017 – 2021
- Annual Operational Plans

Water and Sewerage Strategic Business Planning Review, *DPWS*, 2001

Water and Sewerage Strategic Business Planning Review, *BSC*, 2004

Berrigan Shire Council – State of Environment Report, 2008

Berrigan Shire Council – Local Environmental Plan, 2013

This asset management plan covers the following infrastructure assets:

Sewerage infrastructure for the townships of Barooga, Berrigan, Finley and Tocumwal

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Treatment Works	4 No.	\$3,541,048
Storage Ponds	6 No.	\$1,193,472
TOTAL		\$40,746,266

Key stakeholders in the preparation and implementation of this asset management plan are:

State local members	Represent community interest
NSW Office of Water	State authority responsible for management of sewerage services
Department of Finance, Services and Innovation	Service provider for technical support
NSW Environment Protection Authority	Pollution prevention Protection of environmental values Legislative requirements are met
Murray Irrigation Ltd	Protection of irrigation canals and drainage channels from polluting discharges
Local Land Services NSW	Coordinate management strategies within the Murray Catchment for the sustainable use of its natural resources
NSW Ministry of Health	Advice on public health issues and monitoring of water quality for re-used effluent.
Berrigan Shire Council	Meet expectations of the customers with respect to levels of service
The General Public	Comply with EPA directive Improved recreational opportunities Improved visual amenity Maximise property values Reduction of flooding disruption

Tocumwal Golf Club	Utilisation of treated effluent for irrigation of greens and fairways
Finley Golf Club	Utilisation of treated effluent for irrigation of greens and fairways
Berrigan Race Club	Utilisation of treated effluent for irrigation of greens and fairways
Local businesses	Efficient disposal of waste water Improve recreational opportunities and visual amenity
Sewer Customers	Efficient disposal of waste water Improve recreational opportunities and visual amenity

2.2 Goals and Objectives of Asset Management

The Council exists to provide services to its community. Some of these services are provided by infrastructure assets. Council has acquired infrastructure assets by 'purchase', by contract, construction by council staff and by donation of assets constructed by developers and others to meet increased levels of service.

Council's goal in managing infrastructure assets is to meet the required level of service in the most cost effective manner for present and future consumers. The key elements of infrastructure asset management are:

- Taking a life cycle approach,
- Developing cost-effective management strategies for the long term,
- Providing a defined level of service and monitoring performance,
- Understanding and meeting the demands of growth through demand management and infrastructure investment,
- Managing risks associated with asset failures,
- Sustainable use of physical resources,
- Continuous improvement in asset management practices.¹

This asset management plan is prepared under the direction of Council's vision, mission, goals and objectives.

Council's vision is:

Vision

A sustainable and responsive integrated water system that adds to the liveability of our towns and the health of our natural landscapes

Principles

¹ IIMM 2006 Sec 1.1.3, p 1.3

- 💧 **Improve the quality of potable supplies through the implementation of a Risk-Based Drinking Water Management System**
- 💧 **Optimise use of reticulated water through the implementation of the Berrigan Shire Demand Management Plan**

Support the Liveability and Economic Prosperity of our towns

- 💧 ***Affordable and cost-effective water and sewer services responsive to changing needs of our communities***
- 💧 ***Optimise the efficiency and effectiveness of water consumed 'greening' community assets and public space***
- 💧 ***Support economic prosperity through timely investment in infrastructure needed to promote residential, business and water-based tourism industry growth***

Protect our natural and built landscapes

- 💧 **Active stewardship of our water resources**
- 💧 **Minimise the environmental impact and risks associated with urban development, flood and drought on our natural and built landscape**

Strategic Planning

- 💧 **Actively participate with other levels of government and the water industry in the development and planning of regional and local projects**
- 💧 **Ensure that planning and service levels continues to be informed by active engagement with customers and other levels of government and the water industry**

2.3 Plan Framework

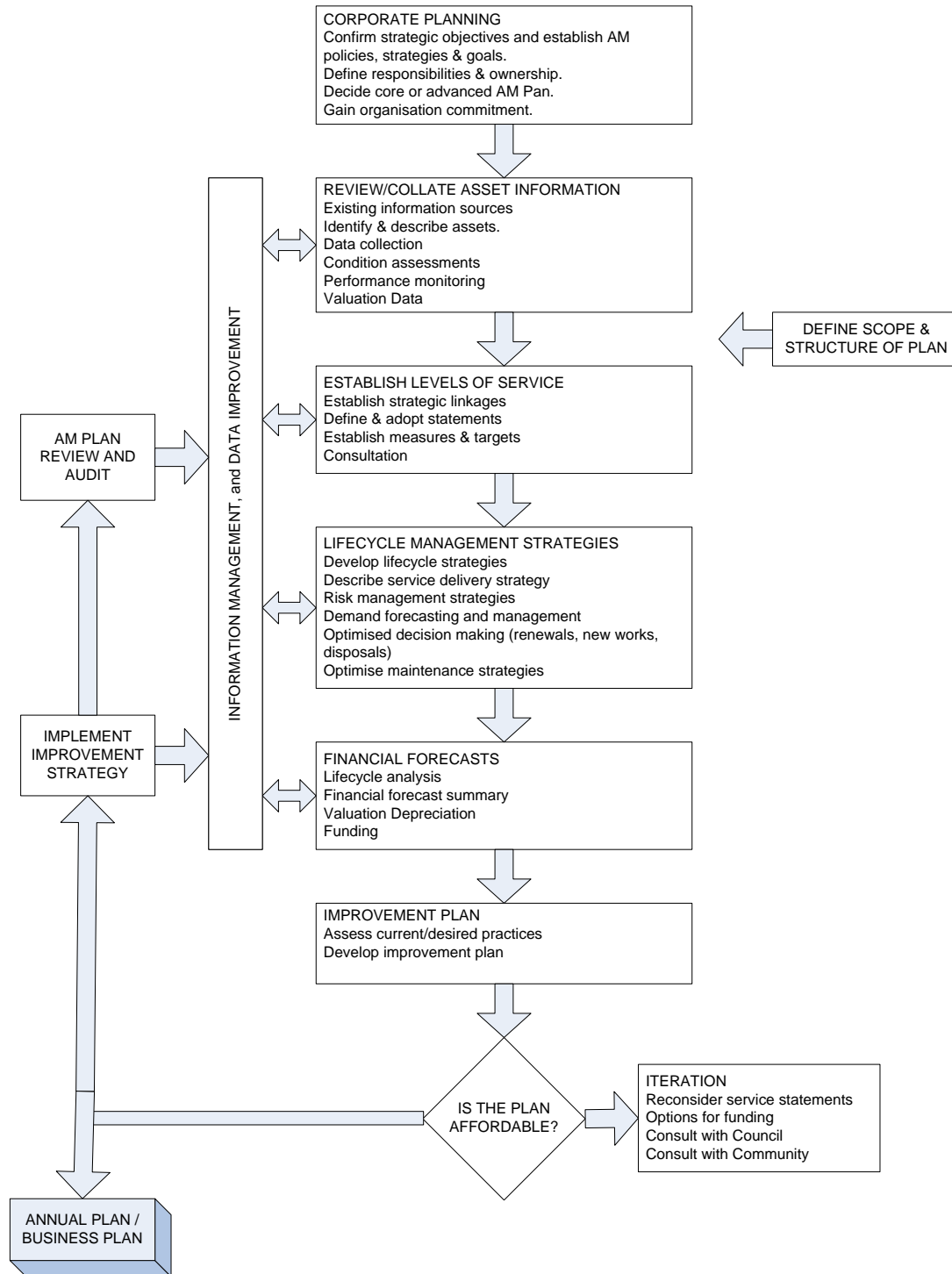
Key elements of the plan are

- Levels of service – specifies the services and levels of service to be provided by council.
- Future demand – how this will impact on future service delivery and how this is to be met.
- Life cycle management – how Council will manage its existing and future assets to provide the required services
- Financial summary – what funds are required to provide the required services.
- Asset management practices
- Monitoring – how the plan will be monitored to ensure it is meeting Council's objectives.
- Asset management improvement plan

A road map for preparing an asset management plan is shown below.

Road Map for preparing an Asset Management Plan

Source: IIMM Fig 1.5.1, p 1.11



2.4 Core and Advanced Asset Management

This asset management plan is prepared as a 'core' asset management plan in accordance with the International Infrastructure Management Manual. It is prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting. Core asset management is a 'top down' approach where analysis is applied at the 'system' or 'network' level.

Future revisions of this asset management plan will move towards 'advanced' asset management using a 'bottom up' approach for gathering asset information for individual assets to support the optimisation of activities and programs to meet agreed service levels.

Draft

3. LEVELS OF SERVICE

3.1 Customer Research and Expectations

Council has not carried out any research on customer expectations. Levels of service for previous plans have been determined from consultation with internal stakeholders ie. Council Staff. A formal system of complaints/requests is maintained with proforma sheets being distributed to all property owners with their annual rates notices. This system has not identified any obvious short falls in the current levels of service. A more formal research program to determine customer expectations will be investigated for future updates of the asset management plan.

3.2 Legislative Requirements

Council has to meet many legislative requirements including Australian and State legislation and State regulations. These include:

Table 3.2. Legislative Requirements

Legislation	Requirement
Local Government Act 1993	<ul style="list-style-type: none"> Sets out role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan supported by asset management plans for sustainable service delivery.
Environmental Planning and Assessment Act 1979 & Environmental Planning and Assessment Amendment Act 2008	<ul style="list-style-type: none"> Requirement for Local Environmental Plans and Development Control Plans. Provides for Council control of development of towns and approval of infrastructure expansion.
Local Land Services Act 2013	<ul style="list-style-type: none"> Requirement for ongoing management plan. Promotes the coordination of activities within catchment areas. Under the provision of this Act, Local Catchment Management Authorities oversee this process in the region.
Soil Conservation Act 1938	<ul style="list-style-type: none"> Preservation of water course environment.
Public Health Act 2010	<ul style="list-style-type: none"> Protection of public health from handling and treatment of waste water including effluent reuse.
Public Works Act 1912	<ul style="list-style-type: none"> Provides authority for the Department of Water and Energy to construct sewerage works within the Council's area and regulates activities concerning the acquisition of land for sewerage works.
Water Act 1912 & Water Management Act 2000 & Water Management Amendment Act 2008	<ul style="list-style-type: none"> Water rights, licenses, allocations and determination of developer charges.
Subordinate Legislation Act 1989	<ul style="list-style-type: none"> Determining developer charges.

Work Health and Safety Act 2011	<ul style="list-style-type: none"> • Impacts all operations in relation to safety of workers and the public. • Council's responsibility to ensure health, safety and welfare of employees and others at places of work.
Independent Pricing and Regulatory Tribunal Act 1992	<ul style="list-style-type: none"> • Gives powers to the Independent Pricing and regulatory Tribunal to inquire into and regulate prices.
Protection of the Environment Operations Act 1997	<ul style="list-style-type: none"> • Need to control wastewater and stormwater disposal. • Control of run-off or escape of contaminants entering water courses. • Regulating pollution activities and issue of licenses as well as the monitoring of and reporting on waste output. • This act includes "Due Diligence requirements, disposal procedures for chemicals and sludge and details penalties for causing environmental impacts.
Native Titles Act	<ul style="list-style-type: none"> • Provides definition of freehold zone-able land.

3.3 Current Levels of Service

Council has defined service levels in two terms.

Community Levels of Service relate to how the community receives the service in terms of safety, quality, quantity, reliability, responsiveness, cost/efficiency and legislative compliance.

Supporting the community service levels are operational or technical measures of performance developed to ensure that the minimum community levels of service are met. These technical measures relate to service criteria such as:

Service Criteria

Quality
Quantity
Availability
Safety

Technical measures may relate to

Smoothness of roads
Area of parks per resident
Distance from a dwelling to a sealed road
Number of injury accidents

Council's current service levels are detailed in Table 3.3.

Table 3.3. Current Service Levels

Key Performance Measure	Level of Service	Performance Measure Process	Performance Target	Current Performance
COMMUNITY LEVELS OF SERVICE				
Quality	No odours	Customer Complaints	0 pa	0
Quality	Provide an effective method of collection and disposal of wastewater	Customer Complaints Re-use of treated effluent	<10 pa 100% of effluent re-used	116 100% in Tocumwal, Finley and Berrigan
Function	No backup of sewage into properties	Customer Complaints	<10 pa	37
	No overflows of sewage onto public places/waterways	Incidents	0 pa	0
Safety	Low level of risk to health in the disposal & re-use of treated wastewater	Incidents of sub standard water being discharged/re-used	0 pa	0
TECHNICAL LEVELS OF SERVICE				
Function	Availability of sewerage reticulation in designated areas	% of lots serviced	100%	100%
	Provide an effective method of collection and disposal of wastewater	Failures due to rainfall and deficient capacity	0 pa	0
Condition	Provide appropriate level of operation and maintenance	Breakdowns Main blockage/collapse Age of system Maintenance to be routine	< 2 pa per town < 5 pa per town <5% assets > 95% useful life Planned/Reactive maintenance work value ratio 70%- 30%	0 116 0.25% 71%-29%
System Availability	Response time incidents	Moderate/Major Spill Minor spill/blockage	45 min 12hrs	Within 45min Within 12hrs
Cost Effectiveness	Provide service at reasonable cost	Maintenance Cost	=< previous year + cpi	
Safety	Provide sewerage service with minimal hazards and risks	Reported accidents / incidents / near misses	0 pa	0
Quality	Provide effluent at a quality that satisfies all approval conditions for re-use	Water Quality Parameters	0 incidents of failure to meet parameters	0

INSERT current service levels – See guidelines for examples of levels of service

3.4 Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council has yet to quantify desired levels of service. This will be done in future revisions of this asset management plan.

4. FUTURE DEMAND

4.1 Demand Forecast

Factors affecting demand include population change, changes in demographics, seasonal factors, vehicle ownership, consumer preferences and expectations, economic factors, agricultural practices, environmental awareness, etc.

Demand factor trends and impacts on service delivery are summarised in Table 4.1.

Table 4.1. Demand Factors, Projections and Impact on Services

Demand factor	Present position	Projection	Impact on services
Population	Barooga 1664 (2016)	Barooga 3468 (2048)	Treatment facilities, pump stations and trunk mains will have adequate capacity. New reticulation works will be funded by developers.
	Berrigan 913 (2016)	Berrigan 1138 (2048)	Treatment facilities, pump stations and trunk mains will have adequate capacity. New reticulation works will be funded by developers.
	Finley 1844 (2016)	Finley 1779 (2048)	Treatment facilities, pump stations and trunk mains will have adequate capacity. New reticulation works will be funded by developers.
	Tocumwal 2088 (2016)	Tocumwal 4950 (2048)	Treatment facilities, pump stations and trunk mains will have adequate capacity. New reticulation works will be funded by developers.

4.2 Changes in Technology

Technology changes are forecast to affect the delivery of services covered by this plan in the following areas.

Table 4.2. Changes in Technology and Forecast effect on Service Delivery

Technology Change	Effect on Service Delivery
Trenchless Pipeline Techniques	Should reduce the cost of pipeline maintenance and renewal Will reduce the impact of works on the community and environment.

4.3 Demand Management Plan

Demand for new services will be managed through a combination of managing existing assets, upgrading of existing assets and providing new assets to meet demand and demand management. Demand management practices include non-asset solutions, insuring against risks and managing failures.

Opportunities identified to date for demand management are shown in Table 4.3. Further opportunities will be developed in future revisions of this asset management plan.

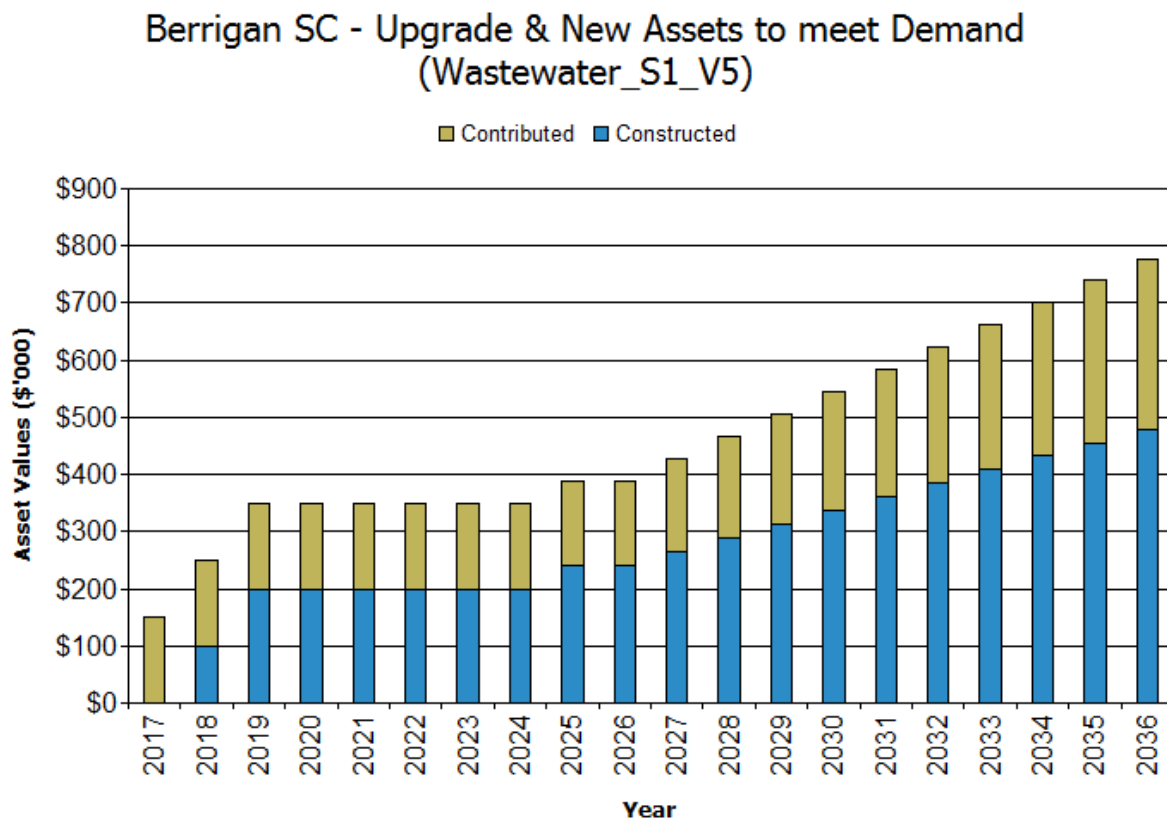
Table 4.3. Demand Management Plan Summary

Service Activity	Demand Management Plan
Expansion of reticulation network to serve new developments.	Reticulation expansion to be provided by developers of new developments.
Re-use of effluent from Barooga STP.	Develop agreement with adjoining property owner to purchase available effluent for agricultural re-use.

4.4 New Assets from Growth

The new assets required to meet growth will be acquired from land developments and constructed by Council. The new asset values are summarised in Fig 1.

Fig 1. New Assets from Growth



Acquiring these new assets will commit council to fund ongoing operations and maintenance costs for the period that the service provided from the assets is required. These future costs are identified and considered in developing forecasts of future operating and maintenance costs.

5. LIFECYCLE MANAGEMENT PLAN

The lifecycle management plan details how Council plans to manage and operate the assets at the agreed levels of service (defined in section 3) while optimising life cycle costs.

5.1 Background Data

5.1.1 Physical parameters

The assets covered by this asset management plan are shown below.

Gravity Mains including Manholes and Property Connections	76.0 km
Rising Mains	41.5 km
Pump Stations	51 No.
Treatment Works	4 No.
Storage Ponds	6 No.

These assets are distributed between four towns (Barooga, Berrigan, Finley and Tocumwal) within the Berrigan Shire. Gravity mains are constructed from a mixture of materials including Asbestos Cement, UPVC, Vitreous Clay and Reinforced Concrete. Rising mains are generally constructed from either UPVC or Asbestos Cement.

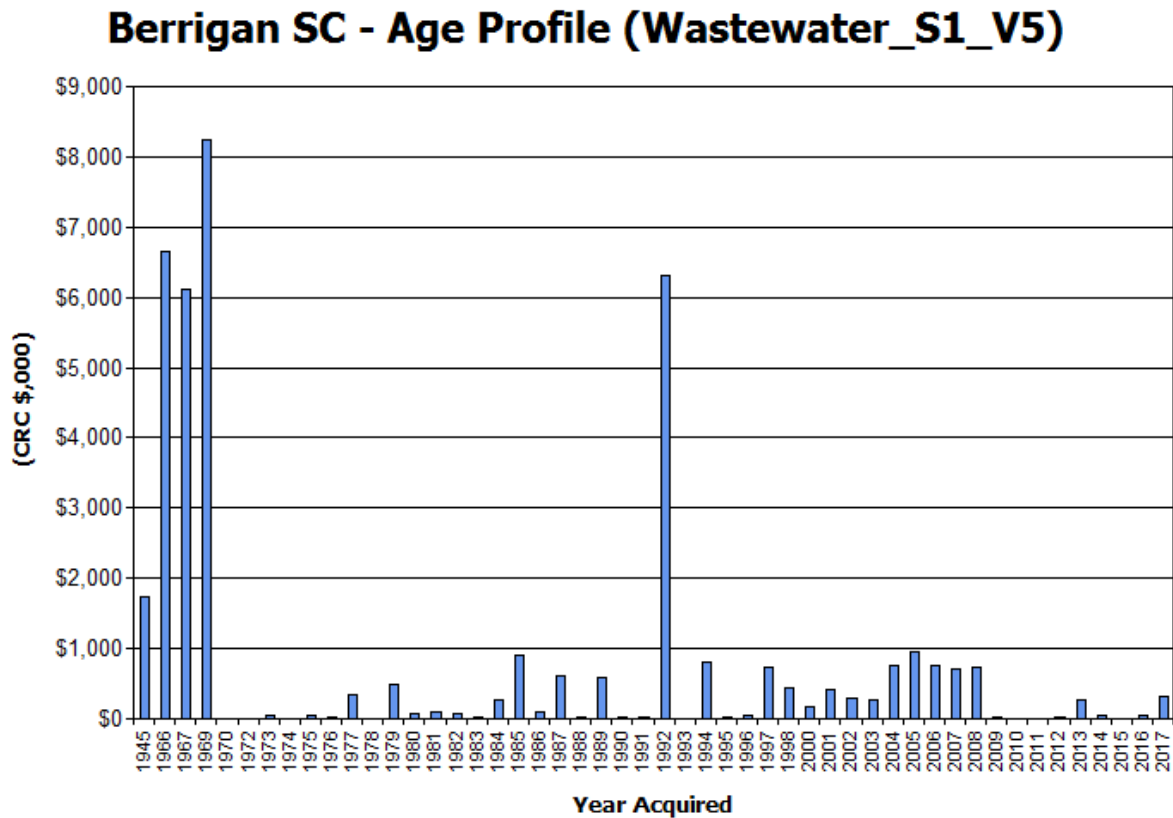
The treatment works for Berrigan, Finley and Tocumwal are conventional sedimentation trickling filter systems with maturation ponds and storage facilities while Barooga is only served by a pond treatment system.

All treatment plants are operating satisfactorily and have sufficient capacity for current loadings. The primary sedimentation tanks at Finley and Tocumwal will need to be monitored as we approach the high end of the projected loadings.

The condition of the gravity mains in Tocumwal, Berrigan and Finley is unknown and CCTV surveys are currently programmed. Barooga is a relatively new system with UPVC pipes.

The age profile of Council's assets is shown below.

Fig 2. Asset Age Profile



Plans of the sewer assets for each town are attached as Appendix A

5.1.2 Asset capacity and performance

Council's services are generally provided to meet design standards where these are available.

Locations where deficiencies in service performance are known are detailed in Table 5.1.2.

Table 5.1.2. Known Service Performance Deficiencies

Location	Service Deficiency
Berrigan Reticulation	Excessive blockages from tree roots
Finley Reticulation	Excessive blockages from tree roots
Tocumwal Reticulation	Excessive blockages from tree roots
Barooga STP	No provision for effluent re-use.

The above service deficiencies were identified from maintenance records and officers knowledge of systems.

5.1.3 Asset condition

The condition profile of Council's assets is currently unknown and will be determined via inspections of assets to be carried out over the next two years. Reticulation will be inspected using CCTV equipment.

Council's current sewer inventory in the BizeAssets asset management system had a substantial length of asbestos cement sewers with a useful life of all asbestos cement gravity mains have been increased from 55 years to 80 years pending CCTV survey of condition.

Condition data will be included in future updates of this plan.

Condition will be measured using a 1 – 5 rating system.²

Rating	Description of Condition
1	Excellent condition: Only planned maintenance required.
2	Very good: Minor maintenance required plus planned maintenance.
3	Good: Significant maintenance required.
4	Average: Significant renewal/upgrade required.
5	Poor: Unserviceable.

5.1.4 Asset valuations

The value of assets as at 30th June, 2017 covered by this asset management plan is summarised below. Assets were last revalued at 30th June, 2017. Assets are valued at greenfield rates.

Current Replacement Cost	\$40,746,266
Depreciable Amount	\$40,746,266
Depreciated Replacement Cost	\$24,625,000
Annual Depreciation Expense	\$619,000

Council's sustainability reporting reports the rate of annual asset consumption and compares this to asset renewal and asset upgrade and expansion.

Asset Consumption	1.5%
Asset renewal	0.7%
Annual Upgrade/expansion	0.2%

5.2 Risk Management Plan

An assessment of risks³ associated with service delivery from infrastructure assets has identified critical risks to Council. The risk assessment process identifies credible risks, the likelihood of the risk event

² IIMM 2006, Appendix B, p B:1-3 ('cyclic' modified to 'planned')

³ Berrigan Shire Council 'Core' Infrastructure Risk Management Plan - Sewer – 2018

occurring, the consequences should the event occur, develops a risk rating, evaluates the risk and develops a risk treatment plan for non-acceptable risks.

Critical risks, being those assessed as 'Very High' - requiring immediate corrective action and 'High' – requiring prioritised corrective action identified in the infrastructure risk management plan are summarised in Table 5.2.

Table 5.2. Critical Risks and Treatment Plans

Asset at Risk	What can Happen	Risk Rating (VH, H)	Risk Treatment Plan
Tocumwal and Finley Golf Courses and Berrigan Racetrack	Poor quality effluent delivered for re-use systems	H	Prepare and implement Operational Environment Management Plans for all sites that receive treated effluent for re-use.
Reticulation Systems	Collapse of pipes or manholes	H	Carry out CCTV inspections of all sewer reticulation and repair all structural defects.

5.3 Routine Maintenance Plan

Routine maintenance is the regular on-going work that is necessary to keep assets operating, including instances where portions of the asset fail and need immediate repair to make the asset operational again.

5.3.1 Maintenance plan

Maintenance includes reactive, planned and cyclic maintenance work activities.

Reactive maintenance is unplanned repair work carried out in response to service requests and management/supervisory directions.

Planned maintenance is repair work that is identified and managed through a maintenance management system (MMS). MMS activities include inspection, assessing the condition against failure/breakdown experience, prioritising, scheduling, actioning the work and reporting what was done to develop a maintenance history and improve maintenance and service delivery performance.

Cyclic maintenance is replacement of higher value components/sub-components of assets that is undertaken on a regular cycle including repainting, building roof replacement, etc. This work generally falls below the capital/maintenance threshold.

Maintenance expenditure trends are shown in Table 5.3.1

Table 5.3.1. Maintenance Expenditure Trends

Year	Maintenance Expenditure		
	Reactive	Planned	Cyclic
2014/15	\$140,767	\$617,821	\$3,326
2015/16	\$100,458	\$590,353	\$0
2016/17	\$126,819	\$608,107	\$6,621

Planned maintenance work was 82% of total maintenance expenditure in 2016/17.

Maintenance expenditure levels are considered to be adequate to meet required service levels. Future revision of this asset management plan will include linking required maintenance expenditures with required service levels.

Assessment and prioritisation of reactive maintenance is undertaken by Council staff using experience and judgement.

5.3.2 Standards and specifications

Maintenance work is carried out in accordance with the following Standards and Specifications.

