

BALRANALD SHIRE COUNCIL ANNUAL REPORT



2021-2022

*Photo Credit: Sunset over Euston NSW courtesy
of Shane Strudwick (Zesty Shane Images)*

ACKNOWLEDGEMENT TO COUNTRY

Council acknowledges the Custodians of the lands and waters within our Shire and recognises their continuing responsibilities to caring for country and of teaching and learning.

We pay respects to Elders past and present and extend our respects to all Aboriginal & Torres Strait Islander First Nations Peoples.



*Beautiful artwork by local artist, Louise Murray.
The painting is located at the Balranald Council Chambers*

TABLE OF CONTENTS

| | |
|--|-------------|
| About our Annual Report | p3. |
| Balranald Shire | p4. |
| Administrator's Foreword | p6. |
| General Manager's Report | p8. |
| Progress Report on Role & Function of Council | p9. |
| Organisational Structure | p14. |
| Balranald Shire Administrator..... | p15. |
| Advisory Committees | p16. |
| Council Happenings | p23. |
| • Council Highlights | p23. |
| • Events & Tourism Highlights..... | p25. |
| • Balranald Shire Library Happenings | p30. |
| • Bidgee Haven Happenings | p31. |
| The Integrated Planning & Reporting Framework | p34. |
| The Six Pillars | p37. |
| • Pillar 1. Our People | p37. |
| • Pillar 2. Our Place | p38. |
| • Pillar 3. Our Economy | p40. |
| • Pillar 4. Our Culture | p42. |
| • Pillar 5. Our Infrastructure | p43. |
| • Pillar 6. Our Leadership | p45. |
| Plans & Policies Adopted | p47. |
| Summary of Grants & Projects Completed | p48. |
| Summary of Grants & Projects in Progress | p54. |
| Council Donations | p59. |
| Statutory Information | p60. |
| Financial Report | p66. |

ABOUT OUR ANNUAL REPORT

This annual report has been compiled to outline Council's achievements for the 2021/22 financial year, as well as providing a detailed financial analysis on Council's operations. The annual report not only reports on the work of Council during the financial year, but also takes the opportunity to acknowledge our achievements for the community.

The Annual Report highlights the diversity of services Council provides to the community and how these services were achieved with the resources available to Council.

The report also presents how Council met its statutory requirements, as required by various Acts.

Annual Report – Summary

Key focuses of the annual report are:

- An overview of who we are
- How the achievements occurred against Council's commitments, as outlined in the Community Strategic Plan
- Measurement against expected results
- How Council met its statutory reporting requirements and
- Council's overall financial performance

Further Information

Hard copies of this annual report are available from the Balranald Shire Council Office, 70 Market Street Balranald, during business hours.

Electronic copies are also available on our website. To request a copy, email or phone our Customer Service Centre using the details below:

Web: www.balranald.nsw.gov.au
Email: council@balranald.nsw.gov.au
Phone: (03) 5020 1300



ABOUT BALRANALD SHIRE

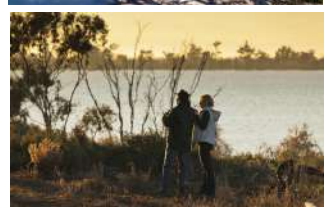
Balranald Shire Council (BSC) is located in the south western district of NSW, approximately 850km south west from Sydney and 450km north of Melbourne. It covers an area of 21,699 square kilometres, making it the fifth largest Shire in the State. The main townships are Balranald (population 1,382) and Euston (population 822), located on the banks of the Murrumbidgee and Murray Rivers respectively. Other localities in the Shire include Kyalite, Oxley, Penarie (Homebush), Hatfield and Clare. The total population of Balranald Shire is just under 2208 persons. Approximately 6.4 percent of the Shire's population is Indigenous.

The Balranald Shire is often described as 'a potential geographer's living classroom' (Toohey, 2010). It is the pivotal place of two great Australian landscapes: to the east the Riverine Plain and to the west the Murray Darling Depression. Their respective formation processes have created today's unique vegetation landscape.

Balranald Shire's waterscape is unique with 5 Rivers meandering and converging within and around the shire (the Murrumbidgee, Murray, Lachlan, Wakool & Edward rivers). This makes the area an ideal destination for fishing, camping, boating, canoeing, kayaking or just chilling on the banks.

Culturally, the Shire is rich in both Indigenous and non-Indigenous history. Mungo National Park, which is part of the world heritage listed Willandra Lakes region, is primarily located in the Balranald Shire and has world archaeological significance with evidence of human occupation dating back at least 50,000 years. South-western NSW was settled by Europeans from the late 1840's, and the Shire has important sites showcasing pastoral industry, inland port heritage and colonial built infrastructure.

The economy of the Balranald Shire Council is strongly connected to agriculture including grains (dryland and irrigated), sheep and cattle. However diversification has occurred to encompass horticulture, viticulture, organic agriculture, tree (fruit and nut), timber harvesting and tourism. The Sturt Highway provides the east west route for flow of goods, services and visitors to the Shire.



ABOUT BALRANALD SHIRE

A Snapshot



Population

2,287
approx



8.8%
Indigenous



Area
21,699
square km



Agriculture

Grains
Sheep
Cattle



Industries

Horticulture & Viticulture
Renewable Energy
Trees - Fruit & Nut
Timber Harvesting
Tourism



Employment

59.4% - Full Time
29.2% - Part Time
6.1% - Away
5.3% - Unemployed



Localities

Balranald
Euston, Kyalite
Clare, Hatfield
Penarie, Oxley



5 Rivers

Murrumbidgee
Murray
Wakool
Edward
Lachlan



National Parks

MUNGO NP - World
Heritage Willandra
Lakes Region
YANGA NP

Statistics based on 2016 Census

ADMINISTRATOR'S FOREWORD

Mr Mike Colreavy



After some very difficult years, the end of the 2021-2