WSA 03-2011 Water Supply Code of Australia Version 3.1

Aus-Spec 2008

AS 3500.1:2003 Water Services

NSW Plumbing Code

Manufacturers' recommendations and requirements

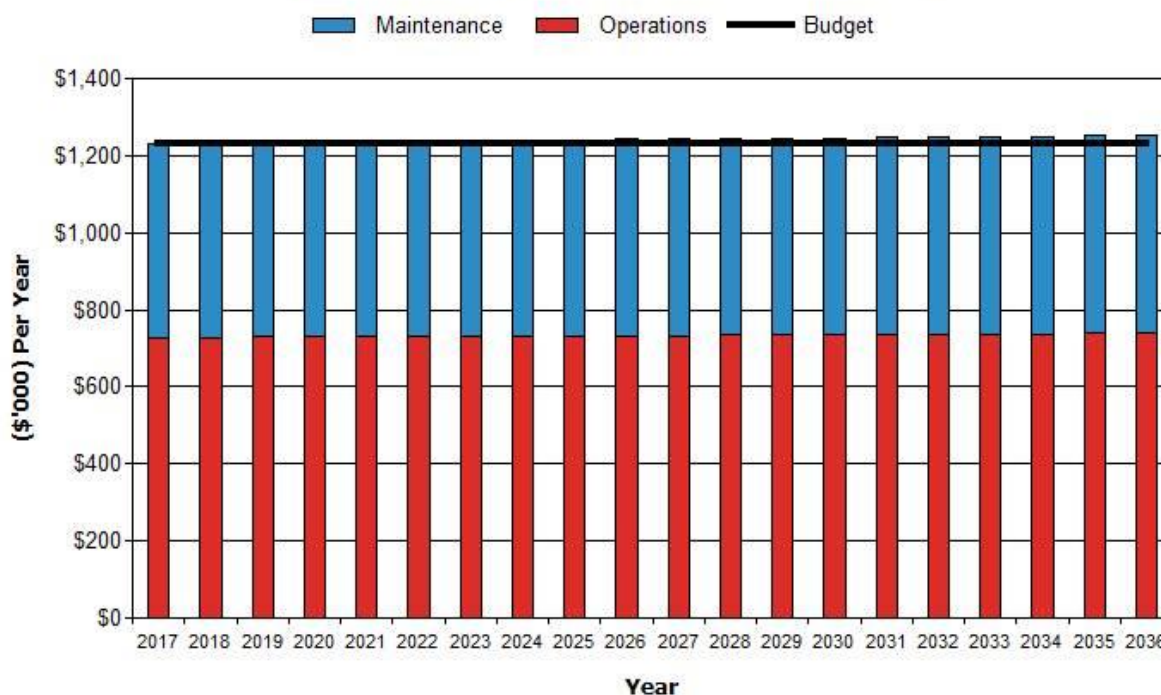
Berrigan Shire Council's specifications, standard operating procedures, Engineering Guidelines for Subdivisions and Development and safe work method statements

5.3.3 Summary of future maintenance expenditures

Future maintenance expenditure is forecast to trend in line with the value of the asset stock as shown in Fig 4. Note that all costs are shown in current 2017 dollar values.

Fig 4. Planned Maintenance Expenditure

Berrigan SC - Projected Operations & Maintenance Expenditure (Wastewater_S1_V5)



Maintenance is funded from Council's operating budget and grants where available. This is further discussed in Section 6.2.

5.4 Renewal/Replacement Plan

Renewal expenditure is major work which does not increase the asset's design capacity but restores, rehabilitates, replaces or renews an existing asset to its original service potential. Work over and above restoring an asset to original service potential is upgrade/expansion or new works expenditure.

5.4.1 Renewal plan

Assets requiring renewal are identified from estimates of remaining life obtained from the asset register worksheets on the 'Planned Expenditure template'. Candidate proposals are inspected to verify accuracy of remaining life estimate and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed in Table 5.4.1.

Table 5.4.1 Renewal Priority Ranking Criteria

Criteria	Weighting
Structural Integrity	30%
Function	30%

Safety	30%
Service	10%
Total	100%

Renewal will be undertaken using 'low-cost' renewal methods where practical. The aim of 'low-cost' renewals is to restore the service potential or future economic benefits of the asset by renewing the assets at a cost less than replacement cost.

Examples of low cost renewal include trenchless technology such as relining of sewer pipes, manholes and pumpstations.

5.4.2 Renewal standards

Renewal work is carried out in accordance with the following Standards and Specifications.

WSA 03-2011 Water Supply Code of Australia Version 3.1

Aus-Spec 2008

AS 3500.1:2003 Water Services

NSW Plumbing Code

Manufacturers' recommendations and requirements

Berrigan Shire Council's specifications, standard operating procedures, Engineering Guidelines for Subdivisions and Development and safe work method statements

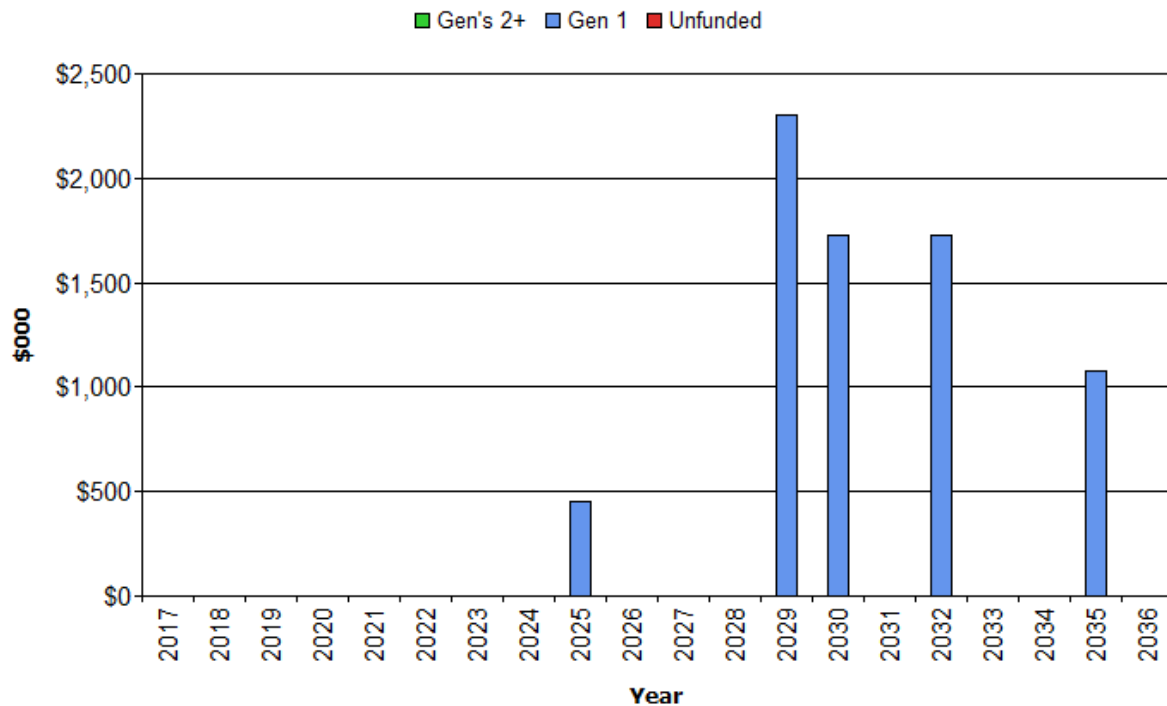
5.4.3 Summary of future renewal expenditure

Projected future renewal expenditures are forecast to increase over time as the asset stock ages. The costs are summarised in Fig 5. Note that all costs are shown in current 2010 dollar values.

The projected capital renewal program is shown in Appendix B.

Fig 5. Projected Capital Renewal Expenditure

Berrigan SC - Projected Capital Renewal Expenditure (Wastewater_S1_V5)



Deferred renewal, ie those assets identified for renewal and not scheduled for renewal in capital works programs are to be included in the risk assessment process in the risk management plan.

Renewals are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.5 Creation/Acquisition/Upgrade Plan

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development. These assets from growth are considered in Section 4.4.

5.5.1 Selection criteria

New assets and upgrade/expansion of existing assets are identified from various sources such as councillor or community requests, proposals identified by strategic plans or partnerships with other organisations. Candidate proposals are inspected to verify need and to develop a preliminary renewal estimate. Verified proposals are ranked by priority and available funds and scheduled in future works programmes. The priority ranking criteria is detailed below.

Table 5.5.1 New Assets Priority Ranking Criteria

Criteria	Weighting
Inadequate capacity	50%
Increased re-use quantities	30%
Improved amenity	20%

5.5.2 Standards and specifications

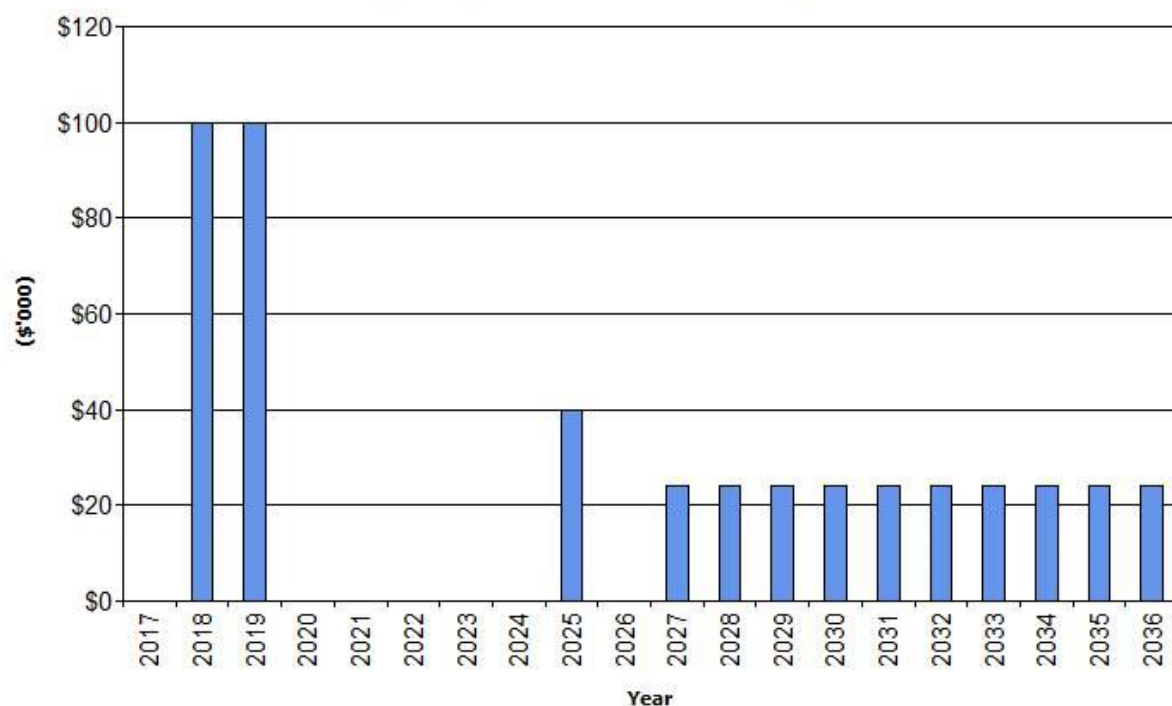
Standards and specifications for new assets and for upgrade/expansion of existing assets are the same as those for renewal shown in Section 5.4.2.

5.5.3 Summary of future upgrade/new assets expenditure

Projected upgrade/new asset expenditures are summarised in Fig 6. The projected upgrade/new capital works program is shown in Appendix C. All costs are shown in current 2017 dollar values.

Fig 6. Projected Capital Upgrade/New Asset Expenditure

Berrigan SC - Projected Capital Upgrade/New Expenditure (Wastewater_S1_V5)



New assets and services are to be funded from Council's capital works program and grants where available. This is further discussed in Section 6.2.

5.6 Disposal Plan

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. There have been no assets identified for possible decommissioning and disposal at this time.

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6. FINANCIAL SUMMARY

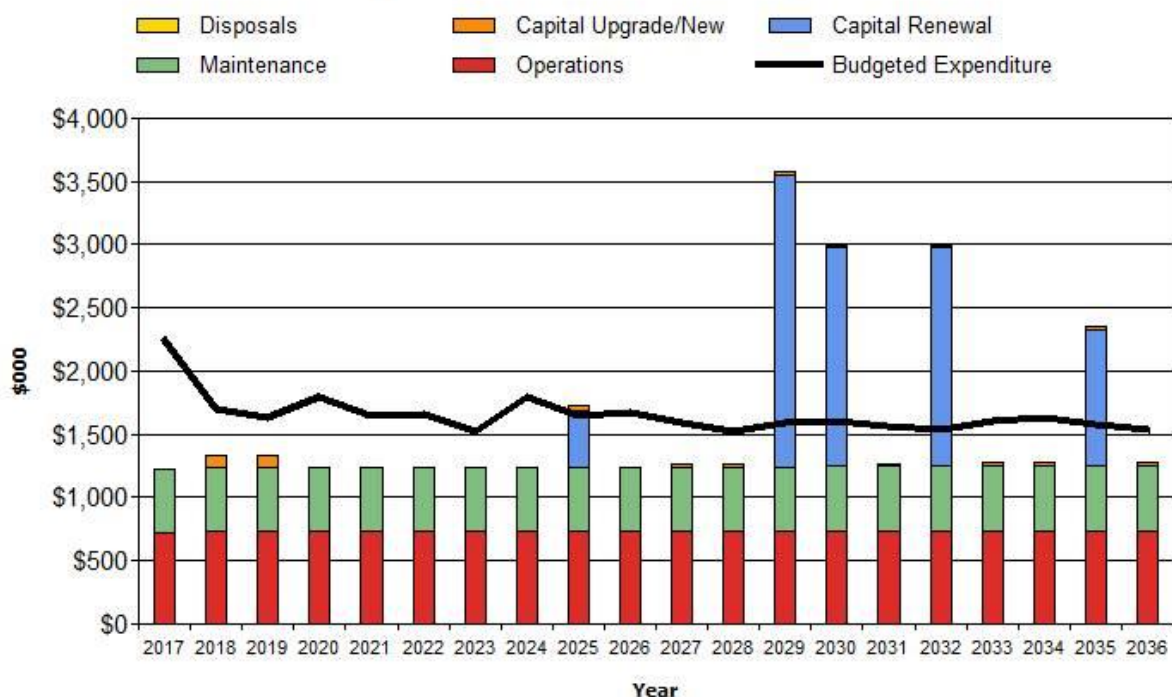
This section contains the financial requirements resulting from all the information presented in the previous sections of this asset management plan. The financial projections will be improved as further information becomes available on desired levels of service and current and projected future asset performance.

6.1 Financial Statements and Projections

The financial projections are shown in Fig 7 for planned operating (operations and maintenance) and capital expenditure (renewal and upgrade/expansion/new assets).

Fig 7. Projected Operating and Capital Expenditure

Berrigan SC - Projected Operating and Capital Expenditure (Wastewater_S1_V5)



Note that all costs are shown in current 2017 dollar values.

6.1.1 Sustainability of service delivery

There are two key indicators for financial sustainability that have been considered in the analysis of the services provided by this asset category, these being long term life cycle costs and medium term costs over the 10 year financial planning period.

Long term - Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include maintenance and asset consumption (depreciation expense). The annual average life cycle cost for the services covered in this asset management plan is **\$1,858,000**.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes maintenance plus capital renewal expenditure. Life cycle

expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is \$1,646,000.

A gap between life cycle costs and life cycle expenditure gives an indication as to whether present consumers are paying their share of the assets they are consuming each year. The purpose of this Sewer asset management plan is to identify levels of service that the community needs and can afford and develop the necessary long term financial plans to provide the service in a sustainable manner.

The life cycle gap for services covered by this asset management plan is \$-212,000 per annum. The life cycle sustainability index is 0.89

Medium term – 10 year financial planning period

This asset management plan identifies the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner.

This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core asset management plan, a gap is generally due to increasing asset renewals.

Fig 8 shows the projected asset renewals in the 20 year planning period from the asset register. The projected asset renewals are compared to planned renewal expenditure in the capital works program and capital renewal expenditure in year 1 of the planning period as shown in Fig 8. Table 6.1.1 shows the annual and cumulative funding gap between projected and planned renewals.

Fig 8. Projected and Planned Renewals and Current Renewal Expenditure

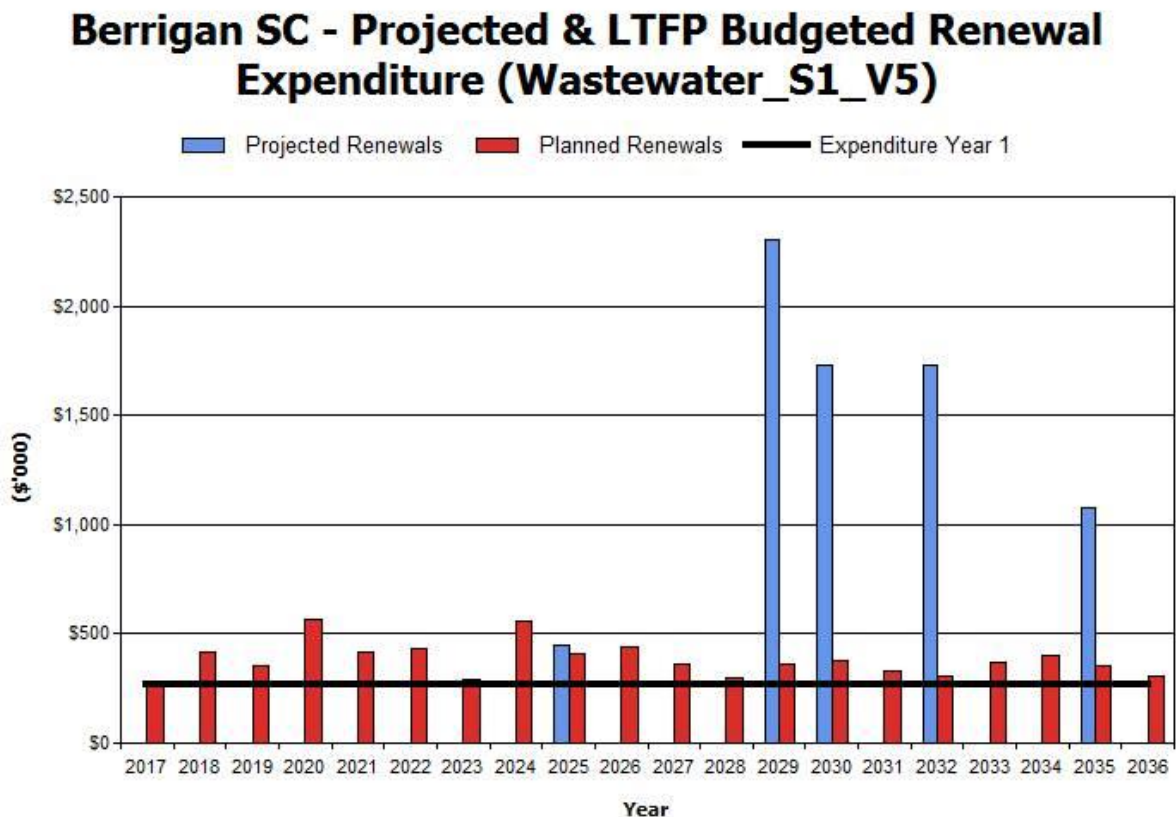


Table 6.1.1 shows the gap between projected and planned renewals.

Table 6.1.1 Projected and Planned Renewals and Expenditure Gap

Year	Projected Renewals	Planned Renewals	Renewal Funding Gap	Cumulative Gap
2017	\$0	\$270	\$270	\$270
2018	\$0	\$420	\$420	\$690
2019	\$0	\$350	\$350	\$1,040
2020	\$0	\$565	\$565	\$1,605
2021	\$0	\$420	\$420	\$2,025
2022	\$0	\$430	\$430	\$2,455
2023	\$0	\$290	\$290	\$2,745
2024	\$0	\$560	\$560	\$3,305
2025	\$449	\$410	\$-39	\$3,266
2026	\$0	\$440	\$440	\$3,706
2027	\$0	\$360	\$360	\$4,066
2028	\$0	\$300	\$300	\$4,366
2029	\$2,304	\$360	\$-1,944	\$2,422
2030	\$1,728	\$380	\$-1,348	\$1,074
2031	\$0	\$330	\$330	\$1,404
2032	\$1,728	\$310	\$-1,418	\$-14
2033	\$0	\$370	\$370	\$356
2034	\$0	\$400	\$400	\$756
2035	\$1,080	\$350	\$-730	\$26
2036	\$0	\$310	\$310	\$336

Report 4 - Table 7.1.1 Projected and LTFP Budgeted Renewals and Financing Shortfall (Wastewater_S1_V5)

Providing services in a sustainable manner will require matching of projected asset renewals to meet agreed service levels with planned capital works programs and available revenue.

A gap between projected asset renewals, planned asset renewals and funding indicates that further work is required to manage required service levels and funding to eliminate any funding gap. The quantum of the gap will be greatly impacted by any changes in the useful life of assets and in particular the sewer reticulation pipes. As many of these pipes are reaching the end of their nominal useful life it is imperative that CCTV inspections be carried out for these pipes to allow an estimation of their remaining useful life.

Council will manage the 'gap' by developing this asset management plan to provide guidance on future service levels and resources required to provide these services, and by inspecting the pipe network to estimate the remaining useful life of these assets. Once this work is complete it will be necessary to review this plan.

Council's long term financial plan covers the first 10 years of the 20 year planning period.

The total maintenance and capital renewal expenditure required over the 10 years is \$13,076,000. This is an average expenditure of \$1,307,600.

Estimated maintenance and capital renewal expenditure over the 10 years is \$17,301,000 This is an average expenditure of \$1,730,100 this would give a 10 year sustainability index of 1.32.

6.2 Funding Strategy

Projected expenditure identified in Section 6.1 is to be funded from Council's operating and capital budgets. The funding strategy is detailed in the Council's 10 year long term financial plan (Attached as Appendix D) and this allows for the build up of reserve funds to balance projected renewal costs over the life of the assets.

Maintaining the current level of fees and charges should see sufficient funds raised to cover the long term sustainability of all sewer assets. Within the 10 year time frame a surplus of \$12.8m will be accumulated over the proposed expenditure and this compares to an \$16.1m surplus over this period if only projected renewal works are completed. This surplus will be quickly eroded in the following 10 year cycle as there are significant renewal works projected.

Achieving the financial strategy will require the maintenance of current levels of fees and charges for sewerage services in real terms and the smoothing of asset renewal expenditure by prioritising renewals in line with criteria set out in Table 5.4.1.

Figure 8.1 shows the proposed projected expenditure and budgeted expenditure for water for the next 10 years

Fig 8.1. Projected and Budget Expenditure

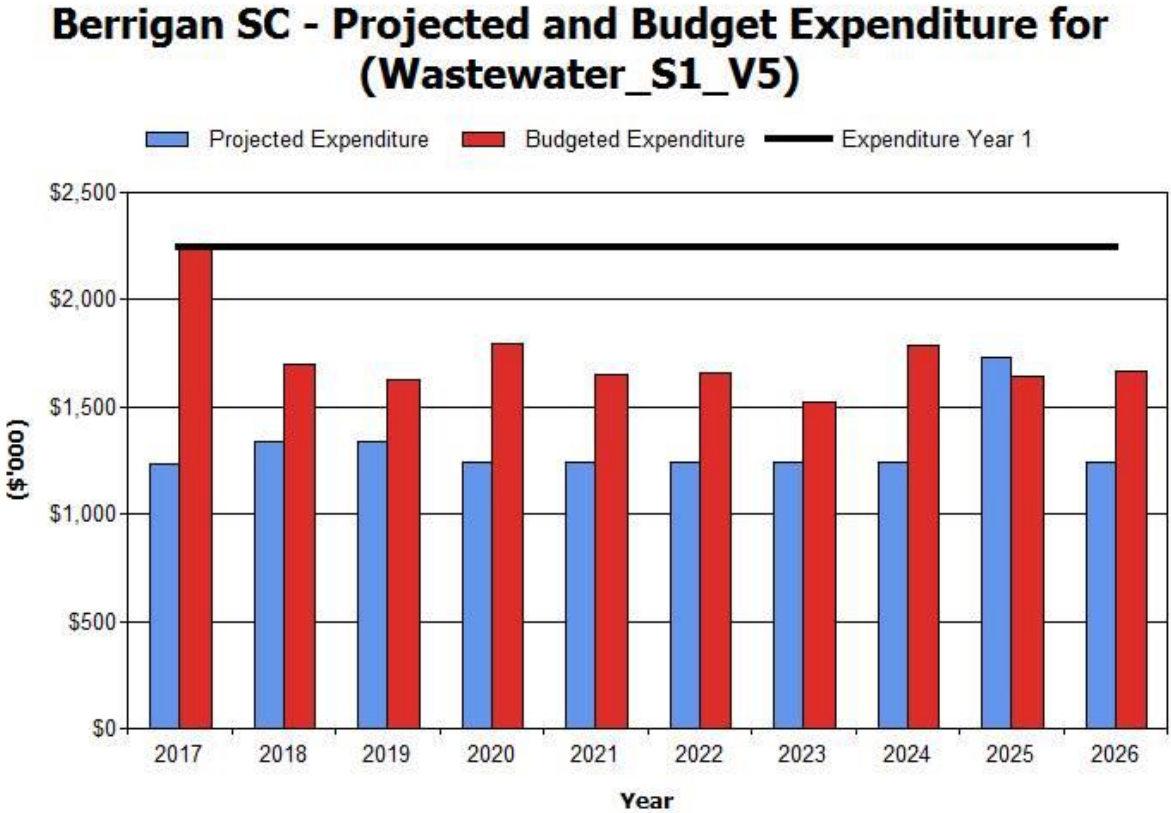
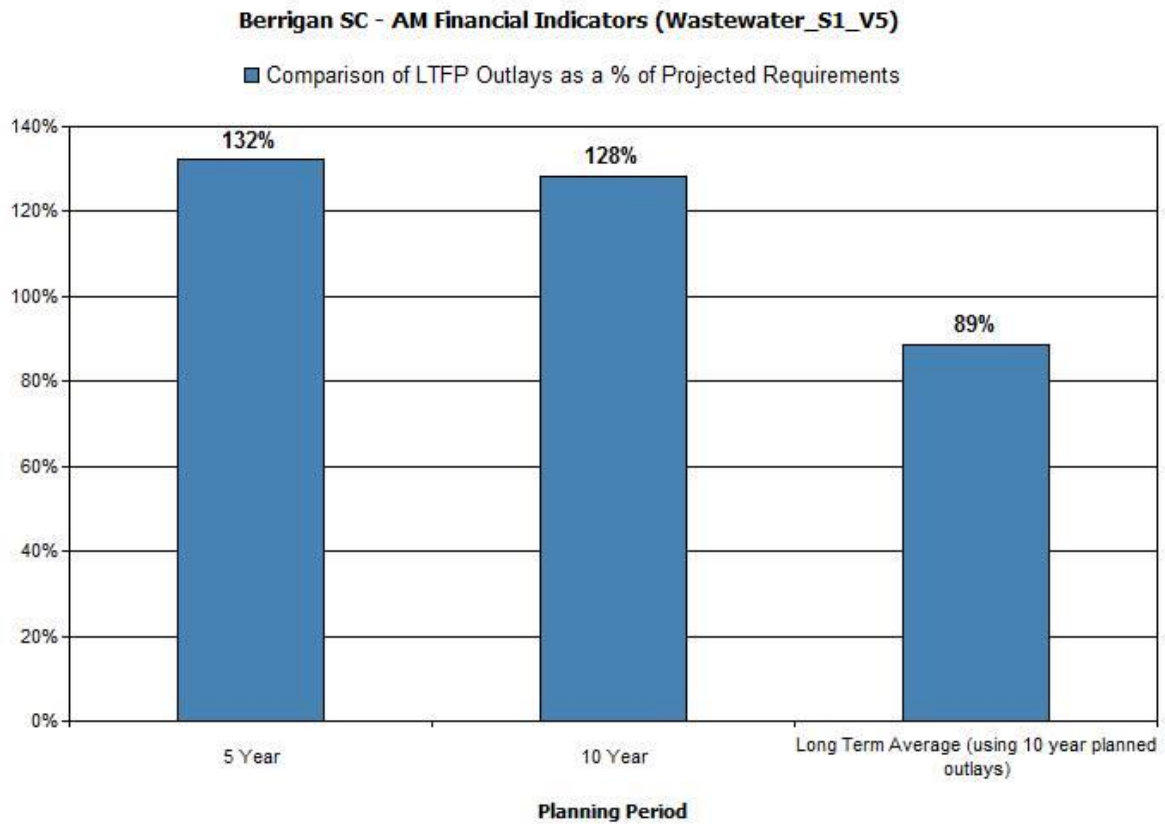


Figure 8.2 shows the asset management financial indicators for water as a comparison of LTFP outlays as a % of Projected Requirements

Fig 8.2. Comparison of LTFP outlays as a % of Projected Requirements

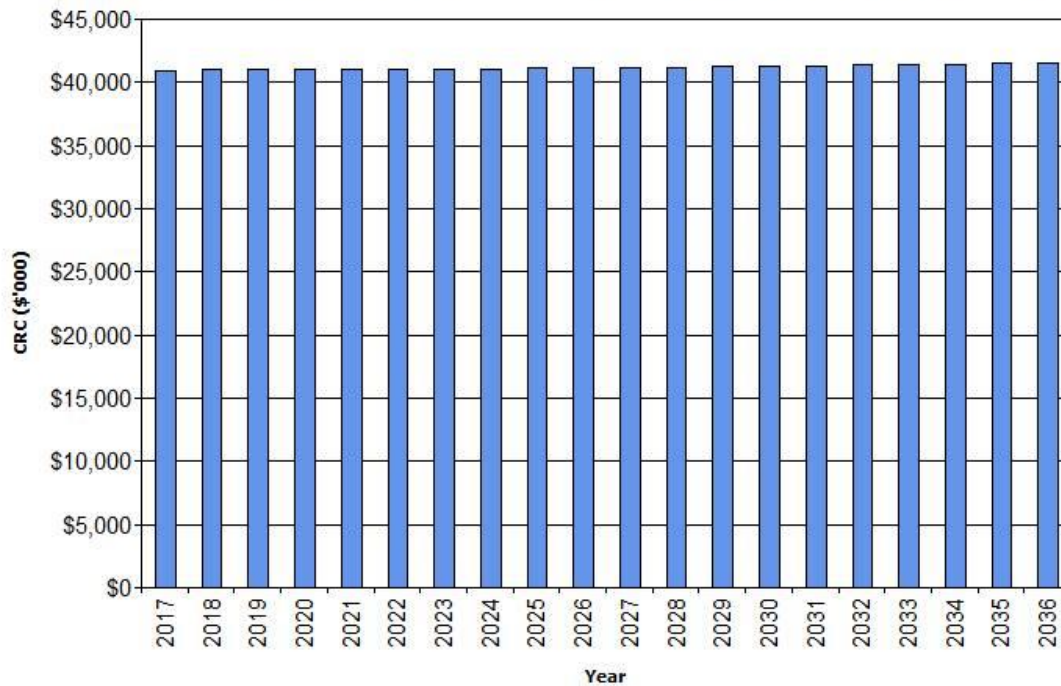


6.3 Valuation Forecasts

Asset values are forecast to increase as additional assets are added to the asset stock from construction and acquisition by Council and from assets constructed by land developers and others and donated to Council. Fig 9 shows the projected replacement cost asset values over the planning period in current 2017 dollar values.

Fig 9. Projected Asset Values

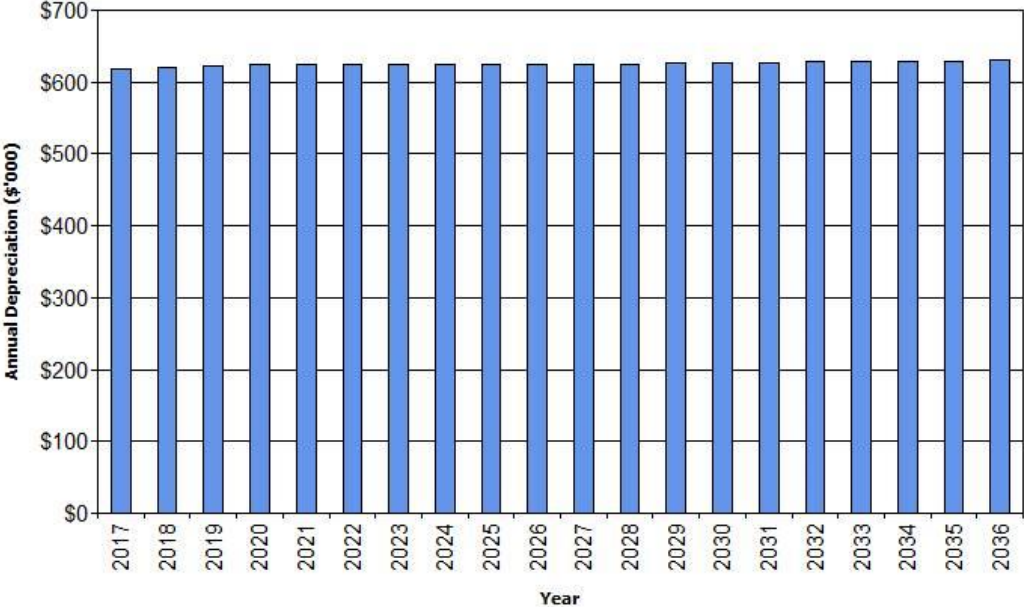
Berrigan SC - Projected Asset Values (Wastewater_S1_V5)



Depreciation expense values are forecast in line with asset values as shown in Fig 10.

Fig 10. Projected Depreciation Expense

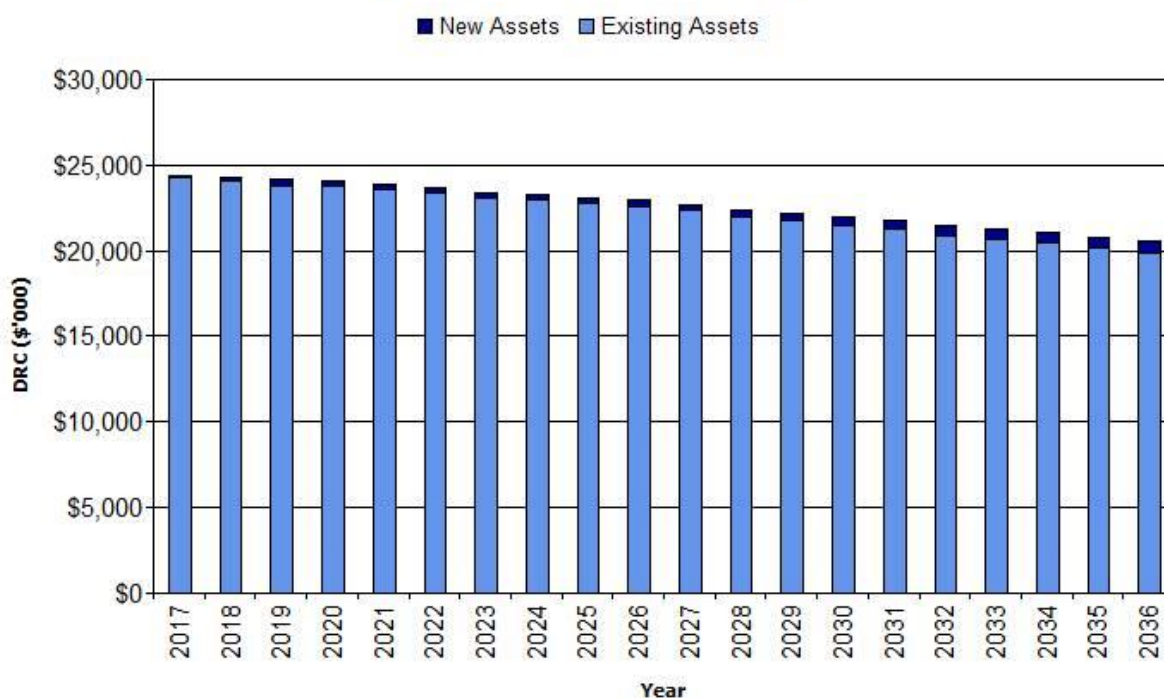
Berrigan SC - Projected Depreciation Expense (Wastewater_S1_V5)



The depreciated replacement cost (current replacement cost less accumulated depreciation) will vary over the forecast period depending on the rates of addition of new assets, disposal of old assets and consumption and renewal of existing assets. Forecast of the assets' depreciated replacement cost is shown in Fig 11.

Fig 11. Projecte

Berrigan SC - Projected Depreciated Replacement Cost (Wastewater_S1_V5)



Depreciated Replacement Cost

d

6.4 Key Assumptions made in Financial Forecasts

This section details the key assumptions made in presenting the information contained in this asset management plan and in preparing forecasts of required operating and capital expenditure and asset values, depreciation expense and carrying amount estimates. It is presented to enable readers to gain an understanding of the levels of confidence in the data behind the financial forecasts.

Key assumptions made in this asset management plan are:

- Renewal costs for gravity mains are 80% of current replacement value as the mains would be relined rather than replaced
- Assets have been given nominal useful life values on the basis of guidelines produced by the NSW Department of Local Government.
- The useful life of all asbestos cement gravity mains have been increased from 55 years to 80 years pending CCTV survey of condition.

Accuracy of future financial forecasts may be improved in future revisions of this asset management plan by the following actions.

- Condition assessments to be carried out for all assets to estimate remaining life and subsequently reassess the useful life values.
- The expected distribution of revised useful life values will allow for a smoothing of projected renewal costs and a more accurate forecast of renewal cost projections.
- The completion of CCTV surveys of all gravity mains in Tocumwal, Finley and Berrigan is essential to provide accurate financial forecasts.
- Construction costs need to be monitored to ensure the replacement costs being used in the plan are realistic.

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7. ASSET MANAGEMENT PRACTICES

7.1 Accounting/Financial Systems

The accounting/financial system used by Berrigan Shire is Civica PCS and the costing accounts for sewer are basically broken into maintenance and capital. The chart of accounts has been further developed to enable the clear separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic. The capital expenditure is split in the financial reporting into renewal and new works.

The financial system is controlled by the Finance Manager with assistance from the Finance Officer. The Finance Manager is accountable for configuration and maintenance of the system. Area managers are responsible for the timely provision of data to be input into the system and various officers subordinate to the Finance Manager are responsible for the accurate and timely input of data to the system.

The following accounting standards/regulations/guidelines shall be complied with:

- Australian Accounting Standards and Australian Accounting Interpretations;
- the Local Government Act 1993 (NSW) and Regulations
- the Local Government Code of Accounting Practice and Financial Reporting.

Where work is carried out on an asset that will increase its useful life and is greater than the specific asset group capitalisation threshold in value it will be considered a capital improvement.

The chart of accounts clearly separates the operation costs and maintenance costs and splits the maintenance costs into reactive, planned and cyclic. Capital expenditure is split in the financial reporting between renewal and new works.

7.2 Asset Management Systems

Sewer assets are managed using the BizeAsset system. This system is map based using MapInfo for inventory and special records. The sewer asset inventory is complete at the global level, however, it could be improved by separating assets such as pumping stations and treatment works into smaller components. The BizeAsset system also provides modelling tools for asset replacement, however, these have not been used to this point as the emphasis has been on inputting inventory data.

Currently neither of these systems is directly linked to the Civica PCS accounting/financial system, however, such a link would be desirable to provide accuracy and consistency of information between the systems. Depreciation calculations are completed using BizeAsset and the results then transferred to Civica PCS.

The asset management system is controlled by the Director Technical Services with assistance from the Engineering Services Manager and Assets Technical Officer. Data input and validation of data is carried out by the Technical Officer – Assets with security of the system being the responsibility of the IT Officer.

It is proposed to change the asset management system will change within the life of this plan as we are looking to implement a new system with increased capacity for data capture and more functionality for closer integration the accounting/financial system.

7.3 Information Flow Requirements and Processes

The key information flows *into* this asset management plan are:

- The asset register data on size, age, value, remaining life of the network;
- The unit rates for categories of work/material;
- The adopted service levels;
- Projections of various factors affecting future demand for services;
- Correlations between maintenance and renewal, including decay models;
- Data on new assets acquired by council.

The key information flows *from* this asset management plan are:

- The assumed Works Program and trends;
- The resulting budget, valuation and depreciation projections;
- The useful life analysis.

These will impact the Long Term Financial Plan, Strategic Business Plan, annual budget and departmental business plans and budgets.

The financial reports generated by BizeAsset including valuations, depreciation calculations etc. are provided to the Finance Manager for input into Civica PCS financial system. Actual construction costs for capital works are provided by financial services staff to the Technical Officer – Assets for input into BizeAsset.

New assets constructed by Council are captured by the Technical Officer – Assets from the adopted works program with confirmation of construction from the Environmental Engineer. Actual construction costs for capital works are provided by financial services staff to the Technical Officer – Assets for input into BizeAsset.

New assets gifted to Council by developers are captured by the Technical Officer – Assets from 'As Constructed' drawings and cost estimates submitted by developers. These plans and estimates are checked and signed off by the Environmental Engineer as correct.

7.4 Standards and Guidelines

The standards and guidelines relevant to this plan are set out below:

AASB 116 Property Plant & Equipment

AASB 13 Fair Value Measurement

AASB 136 Impairment Considerations

AASB 1051 Land under Roads

AIFMM Australasian Infrastructure Financial Management Guideline 2015

Financial Code of Accounting Practice and Financial Reporting (Update 25)

Berrigan Shire Council Long Term Financial Management Plan 2017-2027

Berrigan Shire Council Asset Management Strategy 2017-2021

Berrigan Shire Council Risk Management Strategic Plan 2013-2016

8. PLAN IMPROVEMENT AND MONITORING

8.1 Performance Measures

The effectiveness of the asset management plan can be measured in the following ways:

- The degree to which the required cashflows identified in this asset management plan are incorporated into council's long term financial plan and Strategic Management Plan;
- The degree to which 1-5 year detailed works programs, budgets, business plans and organisational structures take into account the 'global' works program trends provided by the asset management plan;

8.2 Improvement Plan

The asset management improvement plan generated from this asset management plan is shown in Table 8.2.

Table 8.2 Improvement Plan

Task No	Task	Responsibility	Resources Required	Timeline
1.	Condition Rating of assets including CCTV survey of gravity mains	EE	Staff	June 2020
2.	Review of remaining life of assets following condition ratings	EE	Staff	June 2020
3.	Componentisation of point assets such as pumping stations and treatment plants including review of unit costs	EE, TOA	Staff	March 2021
4.	Document methodology and procedures for asset useful lives, asset unit costs, condition rating and depreciation calculations	DTS, DCS	Staff	June 2019
5.	Develop chart of accounts to allow separation of operation costs and maintenance costs and to split the maintenance costs into reactive, planned and cyclic and to separate capital expenditure into renewal, new and upgrade works.	FM	Staff	June 2019
6.	Carry out community consultation to allow the development of Desired Levels of Service when this plan is reviewed in 2022	DCS	Staff/External	March 2022

8.3 Monitoring and Review Procedures

This asset management plan will be reviewed during annual budget preparation and amended to recognise any changes in service levels and/or resources available to provide those services as a result of the budget decision process.

The Plan has a life of 4 years and is due for revision and updating within 2 years of each Council election.

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Berrigan Shire Council – State of Environment Report, 2008

Berrigan Shire Council – Local Environmental Plan, 2013

APPENDICES

Appendix A Plans of Sewer Reticulation for Barooga, Berrigan, Finley and Tocumwal

G:\AUDIT\Assets\Asset Management Plans\Sewer\2017\Sewer Reticulation - Berrigan

Sewer Reticulation - Finley

Sewer Reticulation - Barooga

Sewer Reticulation - Tocumwal

Appendix B Projected 10 year Capital Renewal Works Program

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Appendix C Planned Upgrade/Exp/New 20 year Capital Works Program

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2018_2038 S3 Matts

Appendix D 10 Year Long Term Financial Plan

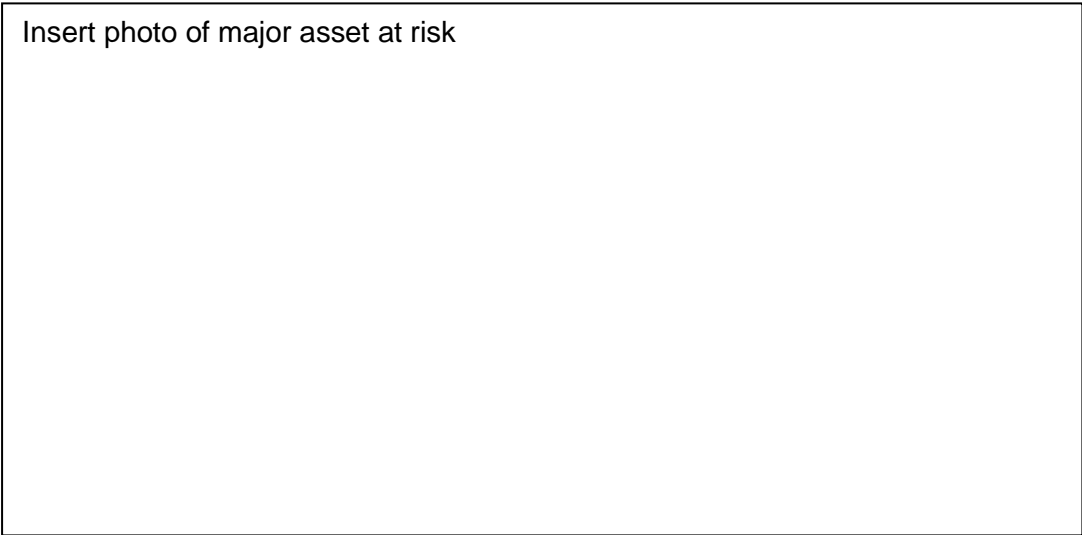
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Berrigan Shire Council

‘Core’ Infrastructure Risk Management Plan


Sewer

Insert photo of major asset at risk



Version

Adopted by Council

Document Control					
Document ID: 59_07_070909 nams.plus core irmp template v6					
Rev No	Date	Revision Details	Author	Reviewer	Approver

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1. INTRODUCTION

1.1 Aim

The purpose of this core infrastructure risk management plan is to document the results and recommendations resulting from periodic identification, assessment and treatment of risks associated with providing services to the community from infrastructure, in accordance with the Berrigan Shire Council's Risk Management Policy and Framework.

1.2 Objectives

The objectives of the plan are:

- to identify risks to the Berrigan Shire Council that may impact of the delivery of services from infrastructure
- to select credible risks for detailed analysis,
- to analyse and evaluate risks in accordance with Council Policy,
- to prioritise risks,
- to identify risks requiring treatment by management action,
- to develop risk treatment plans identifying the tasks required to manage the risks, the person responsible for each task, the resources required and the due completion date.

1.3 Core and Advanced Risk Management

This core risk management plan has been designed to be read as a supporting document to the infrastructure and asset management plan. It has been prepared in accordance with the Berrigan Shire Council's Risk Management Policy and Framework.

1.4 Scope

This plan considers risks associated with the delivery of services from infrastructure.

1.5 The Risk Management Context

Council has implemented varied management practices and procedures to control risks associated with providing services from infrastructure assets. These include:

- operating a reactive maintenance service for all assets and services;
- operating a planned maintenance system for key assets;
- monitoring condition and remaining service life of assets nearing the end of their service life;
- renewing and upgrading assets to maintain service delivery;
- closing and disposing of assets not providing the required service level; and
- acquiring or constructing new assets to provide new and improved services.

Council has assigned responsibilities for managing risks associated with sewer assets and service delivery to its Technical Services Department.

1.6 Risk Management Framework

The risk management process used in this project is shown in Fig 1.6 below.

This process is based on AS/NZS ISO 31000 2009 Risk Management - Principles and guidelines, and provides a template to ensure a consistent and comprehensive approach to risk management across all functions of Council.

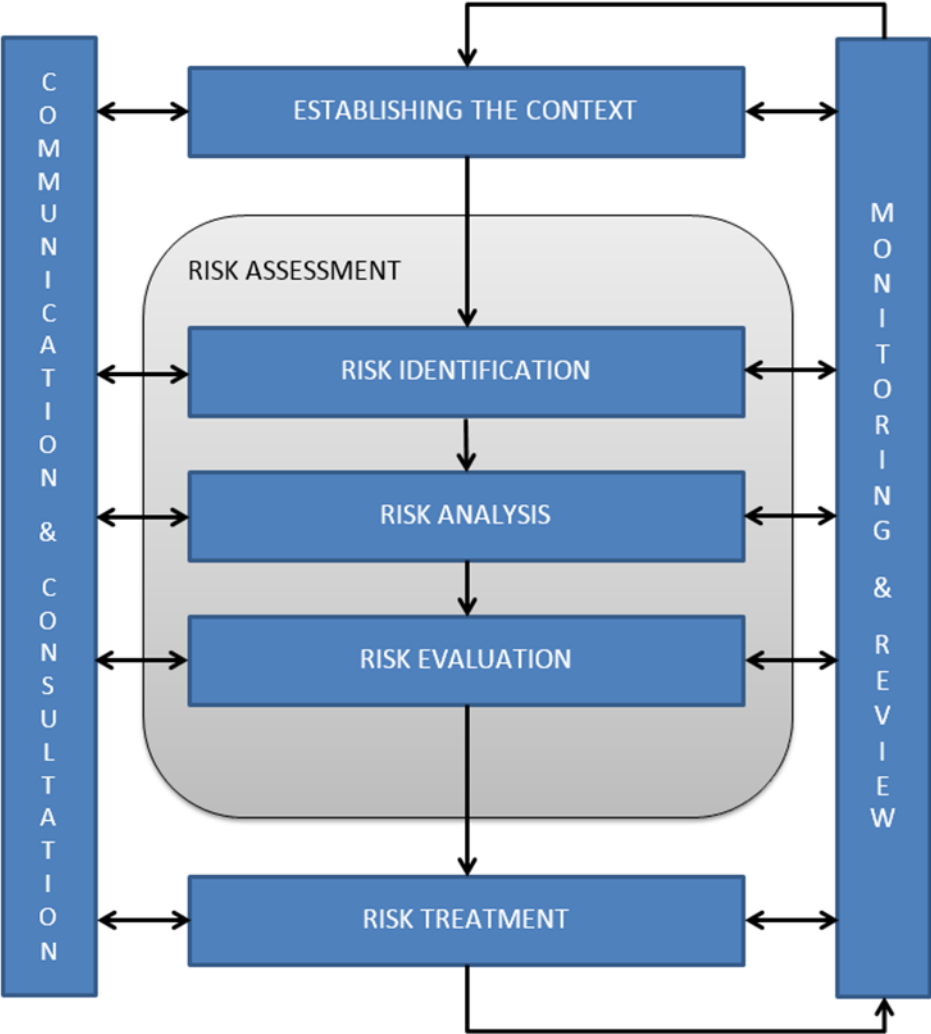


Figure 1.6

2. COMMUNICATION AND CONSULTATION

In accordance with legislation and best practice, Berrigan Shire Council uses a variety of internal forums to consult and communicate with staff and other stakeholders.

In terms of risk management, Council's consultation aims are to:

- Improve people's understanding of risks and the risk management processes;
- Ensure that the varied views of stakeholders are considered; and
- Ensure that all participants are aware of their roles and responsibilities.

The development of this infrastructure risk management plan was undertaken using a consultative team approach to:-

- Identify stakeholders and specialist advisors who need to be involved in the risk management process;
- Discuss and take into account the views of stakeholder and specialist advisors; and
- Communicate the results of the risk management process to ensure that all stakeholders are aware of and understand their roles and responsibilities in risk treatment plans.

Members of the team responsible for preparation of this risk management plan are:

- Fred Exton – Director Technical Services
- Myles Humphries – Environmental Engineer
- Garry Graham – Technical Officer Water and Sewer
- Michelle Koopman – Enterprise Risk Manager
- Paul Glanvill – Technical Officer Asset Management
- Carla von Brockhusen – Finance Manager
- Matthew Clarke – Engineering Services Manager

3. RISK IDENTIFICATION

3.1 *General*

Potential risks associated with providing services from infrastructure were identified at meetings of the council's infrastructure risk management team.

Team members were asked to identify "What can happen, where and when" to the various council services and then to identify possible "Why and how can it happen" as causes for each potential event.

Each risk was then tested for credibility to ensure that available resources were applied to those risks that the team considered were necessary to proceed with detailed risk analysis.

The assets at risk, what can happen, when, possible cause(s), existing controls and credibility are shown in Appendix A – Risk Register.

Credible risks are subjected to risk analysis in Section 4.4.5. Risks assessed as non-credible were not considered further and will be managed by routine procedures.

4. RISK ANALYSIS

4.1 General

Credible risks which have been identified during the risk identification stage were analysed. This process using the Council's Risk Management Framework, takes into account the '**likelihood**' and the '**consequences**' of the event. The objective of the analysis is prioritise risks by separating low and acceptable risks from the high risks, and to provide data to assist in the assessment and management of risks.

The risk analysis process using Council's Risk Management Framework is applied to all credible risks to determine levels of risk. The process acts as a filter by applying a reasoned and consistent process. Low risks are identified as "tolerable risk", and can be removed from further consideration and managed using existing processes.

The remaining risks will therefore be of such significance as to consider the development of risk treatment options and plans.

4.2 Likelihood

Likelihood is a qualitative description of probability of an event occurring. The process of determining likelihood involves combining information about estimated or calculated probability, history or experience. Where possible it is based on past records, relevant experience, industry practice and experience, published literature or expert judgement.

4.3 Consequences

Consequences are a qualitative description of the effect of the event. The process of determining consequences involved combining information about estimated or calculated effects, history and experience.

4.4.1 Likelihood

Level	Descriptor	Description	Indicative Frequency
A	Almost Certain	The event will occur on an annual basis.	Expected to occur.
B	Likely	The event has occurred several times or more in your career.	Will probably occur.
C	Possible	The event might occur once in your career.	Might occur at some time.
D	Unlikely	Heard of something like this occurring.	Not likely to occur.
E	Rare	Have never heard of this happening.	Conceivable but highly unlikely.

4.4.2 Consequences

Consequences	Description
1	<ul style="list-style-type: none"> Minor injury not requiring medical treatment; Negligible financial loss (less than \$10,000); Minimal environmental impact, isolated release only.
2	<ul style="list-style-type: none"> Minor injury requiring medical treatment or first aid; <ul style="list-style-type: none"> Minor financial loss (\$10,000 - \$50,000); Minor environmental impact, on-site release controlled.
3	<ul style="list-style-type: none"> Objective but reversible disability requiring hospitalisation; <ul style="list-style-type: none"> Significant financial loss (\$50,000 - \$200,000); Significant environmental impact –assistance required to contain.
4	<ul style="list-style-type: none"> Moderate irreversible disability or impairment; Major financial loss (\$200,000 - \$1,000,000); Major environmental impact, release spreading off-site
5	<ul style="list-style-type: none"> Single fatality and/or severe irreversible disability; Extensive financial loss (more than \$1M); Fatalities occur, extensive release off-site

4.4.3 Risk Assessment

The risk assessment process compares the likelihood of a risk event occurring against the consequences of the event occurring. In the risk matrix below, a risk event with a likelihood of 'Possible' and a consequence assessed at '3' has a risk rating of 'High'. This rating is used to develop a typical risk treatment outlined in Section 5.3.

Likelihood	Descriptor	Consequence				
		1	2	3	4	5
A	Almost Certain	Medium	High	High	Very High	Very High
B	Likely	Medium	Medium	High	High	Very High
C	Possible	Low	Medium	High	High	High
D	Unlikely	Low	Low	Medium	Medium	High
E	Rare	Low	Low	Medium	Medium	High

4.4.4 Risk Response

The risk rating is used to determine risk treatments. Risk treatments can range from immediate corrective action (such as stop work or prevent use of the asset) for 'Very High' risks, or to manage by routine procedures for 'Low' risks.

An event with a 'High Risk' rating will require a management response and an action plan. This may include actions such as reducing the likelihood of the event occurring by physical methods (limiting usage to within the asset's capacity, increasing monitoring and maintenance practices, etc), reducing consequences (limiting speed of use, preparing response plans, etc) and/or sharing the risk with others (insuring the organisation against the risk).

	Response	Action
Very High	Senior management attention required. Action plan required.	Immediate response Specify management responsibility
High	Senior management attention Action plan required	Response required within 7 working days Specify management responsibility
Medium	Implement specific monitoring or response procedures	Heightened action Specify management responsibility
Low	Manage by routine procedures. Unlikely to require a specific application of resources	Business as usual Response may not be necessary

4.4.5 Risk Analysis

The team conducted an analysis of credible risks identified in section 3.1 using the method described above to determine a risk rating for each credible risk.

The credible risks and risk ratings are shown in Appendix A – Risk Register

4.5 Risk Evaluation

The purpose of risk evaluation is to make decisions about which risks need treatment and treatment priorities, based on the results of the analysis.

The risk management team evaluated the need for risk treatment plans using an overall assessment of the following evaluation questions to answer “is the risk acceptable?”

• What current systems may prevent, detect or lower the consequences or likelihoods of undesirable risks or events?
• What are the consequences or range of consequences of the risks if they do occur?
• What is the likelihood or range of likelihoods of the risks happening?
• What factors might increase or decrease the likelihoods or the consequences?
• What factors might increase or decrease the likelihoods or the consequences?
• What additional factors may need to be considered?
• What are the limitations of the analysis and assumptions made?
• How confident are you in your judgement or research specifically in relation to the high consequence and low likelihood risks?
• Is the logic behind the analysis sound?
• What current systems may enhance or increase the consequences or likelihoods of opportunities or beneficial events?

The evaluation criteria are to provide guidance to evaluate whether the risks are acceptable to the Council and its stakeholders in providing services to the community. Risks that do not meet the evaluation criteria above are deemed to be unacceptable and risk treatment plans are required to be developed and documented in this Infrastructure Risk Management Plan.

5. RISK TREATMENT PLANS

5.1 General

Council uses the ALARP (“As Low as Reasonably Practicable”) technique in determining which risks will be treated through an evaluation of “tolerable risk”. ALARP enlists the concept of what is “reasonably practicable” by evaluating if something can be done against the costs and benefits of action or inaction. These two aspects need to be balanced carefully if the risk being treated is related to an expressed or implied duty of care.

The treatment of risk involves identifying the range of options for treating risk, evaluating those options, preparing risk treatment plans and implementing those plans. This includes reviewing existing guides for treating that particular risk, such as Australian and State legislation and regulations, Australian Standards and Best Practice Guides.

Developing risk treatment options starts with understanding how risks arise, understanding the immediate causes and the underlying factors that influence whether the proposed treatment will be effective.

One treatment option is to eliminate the risk completely by discontinuing the provision of the service. Other options include risk reduction by reducing the likelihood and/or the consequences of the risk.

5.2 Risk Treatment Process

The risk treatment process comprises the following five steps.

Step 1. Review causes and controls

The risk identification process documented in Section 3 included identifying possible causes and documenting existing controls.

Step 2. Develop treatment options

Treatment options include those that eliminate risk, reduce the likelihood or the risk event occurring, reducing the consequences should the risk event occur, sharing of the risk with others and accepting the risk.

Step 3. Assess risk treatment options against costs and residual risk

The method of assessment of risk treatment options can range from an assessment by a local group of stakeholders and practitioners experienced in operation and management of the assets/service to detailed risk cost and risk reduction cost/benefit analysis.

Step 4. Select optimum risk treatment

Step 5. Develop risk treatment plans

5.3 Risk Treatments

The risk treatments identified for non-acceptable risks are detailed in Appendix A – Risk Register.

5.4 Risk Treatment Plans

From each of the risk treatments identified in Appendix A – Risk Register, risk treatment plans were developed.

The risk treatment plans identify for each non-acceptable risk:-

1. Proposed action
2. Responsibility

3. Resource requirement/budget
4. Timing
5. Reporting and monitoring required

The risk treatment plan is shown in Appendix A – Risk Register.

6. MONITORING AND REVIEW

The plan will be monitored and reviewed as follows.

Activity	Review Process
Review of new risks and changes to existing risks	Annual review by team with stakeholders and report to council
Review of Risk Management Plan	3 yearly review and re-write by team and report to council
Performance review of Risk Treatment Plan	<p>Action plan tasks incorporated in council staff performance criteria with 6 monthly performance review.</p> <p>Action plan tasks for other organisations reviewed at annual team review meeting</p>

7. REFERENCES

AS/NZS ISO 31000:2009 Risk Management – Principles and guidelines

Berrigan Shire Council, Risk Management Policy and Framework, adopted 15th March, 2017

International Infrastructure Management Manual, 2015, Institute of Public ~Works Engineering Australia, Sydney, 2006 www.ipwea.org.au

APPENDIX A RISK REGISTER

Berrigan SC **Infrastructure Risk**
Sewer Register

RISK IDENTIFICATION							RISK ANALYSIS					RISK TREATMENT			RISK TREATMENT PLAN				
Risk No.	Asset at Risk	What can happen?	When can it occur?	Possible cause	Existing controls	Is risk credible?	Likelihood	Consequences	Risk rating	Action required	Is risk acceptable?	Treatment option(s)	Residual risk	Risk treatment plan	Actions	Responsibility	Resources	Budget	Date due
1	Sewer Treatment Plants	Overflow to environment or reduction to water treatment due to power failure	Anytime now	Mains power failure	Bypass arrangements and pond system to buffer water quality	Yes	Likely	Minor	Medium	Planned action required	Yes								
2	Sewer Treatment Plants	Overflow to environment or reduction to water treatment due to component failure	Anytime now	Failure of mechanical/electrical components of pumps	Scheduled inspection of plant components and completion of required maintenance	Yes	Possible	Minor	Medium	Planned action required	Yes								
3	Sewer Treatment Plants	Reduction to water treatment due to structural deficiency of concrete components	Anytime now	Failure of concrete components due to corrosion or ground movement	Scheduled inspection of plant structural components and completion of required repairs OR replacement	Yes	Possible	Moderate	Medium	Planned action required	No	Carry out scheduled inspections of concrete components and program replacement / refurbishment of faulty components	Risk will remain until sufficient resources to inspect all plants and complete required repairs	Carry out visual inspections of all sewer plants and repair all structural defects	14.1 Arrange for visual inspections of sewer plant components 14.2 Record and document all inspections and attach to BizeAssets 14.3 Prioritize structural defects and budget for repair 14.4 Repair structural	EE	Council Staff and Contractors	14.1 - 14.3 \$30,000 14.4 - Unknown Allow \$100,000/ann for 3 years	14.1 - 14.3 Jun 2018 14.4 Jun 2020

																defects					
4	Sewer Mains	Overflow to environment due to sewer blockage, illegal connection of stormwater	Anytime now	Blockage by tree roots or other foreign objects	Incident response and repair	Yes	Likely	Minor	Medium	Planned action required	Yes										
5	Effluent Ponds	Overtopping of ponds	Within 2-3 years	Exceptionally wet season	Monitoring of pond levels and transfer of water	Yes	Unlikely	Moderate	Medium	Planned action required	Yes										
6	Sewer Pump Stations	Overflow to environment due to power failure	Anytime now	Mains power failure	Critical Pump Stations have Generator Connections, and minimum 6 hr storage	Yes	Possible	Minor	Medium	Planned action required	Yes										
7	Sewer Pump Stations	Overflow to environment due to pump failure	Anytime now	Failure of mechanical/electrical components of pumps	Scheduled inspection of pumps and completion of required maintenance/backup pumps available	Yes	Possible	Minor	Medium	Planned action required	Yes										
8	Tocumwal Recycle Pond	Overtopping of ponds	Within 2-3 years	Extended wet conditions	Monitoring of pond levels and transfer of water	Yes	Unlikely	Minor	Low	Manage by routine procedures	Yes										
9	Tocumwal & Finley Golf Courses, Berrigan Race Track	Poor quality effluent delivered for reuse system	Anytime in the future	Failure of chlorination system	Scheduled inspection of chlorination unit and maintenance of unit and monitoring and changing of gas bottles	Yes	Possible	Major	High	Prioritised action required	No	Review of current Operational Environmental Management Plans to ensure best practise controls in place for exposure to effluent	Risk can be controlled but not eliminated	Revision of OEMP's for all sites that receive treated effluent for reuse	12.1 Revise OEMPs 12.2 Redistribute updated OEMPs including response activities and controls	EE	Council Staff Responsible staff from venues receiving recycled effluent	\$5,000/annum /plant for review of operational activities required to manage reuse	Jun-18		

10	Effluent Quality	Ingress of stormwater into system	Anytime now	Inclement weather combined with illegal connections and poor maintenance	Scheduled inspection of reticulation and repairs. Inspection of new building connections. Smoke testing of manholes and lines	Yes	Likely	Minor	Medium	Planned action required	Yes								
11	Reticulation System	Collapse of pipes or manholes	Anytime in the future	Erosion of pipes and structures due to age and corrosive nature of sewerage	Reactive maintenance	Yes	Possible	Moderate	High	Prioritised action required	No	Carry out internal inspections of pipes and manholes and program replacement / refurbishment of faulty components	Risk will remain until sufficient resources to inspect all retic and complete required repairs	Carry out CCTV inspections of all sewer retic and repair all structural defects	14.1 Arrange for CCTV inspections of sewer retic. 14.2 Record and document all inspections and attach to BizeAssets 14.3 Prioritize structural defects and budget for repair 14.4 Repair structural defects	EE	Council Staff and Contractors	14.1 - 14.3 \$40,000 annually 14.4 - Unknown Allow \$150,000/ann for 5 years	14.1 - 14.3 Jun 2018 14.4 Jun 2022
12	Reticulation System	Illegal Discharge of flammable materials	Anytime now	Illegal connections or discharges by person unknown	Routine inspection, compliance and enforcement	Yes	Unlikely	Catastrophic	High	Prioritised action required	Yes								

Shepparton Partnership
381 Wyndham Street
Shepparton VIC 3630



13/01/2021

The Secretary
Berrigan Shire Council
'The General Manager' 56 Chanter Street
BERRIGAN NSW 2712

Important information for:

Berrigan Shire Council

THANKS FOR GIVING US THE OPPORTUNITY TO BACK YOUR BUSINESS

We're excited about your future and how we can help. We're pleased to confirm the following Facility/ies:

Facility	Limit
NAB Business Markets Loan	\$4,000,000.00

Here's a quick summary of what you need to know. Inside, you'll find:

- Business Letter of Offer
- Specific Conditions to your Facility/ies
- Business Lending General Terms (also available on nab.com.au)
- Business Banking Fees: A Guide to Fees and Charges.

Have a read through, ask us any questions and if you're happy to accept our offer, please sign and return the documents to me by **15/03/2021** (which is in 90 days). Before you sign this Agreement, you should get independent legal and financial advice.

Feel free to contact me any time if you have any questions, I'm always happy to help.

We look forward to working with you and helping your business grow.

Thanks,

Dean Gladigau
Business Banking Manager
Ph/mobile: 03 5823 8332
Banker email address: Dean.R.Gladigau@nab.com.au

DRAFT

Date: 13/01/2021

BUSINESS LETTER OF OFFER

National Australia Bank Limited

and

Berrigan Shire Council

"you"

Your aggregate Business Lending with NAB and why this matters

The aggregate of our business finance credit exposures to you and your related (business) entities is used to determine if you are a Small Business. The Banking Code applies to our relationship with you if you are a small business as defined in the Banking Code. However, we will also treat you as a Small Business, and therefore apply the Banking Code, when the total of our business finance credit exposures to you and your related (business) entities is less than AUD\$5,000,000.

The table below sets out business facilities you have with us, and our business finance credit exposures under those facilities. Some of your Facility Limits may be denominated in a foreign currency, however, we have converted these to an Australian dollar figure for the purposes of the table below. You should always check your Facility Limit by referring to the specific Facility Details. If your Facility Limit is denominated in a foreign currency as described in the Facility Details, then that is your Facility Limit and the Australian dollar equivalent below is indicative only and could change according to changes in the exchange rate.

We may also have other business finance credit exposures to you and your related (business) entities under separate agreements. These need to be taken into account to determine whether you are a Small Business for the purposes of this Agreement.

Facility Type	Limit
NAB Business Markets Loan	\$750,135.00
NAB Business Markets Loan	\$4,000,000.00

YOUR NAB BUSINESS FACILITY AT A GLANCE

NAB Business Markets Loan

The NAB Business Markets Loan Specific Conditions apply to this Facility.

Facility Details

The purpose of your Facility:	Construction of Non-Residential Buildings
Facility Limit:	\$4,000,000.00
Account Number:	To be advised
When your Facility starts:	15/12/2020
Last Date for Drawdown:	13/06/2021
Facility Expiry Date:	31/01/2031
Pricing Period - when your interest rate will be charged and repriced:	<p>1 month.</p> <p>You can choose when your interest rate will be charged and repriced. It may be every 1, 2, 3 or 6 months or any other time that we agree with you. Interest payments will be charged at the end of each Pricing Period.</p>
Floating Rate:	<p>We may make adjustments to Pricing Periods that do not fall on a Banking Day or which are due to expire after the Final Repayment Date.</p> <p>2.0900 % per annum (indicative).</p> <p>The Floating Rate is the Business Lending Rate plus the Customer Margin.</p>
Business Lending Rate:	<p>1.9900% per annum (indicative).</p> <p>The actual Business Lending Rate for a Pricing Period will be the relevant Business Lending Rate applicable at the start of that Pricing Period.</p>
Customer Margin:	<p>0.1000% per annum.</p> <p>This is a customer risk margin determined through our assessment of your financial situation.</p>
Your Principal Repayments:	<p>Payment date & frequency:</p> <p>\$36,094.22 per month commencing on 12/02/2021 or the following one month after the settlement or drawdown of the facility, whichever occurs later. Subsequent payments are then payable in accordance with the payment date and frequency above.</p> <p>The Facility is repayable in full on the Final Repayment Date.</p>

Application Fee:	\$ 0.00 payable by you on your acceptance of this Agreement.
Service Fee:	\$ 0.00 payable in arrears on the last Business Day of each month.
Cap Rate Premium:	<p>As detailed within the Drawdown Schedule. This is not ascertainable at the time of application. This is payable by you when you are notified of the Cap Rate Premium in the Drawdown Schedule.</p> <p>However, if the Facility terminates before all instalments are paid, then you must pay us the full amount of the Cap Rate Premium less any instalments paid before such termination.</p>
Your Nominated Account at NAB:	<p>To be advised</p> <p>Your Nominated Account will be debited with all fees and charges payable under this Facility unless you make separate arrangements with us.</p>
Other Important Facility Information	
Economic Cost:	You may be required to pay Economic Costs if a Fixed Rate component or a Flexible Maturity Fixed Rate component is terminated early for any reason. For more information, see the Business Lending General Terms.
Facility Specific Security:	Not Applicable
Additional Facility Specific Conditions:	<p>The Council represents and warrants to the Bank as follows:</p> <ul style="list-style-type: none"> a) the facility will be used for local purposes; b) the facility does not infringe any limitations or restrictions imposed by the Minister responsible for Local Government on the Council; c) and repayment of the facility is a charge on the income of the Council.

Here's what we promise to do

Always act fairly and reasonably keeping in mind your and our respective business interests.

Doing the right thing is important to us. That's why we've adopted the Banking Code, which sets the standards of practice and service for banks.

We commit to the term of the Facility which we have negotiated with you in this Agreement.

We commit to notifying you of any changes we make to this Agreement.

We commit to allowing you to terminate this Agreement at any time. We won't charge you an exit fee but some facilities may have costs to unwind your funding arrangements or may require you to give us prior notice.

We commit to giving you any information you require to better understand this Agreement or your Facility with us.

We have laws in Australia to protect small businesses from unfair contract terms. NAB is committed to this contract being fair.

Promises we rely on

- It's important that you meet the obligations in the additional covenants and undertakings detailed below at all times during this Agreement. Please contact us if you're worried about not meeting these so we can provide early assistance.
- If there are any inconsistencies between these additional covenants and undertakings and the Business Lending General Terms or Facility Specific Conditions, these additional covenants and undertakings prevail to the extent of the inconsistency.
- If you are a Small Business and you have a Specialised Facility, it's important you also meet the obligations in any financial indicator covenants or special covenants tailored to the particular nature of that Facility and as detailed below or in the Specific Conditions for the Specialised Facility.
- These additional covenants and undertakings are to be assessed and reported as detailed below.

- The Council represents and warrants to the Bank as follows:

the facility will be used for local purposes;

the facility does not infringe any limitations or restrictions imposed by the Minister responsible for Local Government on the Council;

and repayment of the facility is a charge on the income of the Council.

Your assets / premises to be used as security for the Facility

- The Securities listed below secure all Facilities in this Agreement. These Securities may also secure other facilities in other Bank Documents.
- In the future, you may agree in writing to further securities being provided.
- If you have any earlier Securities in place with NAB, these will remain in place and will not be detrimentally affected by these new Securities.

Description

Council's Resolution to Borrow given by Berrigan Shire Council.

DRAFT

GENERAL FEES AND CHARGES

Our estimate of your upfront fees and charges

We want to be transparent about your fees and charges, so you're clear about what you're paying. There are a number of fees you need to pay as soon as you sign this Agreement. These are set out below. For more information, read the enclosed document: Business Banking Fees: A Guide to Fees and Charges.

NB: This is only an estimate. There may be extra fees and charges for your Facility. If this is the case, we'll let you know as soon as possible.

Estimate of NAB's credit fees and charges

Estimate of total amount of NAB's credit fees and charges	\$ 0.00
--	----------------

Estimate of non-NAB fees and charges

(payable to the relevant government department and payable to third parties)

Estimate of total amount of non-NAB fees and charges	\$0.00
---	---------------

Estimate of total amount of all fees and charges (as far as can be ascertained now).	Not Applicable
---	-----------------------

Here are some important things you should know

This is a summary of some important things you should know. Please read through the Business Lending General Terms for the full terms.

Who to contact if things go wrong?	<p>You agree to tell us straight away about any changes to your business or other events which may impact on your ability to meet your obligations to us.</p> <p>If you're experiencing financial hardship you can contact your banker or you can call NAB Assist on 1300 135 323 or Customer Care Small Business on 1300 961 577.</p>	
When will a Default occur?	<p>Payment Default:</p> <p>Defaults due to Adverse Events:</p>	<p>You will be in Default if you do not pay on time any amount due.</p> <p>Even if payments are made on time, you will also be in Default if specific other events occur, including</p> <ul style="list-style-type: none"> • you are Insolvent • a Guarantor is Insolvent • you or a Guarantor have not complied with the law, lose capacity or give us misleading information • creditor enforcement occurs • use of facility for an unapproved purpose • unauthorised sale or disposal of assets that form part of the Security • change of control (not applicable if you are an individual) • loss of licence, permit or other authorisation • failure to maintain insurance • any event specified as an "Adverse Event" in your Business Letter of Offer <p>(Not all Adverse Events will lead to enforcement – see the Business Lending General Terms for more information)</p>
When can NAB enforce?	<p>Usually we will give you notice of a Default and an opportunity to remedy it. But sometimes we can enforce immediately when there is a Default, including when urgent action is needed to protect or take control of assets that form part of the Security – see the Business Lending General Terms for more information.</p>	
Can NAB increase costs?	<ul style="list-style-type: none"> • From time to time we may increase costs payable by you. For example we may introduce a new fee, charge or premium for services we provide to you. • Also, if the law or other rules applying to us as a bank change we may need to increase costs payable by you. • We will give you at least 30 days' notice of any increased cost. If you're not happy with the increased cost you can repay us and exit this Agreement. • See the Business Lending General Terms for full details about when we might increase our costs and how to exit if you're not happy. 	
How can NAB change the terms of the Agreement?	<p>We promise to act reasonably when we make any changes. Types of changes we can make include:</p> <ul style="list-style-type: none"> • Introducing a new fee, charge or premium or changing the amount of a fee or way it's calculated. • changing an interest rate (other than a fixed rate); • Changing a term of this Agreement to comply with relevant laws, industry code or our prudential obligations; and • Changing your repayment obligations. <p>We will notify you of changes we make by either writing to you or putting an advertisement in national or local media.</p>	
What you can do if you don't like a change?	<p>If you're not happy with a change we've made or are going to make you can repay us and exit this Agreement. Economic Costs may be payable if you exit early (but we won't charge you an exit fee). See the Business Lending General Terms for full details about changes we can make and how to exit if you're not happy.</p>	

FACILITY ACCEPTANCE

The laws of New South Wales apply when interpreting this Agreement.

Your Acceptance Of Our Offer

I/we accept NAB's offer as set out in this Agreement.

Further, I/we:

1. declare that all the information I/we have given NAB is accurate and not misleading
2. acknowledge that I/we have read the Bank Documents, including this Agreement, the relevant Specific Conditions to this Facility and the Business Lending General Terms
3. acknowledge that the assets I/we (or a Security Provider) have put up as Security for this Facility will be at risk if I/we do not repay our Facility or otherwise Default; and
4. understand that NAB may pay a commission to a third party where I/we have been introduced to NAB by that third party.

Declaration of purpose

I/We declare that the credit to be provided to me/us by the credit provider is to be applied wholly or predominantly for:

- business purposes; or
- investment purpose other than investment in residential property.

IMPORTANT

You should only sign this declaration if this loan is wholly or predominantly for:

- business purposes; or
- investment purposes other than investment in residential property.

By signing this declaration you may lose your protection under the National Credit Code.

Each party may sign a separate copy of this document. Each signed copy is an original of this document and all copies together will constitute one agreement.

Executed by the customer

The Common Seal of

Berrigan Shire Council

Was hereunto affixed this day of January 2021
In pursuance of a resolution of the Council passed
on the day of January 2021

in the presence of:

Signature

Full name (BLOCK LETTERS)

Office Held (insert)

Signature

Full name (BLOCK LETTERS)

Office Held (insert)

SPECIFIC CONDITIONS TO YOUR FACILITY

NAB Business Markets Loan

1. HOW THIS FACILITY WORKS

We want to support your business.

The Business Markets Loan is an interest in arrears term loan with market-linked pricing and a choice of interest rate risk management options including a:

- Floating Rate,
- Cap Rate,
- Fixed Rate, and
- Flexible Maturity Fixed Rate.

Once the Facility is approved, a combination of Components can be set up under the total Facility Limit. In addition to keeping within the Facility Limit and Facility Expiry Date, each Component has its own limit, and may have its own term, which can't be exceeded. A feature of this Facility is the ability to switch between Components over time within the total Facility Limit.

The Drawdown Schedule will show the initial Component limits and the type of interest rate arrangement for each Component.

This Facility is generally not repayable upon demand except on the Final Repayment Date or when a Default has occurred and we are entitled to take Enforcement Action.

2. GETTING STARTED

Before we get started and you can use this Facility:

- we will need everything set out in clause 3 of the Business Lending General Terms; and
- you will need to nominate or set up and maintain a linked bank account with us in your name. This will be your Nominated Account for transactions for this Facility. The NAB Business Products Terms and Conditions also govern use of that account.

3. ALLOCATING COMPONENTS

- (a) Each use of this Facility needs to be allocated to one of the Components.
- (b) You can request a Component be established or used by giving us a Drawdown Notice at least 7 Banking Days before the requested establishment of a Component or 1 Banking Day before the requested use of a Component. Once a Drawdown Notice is given, you can't change or cancel the requested allocation or use. Please note that we may need to adjust allocations to make sure that a Component Limit and the Facility Limit won't be exceeded.
- (c) If for any reason an amount used under the Facility isn't allocated to a particular Component, we will allocate it to the Floating Rate Component. For example, if the term for a Fixed Rate Component ends (or the term for a Flexible Maturity Fixed Rate Component ends without you extending it), we will reallocate any amounts used under that Component to the Floating Rate Component. In these cases we will increase the Floating Rate Component limit if necessary to allow for this.
- (d) If you want to open a new Fixed Rate, Flexible Maturity Rate or Cap Rate Component within your Facility Limit, we will reallocate the new Component limit from the Floating Rate Component to the new Component. We will reduce the Component limit for the Floating Rate Component limit

by this amount.

- (e) Each time there is a change in use of a Component, we will send you an up to date Drawdown Schedule. This will show each of the Component limits under the Facility over the remaining Pricing Periods.

4. PRICING PERIODS

- (a) The available Pricing Periods to select from are shown in the Facility Details. The first Pricing Period begins on first use of the Facility (begin the first drawdown under the Facility). Each subsequent Pricing Period commences on the day immediately following the expiry of the previous Pricing Period. Unless you select the length of any future Pricing Period in accordance with any instructions we provide before the expiry of an existing Pricing Period, the next Pricing Period will be of the same duration as the existing Pricing Period, calculated before taking account of any adjustment of the existing Pricing Period under this clause 4.
- (b) Pricing Periods can only start and end on a Banking Day. If a Pricing Period would otherwise end on a non-Banking Day, we can change it to end on the next Banking Day if that Banking Day falls on or before the Final Repayment Date. Otherwise we can change it to end on the previous Banking Day.
- (c) We may adjust any Pricing Period to ensure that it does not end on a Banking Day after the Final Repayment Date or if it is not possible for us to select a Pricing Period. If a Pricing Period is due to end on a Banking Day after the Final Repayment Date, then we will change the Pricing Period to end on a Banking Day on or before the Final Repayment Date.
- (d) If you want to change a Pricing Period, you will need to contact us. Any such change will need to be agreed by us at the time. Please note that new interest rates will apply from the start of the new Pricing Period.

5. INTEREST RATES AND RATE NOTICES

- (a) The Facility Details will show the initial yearly interest rates for each Component. If not shown in the Facility Details, or if a percentage rate is stated as 'indicative', we will determine and notify you of the applicable rate on or after your first use of the Facility.
- (b) If you want to open a Component within your Facility Limit, we will notify you of the applicable interest rate after the start of the initial Pricing Period for that Component.
- (c) For each Pricing Period we will send you a Rate Notice showing you the applicable interest rates and interest, fee and premium charges for each Component over that Pricing Period. This will also show the weighted average of all interest rates applying across all your Components, so you can see how you are going overall.
- (d) You can always contact us to find out the interest rate that will apply for a Component. The interest rates we quote on a particular day will apply if you use the relevant Component by a certain cut-off time on that day. We can let you know the cut-off time too.

5.1 Floating Rate

- (a) The interest rate for a Floating Rate Component is the Business Lending Rate plus the Customer Margin.
- (b) The Business Lending Rate is our indicator rate and is calculated according to:
- the Australian Bank Bill Swap Reference Rate (Bid) administered by ASX Benchmarks displayed on the BBSY page of the Thomson Reuters Screen on the first day of a Pricing Period for a period equal to that Pricing Period (or where the Pricing Period is less than 1 month, a period of 1 month) and which starts on that day. If the rate for a Pricing Period cannot be determined in this manner or if, in our reasonable opinion, the rate becomes inappropriate, the rate reasonably determined by us to be the appropriate equivalent rate having regard to the prevailing market; plus
 - our minimum return margin for a period equal to the Pricing Period which we can change from time to time.
- (c) We will periodically publish one or more indicative Business Lending Rates on nab.com.au and you

- can contact us for information about current rates.
- (d) The Floating Rate is reset at the beginning of each Pricing Period.

5.2 Cap Rate

The interest rate for a Cap Rate Component is the lower of the Cap Rate and the Floating Rate on the first day of a Pricing Period and is reset at the beginning of each Pricing Period.

5.3 Fixed Rate

The interest rate for a Fixed Rate Component is a fixed interest rate set at the start of the Fixed Rate Component term (the rate is not reset at the beginning of each Pricing Period).

5.4 Flexible Maturity Fixed Rate Component

- (a) The interest rate for a Flexible Maturity Fixed Rate Component is a fixed interest rate set at the start for the Flexible Maturity Fixed Rate Component term (the rate is not reset at the beginning of each Pricing Period).
- (b) When setting up a Flexible Maturity Fixed Rate Component, you must nominate one further period after the original Component term ends. If a further period is agreed, and you wish to extend the Flexible Maturity Fixed Rate Component term for the agreed further period at the same fixed rate, you will need to notify us in writing at least 2 Banking Days before the original Flexible Maturity Fixed Rate Component term ends. We will then extend the term for the Flexible Maturity Fixed Rate Component at the same fixed interest rate accordingly.

6. INTEREST CHARGING

- (a) Interest is calculated daily during each Pricing Period on the outstanding amount of each Component at the applicable yearly interest rate for the Component divided by 365.
- (b) Accrued interest for all Components in a Pricing Period is payable up to 2 Banking Days after the end of each Pricing Period, and will be debited by us from your linked transaction account. This occurs over all Pricing Periods until the Final Repayment Date.
- (c) You must pay us the Facility Amount Owing on the Final Repayment Date, however, if you do not do so, interest will accrue on the Facility Amount Owing at the interest rate which is equal to the Business Lending Rate for a Pricing Period of 1 month plus the Customer Margin as at the first Business Day of the calendar month for the Final Repayment Date divided by 365 for each day until the Facility Amount Owing is zero. The Business Lending Rate is reset on the first Business Day of each month. Accrued interest will be debited by us to the Nominated Account on the earlier of the last Business Day of a period equivalent to the last Pricing Period selected by you, and the date you pay us the Facility Amount Owing in full.

7. CAP RATE PREMIUM

- (a) For us to take risk by agreeing to charge the lower of the Cap Rate and the Floating Rate over the Cap Rate Component term, we have to enter arrangements and incur a cost. In exchange for us agreeing to do this, you agree to pay us the Cap Rate Premium for the Cap Rate Component as specified in the Drawdown Schedule, even if the Facility terminates before the Facility Expiry Date for any reason.
- (b) If you open a new Cap Rate Component, the Cap Rate Premium will be set out in the next Rate Notice we send you.

8. CANCELLATION AND REDUCTION OF FACILITY LIMITS

- (a) We may cancel all or part of the unused amount of the Facility Limit or an unused Component limit on the Last Date for Drawdown.
- (b) If your Principal Repayments are to be made periodically:
- (i) the Facility Limit automatically reduces by each Principal Repayment amount when due; and
 - (ii) any Component limits automatically reduce as specified in the Facility Details (or as

otherwise agreed with you).

- (c) You may cancel all or any part of the unused amount of the Facility Limit or an unused Component limit by giving us at least 7 days prior written notice. However we may agree a shorter period.
- (d) Please note that we cannot reinstate all or any part of a cancelled limit.
- (e) If you cancel all or part of the Facility Limit, you can no longer use the cancelled limit.
- (f) If a limit is scheduled to change on a non-Banking Day, that change will not take effect until the following Banking Day (unless we agree otherwise) and interest, fees and charges will be payable accordingly.

9. REPAYMENT AND REDRAW

- (a) You must make Principal Repayments in the required amounts and at the required times as set out in the Facility Details or in the Drawdown Schedule.
- (b) If the due date of a Principal Repayment set out in the Facility Details or Drawdown Schedule is not a Banking Day, it will be adjusted to be due on the next Banking Day, but if that adjusted date is a Banking Day in the next month, then the due date of the payment will be further adjusted to be the last Banking Day of that month.
- (c) You may repay all or part of a Component early but we will first need a notice from you in a form acceptable to us. In the case of a Floating Rate Component or a Cap Rate Component, we need at least 1 Banking Day prior notice. For other Components, we need at least 7 days prior notice.
- (d) If you repay early only part of a Component, your Principal Repayments will not change and you will still need to make the Principal Repayments in the required amounts and at the required times, unless we agree otherwise.
- (e) Repayments of a Floating Rate Component or a Cap Rate Component do not reduce the applicable Component limit. So, you may ask to redraw under those Components back up to the Component limits. Any such further use of the Facility is subject to the Business Lending General Terms and these Specific Conditions.

10. CAN YOU GIVE US VERBAL INSTRUCTIONS?

We may act on your verbal instructions, but aren't obliged to do so. We may need instructions to be in writing to act on them.

11. INTERPRETATION AND MEANING OF WORDS

Capitalised terms used in these Specific Conditions with a specific meaning are explained in the Facility Details, the Business Lending General Terms or below.

Component means a component under the Facility which could include a Floating Rate component, a Cap Rate component, a Fixed Rate component or a Flexible Maturity Fixed Rate component.

Drawdown Schedule means the one specified in the Facility Details, or another drawdown schedule we provide to you.

Pricing Period means the period that you select from the available options in the "Pricing Period" section in the Facility Details and which you tell us about prior to using the Facility, unless another period is required under the Bank Documents or we agree to a different period.

Principal Repayments means the principal repayments specified in the Facility Details or such other amount as specified in a Drawdown Schedule.

Rate Notice means a notice from us setting out the applicable interest rates and interest charges for each Component over a Pricing Period.

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BUSINESS LENDING GENERAL TERMS

Effective 9 May 2020

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1. What to read

These Business Lending General Terms apply to all Facilities you have with us. They should be read with your Business Letter of Offer which lists the Facilities we are offering you. For each Facility the letter will include:

- Facility Details (such as the purpose, pricing, limits, expiry date and key financial terms); and
- Specific Conditions (these govern the use of that type of Facility, together with these Business Lending General Terms).

The Facility Details and Specific Conditions may make changes to how these Business Lending General Terms apply to a Facility.

2. How we will work with you

2.1 Our promise to you

We will act reasonably and fairly towards you, taking into account your and our respective business interests. That includes whenever we are:

- considering any request you make; or
- deciding whether to give our consent or to exercise a right, discretion or remedy; or
- setting any conditions for doing any of those things.

It's worth noting that even if we don't make a decision or do something straight away, we may still do so later on. This includes where we delay or defer doing so, or we temporarily waive a requirement.

2.2 Our commitment to good banking practices

Doing the right thing is important to us. That's why we've adopted the Banking Code which sets the standards of practice and service for banks. The Banking Code applies to our relationship with you if you are an individual or a small business as defined in the Banking Code.

You can obtain from us, on request:

- information on our current rates and standard fees and charges relating to the Facilities; and
- a copy of the Banking Code.

To find out more about the Banking Code, visit nab.com.au and look up "Banking Code".

3. Getting started

Before you can use any Facility we will need the following (unless we've told you otherwise):

- a properly accepted Business Letter of Offer (it may be electronically signed);
- all Security specified in the Business Letter of Offer, satisfactory to us, with original title documents and anything else we need to register the Security and have it as first ranking security;
- details of any nominated or linked transaction account required in connection with the Facility;
- if we have asked you to insure any of your assets, evidence that you have obtained insurance we are comfortable with. That may include noting our interest on your policy; and
- anything else that the Facility Details ask for.

Also, we will need to be satisfied:

- with any valuation we require of your assets (this must be for a value, and from a valuer, we are comfortable with). See clause 13 for details;
- with our "know-your-customer" checks;

- with title, security, insolvency and corporate searches concerning you, any Security Provider and all Security assets. We will arrange these searches and let you know if there are any issues; and
- you are not in Default. See clause 11 for more details.

4. Using your Facilities

4.1 Basic requirements for each use of a Facility

Once we've received everything we need for you to start using a Facility, the basic requirements for each use are:

- you have given us a Drawdown Notice beforehand (so we have time to check everything is in order and make any funding available). Unless the applicable Specific Conditions say otherwise, we will need this at least 2 Business Days before the requested date of use;
- in the case of the first use of the Facility, the requested date of use is no later than the Last Date for Drawdown (if any) set out in the Facility Details;
- in all cases, the requested date of use is a Business Day no later than the Final Repayment Date;
- the requested use is for a purpose, and meets any other requirement, as specified in the Facility Details;
- using the requested amount won't cause any Facility Limit to be exceeded (and if the Facility has different components that you can use, it won't cause any component amount specified in the Facility Details to be exceeded);
- each Security remains valid and enforceable and, in the case of a guarantee, no guarantor has ended or limited its obligations; and
- you are not in Default. See clause 11 for more details.

4.2 Facility Limits

The Facility Details specify a limit for use of the applicable Facility, and whether that limit can change. If a Facility has different components that you can use, the Facility Details will also specify each component amount, which is the limit for use of a component.

If you exceed any limit without our agreement, you must pay us the excess immediately. Until you do, we may charge you interest on that excess amount in accordance with clause 7.4.

If you ask us in advance, we may let you temporarily exceed a limit. There may be a fee for exceeding your limit, which we will tell you about before we charge it. You will then need to pay us the excess when we ask you or on the date we've already agreed you will pay.

4.3 Reviewing your Facilities

We may review your compliance with the Bank Documents, your financial position and that of each Security Provider periodically (but at least annually).

You must give us all requested information, documents, consents and assistance in connection with a review. Following a review, we may continue to provide the Facilities on the same terms, or we may notify changes we may make under clause 14 or ask you and any Security Provider to vary Bank Documents or to enter new documents with us.

5. Payments

5.1 Regular payments

You must pay us the amounts, and at the times, set out in the Facility Details and Specific Conditions.

On the Final Repayment Date you must pay all the Facility Amount Owing. If you are not otherwise in Default, we will give you at least 3 months written notice if we intend not to renew any Facility after the Facility Expiry Date.

If any amount that we have not already told you about becomes payable under the Bank Documents, we will notify you and provide a reasonable time for you to pay.

5.2 What currency must you pay us in?

You must pay us in Australian dollars unless the Specific Conditions say otherwise.

If you pay us in a currency other than the one which was due, we can convert your payment into the due currency. We will act reasonably when making the conversion, but any Costs involved in converting currencies will be added to what you must pay us. Please contact us if you require information about converting currencies.

This also applies if we are debiting an account of yours which is in a different currency to the due currency.

5.3 Payment rules

If and when you are required to make a payment under a Bank Document, that payment must be made in full without any set-off, counterclaim, withholding or deduction, except as required by law (for example, where a court order permits). If you do have a dispute about a payment, please contact us so we can seek to resolve this with you as soon as possible.

If a payment falls due on a non-Business Day, you can pay us on the next Business Day unless the Specific Conditions say otherwise.

If we have not specifically agreed in your Bank Documents how we are to apply a particular payment, we will act reasonably in applying payments we receive for any Facility Amount Owing against your liabilities to us.

5.4 Payments under other Bank Documents

In addition to your obligations under clause 5.1, you must pay us all amounts that you are required to pay us under any other Bank Document in relation to credit or financial accommodation that we provide to you, at the times set out in those other Bank Documents.

6. Accounts

6.1 Dealing with your accounts

The Specific Conditions may require you to nominate or open accounts with us in your name in order to use a Facility. This is for recording transactions for the Facility.

We may also, at any time:

- open accounts with us in your name to record certain transactions relating to your Facilities; and
- debit any account held by you (or an account conducted by us in your name) with any Facility Amount Owing that is due and payable, or which we may become liable to pay in respect of a Facility, even if that causes an account to become overdrawn. If there are multiple accounts for your Facility, we can choose which account we debit from.

If you are in Default, we do not need to give you notice of this.

Where an account is overdrawn, the overdrawn balance is payable and we may charge you interest on the overdrawn amount:

- in accordance with the terms and conditions of that account; or
- if there is an overdraft facility linked to that account, in accordance with the terms and conditions of the overdraft facility (whether or not the overdrawn amount exceeds the facility limit), including clause 7.4 (if the overdraft facility is governed by these terms).

You should pay us the overdrawn balance of an account as soon as you can to help minimise your costs.

We may sometimes have to adjust the recorded date of a debit or credit to an account. We will act fairly and reasonably in doing so.

6.2 Account statements

We will give you any statements for your Facilities and accounts with us as required by the Banking Code, and may do so electronically. Statements of account will be provided at least every 6 months, unless we agree a different frequency or the Specific Conditions say otherwise.

7. Rates

The Facility Details and Specific Conditions specify the yearly rates and charges for a Facility. The Facility Details will say whether an applicable rate for a Facility (or, if applicable, for a component of a Facility) is a fixed rate, cap rate, floor rate, floating rate or variable rate, and how rates apply to the Facility. These details also include the available periods that rates apply for (sometimes referred to as interest periods or pricing periods). When a period ends, the next period starts on the last day of the previous period.

7.1 Interest calculation and charging

Unless the Specific Conditions say otherwise, we will calculate applicable interest at the end of each day on the outstanding loan or debit account balance for each Facility you have with us, and charge it to you on the last Business Day of each month and on the Final Repayment Date for each of your Facilities.

Unless paid when charged, the interest will be debited to an account you have with us or added to the Facility Amount Owing. This could mean you have to pay interest on any unpaid interest charged to you.

Daily interest is calculated at the annual interest rate divided by 365. For foreign currency Facilities, to get the daily rate we divide by 365 if in Fiji Dollars (FJD), Pounds Sterling (GBP) or Hong Kong Dollars (HKD), or by 360 in all other cases.

7.2 Variable rates and floating rates

If a variable rate or a floating rate applies to your Facility (or any applicable component of your Facility), the rate will be made up of an "indicator rate" plus one or more margins, each as specified in the Facility Details and applicable Specific Conditions. A variable rate or a floating rate therefore may change from day to day with changes in the indicator rate or in a margin.

You can contact us to find out the indicator rate. If an indicator rate is less than zero, it will be deemed to be zero for determining the applicable rate for your Facility.

7.3 Indicative rates

A rate listed in the Facility Details as 'indicative' or a 'current rate' is a guide only, and may not be the actual rate that applies. The Specific Conditions explain how the actual rate is determined and advised to you.

7.4 Overdue amounts and overdrawn Facilities

It is important that you pay all amounts on time and don't exceed your Facility Limits.

We may charge interest in respect of:

- any overdue amount of a Facility Amount Owing; and
- any use of a Facility above a Facility Limit.

We will charge interest at either:

- a rate that applies to the relevant Facility; or
- subject to clause 7.5, if no applicable rate otherwise applies (for example, if there is no applicable rate that applies to a reimbursement or indemnity amount owing to us), at a rate that is no greater than the highest annual rate of interest payable under any Facility that you have with us.

Interest at the applicable rate under this clause is calculated daily and charged to you on the last Business Day of each month and on the Final Repayment Date for each of your Facilities. Unless

paid when charged, the interest will be debited to an account you have with us or added to the Facility Amount Owning. This could mean you have to pay interest on any unpaid interest charged to you.

7.5 Default interest moratorium for Farmers

We will comply with our obligations with respect to 'default interest' in the Banking Code, including if the Banking Code requires us not to charge 'default interest' or default fees for whatever reason. In this clause, 'default interest' means the application of a higher annual percentage rate applicable under a loan because you are in default, for the period that the default continues.

This means that where you are a Farmer and we have provided you with a Facility for the purposes of a Farming Operation, we will not charge default interest or any default fees during any period in respect of which the land you use for that operation is in drought or subject to natural disaster. Land is in drought or subject to natural disaster if an Australian State or Territory Government makes a declaration to that effect, or where we are satisfied on other grounds that the land is in drought or subject to natural disaster.

You should tell us as soon as practicable if the land you use for a Farming Operation is in drought or subject to natural disaster. For the paragraph above to apply, you may need to tell us about your circumstances, and we will refund default interest or default fees (if any) which were charged during that period.

8. Fees, taxes and Costs

8.1 Fees

You agree to pay us each fee, charge, premium or other amount and at the times, specified in the Bank Documents. Unless otherwise stated, these amounts are not charged on a pro-rata basis and once paid, are not refundable.

8.2 Taxes and Costs

You agree to pay or reimburse us for all taxes and reasonable Costs incurred from time to time relating to:

- the Bank Documents, the Facilities you have with us and any transactions under them;
- title, security, insolvency and corporate searches concerning you, any Security Provider and all Security assets;
- preparing, registering and maintaining any financing statement or financing change statement (each as defined in the PPS Law) in relation to a Security, or taking any other action that in our reasonable opinion is necessary;
- preserving and maintaining the assets and property the subject of the Security (such as by paying insurance, rates or taxes for the property, including any interest, penalties and fines);
- a variation, release or discharge of any Bank Document, or giving a consent or approval or waiving a requirement in connection with a Bank Document;
- us acting or relying in good faith on any notice or other communication from you (or genuinely believed by us to be from you) including any email and any attachment to any email;
- a Default or us exercising or enforcing our rights (or reasonably considering or attempting to do so) under the Bank Documents; and
- the costs or remuneration of, or any amounts payable by us to any External Administrator appointed by us.

8.3 You indemnify us

You also indemnify us (and our officers, employees, contractors and agents), and must pay to us on demand amounts equal to any loss, damage or Costs arising as a result of or in connection with:

- any of the payment and reimbursement obligations listed in clause 8.2; and
- us preserving or enforcing our rights (or reasonably considering or attempting to do so) under the Bank Documents.

You don't have to pay, reimburse or indemnify us:

- to the extent our fraud, negligence or misconduct (or the fraud, negligence or misconduct of our officers, employees, contractors and agents) contributed to the relevant loss, damage or Costs being incurred; and
- if you are a Small Business, to the extent any fraud, negligence or misconduct by an External Administrator appointed by us contributed to the relevant loss, damage or Costs being incurred.

We need not have incurred an expense or made a payment before enforcing a payment, reimbursement obligation or indemnity.

8.4 GST

Unless otherwise specified, all amounts referred to in the Bank Documents are exclusive of GST. If we are liable to pay GST or a similar tax on a supply (as defined in relevant GST legislation) made in connection with a Bank Document, you must pay us an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

9. Promises we rely on

We are relying on some important promises from you to provide the Facilities. These promises are given when you or a Security Provider sign any Bank Document, and again while using a Facility.

9.1 Promises about you and the Security Providers

You promise that:

- you hold all necessary approvals, licences, registrations and permits required to run your business;
- the financial information given to us by you and each Security Provider, or on your or a Security Provider's behalf, gives an accurate and up to date view of your and each Security Provider's financial positions;
- you have not withheld any information from us which might reasonably be expected to affect our decision to provide any Facility to you;
- you don't have a material dispute with anyone;
- entering into the Bank Documents is for your and each Security Provider's own commercial benefit;
- you are not Insolvent;
- no Security Provider is Insolvent;
- you have told us about all Defaults you are aware of;
- except as specified in your Business Letter of Offer, you are not a trustee of any trust nor a partner in a partnership;
- signing the Bank Documents and using a Facility will not cause:
 - you to breach any law of Australia or elsewhere (including sanctions) or any agreement you have with someone else; or
 - any payment obligation you owe to anyone to become due earlier than scheduled;
- you have told us about any Security Interest granted by you or a Security Provider to anyone else;
- you, and each Security Provider, will not remove, sell or dispose of, or grant or permit the creation of, any interest (including a Security Interest) in any property or assets secured under a Security (or try to do so) unless we give our consent;

- you are currently complying with your obligations to us under this Agreement and any other Bank Document; and
- if you have a Specialised Facility or you are not a Small Business, any Financial Covenants are complied with.

9.2 Trustee promises

If you enter into a Bank Document as a trustee, your liability to us is supported by you personally, your own assets and the trust assets. You also promise that:

- you are the only trustee of the trust and no steps have been taken to remove you as trustee;
- you have power and authority to enter into the Bank Documents and are doing so in good faith, for a proper purpose and for the benefit of all of the beneficiaries of the trust;
- you have the right to be fully indemnified out of the trust assets for obligations incurred as trustee under the Bank Documents ahead of the beneficiaries' claims;
- you are not in breach (however described) under the terms of the trust;
- you will not without our prior written consent:
 - amend the trust deed;
 - cease to be the only trustee; or
 - breach your duties as trustee of the trust.
- the trust has not vested or terminated; and
- true copies of the trust documents have been provided and they disclose all the terms of the trust.

9.3 Partnership promises

If you enter into a Bank Document as a partner of a partnership, you promise that:

- you have the full power and authority on behalf of the partnership (including under any partnership agreement) to sign and comply with the Bank Documents as a partner to bind the partnership, and doing so is for the proper business of the partnership; and
- true copies of any documented partnership agreements have, if requested by us, been provided by you and they disclose all the terms of the partnership.

10. Things you will do, or not do

We are relying on your agreement to do, or to not do, certain things, as set out in the Bank Documents. This applies for as long as you have a Facility or otherwise owe us any money.

You will:

- keep your business and financial records in good order;
- not significantly change the nature of your business without our consent;
- maintain insurance for your business, assets and premises for a reasonable amount. You will take out more insurance if we ask you to; and
- let us know straight away if you become aware of a Default or if you think one is reasonably likely to occur, or if anything happens which means that any of the promises in clause 9 becomes untrue.

10.1 Trustees

If you enter into a Bank Document as a trustee you will:

- give us copies of all of the trust documents we ask for;
- when we ask, exercise your right to be indemnified out of the trust assets to satisfy any liabilities under the Bank Documents; and
- comply with the terms of the trust and ensure that your rights as trustee have priority over the beneficiaries' interests.

You agree not to do any of the following without our written consent:

- end the trust, or distribute trust assets;
- change the trust terms;
- change the trustee of the trust;
- allow a Security Interest to exist over any trust asset;
- (if the trust is a unit trust) issue units to any person who is not a unit holder on the date of your Business Letter of Offer.

10.2 Partnerships

If you enter into a Bank Document as a partner of a partnership, you must make sure that:

- each partner complies with its obligations as a partner of the partnership;
- the partnership's records are in good order;
- you obtain our written consent before:
 - any changes are made to the partners or the terms of the partnership;
 - the partnership is terminated, or its property distributed;
 - taking action which could make it harder for a partner to comply with a Bank Document; or
 - mixing partnership assets with other assets.

10.3 Self-managed superannuation funds

If you are a trustee of a self-managed superannuation fund regulated under the Superannuation Laws, you need to comply with those laws.

If you wish to use a Facility to buy an asset, you will need to sign and comply with the terms of a Superannuation Deed in a form acceptable to us.

Our recourse to your fund will be limited in accordance with the terms of the Superannuation Deed. Please note that the terms of the Superannuation Deed prevail over any inconsistent term in another Bank Document.

Due to the requirements of the Superannuation Laws, despite any other term in a Bank Document you must not redraw any amount you repay under a Facility. The reasons you must not redraw include that your superannuation fund may not comply with the Superannuation Laws if a redraw occurs and there may also be adverse tax consequences for your superannuation fund. We recommend you seek your own independent taxation, legal and financial advice.

If you have used a Facility to buy an asset, you agree to not overdraw your accounts and to pay, or direct your security trustee to pay, us any proceeds received:

- from any insurance claim relating to the asset, before repaying the Facility Amount Owning; and
- if the asset is compulsorily acquired, sold or otherwise disposed of, immediately following receipt.

10.4 Co-operation

You will immediately give us any document or information we reasonably ask for and do what we reasonably require to give full effect to the Bank Documents.

10.5 What if you don't comply with your promises?

Even if you are not in Default at the time, if you or a Security Provider don't comply with promises or other obligations in a Bank Document, we may contact you and invite you to discuss your situation with us and the options available to assist you to meet your obligations.

If we determine a failure to comply is continuing, and is reasonably likely to have a significant negative impact on:

- you or a Guarantor being able to make any payment due under a Bank Document; or
- our credit or security risk (or our ability to assess these) – for example, our ability to recover any Facility Amount Owing or the value of any Security; or
- our legal or reputation risk,

we may review your Facilities.

You must give us all requested information, documents, consents and assistance in connection with a review.

If you are not a Small Business, as a result of a review we may notify you that:

- we are making a change to your Facility in accordance with clause 14;
- we would like you and any Security Provider to agree to other changes to a Bank Document or to enter into a new document with us. (A failure to agree to a change or to enter into a new document with us may lead to us no longer wishing to continue the Facilities); or
- we no longer wish to continue the Facilities, in which case you will need to pay us the Facility Amount Owing within 90 days (or such later date we advise you).

Any review does not affect our rights if later you are in Default.

11. Default

Defaults are events or circumstances (sometimes outside your control) which may impact upon your or a Guarantor's ability to meet their respective obligations under a Bank Document, or which are outside our credit policies.

There are two types of Default, and each has different consequences and timeframes before we may become entitled to take Enforcement Action:

- a Payment Default – see clause 11.1; and
- specific events of non-monetary default (referred to as Adverse Events) – see clause 11.2.

11.1 Payment Defaults and consequences

What is a Payment Default?

A Payment Default occurs if you don't meet all your payment obligations under this Agreement, including those in clause 5.

What are the consequences of a Payment Default?

If a Payment Default occurs you are in Default, but we will give you a notice that a Payment Default has occurred allowing at least 30 days (or 7 days if you are not a Small Business) to remedy it.

However, we may give you a shorter notice period, or no notice period (or if you are not a Small Business, we do not need to give you any notice), if:

- the Payment Default is unable to be remedied;
- we have already given you a period to remedy an Adverse Event under clause 11.2 and you have not remedied that Adverse Event;
- it is reasonable for us to do so to manage a material and immediate risk relating to the nature of the Payment Default, your particular circumstances, or the value of the Security; or
- you or a Guarantor is Insolvent (but if you are a Small Business it must still be reasonable for us to act to manage the material and immediate risk as described above).

We can immediately take any or all of the Enforcement Actions listed in clause 11.4 where:

- a Payment Default is not remedied within the required notice period set out in any notice given under this clause (or within any longer period we allow);
- we give a notice under this clause but are not required to give a notice period; or
- we are not required to give a notice.

11.2 Adverse Events and consequences

What is an Adverse Event?

An Adverse Event occurs if any of the following occurs (whether or not within your control):

- ***Insolvency:***
 - you are Insolvent;
 - a Guarantor is Insolvent;
- ***Loss of capacity:*** you or any Guarantor no longer has legal capacity;
- ***Creditor enforcement:*** enforcement proceedings are taken against you or a Guarantor, or your or their assets, by another creditor;
- ***Cross default:***
 - early repayment is required under a separate financing arrangement you or a Guarantor has with us, or default based action is taken against you or a Guarantor by us, due to an event of default which is of the same kind as an Adverse Event in this Agreement;
 - if you are not a Small Business, you are, or any Guarantor is, in default (however described) under any Security or other document, agreement or arrangement with us;
- ***Breach of law:*** we believe, on reasonable grounds, that you or a Guarantor have not complied with the law or any requirement of a statutory authority, or it becomes unlawful for you or us to continue with a Facility;
- ***Misrepresentation:*** you or a Guarantor gives us information or makes a representation or warranty to us (including any promise made under any Bank Documents) which is materially incorrect or misleading (including by omission);
- ***Improper use of Facility:*** you use a Facility for a purpose not approved by us;
- ***Improper dealings with assets:*** without our consent, your assets or a Guarantor's assets are dealt with, or attempted to be dealt with in breach of this Agreement, any Security or any other agreement with us;
- ***Failure to provide financial information:*** you or a Guarantor do not provide financial information required by any Bank Documents;
- ***Failure to maintain licence or permit:*** you or a Guarantor do not maintain a licence or permit necessary to conduct your respective businesses;
- ***Failure to maintain insurance:*** you or a Guarantor do not maintain insurance required by any Bank Documents. This includes, for example, where the insurance becomes unenforceable because of any action or inaction by you;
- ***Change of control:*** without our consent, there is a change in the legal or beneficial ownership, or management control of you or a Guarantor, or of your or a Guarantor's business;
- ***Change of status, capacity or composition:*** without our consent, there is a change in the status, capacity or composition of you or a Guarantor; and
- ***Specialised Facilities and Financial Covenants:*** if you have a Specialised Facility, or you are not a Small Business:
 - any 'Financial Covenant' specified in this Agreement is not complied with; or
 - an event or circumstance specified in this Agreement as an 'Adverse Event' occurs.

If you are not a Small Business, then references to "Guarantor" above are read as references to "Security Provider".

What are the consequences of an Adverse Event?

If an Adverse Event occurs, then you are in Default.

You must promptly give us any information we ask for concerning an Adverse Event.

If an Adverse Event has occurred which by its nature is material, or we reasonably consider has had, or is likely to have a significant negative impact on:

- you or a Guarantor being able to make any payment due to us under any Bank Document;

- our security risk (or our ability to assess this) – for example, the value of any Security; or
- our legal or reputation risk where the Adverse Event is one described above under 'Breach of law', 'Misrepresentation' or 'Improper use of a Facility',

then we may issue a notice ("**Adverse Event Notice**").

An Adverse Event Notice will set out the grounds on which we consider there is an Adverse Event and allow you at least 30 days to remedy the Adverse Event (if it can be remedied) or to submit to us a plan to resolve the Adverse Event to our satisfaction.

If, after the period specified in the Adverse Event Notice:

- the Adverse Event has not been remedied to our satisfaction; or
- your plan to resolve the Adverse Event was not satisfactory to us,

then we may give you a further notice that the Adverse Event has not been remedied and allowing at least 7 days (or a longer period required by law) to remedy the Adverse Event.

However, we may give you shorter notice periods than those described above or no notice periods (or if you are not a Small Business, no notices), in relation to an Adverse Event where:

- it is reasonable for us to act to manage a material and immediate risk relating to the nature of the relevant Adverse Event, your particular circumstances or the value of the Security, for example, if we became aware that you were attempting to sell any assets or property secured under a Security contrary to the terms of a Bank Document; or
- you or a Guarantor is Insolvent (but if you are a Small Business it must still be reasonable for us to act to manage the material and immediate risk as described above).

We can immediately take any or all of the Enforcement Actions listed in clause 11.4 where:

- we give a notice under this clause and an Adverse Event is not remedied within the required notice period set out in the notice given (or within any longer period we allow);
- we give a notice under this clause but we are not required to give a notice period; or
- you are not a Small Business, we have decided in accordance with this clause not to give a notice.

If we are not entitled to take any of the Enforcement Actions listed in clause 11.4, then we may ask for further information and we may review your Facilities in accordance with clause 10.5.

11.3 What if another Default occurs during the remedy period?

Even if you remedy a Default during the applicable remedy period specified in a notice, we may still take Enforcement Action if another Default of the same type has arisen during that period.

11.4 Enforcement Actions

After any applicable steps and time periods described above, when you are in Default we can take any or all of the following (each an "**Enforcement Action**"):

- by notice to you, make any Facility Amount Owing immediately due and payable without the need to give any further notice other than as required by law;
- by notice to you, cancel the Facilities with immediate effect;
- by notice to you, cancel or reduce all or any part of a Facility Limit (or if applicable, a component limit) with immediate effect;
- close out any treasury transactions we have entered into in relation to a Facility (such as hedging, money market or currency transactions) and set-off any resulting amounts we owe you against any Facility Amount Owing;..
- continue to charge interest at the applicable interest rate or otherwise in accordance with clause 7.4 on any overdue amounts (including interest);
- at our discretion, apply amounts we receive in respect of any Facility Amount Owing to any part of the Facility Amount Owing which you are then obliged to pay. We may do so even if you ask or direct us otherwise, but we will act reasonably in the circumstances and in accordance with the law;
- sue you for any Facility Amount Owing; and

- enforce any Security.

The order in which we enforce any Security may be affected by the Banking Code. For example we may be required to take enforcement action under a Security provided by a Borrower before we take enforcement action under a Security provided by a Guarantor.

11.5 Concurrent notices

We, or an External Administrator, may give you any other notice that is required by law in connection with enforcing a Security Interest at the same time as we give you a notice under this clause 11.

11.6 Appointment of consultants

We may appoint a consultant at any time to investigate and report to us on your or a Guarantor's business, and on compliance of any party with the Bank Documents.

If, based on what we know or suspect, we think a Default exists or is likely to exist in future you will, if we ask, pay our reasonable Costs in relation to the consultant, or appoint a consultant we nominate or approve on terms acceptable to us. We can charge all related Costs that you have to pay to any of your accounts.

You will help us and the consultant as soon as you are asked to.

Where you have paid the Costs of the consultant, we will (unless the consultant is a lawyer) give you a copy of our instructions to the consultant and extracts of their report in accordance with industry guidelines published by the Australian Bankers Association Inc.

Investigated parties are not required to adopt any recommendation, but if they do we are not responsible for it.

11.7 Set-off and combining your accounts

We may at any time:

- combine and amalgamate any two or more accounts held by you (or an account conducted by us in your name) with us;
- set off or transfer any credit balance on any such account towards satisfaction of any amounts due and owing by you to us (whether alone or with any other person); and
- do anything reasonably necessary to enable us to do this, such as converting currency using our exchange rate.

However, if you are a Small Business, we will not exercise these rights unless either we give you notice or there is a Default. Otherwise, we will notify you after exercising these rights.

11.8 Overdraft or on-demand facility

If you have an overdraft or other on-demand facility (such as a commercial cards facility), we can require repayment of that on-demand facility at any time, whether or not there is a Default.

If you do not repay an on-demand facility when we ask, that will be a Payment Default under any other Facilities that you have with us. However, we will comply with clause 11.1 for that Payment Default.

12. Change in law, anti-money laundering, counter-terrorism financing and sanctions

12.1 Consequences of a change in law

If the law changes and we reasonably believe that it will be against the law for us to provide or continue to provide a Facility to you, we will:

- let you know as soon as we can; and
- work with you to ensure the law is being complied with.

If we are required by law to ask you to pay back some or all of the amounts you owe us we will give you as much notice as the law allows.

12.2 Increased costs or reduced amounts received

If any law or prudential standards, policies or requirements applying to us changes and we reasonably believe that there will be:

- a material increase in the cost to us of providing or maintaining the Facilities; or
- a material reduction in the effective return or amount we are able to receive in relation to a Facility,

then we will let you know as soon as we can and try to eliminate or reduce the amount of the adverse impact on us.

To the extent that we cannot eliminate or reduce the amount of the adverse impact you must compensate us for that amount.

12.3 Anti-money laundering, counter-terrorism financing and sanctions

You must comply, and must ensure each Security Provider complies, with all applicable requirements relating to anti-money laundering, counter-terrorism financing or sanctions.

We may take, or avoid taking, any action (for example, we may delay, block or refuse to process any payment or other transaction) if in our reasonable opinion to do otherwise may:

- breach any law of Australia or elsewhere (including any sanctions); or
- result in a fine being imposed on, or any other regulatory action being taken against, us, any of our subsidiaries, any body corporate that is directly or indirectly related to us, or any entity with whom we have entered into arrangements in connection with any services provided under the Facilities.

12.4 Regulatory events

From time to time, our ability to provide the Facilities to you may be interrupted, prevented, delayed or otherwise adversely affected by regulatory events such as the application of anti-money laundering or counter-terrorism financing laws or sanctions, changes in law or prudential standards, policies or requirements applying to us, or by the actions of a regulatory authority.

If you are affected by, or suffer a loss due to a regulatory event, we, our subsidiaries and related bodies corporate are not liable and are not required to challenge or mitigate the effect of the regulatory event on you or on us.

If we are liable, our liability is limited to re-supplying the Facilities to the extent that we are able to and are allowed to by law.

You agree that we can share information with other financial institutions and regulatory authorities about you, the Facilities, a regulatory event or another person connected with any of them.

If we ask, you agree to promptly provide us with any document or information about yourself, the Facilities or any person connected with you or the Facilities and to help us manage risk, comply with our obligations or obtain any consent we need.

13. Our security

13.1 Valuations

At any time we reasonably require we may instruct a valuer to value any Security and any property that is the subject of any Security. A valuation may be obtained in order to assess:

- the value of assets the subject of a Security or proposed Security;
- our credit and security position for existing or prospective Facilities; or

- compliance with Financial Covenants (where applicable) or any other conditions in this Agreement, or for any other purpose we tell you about.

You agree to:

- co-operate with the valuer;
- pay when asked any fees and charges in connection with the valuation; and
- comply with every reasonable request to provide assistance to the valuer including providing authorisations, relevant information, records, access to individuals, premises and business equipment used in the conduct of your business.

Unless we have commenced enforcement proceedings (as defined in the Banking Code), where you have paid (or reimbursed us) for a valuation of commercial or agricultural real property, we will provide you with a copy of that valuation and the instruction to our valuer. We may require you to acknowledge in writing that you accept our reasonable limitations on your use of the valuation before we provide it to you. We will also give you the benefit of any additional rights you have under the Banking Code to receive valuation information from us.

Please note that we and the valuer are not responsible or liable to you or any Security Provider for the contents of a valuation.

13.2 Protecting our security position

If we think that a PPS Law:

- applies or will apply to, or in connection with, a Bank Document; and
- does, or may adversely affect our security position, our rights or obligations in connection with a Bank Document,

we may ask you and you will help us immediately at any time including by:

- providing us with all information we request and taking all actions to help us perfect the Security;
- amending any Bank Document or executing any new Bank Document; and
- to continuously, or as and when we require you to, perfect any Security so it has priority and protection from loss, termination and diminution.

13.3 Personal property security policies and steps

You will promptly take all reasonable steps which are prudent for your business in connection with the PPS Law, such as registering any Security Interests you receive in the ordinary course of your business. Where appropriate or when we ask you to, you will identify, protect and achieve the highest priority reasonably available for your Security Interests.

13.4 Change of details

You must notify us in writing at least 14 days before:

- you or any Security Provider, trust or partnership changes its name;
- any ABN, ACN, ARBN or ARSN allocated to you or any Security Provider, trust or partnership changes, is cancelled or ceases to apply to it (or if it does not have an ABN, ARBN or ARSN, one is allocated, or otherwise starts to apply to it); or
- you or any Security Provider becomes trustee of a trust, or a partner of a partnership not stated in your Business Letter of Offer.

13.5 PPS Law waiver

You waive, to the extent permitted under the PPS Law, your right to receive any notices we are required to give under the PPS Law.

13.6 PPS Law disclosure

You agree not to disclose or authorise the disclosure to any person any information of the kind described in section 275(1) of the PPS Law or to waive your duty of confidence to us.

14. Changes we may make

We may need to make changes to your Facilities from time to time. We may make some changes without your consent, some changes occur automatically and some changes require your agreement. We promise to act reasonably when we make any changes.

14.1 Types of changes we may make

We may make the following types of changes without your consent:

- introduce a new fee, charge or premium;
- change the amount of a fee, charge or premium, how it is calculated or when it is charged;
- change a rate (other than a fixed rate), including by changing or replacing the relevant indicator rate or a component used in determining a rate, or by changing, adding or removing a margin (including by making a margin positive or negative);
- change your repayment obligations, including the amount of or timing for any repayment, or your repayment type;
- change the frequency with which interest is debited or credited; and
- make necessary changes due to a change in law, to comply with or our prudential obligations as a bank, or as required by the Banking Code.

Any other changes to a Bank Document will need your agreement.

14.2 When we will notify you of changes we make

We will give you at least 30 days' notice of a change we make, except as follows:

- If we change an interest rate, including any indicator rate, we will comply with the notice requirements in the Banking Code and tell you no later than the date of the change – unless we are not able to because the interest rate is calculated according to a money market or other external reference rate, or a rate otherwise designated as a variable or floating rate.
- If we reasonably consider a change (other than a change to interest rates or repayments) will be unfavourable to you and the same change is not being made to similar facilities of our other small business customers, we will give you at least 90 days' prior written notice of the change (however, we may give you a shorter notice period, if it is reasonable for us to manage a material and immediate risk).
- If there is a change to, or introduction of a government charge that you pay under your Facility, we will tell you about it reasonably promptly (however, we do not have to notify you if it is publicised by the government).
- If there is a change that reduces your obligations (for example, a reduction in a rate or fee), we may give you a shorter notice period, or no notice period, if not inconsistent with the Banking Code. However, we will give particulars of any such change as soon as reasonably possible, even if this is after the change takes effect.
- If repayment amounts have changed as a result of a change in a variable rate (for example a Business Options Loan where a variable rate applies), we may not provide notice of the change in repayment amount. A change in repayment amounts as a result of a change in a variable rate may not happen immediately, but will generally occur up to 12 months after a variable rate change. In cases where a variable rate has changed but the repayment amount has yet to be re-calculated to reflect the rate change, the portion of your repayment amount allocated to paying down your principal may change until such time the repayment amount has been re-calculated. For example:
 - If the variable rate goes up, your repayment amount will generally go up in the 12 month period after the rate changes. Until that happens, your total repayment amount will not change, but the breakdown of your interest and principal repayments will – the portion of your repayment amount allocated to paying down your principal will go down (and you will pay more interest).

- If the variable rate goes down, your repayment amount will generally go down in the 12 month period after the rate changes. Until that happens, your total repayment amount will not change, but the breakdown of your interest and principal repayments will – the portion of your repayment amount allocated to paying down your principal will go up (and you will pay less interest).

If you require more information about your repayments, or want to change your total repayment amount (for example, if you want to increase your repayment amount so that you are paying the same amount of principal when interest rates go up), please contact us.

14.3 How we will tell you about changes we make

We will notify you of changes we make by either writing to you or putting an advertisement in national or local media.

14.4 What you can do if you don't like a change

If you don't agree with a change we make or are proposing to make, you may terminate the Facilities by notifying us in writing and repaying us each Facility Amount Owing. Economic Costs may be payable (see clause 15).

15. Economic Costs and benefits

An 'Economic Event' occurs if all or part of a Facility is being re-priced by agreement, or becomes payable or is cancelled, repaid or discharged early for any reason (including following a Default).

There are no early termination fees on your Facilities under this Business Letter of Offer.

However, if an Economic Event occurs, we may need to liquidate funds or deposits or terminate, reverse or vary an agreement, arrangement or transaction we entered into to hedge, fix or limit our effective cost of funding or maintaining all or part of a Facility. In that case, we will determine and advise you of any resulting Economic Costs to us, or whether there is a benefit to you of any net amount of returns and gains obtained by us, including because of any changes in rates applicable to a Facility (all other things being equal).

You must pay us the amount of any advised Economic Costs, and if applicable to your Facility, we will pay you the amount of any net returns and gains we obtain.

Please note that the amount of Economic Costs you may need to pay following an Economic Event can be significant, and will increase the Facility Amount Owing.

16. Communications

16.1 How we will communicate

Notices, statements, certificates and other communications from us can be:

- given to you personally;
- left at or posted to your address last nominated by you;
- sent by facsimile to your fax number last nominated by you;
- given to you by notifying you through an electronic service provided by us that information is available electronically;
- published in the press or at nab.com.au; or
- given to you electronically by:
 - short message service (SMS) to your mobile telephone number or email; or
 - notifying you by short message service (SMS), or by email, of information on our website.

We will use your last nominated mobile number or email address for notices. You may change your nominated email address or mobile number, by giving us notice or calling us on 13 10 12. On request, we will provide you with paper copies of any notices or communications sent to you (seven years from the time the information is given). You must check your email and mobile phone regularly.

Your Specific Conditions also may specify how we will communicate some types of information to you.

If we send a document or communication to you by ordinary post, you are taken to have received it 7 Business Days after it was posted.

A document or communication sent by facsimile is received by you at the time and date shown on the delivery receipt.

A document or communication sent by another form of electronic communication (such as SMS or electronic mail) is taken to be received when it enters your information system as recipient.

A document or communication published in the press or on the internet is taken to be received by you when it is first published.

16.2 Communications from you

Written communications from you must be signed (including electronically) by you (or by a director or another person we have approved in the case of a company or another entity).

16.3 Telephone recording

We may record some conversations with you. We will notify you before we do so or use the recording for any external purpose.

16.4 Contacting us for further information

For further information call 13 10 12 or visit nab.com.au.

17. Interpretation, assignment and confidentiality

17.1 How this document is to be understood

We have tried to make the Bank Documents fair and reasonable. However, if any law applies to make part of a Bank Document inoperative then the intention is for it to be interpreted in a way which preserves as much of the Bank Document and its operative effect as the law allows.

17.2 Applicable law

This document is governed by the laws of the state or territory where the office issuing this document is located. You agree to any court dispute being conducted in the courts of that place.

17.3 Assignment

We may assign or otherwise deal with our rights under the Bank Documents in any way we consider appropriate (subject to the Banking Code if you are a small business). If we do so, you agree to help us including by signing any document or providing consent. We may disclose any information or document to do so. You cannot assign your rights under the Bank Documents without our prior written consent.

17.4 Confidentiality

We and you agree to keep any information provided to each other and the Bank Documents confidential. We and you will only disclose that information:

- to our respective officers, employees, legal and other advisers and auditors;
- to an External Administrator;
- to third parties with the consent of the other party (such consent not to be unreasonably withheld);
- if required by the rules of any relevant financial market or if allowed or required by law; or
- if there is a regulatory event (as described in clause 12).

We may also disclose that information:

- if we are assigning or otherwise dealing with our interest under any of the Bank Documents or proposing to do so;

- to register or maintain our Security;
- to enforce our rights under any of the Bank Documents; or
- to any Security Provider (or to a person we believe may become a Security Provider), but on the same confidential basis set out above.

17.5 Law and legislation

Unless the context requires otherwise, a reference in the Bank Documents to legislation or other law or a provision of them includes regulations and other instruments under them, and any consolidation, amendment, re-enactment or replacement.

18. Meaning of words

The meanings of some words used in your Business Letter of Offer and these Business Lending General Terms are set out below, or may otherwise be explained in your Business Letter of Offer.

Adverse Event has the meaning given in clause 11.

this **Agreement** means the agreement between you and us in relation to the Facilities, as set out in the applicable Bank Documents.

Bank Documents means:

- your Business Letter of Offer;
- the documents listed at the start of that letter (including this Agreement, these Business Lending General Terms, Specific Conditions and the Business Banking Fees: A Guide to Fees and Charges);
- any Security; and
- any other document, agreement or arrangement you have with us from time to time.

Banking Code means the version of the Banking Code of Practice as published by the Australian Banking Association which applies, or that we agree applies, to your Facilities.

Banking Day means a day from Monday to Friday on which we are open for business in Sydney.

Business Day means a day from Monday to Friday on which we are open for business in at least one of our branch locations in Australia.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Costs means our costs, charges, fees, expenses and other outgoings. This includes where we appoint advisers, lawyers or professional consultants and the reasonable expenses incurred by our staff and for the use of our operations, premises and resources.

Default has the meaning in clause 11.

Drawdown Notice means a notice requesting use of a Facility, or otherwise giving instructions in relation to a Facility, in a form and substance acceptable to us.

Economic Costs means any Costs and losses following an Economic Event.

Economic Event has the meaning given in clause 15.

Enforcement Action has the meaning in clause 11.4.

External Administrator means a receiver, receiver and manager, administrator, liquidator, provisional liquidator, controller or bankruptcy trustee.

Facility means any bank product we agree to provide to you under your Business Letter of Offer.

Facility Amount Owing means all money which you (whether alone or not) are, or at any time may be, liable to pay us under, or in connection with, a Facility.

Facility Details means the details for each Facility in your Business Letter of Offer.

Facility Limit means a financial limit for use of a Facility or a component of a Facility, as set out in the Facility Details.

Farmer means a person (whether an individual person or a corporation) who is solely or principally engaged in a Farming Operation and includes a person who owns land cultivated under a share-farming agreement and the personal representatives of a deceased farmer.

Farming Operation means a business undertaking that primarily involves one or more of the following activities:

- agriculture (for example, crop growing and livestock or grain farming);
- aquaculture;
- the cultivation or harvesting of timber or native vegetation; or
- any activity involving primary production carried out in connection with an activity referred to in the above bullet points.

Financial Covenant means a covenant specified in this Agreement which requires you to comply with, or report on, specified financial parameters, typically measured against your financial results in your financial statements. If you are:

- a Small Business, you may need to report on Financial Covenants to help us monitor our credit and security position, as set out in your Business Letter of Offer; and
- not a Small Business or you have a Specialised Facility, you must comply with a Financial Covenant specified in this Agreement, as noted in clause 9.1.

Final Repayment Date means, in respect of a Facility, the earlier of:

- the Facility Expiry Date (if any) specified in the Facility Details, or a later date as notified by us to you in writing;
- the date the Facility Limit is cancelled; or
- the date the Facility is terminated or otherwise ends,

or if that day is not a Business Day, the next Business Day (unless otherwise stated in the Specific Conditions for that Facility or unless otherwise agreed).

GST means goods and services tax as imposed under the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Guarantor means any person who provides a guarantee to us.

A person is **Insolvent** if:

- they are (or state they are) insolvent or an insolvent under administration (each as defined in the Corporations Act);
- they have an External Administrator appointed to them or any of their assets, are in liquidation, in provisional liquidation, under administration or being wound up;
- execution, distress, or any other process is attempted or imposed regarding any of their undertaking, property or assets;
- a compromise, arrangement, assignment, moratorium or composition is proposed with, or becomes effective in relation to, their creditors or any class of their creditors (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by us);
- an application or order has been made (and, in the case of an application, it is not stayed, withdrawn or dismissed within 30 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with them, which is preparatory to or could result in any of the things referred to above;
- they are taken (under section 459F of the Corporations Act) to have failed to comply with a statutory demand;
- they are the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act;
- they are a natural person who commits an act of bankruptcy within the meaning of the Bankruptcy Act 1966 (Cth);
- they are otherwise unable to pay their debts when they fall due; or
- something having a substantially similar effect to any of the things referred to above happens in connection with them under any law.

Our, We and Us means National Australia Bank Limited ABN 12 004 044 937 and its successors and assigns. Sometimes we refer to ourselves as NAB.

Payment Defaults are described in clause 11.

PPS Law means the *Personal Property Securities Act 2009 (Cth)*.

Security means the 'Security' specified in your Business Letter of Offer or any Facility Details, and any other Security Interest granted to or held by us from time to time in connection with a Facility or any Facility Amount Owing.

Security Interest means a document or act creating a security for the payment of money or performance of an obligation. This includes a 'security interest' as defined in the PPS Law, and any general security, specific security, mortgage, charge, lien, pledge, guarantee, title retention, right of set-off, assignment of income, garnishee order or monetary claim and flawed deposit arrangements.

Security Provider means a Guarantor and any other person who provides a Security to us.

You are a **Small Business**, when the total of our business finance credit exposures to you and your related entities (that are businesses) is less than \$5,000,000. This includes the total of all your existing debt to us, any undrawn amounts in relation to that debt, and any other credit or financial accommodation provided or being applied for. Your 'related entities' are those which fall within the definition of 'related entity' under section 9 of the Corporations Act and could include, for example, those entities which we reasonably determine are under common ownership control or management control with you or by you. We may make any such determinations under our aggregate risk exposure policies.

Specialised Facility means a Facility:

- used to fund property development; or
- used to fund a specialised lending transaction, which because of its nature, requires additional covenants to help us manage our risks, including margin lending, loans to self-managed superannuation funds, bailment, invoice discounting, construction finance, foreign currency loans and tailored cash flow lending.

Specific Conditions – these are set out for each Facility in your Business Letter of Offer.

Superannuation Deed means a superannuation acquisition financing deed or superannuation financing deed (see clause 10.3).

Superannuation Laws means the *Superannuation Industry (Supervision) Act 1993 (Cth)*.

You means each person identified as "you" in this Agreement and, if there is more than one person, means each person separately and every two or more jointly. It also includes your successors, and if you are a partnership, it includes the partnership as reconstituted from time to time (for example after admission, retirement, death or incapacity of a partner).

For more information call

13 10 12

7 days a week

8am – 8pm AEST, Monday – Friday

9am – 6pm AEST, Saturday – Sunday

or visit us at nab.com.au



Hearing impaired customers
with telephone typewriters
can contact us on **13 36 77**

DRAFT



Berrigan Shire Council

Att: Jacq-Lyn Davis

56 Chanter Street

BERRIGAN NSW 2712

Dear Jacq-Lyn,

RE: Request to Waive Fee

On behalf of the BDDA (Berrigan & District Development Association) we would like to request that the application fee for the A Festival of Music on Chanter(Event name is still pending) road Closure to be waived.

We request that the council also review to have the Alcohol restriction lifted from 5pm to 11pm on Friday 26th March 2021 for Chanter Street Berrigan.

We await your positive reply at your earliest convenience.

Regards

John Lane

BDDA President

BERRIGAN SHIRE COUNCIL
04 JAN 2021
FILE _____
REFER TO <u>So</u>
COPY TO _____
ACTION / CODE
ACKNOWLEDGE Y / N



56 Chanter Street
 BERRIGAN NSW 2712
 Telephone: 03 5888 5100
 Facsimile: 03 5885 2092
 Email: mail@berriganshire.nsw.gov.au

APPLICATION FORM

Development / Construction / Local Activity / Road Activity

Environmental Planning and Assessment Act 1979
 Local Government Act 1993
 Roads Act 1993

Please be advised that Council recommends that you consult with a Council Officer **before** submitting this application and/or refer to Berrigan Shire Council's Application Guide (Copies are available from Reception or www.berriganshire.nsw.gov.au).

1. APPLICANT DETAILS	
Name/s:	BDDA
Company:	
Postal Address:	PO Box 116
Town:	BERRIGAN
State:	NSW
Postcode:	2712
Phone #	03 5885 2382
Mobile #	
Email:	mail@dawmac.com.au
Applicant Signature	Date: 24/12/20

2. LAND OWNER DETAILS (If different to applicant)	
Name/ Company: (If more space required, attach list)	
Postal Address:	
Town:	
State:	Postcode:
Phone #	
Email:	
Owner Signature	Date:

3. TYPE OF APPLICATION	
Development Consent (DA)	<input type="checkbox"/>
Construction Certificate (CC)	<input type="checkbox"/>
Complying Development Certificate (CDC)	<input type="checkbox"/>
Modification of Development/Complying Development Certificate Consent No: _____	<input type="checkbox"/>
Local Activity (s.68) (also complete Attachment A)	<input checked="" type="checkbox"/>
Description: A Festival of Music on Chanter	
Application for Works, Structures & Activities on a Council Road: (also complete Attachment E)	<input type="checkbox"/>
Description:	

4. PROPERTY DETAILS			
Property name:			
Unit/House #			
Street/Road			
Town:			
Area of land:			
Title details (if insufficient space attach list)	Lot/s	Sec/s	DP/SPs



5. DESCRIPTION OF DEVELOPMENT

Please provide a detailed description of your proposal:

.....

.....

.....

\$

ESTIMATED COST OF DEVELOPMENT

NOTE: Application fees are based on the genuine estimated contract price. If the price is considered to be understated Council will adjust using standard industry guides.

6. REQUIRED DOCUMENTATION

Three (3) copies of A4 or A3 size plans drawn to scale are to be provided as follows (larger plans may be requested):

Development Application (DA)

- Site Plan (indicating all levels, existing structures and vegetation)
- Floor Plan
- Elevation Plans
- BASIX Certificate (>\$50,000)
- Statement of Environmental Effects

Construction Certificate (CC)

- Specifications
- Structural or Civil Engineers design
- Home Owners Warranty Insurance (>\$20,000)

Complying Development (CDC)

- Site Plan (indicating all levels, existing structures and vegetation)
- Floor Plan
- Elevation Plans
- BASIX Certificate (>\$50,000)
- Specifications
- Structural or Civil Engineers design
- Home Owners Warranty Insurance (>\$20,000)

7. DETAILS OF BUILDER OR OWNER BUILDER

- Builder Owner Builder (>\$10,000)

Name or Company:			
Postal Address:	Town:		
	State:	Postcode:	
Telephone:			
Builders Licence No			
ABN:			

8. PRINCIPAL CERTIFYING AUTHORITY (PCA)

Do you wish to appoint Council as the Principal Certifying Authority for the purpose of undertaking required inspections and issuing Compliance and Occupation Certificate(s)?

- Yes No

NOTE: If the person having the benefit of this certificate is a builder or contractor and does not own the land then the OWNER of the land must appoint the PCA by signing below:

Owner Name: _____

Owner Signature: _____

Dated: _____

Section 6.6 Environmental Planning and Assessment Act 1979

9. ENVIRONMENTAL EFFECTS

To assess your proposal, the Council needs to understand the potential impacts. This will be dependent on the nature and scale of your proposal.

Is the application for Designated Development?

- Yes** Please attach an Environmental Impact Statement (EIS)
- No** Please attach Statement of Environmental Effects (SEE)

NOTE: To assist in the preparation of an SEE refer to Council document Attachment F Statement of Environmental Effects

(Please provide Council with three (3) copies)

- The proposed development is considered to have negligible effect (*SEE not applicable*)



10. INTEGRATED DEVELOPMENT

Is your proposal an Integrated Development?

Yes No

NOTE: *Integrated Development is development that, in order for it to be carried out, requires development consent and one or more of the following approvals.*

NSW Fisheries (Fisheries Management Act 1994)

s 144 s 201 s 205 s 219

Heritage Act 1977

s 58

Mine Subsidence Compensation Act 1961

s 15

Mining Act 1992

ss 63,64

National Parks and Wildlife Act 1974

s 90

Petroleum (Onshore) Act 1991

s 9

Protection of the Environment Operations Act 1997

ss 43 (a), 47 and 55 ss 43(b), 48 and 55

ss 43 (d), 55 and 122

Roads Act 1993

s 138

Rural Fires Act 1997

s 100B

Water Management Act 2000

ss 89, 90, 91

11. STAGED DEVELOPMENT

You can apply for development consent for part of your proposal now, and for the remaining part(s) at a later stage.

Are you applying for development consent in stages?

Yes No

If Yes, please attach:

- Information which describes the stages of your development
- A copy of any consents you already have for part of your development.

12. POLITICAL DONATIONS & GIFTS

Have you or any associated person with a financial interest in this application in the last two (2) years made any political donation or given any gifts to any local Councillor or Council employee

Yes No

If you ticked "Yes", please fill out a *Political Donations and Gifts Disclosure Statement* and attach to this form.

Note: It is an offence not to disclose reportable political donations.

13. STATISTICAL DATA (for building works only)

This information is required by the Australian Bureau of Statistics (ABS).

New Additions/Alterations

Materials to be used:

WALLS

Brick, double
 Brick, veneer
 Concrete or stone
 Timber Cladding
 Steel

ROOF

Steel/Colorbond
 Tiles
 Other

FRAME

Timber
 Steel
 Other

FLOOR

Concrete
 Timber
 Other

Building Code of Australia (BCA) Classifications:

Number of buildings to be demolished:

Number of pre-existing dwellings:

Floor Area:

Site Area:

Does the site contain a dual occupancy?

Yes No



14. PRIVACY POLICY

Personal Information collected by the Council will be treated as per the Council's Privacy Management Plan and the *Privacy and Personal Information Protection Act 1998*.

The Privacy Management Plan is available on the Council's website or by contacting the Council's Administration Office.

Supply of personal information is legally required and failure to supply could cause delay in your application.

15. FORWARDING OF CERTIFICATES

Please indicate which method you would like to receive your approvals below.
Ensure details are correct in Part 1. of this application.

Post

Email.

Fax.

16. PAYMENT OF APPLICATION FEES

Cash - In person at Berrigan Shire Council reception.

Cheque - Post with application form to Berrigan Shire Council.

EFT - BSB 633-000 A/C 162 899 652 please use reference: "**TechServ (Applicants Name)**"

VISA or **MASTERCARD** - complete card details below and forward to Berrigan Shire Council.

THE CREDIT CARD DETAILS PORTION BELOW WILL BE REMOVED AND DESTROYED AFTER PROCESSING PAYMENT
CARD DETAILS WILL NOT BE RETAINED BY COUNCIL

Card Number:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Card Expiry Date:

--	--	--	--

CVV:

--	--	--

Cardholders Name: _____ Total Amount: \$ _____

ATTACHMENT E ROADS ACT 1993

Tick Box

ROAD OPENING PERMITS (works on Council Roads)	
<i>NOTE: Should works proceed without the consent of Council penalties will apply.</i>	
<input type="checkbox"/> Kerb Layback <input type="checkbox"/> Road Excavation <input type="checkbox"/> Road Under Bore <input type="checkbox"/> Vehicle Crossing <input type="checkbox"/> Footpath Excavation	<input type="checkbox"/> Stormwater Service Work <input type="checkbox"/> Culvert Crossing <input type="checkbox"/> Tree Removal <input type="checkbox"/> Other
PLUMBER/CONTRACTOR CARRYING OUT WORKS:	
.....	
Telephone:	Licence No.:
<i>Please include the following:</i>	
<input type="checkbox"/> Site Plan <input type="checkbox"/> Certificate of Currency	
<i>NOTE: Applications will not be processed unless a copy of your Contractors Certificate of Currency for Public Liability Insurance for a minimum of \$20,000,000 has been provided.</i>	

ROAD CLOSURES
<input checked="" type="checkbox"/> Temporary Road Closure <i>Please include the following:</i> <input checked="" type="checkbox"/> Traffic Control Plan (TCP)
<input type="checkbox"/> Permanent Road Closure

OTHER ROAD ACTIVITIES
<input checked="" type="checkbox"/> On Road Event Description of event: <u>A Festival of Music on Charter</u>
<i>Please include the following:</i>
<input type="checkbox"/> Special Event Transport Management Plan <input type="checkbox"/> Risk Assessment for the event <input type="checkbox"/> Traffic Control Plan (TCP) <input type="checkbox"/> Certificate of Currency
<i>NOTE: Applications will not be processed unless a copy of your Certificate of Currency for Public Liability Insurance for a minimum of \$20,000,000 has been provided.</i>
<input type="checkbox"/> Street Vending / Trading Description of vending/trading:
<i>Please include the following:</i>
<input type="checkbox"/> Site Plan <input type="checkbox"/> Certificate of Currency
<i>NOTE: Applications will not be processed unless a copy of your Certificate of Currency for Public Liability Insurance for a minimum of \$20,000,000 has been provided.</i>
<input type="checkbox"/> Rural Addressing



Risk Assessment Form

Controlling Organisation: BDDA **Event:** Berrigan Night Markets

Date of Event: 26/03/2021

What is the identified potential risk? During Set Up	Date Inspected	What problem was detected (if any)	Likelihood A, B, C, D, E	Consequence 1, 2, 3, 4, 5	Risk Rating VH, H, M, L	What can be done to rectify the problem?	Who will fix the problem?	Date for Completion.	Completed (signed off)
Volunteer is injured during setting up of activity areas		Injuries as a result of incorrect manual handling procedures	C	2	M	Ensure correct manual handling procedures are followed including bending knees, two person lifts particularly for awkward equipment; 20kg individual limit.	BDDA	On the day of the event	
Berrigan Night Markets									
Exposed leads, display items, furniture placed in walkways or heavy pedestrian areas		Patron is injured after tripping over equipment or exposed leads	C	2	M	Ensure leads are covered and secured; Display and activity stations must be placed in appropriate areas and not in areas where patrons are expected to walk.	BDDA	On the day of the event	
Uneven ground		Some areas of the Library and Council grounds have uneven ground that could contribute to tripping, in particular for elderly patrons. Food suppliers include BBQ	D	2	H	Assess the area prior to the event to identify any holes or trip areas. Council staff will be able to fill prior to the event.	BDDA	Prior to the event.	
Person becomes ill from contaminated food sales			C	3	H	<ul style="list-style-type: none"> Ensure all organisations display food handling qualifications and adhere to good hygiene practices Alcohol must be served in accordance with legislation; 	BDDA	Prior to and during the event.	
Person is injured through disorderly conduct		Intoxicated or unruly persons may disrupt	D	1	L		BDDA	Prior to and during the event	

What is the identified potential risk?	Date Inspected	What problem was detected (if any) crowd, or may cause injury to patrons	Likelihood A, B, C, D, E	Consequence 1, 2, 3, 4, 5	Risk Rating VH, H, M, L	What can be done to rectify the problem?	Who will fix the problem?	Date for Completion.	Completed (signed off)
Person is injured during emergency evacuation		Emergency Evacuation procedures not adequately understood	E	3	M	<ul style="list-style-type: none"> Alcohol ban to be lifted by Council; Volunteers to act as Crowd Controllers and to notify Police where incidents escalate. Emergency Evacuation Procedures developed, distributed and understood by volunteers; First Aid facilities available on site; Emergency Services made aware of event. 	BDDA	Prior to and during the event	
Damage to infrastructure		Erection of shade structures, and amusement devices damages roadways, kerbing or underground sprinklers	C	2	M	<ul style="list-style-type: none"> Location of activities to be clearly identified on map; Location of items such as sprinkler systems to be identified prior to erection of any structures; Approval to be obtained by relevant authority such as RMS and Council prior to erection of structures. 	BDDA	Prior to the event.	
Child is injured from amusement use.		Unsafe conditions for amusement use or unsafe equipment	B	3	H	<ul style="list-style-type: none"> Amusement contractor must provide copies of Public Liability Insurance; Amusement devices such as jumping 	BDDA/Contractors	Prior to the event.	

What is the identified potential risk?	Date Inspected	What problem was detected (if any)	Likelihood A, B, C, D, E	Consequence 1, 2, 3, 4, 5	Risk Rating VH, H, M, L	What can be done to rectify the problem?	Who will fix the problem?	Date for Completion.	Completed (signed off)
During Clean Up/Load Out									
Volunteer is injured during packing up of activity areas		Injuries as a result of incorrect manual handling procedures	C	2	M	Ensure correct manual handling procedures are followed including bending knees, using two person lifts particularly for awkward equipment and not lifting equipment that exceeds 20kg in weight	BDDA	Following the event.	
Waste is left creating an environmental hazard and an unsightly area		Insufficient bins provided to cope with waste	L	1		Ensure sufficient bins are provided to cope with increase of rubbish.	BDDA/Council staff	Prior to the event.	

Likelihood	Consequences				
	1 – Minor injury – no treatment	2 – Minor injury requiring first aid	3 – Serious injury requiring hospitalisation	4 – Serious injury/illness resulting in permanent disability	5 – Death or permanent disability (>30% impairment)
A – Almost Certain The event will occur on an annual basis/Expected to occur.	Medium	High	High	High	High
B – Likely The event has occurred several times or more/Will probably occur.	Medium	Medium	High	High	High
C – Possible The event might occur/Might occur at sometime.	Low	Medium	High	High	High
D – Unlikely Heard of something like this occurring/Not likely to occur.	Low	Low	Medium	Medium	High
E – Rare Have never heard of this happening/Conceivable, but highly unlikely.	Low	Low	Medium	Medium	High

Assessment Conducted : _____

Assessment Reviewed: John Lane, BDDA

9.0 Emergency Management Plan

9.1 Emergency Contact Details

<i>Emergency contact</i>	<i>000</i>
<i>Berrigan Police Station</i>	<i>5885 2305</i>
<i>Berrigan Hospital</i>	<i>5888 5300</i>
<i>Berrigan Shire Council Offices</i>	<i>5888 5100</i>

9.2 Emergency Contacts

Name	Role	Contact
<i>Josh Hutchinson</i>	<i>Emergency Co-ordinator</i>	
<i>Kimberlee Collins</i>	<i>First Aid Officer</i>	<i>0409 792 054</i>
<i>John Lane</i>	<i>Warden</i>	<i>03 5885 2382</i>

9.3 Key Roles

Unless otherwise stated the responsibility for carrying out emergency procedures is the responsibility of the Emergency Co-ordinator.

9.4 Emergency Procedure

The decision to evacuate will be made by the designated person or delegate, upon the assessment of the emergency. The following is the Emergency Action Plan. Alterations may be made prior to the market, however these must be communicated to all volunteers prior to the day.

9.4.1 Action Plan

1. Discovering an emergency situation

- *Upon discovery of an emergency situation, notify the Emergency Co-ordinator, if possible.*
- *The Emergency Co-ordinator or delegate will contact Emergency Services by dialling 000 immediately after assessing the situation.*

2. Evacuation

- *If after assessing the situation, an evacuation is considered necessary:-*
 - *The Emergency Co-ordinator will advise people to evacuate the area using the sound system;*
 - *The Emergency Co-ordinator will advise people on the preferred route to the Emergency Assembly Area. If the emergency requires an alternative assembly area, this will be communicated by the Emergency Co-ordinator;*
 - *Volunteers will be requested to provide assistance to any mobility impaired people.*

3. Accounting for people

- *Designated marshals will be responsible for directing patrons towards the Emergency Assembly Area, and for checking, where possible, any outlying areas surrounding the park.*

4. Emergency Services.

- *All people will remain at the Emergency Assembly point until advised by emergency services that they are permitted to leave.*
- *Upon the arrival of Emergency Services, the Emergency Co-ordinator will hand over management of the situation.*

**GENERAL MANAGER'S PERFORMANCE REVIEW
END OF YEAR REVIEW – 2018**

Officer				
Indicator	Note	Score	Positives	Opportunities for Improvement
Financial Performance	1			
Annual Management Plan Delivery	2			
Achievement of Specific Initiatives	3			
Strategic Outlook	4			
Human Resources Management	5			
Government/Board/EMT Responsiveness	6			
Service Delivery Focus	7			
Quality of Work	8			
Personal Qualities	9			
TOTAL				

0 – CONSIDERABLE IMPROVEMENT REQUIRED

2.5 – AVERAGE PERFORMANCE
Meets expectations in relation to more than 50% of the specified requirements and exceeds expectations in more than about 25% of them.

5 – GOOD PERFORMANCE
Consistently meets expectations in relation to more than 75% of the specified requirements and exceeds expectations in more than about 25% of them

7.5 – VERY GOOD PERFORMANCE
Consistently meets expectations in relation to all of the specified requirements but exceeds expectations in more than about 30% of them.

10 – OUTSTANDING PERFORMANCE
Consistently exceeds expectations in relation to every respect of all of the specified requirements

BOARD MEETING MINUTES

12 November 2020

MEETING:	RAMJO Board Meeting		
DATE:	Thursday 12 th November 2020		
TIME:	1:00PM – 4:00PM (arrive midday for lunch)		
LOCATION:	Robert Brown Room, Albury City Council, 552 Kiewa Street, ALBURY, NSW, 2640		
CHAIR:	Cr. Kevin Mack		
ATTENDEES:	Council / Organisation	Voting Member	Non-Voting Member
	Albury City Council	Cr. Kevin Mack	Mr. Frank Zaknich
	Berrigan Shire Council	Cr. Matthew Hannan	Mr. Rowan Perkins
	Carrathool Shire Council	Cr. Darryl Jardine	Mr. Rick Warren
	Edward River Council	Cr. Norm Brennan	Mr. Philip Stone
	Federation Council	Cr. Pat Bourke	Mr. Adrian Butler
	Griffith City Council	Cr. John Dal Broi	Mr. Brett Stonestreet
	Hay Shire Council	Cr. Jenny Dwyer	Mr. David Webb
	Leeton Shire Council	Cr. Paul Maytom	Ms. Jackie Kruger
	Murray River Council	Cr. Chris Bilkey	Mr. Des Bilske
	Murrumbidgee Council	Cr. Ruth McRae	Mr. John Scarce
	Narrandera Shire Council	Cr. David Fahey	Mr. George Cowan
	Regional NSW		Mr. Giles Butler
Office of Local Government		Mr. Cameron Templeton	
RAMJO STAFF:	Ms Bridgett Leopold – Executive Officer E: bleopold@alburycity.nsw.gov.au M: 0408 498 534		
	Ms Bridget De La Haye – Office Manager / Project Manager E: BDeLaHaye@alburycity.nsw.gov.au M: 0436 370 772		
	Ms Rosie O’Keeffe – Media and Grants Administration Officer E: ROkeeffe@alburycity.nsw.gov.au Ph: 02 6023 8755		
OTHER ATTENDEES	Name	Organisation	Role
	Justin Finlayson	Albury City	Service Leader
	Sacha Rolph	Crowe Australasia	Rep NSW Audit Office
	Matthew Dudley	RAMJO	Project Manager
	Andrea Baldwin	Albury City / RAMJO	Team Leader Waste
	Kirstie Muntz	Albury City / RAMJO	Resource Recovery Lead
	Ashlee Bowen	Albury City / RAMJO	Riverina Waste Group Coord
	Peter Craze	Albury City / RAMJO	Murray Waste Group Coord
	Scott Barber	Murray River Council	RAMJO Water Committee
Gerard Simms	Leeton Shire Council	RAMJO Digital Committee	

BOARD MEETING MINUTES

12 November 2020

MEETING AGENDA

ITEM	TOPIC	TIME
1	Chair Welcome <ul style="list-style-type: none"> Acknowledgement of traditional custodians Newcomers and RAMJO Member Council staff 	1:00
2	Apologies and Leave of Absence	1:05
3	Declaration of Items of Pecuniary or Other Interest – Board Members / Designated Persons	1:07
4	Minutes from the last meetings: <ul style="list-style-type: none"> 12th August 2020 14th October 2020 	1:10
5	Matters arising from previous Board meetings: <ul style="list-style-type: none"> 12th August 2020 14th October 2020 	1:15
6	GOVERNANCE AND FINANCE <ul style="list-style-type: none"> 6.1 Crowe Australasia (NSW Audit Office representative) & Justin Finlayson (Albury City Council): 2019 – 2020 RAMJO Draft General Purpose Financial Statements and 2019-2020 Draft Engagement Closing Report 6.2 Bridgett Leopold: 2019 – 2020 Annual Performance Statement 6.3 Bridget De La Haye: Q1 2020-2021 Budget Report 6.4 Bridgett Leopold: Staffing Update 	1:20
7	RAMJO PRIORITY SHOWCASE <ul style="list-style-type: none"> 7.1 Andrea Baldwin and Kirstie Muntz: RAMJO's new cooperative waste arrangements 	1:50
	BREAK	2:20
8	OFFICE OF LOCAL GOVERNMENT UPDATE <ul style="list-style-type: none"> 8.1 Mr. Cameron Templeton: Office of Local Government Update 	2:30
9	STRATEGIC PRIORITIES <ul style="list-style-type: none"> 9.1 Cr. Chris Bilkey: Water Sub-Committee Update 9.2 John Scarce: Digital Connectivity Sub-Committee Update 9.3 George Cowan: Energy Security Sub-Committee 9.4 Bridget De La Haye: Infrastructure Mapping 9.5 David Webb: Regional Freight Transport Plan 9.6 Bridgett Leopold: Best Practice Aggregated Procurement 	2:40
10	YEAR IN REVIEW <ul style="list-style-type: none"> 10.1 Bridgett Leopold: A review of annual progress 	3:00
11	SERVICE DELIVERY <ul style="list-style-type: none"> 11.1 Bridget De La Haye: Adverse Event Management Plans 11.2 Bridgett Leopold: Far West Joint Organisation Proposal 	3:15

BOARD MEETING MINUTES

12 November 2020

ITEM	TOPIC	TIME
12	PROJECT UPDATES 12.1 Matthew Dudley: Contaminated Land Management 12.2 Report: Council Energy Programs 12.3 Report: Regional Waste Groups	3:30
13	OPERATIONAL MATTERS 13.1 Cr. Kevin Mack: Board dates and locations for 2021 13.2 Bridgett Leopold: Terms of reference for JO review process 13.3 Engineers and General Managers Group Minutes	3:40
14	ADVOCACY – Bridgett Leopold 14.1 Public spaces 14.2 JO Chairs Forum advocacy, including: <ul style="list-style-type: none"> • Submission into the Integrity, Efficacy and Value for Money of NSW Government Grant Programs • Ongoing waste funding • Greater alignment between Regional NSW and the JO network • Town water and Local Water Utilities 14.3 Murray River Group of Councils	3:50
15	GENERAL BUSINESS 15.1 Acknowledgement and Farewell	3:55
15	Meeting Close	4:00

BOARD MEETING MINUTES

12 November 2020

RAMJO BOARD MEETING MINUTES

AGENDA ITEM 1 - WELCOME

The Chairperson Cr Kevin Mack welcomed the Board Members to the meeting and acknowledged the Traditional Custodians of the region.

Cr Mack also extended welcome to attendees including:

- newly elected Mayor of Hay Shire, Cr. Jenny Dwyer
- newly appointed GM of Edward River, Philip Stone (Not present)
- newly appointed RAMJO media, grants and digital officer, Rosie O'Keefe
- newly established AlburyCity/RAMJO Waste Team: Andrea Baldwin, Kirstie Muntz, Ashlee Bowen, Peter Craze
- Justin Finlayson, Service Leader for Strategy and Performance and Albury City
- Scott Barber from Murray River Council
- Gerard Simms from Leeton Shire Council
- Representative from the NSW Audit Office, Crowe Australasia (Not present)
- Mr. Giles Butler, Acting for Mr James Bolton (Regional NSW)

AGENDA ITEM 2 – APOLOGIES AND LEAVE OF ABSENCE

Apologies:

- Cr. Darryl Jardine and Mr Rick Warren – Carrathool Shire Council
- Cr. Neville Kschenka – Narrandera Shire Council
- Mr. James Bolton, Director Regional NSW, Riverina and Murray region
- Mr. Rowan Perkins – General Manager, Berrigan Shire Council
- Mr. Phillip Stone – General Manager, Edward River Council

RESOLVED that the apologies be accepted and that leave of absence be granted.

Moved by Cr John Dal Broi (Griffith), seconded by Cr Pat Bourke (Federation)

AGENDA ITEM 3 – DECLARATION OF ITEMS OF PECUNIARY OR OTHER INTEREST

Board Members / Designated Persons: None.

AGENDA ITEM 4 – MATTERS ARISING FROM PREVIOUS RAMJO BOARD MEETINGS

- Executive Officer to request early meeting with Sir Angus Houston for RAMJO Water Security Sub-Committee and its Member Councils: **COMPLETE**
- Executive Officer to consider releasing joint media release with other JOs regarding Best Practice in Aggregated Procurement: **IN PROGRESS**
- Member Council Mayors or GMs to attend regional meetings as RAMJO representatives where RAMJO's finite resources cannot extend: **ONGOING**
- RAMJO Office Manager to provide accompanying letter to Leeton Shire Council regarding Rural Fire Service assets on Council registers, as an advocacy matter: **COMPLETE**
- Chair Kevin Mack to circulate Mayoral Minute on National Cabinet advocacy: **COMPLETE**

BOARD MEETING MINUTES

12 November 2020

- Mr Brett Stonestreet to raise Public Spaces Legacy Program grant inequities at the RAMJO Ministerial Roundtable forum: **COMPLETE**
- Office Manager to draft a letter on behalf of RAMJO Chair to the NSW Cross Border Commissioner, Mr James McTavish, acknowledging his efforts and commitment to the impacts of the NSW/VIC border closing: **COMPLETE**
- General Managers to provide RAMJO Executive Officer with seasonal impacts of border closures to their region for advocacy purposes: **COMPLETE**
- Invite Water NSW Director Vince Kelly to RAMJO Water Security Sub Committee meeting to seek clarity on planned infrastructure changes: **ONGOING**
- 12 month Service Agreement between RAMJO and FWJO as a shared service measure: **IN PROGRESS – to be addressed in item 11.2.**
- Office Manager position variation: **IN PROGRESS**

Recommendation:

- That the RAMJO Board **note** the status of matters arising from previous Board meetings.

RESOLVED: The above items was taken as read and the Board Members noted the verbal update and notes in the agenda papers.

Moved by Cr Pat Bourke (Federation), seconded by Cr Paul Maytom (Leeton)

AGENDA ITEM 5 – MINUTES OF 12TH AUGUST AND 14TH OCTOBER 2020

- Minutes of 12th August 2020
- Minutes 14th October 2020

Recommendation:

- That the RAMJO Board **receive** and **approve** the minutes from the Board meetings of 12th August 2020 and 14th October 2020.

RESOLVED: The Minutes of the RAMJO Board Meeting held on 12 August 2020 are endorsed. The Minutes of the RAMJO Extraordinary Board Meeting held on 12 October 2020 are endorsed pending minor amendment of attendance (Remove Cr Bill Sheaffe, Replace with Cr Jenny Dwyer).

Moved by Cr Jenny Dwyer (Hay), seconded by Cr Pat Bourke (Federation)

AGENDA ITEM 6 – GOVERNANCE AND FINANCE

6.1: 19/20 DRAFT GENERAL PURPOSE FINANCIAL STATEMENTS & DRAFT ENGAGEMENT CLOSING REPORT

A copy of RAMJO's 2019-2020 Draft General Purpose Financial Statements were provided to the Board as an attachment.

The statements have been prepared by Albury City Council on RAMJO's behalf and in consultation with the appointed auditor (Crowe Australasia) on behalf of the NSW Audit Office.

The main points of interest include a base line deficit for 2019-2020, which is the result of spending 'roll over' waste funds that were received in the 18/19 Financial Year.

BOARD MEETING MINUTES

12 November 2020

Danielle Mackenzie from Crowe Australasia joined the meeting via video link and provided a summary to the Board on their Engagement Closing Report including;

- The statements have been implemented correctly, with the quality and timeliness being good.
- There were no issues noted with IT processes.
- The management letter will include a recommendation to have a bank signatory change over process in place.

Albury City Service Leader Justin Finlayson noted to the Board that the draft financial statements have had the application of the new accounting standards implemented for the first time which has ensured grant income is matched with expenditure in the year the expenditure is occurred.

Recommendation:

That the Members of the RAMJO Board:

- **Receive** and **note** the Riverina and Murray Joint Organisation's General Purpose Financial Statements for the year ended 30 June 2020;
- **Receive** and **note** the draft Auditor's report; and
- **Authorise** the Chair, Deputy Chair and Executive Officer to sign the Statement by Members of the Board and Management made pursuant to Section 413(2)(c) of the *Local Government Act 1993*.

RESOLVED: The Board received and noted the General Purpose Financial Statements for the year ended 30 June 2020 and the verbal update from Crowe Australasia. The Board authorised the Chair, Deputy Chair and Executive Officer to sign the Statement by Members of the Board and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993.

Moved by Cr Chris Bilkey (Murray River), seconded by Cr David Fahey (Narrandera).

6.2: 2019 – 2020 ANNUAL PERFORMANCE STATEMENT

Within 5 months from the end of each year, a Joint Organisation must prepare a report (Annual Performance Statement) for that year reporting as to its progress in implementing its strategies and plans for delivering its strategic regional priorities.

In accordance with this requirement, the Executive Officer has drafted the Riverina and Murray Joint Organisation 2019-2020 Annual Performance Statement. This report meets requirements under the NSW *Local Government Act (1993)* and will be presented to the Minister for Local Government, The Hon Shelley Hancock MP *Act s 428(5)*.

Once endorsed by the Board, the Joint Organisation's Annual Performance Statement will be posted on the JO website: www.ramjo.nsw.gov.au.

Recommendation:

- That the RAMJO Board receive and endorse the RAMJO 2019 – 2020 Annual Performance Statement.

RESOLVED: The Board received and endorsed the 2019-2020 Annual Performance Statement.

Moved by Cr John Dal Broi (Griffith), seconded by Cr Paul Maytom (Leeton).

BOARD MEETING MINUTES

12 November 2020

6.3: Q1 2020 – 2021 BUDGET REPORT

The Office Manager prepared a quarterly report which was provided to the board as an attachment. Of note is that RAMJO does not have quarterly budgets, rather an annual budget as spending (other than wages) is not on a regular basis. Therefore, there are some variances in the report, however spending remains on track with budgeted items.

Recommendation:

- That the Board receive and note the Q1 Budget report.

RESOLVED: The Board received and noted the Q1 Budget report.

Moved by Cr Matt Hannan (Berrigan), seconded by Cr Ruth McRae (Murrumbidgee).

6.4: STAFFING UPDATE

The recruitment process is complete for the Media and Grants Administration Officer, welcome to Rosie O’Keeffe. This position is a 6-month role, funded from the OLG JO Capacity Building Funds.

The process of bringing waste ‘in house’ has been completed, with Kirstie Muntz filling the Waste Coordinator Project Lead role with overarching support from Andrea Baldwin, Team Leader at Albury City. The recruitment process for the supporting Waste Coordinators has also been completed, with Ashlee Bowen and Peter Craze being the successful applicants in the roles. A deep dive on the structure and intended outcomes will be addressed in agenda item 7.

Welcome to all new staff members.

Recommendation:

- That the Board note the staffing updates.

RESOLVED: The Board noted the staffing updates.

Moved by Cr Matt Hannan (Berrigan), seconded by Cr David Fahey (Narrandera).

AGENDA ITEM 7 – PRIORITY SHOWCASE – RAMJO WASTE MANAGEMENT

Andrea Baldwin and Kirstie Muntz will provided a presentation on the new arrangements and intended work program and outcomes of the new RAMJO Waste Management Team. With data collection and analysis to drive decision making the team’s key objectives include;

- Supporting Member Councils
- Grant application writing and submission
- Support existing and new infrastructure opportunities including identification of locations for 2 material recycling facilities within the RAMJO footprint.

Recommendation:

- That the Board note the briefing from the new RAMJO Waste Team.

RESOLVED: The Board noted the briefing from the new RAMJO Waste Team.

BOARD MEETING MINUTES

12 November 2020

AGENDA ITEM 8 – OFFICE OF LOCAL GOVERNMENT UPDATE

Cameron Templeton provided a verbal update from the Office of Local Government including;

- Joint Organisation Portal is almost ready to go live.
- Procurement project is progressing well.
- Resilience NSW is working on a Bushfire Recovery program which plans to match metro Councils with smaller councils to provide disaster management support for smaller regional councils.
- The current Public Health Order instruction for Council staff to work from home will be amended soon.
- There is no further update regarding ARIC. A further six month delay is likely.
- An update on RAMJO's RFS letter will be forthcoming soon.

Recommendation:

- That the Board **note** the briefing from the Office of Local Government.

RESOLVED: The Board noted the briefing from the Office of Local Government.

UPDATE FROM DPIE / REGIONAL NSW

Mr Giles Butler has been placed into Mr James Bolton's position for a six-month secondment. The new Regional NSW cluster has been established to provide a stronger voice for the regions and focus on key regional issues. Key update items and information provided by Mr Butler included:

- Short term remit for the Department will be to focus on regional jobs and skilling for jobs with additional Indigenous programs supporting targeted economic development and employment in regional areas.
- Resilience NSW lead Recovery Sub-Committee has been established. RAMJO Executive Officer Bridgett Leopold will be representing RAMJO and Julie Briggs from REROC.
- The NSW/VIC Border reopening is on track for 23 November.
- Consultation for the Murray/Murrumbidgee region for Regional Water Strategies is underway. The Department plans to complete the Murray/Murrumbidgee Strategies by mid-2021.

The following NSW economic recovery initiatives are underway;

- The **Southern Border Recovery Fund** applications to date total \$17M.
- The **Regional Job Creation Fund** (\$100M total) is open now. Up to \$10M co-contribution. Further information found here: <https://www.investregional.nsw.gov.au/investment-support/regional-job-creation-fund/>
- Information on the **Skilling for Recovery** program targeting school leavers, young people and job seekers can be found here: <https://www.nsw.gov.au/media-releases/skilling-for-recovery-fee-free-training>
<https://www.myskills.gov.au/jobtrainer/NSW?js=8>
- The **Digital Restart Fund** information is found here: <https://www.digital.nsw.gov.au/transformation/funding-digital-transformation>
- Further information on small business grants and loans can be found here: <https://www.service.nsw.gov.au/campaign/covid-19-help-small-businesses/grants-loans-and-financial-assistance>

BOARD MEETING MINUTES

12 November 2020

AGENDA ITEM 9 – STRATEGIC PRIORITIES

9.1: WATER

- The Water Security Sub Committee met on Monday 9th November via Zoom. Items of interest include the consideration of town water management (which is being pursued by multiple JOs) and the consideration of the 20 Year Water Infrastructure Study.
- Over the past few months advocacy on water has been ongoing as a direct outcome of the RAMJO Water Position Paper. Two meetings have been held with Sir Angus Houston, the new MDBA Chair, and Sir Angus has also met with many individual Councils over the past 3 months. RAMJO was invited to provide direct feedback into the 2020 MDBA Annual Review of the Implementation of the Plan, and to the MDBA Peak Bodies annual briefing.
- RAMJO continues to be part of the One Basin partnership, represented by the Office Manager and the Chair of the Water Security Sub Committee.

Cr Chris Bilkey provided a verbal update on the group's recent work. Issues identified within Regional Water Strategies and the NSW DPIE Town Water Infrastructure reviews were discussed at the recent meeting and RAMJO have sought a meeting with relevant DPIE department to provide an update.

Southern Riverina Irrigators (SRI) also provided RAMJO with their Flood Plain Harvesting report. Members agreed that Flood Plain Harvesting is critical and needs to be addressed, with unregulated water creating an ongoing frustration in our region. It was noted that data reliability was important to verify as the quantity of water presented within the report is enormous. The Water Sub-Committee would like to ensure regulated measurement as per the RAMJO Water Position Paper recommendation. Members of the Board noted the issues were very sensitive.

9.2: DIGITAL CONNECTIVITY

- RAMJO has provided significant input to a funding proposals led by telecommunication providers under the Regional Connectivity Program. A few Councils have been selected for inclusion in various proposals, based on compatibility to grant funding criteria, including: lack of existing NBN, sources of co-contribution, cross border outcomes and existing infrastructure.
- RAMJO's persistence in finding regional solutions for connectivity have been recognised, with the Chair of the Digital Connectivity Sub Committee and the Executive Officer being invited to the Deputy Premier's office on Friday 27th November to share RAMJO's work and advocate for regional solutions via the Snowy Hydro or Cross Border Commissioner's funding.

RAMJO Executive Officer provided an update regarding the progress made this year including meetings held with NBN Co's new Albury-based Community Engagement Manager, Mr Andrew Cottrell.

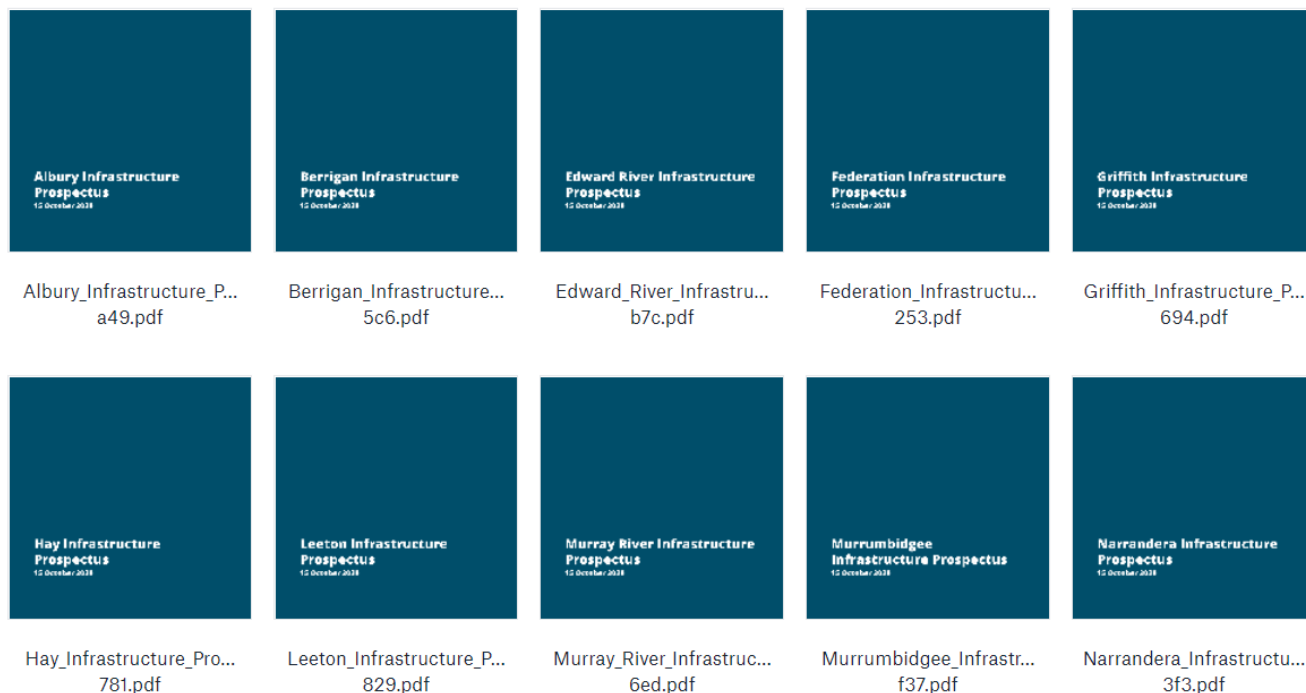
Items noted for the RAMJO Sub-Committee's agenda to work on (or review) are:

- Blackspots program
- NBN Business Zone
- Gig State Program

BOARD MEETING MINUTES

12 November 2020

Infrastructure Mapping – RAMJO Documents by Council



The Board discussed the requirement for the mapping to be regionally connected and regionally focused for collaboration between Councils, RAMJO, the Southern Border Recovery Committee, Regional Development Australia and all notable regional organisations.

9.5: REGIONAL FREIGHT TRANSPORT PLAN

- The Plan is complete and a hard copy will be circulated to members at the Board meeting. An electronic copy can be found at: <https://ramjo.nsw.gov.au/strategic-regional-priorities/transport-connectivity/>

The Board discussed that the plan going forward to prioritise infrastructure projects to ensure funding awarded is based on agreed strategic priorities for the region.

9.6: BEST PRACTICE AGGREGATED PROCUREMENT

- This project is a capacity building project which is being jointly undertaken by 4 JOs and led by Central NSW JO. The participating JOs include: RAMJO, RivJO, Central NSW JO and Canberra JO, spanning to almost 40 Councils. The project team has completed the tender process for Stage 2 and appointed a successful supplier. Stage 2 has kicked off with the successful vendor, WRI, undertaking detailed interviews with each JO. The timeframe for completion of this stage is between February and April 2021. This project is also being funded under the OLG JO Capacity Building Funds and will be the showcase item at the next RAMJO Board meeting in February.
- Simultaneously, RAMJO has commenced a Procurement working group which kicked off in early November. The priorities for this group will be based around information sharing and best practice. The working group will also identify areas of common need where joint procurement could be undertaken by the JO.

BOARD MEETING MINUTES

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- RAMJO and Leeton Shire Council are also working together to develop a procurement manual template, which could be used by any RAMJO Council for onboarding.

Recommendation:

That the Board **note** the update from the strategic priority committees.

RESOLVED: The Board noted the update from the strategic priority committees.

AGENDA ITEM 10 – YEAR IN REVIEW

The Executive Officer provided a presentation on a review of the year and achievements to date.

The Board thanked the Executive Officer and acknowledged the significant achievements during what has been a challenging year.

Recommendation:

- That the Board **receive** and **note** the presentation from the Executive Officer.

RESOLVED: The Board received and noted the presentation from the Executive Officer.

AGENDA ITEM 11 – SERVICE DELIVERY

11.1: ADVERSE EVENT MANAGEMENT PLANS

The Final Draft of the Adverse Event Management Plans were circulated to each participating Council on the week commencing 12th October 2020. Individual Councils have provided their feedback with finals being sent in late October or early November, depending on the Council's preference. The final drafts are due to Commonwealth Government on 18th December 2020.

Berrigan Shire Council's Plan is still being further developed due to a different approach from the other Councils.

RAMJO has also been approached by Armidale Regional Council and has agreed to complete their Adverse Events Plan for the same fee charged to our Member Councils (\$25,000). This Plan is due to be completed in early December.

Following the completion of Berrigan Shire Council and Armidale Regional Council's plans in early December, this RAMJO service delivery project will be complete and will have added \$175,000 to the organisation's income for 2020-2021.

Mr David Webb (Hay) thanked the RAMJO team for the professional and useful document.

Recommendation:

- That the Board **receive** and **note** the update on the Adverse Events Plans project from the Office Manager.

RESOLVED: The Board received and noted the update.

BOARD MEETING MINUTES

12 November 2020

11.2: FAR WEST JOINT ORGANISATION

On Thursday 29th October 2020, the RAMJO Executive Officer presented to the Board of the Far West JO (Balranald, Wentworth, Central Darling and Broken Hill) regarding an arrangement whereby RAMJO could offer to provide interim Executive Officer and Office Management support. The discussion also included the identification of:

- work streams which are duplicated at both JOs
- a need to create additional rigour and structure within the JO and its operations with Member Councils; and
- the need to progress FWJO's strategic priorities.

RAMJO is in the process of drafting a work plan and staffing plan to be able to manage the additional workload, and calculating a percentage of overheads relevant to the staffing of the JO. Details of this model will be distributed separately prior to the board meeting, however it is likely to be a 'cost recovery' model. This is not dissimilar from other models whereby RAMJO (or other JOs) will manage a grant project on behalf of multiple JOs, and will send monthly or quarterly invoices on a cost recovery basis.

The outcomes for RAMJO include:

- capacity building of our neighbouring Councils and JO in regional NSW
- ability to find efficiencies within our JO by extending a shared resourcing model for duplicate tasks
- supplemented income for RAMJO in 2021

The Board discussed that this is an opportunity to also collaborate on items of strategic relevance across regional NSW however it was very important to ensure we are resourced sufficiently to build the capacity of the region. Advice from OLG dictates that an interim Executive Officer can only be acting in the role for a period of 12 months and the Board agreed that RAMJO had a responsibility as a neighbouring Joint Organisation to provide regional support where we had the ability to do so. A review of current and required resource, capacity and identifying contingencies was required prior to the end of the 12 month support period.

Recommendation:

- That the Board
 - agree to RAMJO providing interim support to the FWJO for the 12-month period commencing in January 2020.
 - endorse the cost recovery model.
 - agree to the Executive Officer recruiting additional resourcing for that 12-month period and funded via a cost recovery basis from the FWJO.

RESOLVED: The Board agreed to the proposal and endorsed the cost recovery model and additional resourcing.

Moved by Cr John Dal Broi (Griffith), Seconded by Cr Matt Hannan (Berrigan).

BOARD MEETING MINUTES

12 November 2020

AGENDA ITEM 12 – PROJECT UPDATES

The following reports (provided as an attachment) provide an update of each RAMJO project currently underway.

- Contaminated Lands Management – Underground Petroleum Storage Systems (UPSS)
- RAMJO Energy – Council Audit and Plan Development
- Riverina Waste Group & Murray Waste Group

Recommendation:

- That the Board receive and note the project updates.

RESOLVED: The updates were taken as read and were noted by the Board.

AGENDA ITEM 13 - OPERATIONAL MATTERS

13.1 – BOARD DATES AND LOCATIONS

The Chair requested that recommendations be put forward for Board meeting locations in 2021. A schedule of dates was presented at the Board meeting for consideration.

Recommendation:

- That the Board Members nominate a series of locations and adopt the meeting schedule.

RESOLVED: The Board Members adopted the meeting schedule and resolved to confirm the locations at a later date.

Moved by Cr John Dal Broi (Griffith), Seconded by Cr Matt Hannan (Berrigan).

13.2 – JO REVIEW TERMS OF REFERENCE

At the JO Chairs forum on 5th November 2020 (via Zoom), the Chairs were informed by OLG that the funding for a review of JOs has been secured and this will take place in 2021.

The JO Chairs' Forum have provided the following input to the Minister for Local Government regarding the Terms of Reference for the review:

That the JO Chairs' Forum note the report on the Terms of Reference for the Review of Joint Organisations and:

1. Support in principle a terms of reference as follows
 - a. What is working including achievements of the various JOs over the past two years and why?
 - b. What is not working and why?
 - c. Specific commentary with regard to the \$150k capacity building program for JOs
 - d. What does JO network success look like?
 - e. What are the barriers to getting results?
 - f. What are the enablers? and
 - g. Recommendations; and
2. Seek and further feedback from member JOs;
3. Provide this resolve to the Minister for Local Government;
4. Along with Local Members and President of LGNSW; and

BOARD MEETING MINUTES

12 November 2020

5. Note the extensive work by Jenny Bennett for this individual report and the wider forum papers.

Recommendation:

- That the Board Members **note** the JO review timeline and the input provided by the JO Chairs' forum.

RESOLVED: The Board Members noted the JO review timeline and the input provided by the JO Chairs' forum.

13.3 – ENGINEERS AND GENERAL MANAGERS MEETING MINUTES

The RAMJO Engineers Group and the General Managers Group met on the 5th August 2020 and 23rd October 2020 respectively. The minutes were provided as an attachment.

Recommendation:

- That the Board **note** the minutes from the RAMJO Engineers and General Managers forums.

RESOLVED: The Board noted the minutes from the RAMJO Engineers and General Managers forums.

AGENDA ITEM 14 - ADVOCACY

14.1: PUBLIC SPACES

Following the matter being raised at the RAMJO Ministerial Roundtable by Mr Brett Stonestreet, the Chair Kevin Mack raised the matter with a neighbouring JO, the Riverina. A letter has been received in response to this matter from Riverina JO, and the RAMJO Executive Officer has placed a formal request with Minister Stokes office to discuss the matter with the JO.

Recommendation:

- That the Board Members **note** the progress regarding advocacy on the Public Spaces Legacy Program and the correspondence from the Riverina JO.

Mr Stonestreet shared that two meetings with the Department of Planning, Industry and Environment had been cancelled due to conflicting priorities. Mr Butler (Regional NSW) noted he would seek clarity on this item for RAMJO.

RESOLVED: The Board noted the update and requirement for further advocacy on this matter.

14.2: JO CHAIRS ADVOCACY

Following the most recent JO Chairs' Forum on 5th November 2020, there are several items of importance for which the JO network is collectively advocating. Attached to the agenda was a copy of the recent JO Chair's Forum papers, including briefings and recommendations on the following matters:

- Submission into the Integrity, Efficacy and Value for Money of NSW Government Grant Programs
- Ongoing and interim waste funding
- Greater alignment between Regional NSW and the JO network
- Town water and Local Water Utilities

Recommendation:

- That the Board Members **note** the progress regarding collaborative advocacy via the JO Chairs' Forum.

RESOLVED: The Board noted the progress regarding collaborative advocacy via the JO Chairs' Forum.

BOARD MEETING MINUTES

12 November 2020

14.3: CROSS BORDER COORDINATION

Following a meeting between the RAMJO Chair and Executive Officer and the Murray River Group of Councils, it was agreed that a cross border workshops would be scheduled for the first quarter of 2021 to address items of common concern. Should the event be productive, it was agreed that an annual event could be considered for those councils with a cross border focus.

Chair Cr Kevin Mack surmised the opportunity to have a cross border relationship is important to our region.

Recommendation:

- That the Board **agree** to RAMJO hosting a cross border workshop with the Murray Group of Councils to consider matters in common and seek opportunities for collaboration.

RESOLVED: The Board **agreed** to RAMJO hosting a cross border workshop with the Murray Group of Councils to consider matters in common and seek opportunities for collaboration.

AGENDA ITEM 15 – GENERAL BUSINESS

Cr Paul Maytom (Leeton) raises issues of Health Services in their region becoming sub-optimal including shortage of GPs and Health Care option. Leeton Shire Council and Edward River Council plan to complete submissions to the Enquiry into Rural Health in Rural NSW (closing early December 2020).

15.1 – Recognition and Farewell

RAMJO Chair Cr Kevin Mack sincerely thanked Cr Bill Sheaffe (Hay Shire) for his work with RAMROC and RAMJO (in Cr Bill Sheaffe's absence). Cr Mack thanked Mr Des Bilske (Murray River Council General Manager) for his commitment and regional focus over the years, and wished him all the best following his retirement on the 31 December 2020.

RAMJO Regional Resource Recovery Project



Today's Focus:

- Structure
- Learnings
- Observations
- Identified Gaps
- Opportunities
- Priorities



Our Team

Bridgett Leopold
Executive Officer



Andrea Baldwin
Team Leader
Albury City Council



Kirstie Muntz
Project Lead



Ashlee Bowen
Coordinator



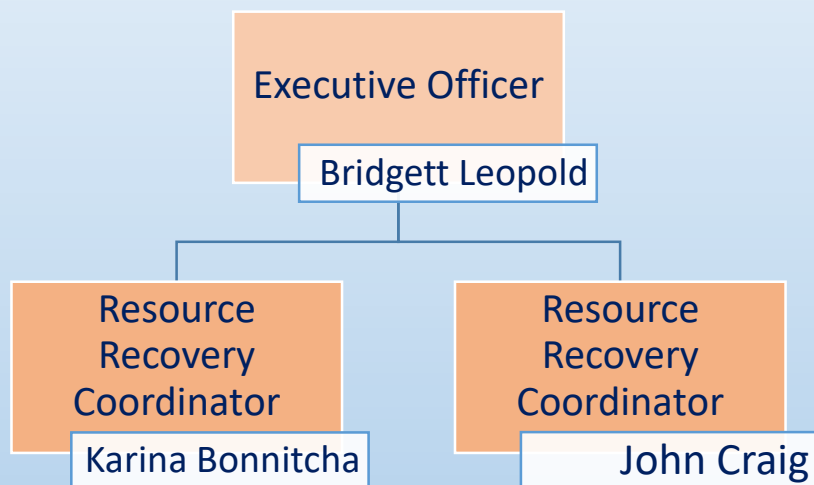
Peter Craze
Coordinator

Our Mission...

“To work collaboratively to enhance the economic, social and environmental capabilities of our communities to ensure the long term sustainability of our region”

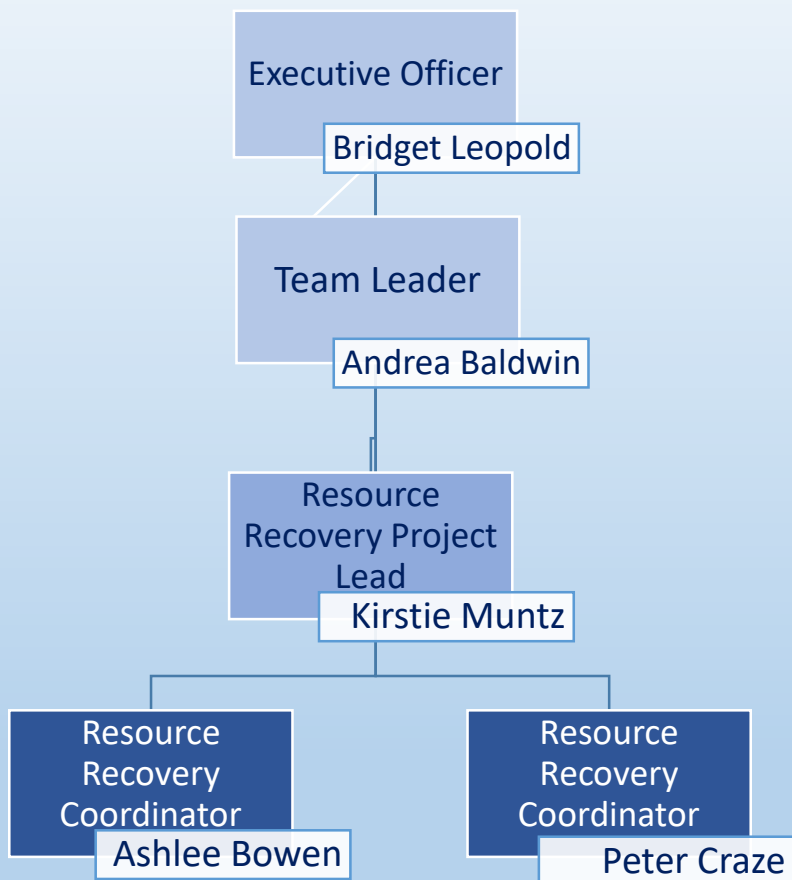
RAMJO Waste Group Structure

Previous Model



RAMJO Waste Group Structure

New Model



- **Bridgett Leopold – Executive Officer**
- Oversight of strategic alignment between waste and RAMJO
- Waste Management Team ultimately report to the EO
- **Andrea Baldwin - Team Leader**
- Maintain strategic and operational oversight
- Manage team and reporting
- Overlay technical expertise
- Leverage contractual opportunities
- **Kirstie Muntz – Project Lead**
- Map regional waste streams for council and industry
- Creation of regional strategies using mapped regional data
- Integrate NSW Gov vision with regional delivery
- **Ashlee Bowen + Peter Craze - Coordinators**
- Coordinator role, project delivery, information sharing, deliver actions in regional strategy
- Grant application
- Build capacity, knowledge and Council skills



Bruce





Diana





Clarke



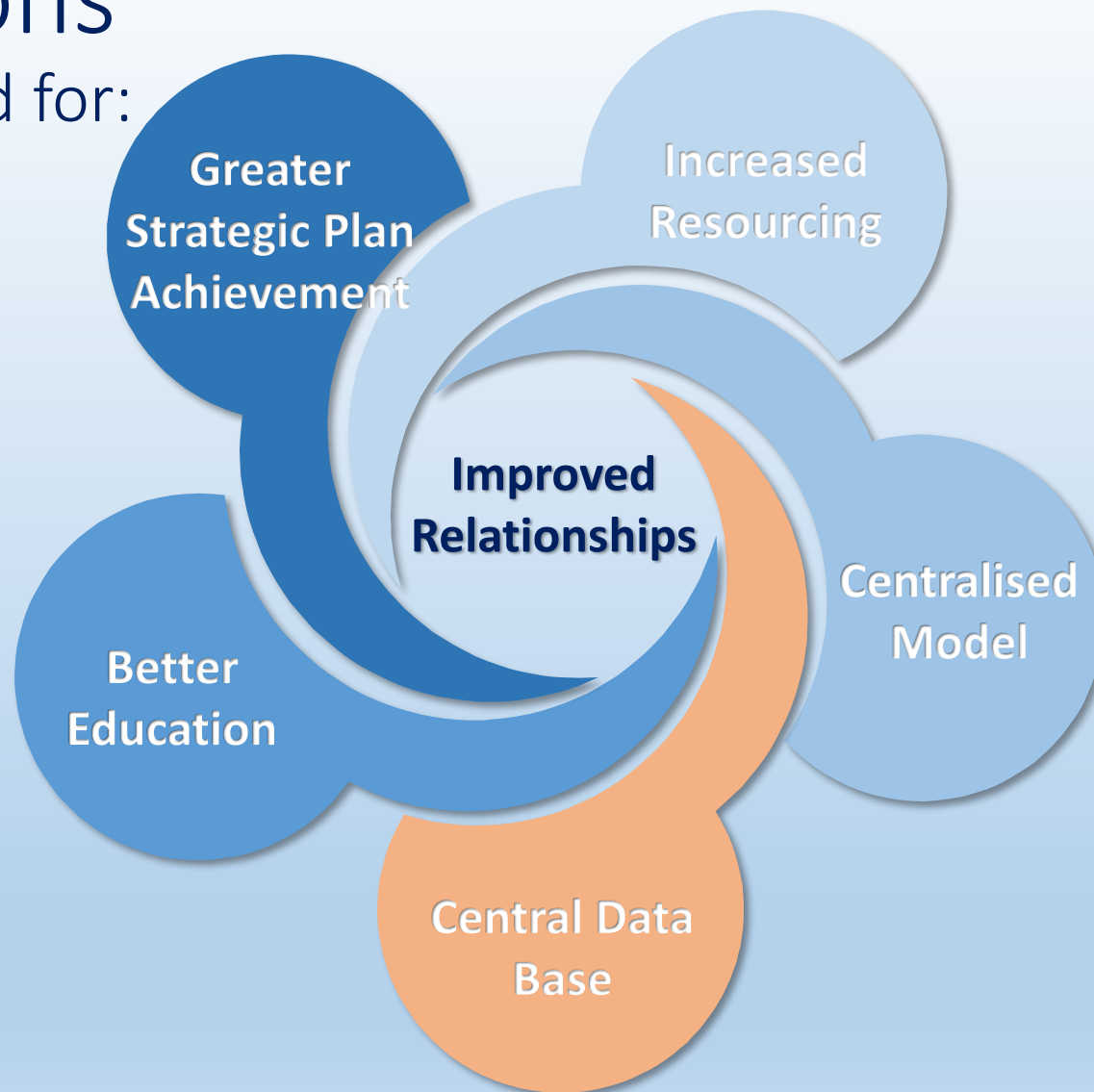
Learnings

- Remote Councils operating in silo- small rates bases + large geographical areas + long distances = **unfeasible Waste Projects**
- Regional collaboration = **improved resource recovery + increased economies of scale**



Observations

We noted a need for:



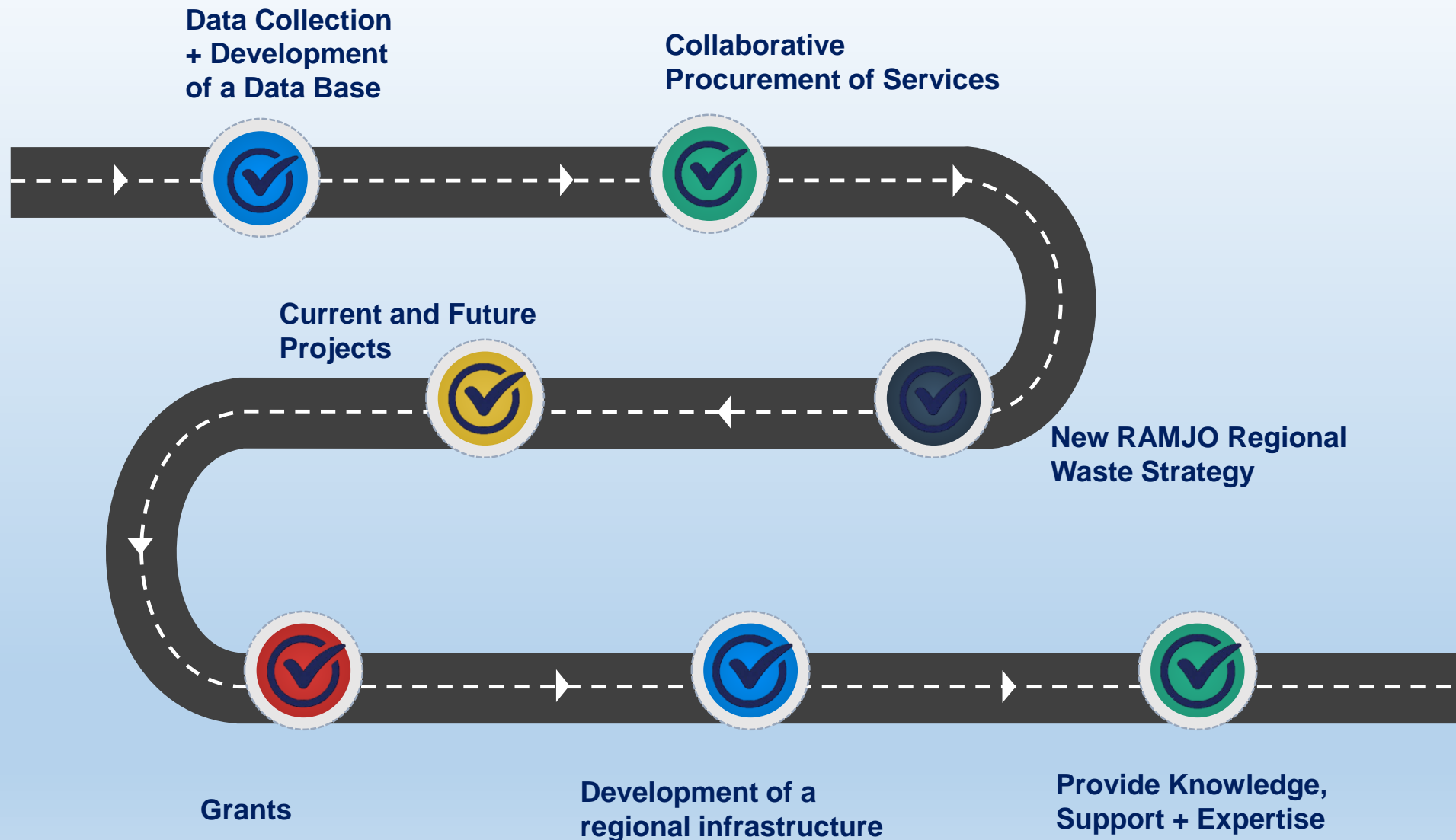
Identified Gaps

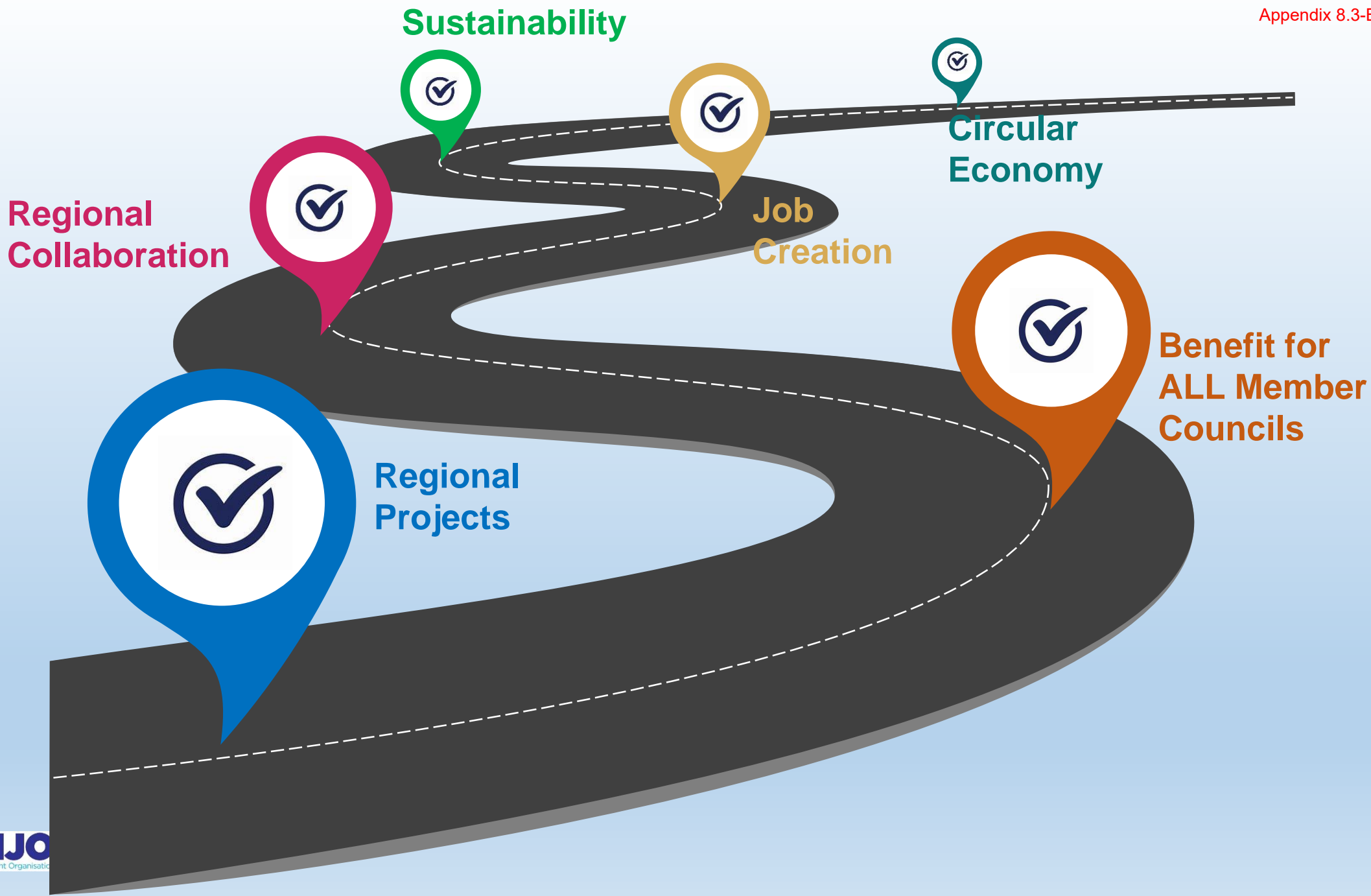


Opportunities

- Greater support for Member Councils
- Source Grant funding
- Collaborative procurement
- Regional infrastructure projects
- Provide schools and community education
- Leadership in Sustainability and Environmental Outcomes
- Contribute towards achievement of NSW WARR Strategy targets
- Job creation
- Reduce waste to landfill, reusing resources
- Improve domestic and commercial services

Priorities



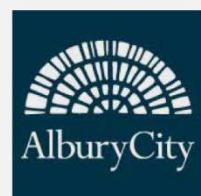


Contact:

Bridgett Leopold – Executive Officer: 02 6023 8791 or 0408 498 534

Andrea Baldwin – Team Leader: 02 6023 8237 or 0428 667 092

Kirstie Muntz – Resource Recovery Project Lead: 02 6023 8213 or 0439 630 612



LOCAL TRAFFIC COMMITTEE

MINUTES

Held Thursday 17th December, 2020

Zoom Meeting / Office Attendance

11:00 am at Berrigan Shire Council Office



**Roads &
Maritime**



PRESENT

MR FAZLUL HOQUE	NETWORK & SAFETY OFFICER ROADS AND MARITIME SERVICES
SNR OFFICER GREG LAWLOR	PATROL OFFICER DENILIKUIN POLICE HIGHWAY
MR MATTHEW CLARKE	DIRECTOR TECHNICAL SERVICES BERRIGAN SHIRE COUNCIL
MR GARY GEORGE	ASSETS & OPERATION MANAGER BERRIGAN SHIRE COUNCIL

APOLOGIES

MR PETER BRAYBON	LOCAL MEMBER OF PARLIAMENT REPRESENTATIVE
SERGEANT PETER KIRK	PATROL SUPERVISOR DENILIKUIN POLICE HIGHWAY

NEW BUSINESS

ITEMS FOR DISCUSSION

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LTC 5 TREE PLANTING - JERILDERIE STREET, BERRIGAN

BACKGROUND

TfNSW has requested that the planting of trees in Jerilderie Street, Berrigan within the road reserve be placed on the agenda for discussion.

A local community member is opposed to the tree planting.

ACTION

TfNSW requested Council staff formally respond to the following:

- If Council's insurer has been advised of obstacles within the road reserve
- If the bollards that have been installed are frangible
- If maintenance between the trees has been considered by Council.

LTC 6 REQUEST FOR STREET CLOSURE DURING MARKETS – ANZAC AVENUE, TOCUMWAL

BACKGROUND

Council is currently constructing a new building on the Tocumwal Foreshore which is impacting stall space for the Tocumwal Foreshore Markets.

The Tocumwal Foreshore Committee has requested that the Cul de Sac on Anzac Avenue south west of Crowley Street, Tocumwal be closed to traffic during market days from approximately 6am to 2pm on the following dates in 2021:

- 2 January 2021
- 9 January 2021

- 23 January 2021
- 6 March 2021
- 4 April 2021
- 8 May 2021
- 5 June 2021

There is 1 residential property within the area proposed to be temporarily closed, whom, members of the Tocumwal Foreshore Committee have consulted with and have given their verbal consent.

RECOMMENDATION

That Berrigan Shire Council approve the temporary road closure of Anzac Avenue west of Cowley Street, Tocumwal between the hours of 6am and 2pm on the following dates in 2021:

- 2 January 2021
- 9 January 2021
- 23 January 2021
- 6 March 2021
- 4 April 2021
- 8 May 2021
- 5 June 2021

to ensure sufficient market stall space for the Tocumwal Foreshore Markets to proceed whilst the Tocumwal Foreshore Building is under construction.

GENERAL BUSINESS:

- Update on signage for the Berrigan Heavy Vehicle Bypass.
(Transport NSW to draft a recommend signage treatment and bring back to next meeting).
- Results from Racecourse Road and Murray Street AADT supplied on day.
(Berrigan Shire Council to analyse and make recommendation to next meeting).
- TfNSW are installing Road Train Route Signage along the Riverina Highway.

Meeting Adjourned: 11:37 AM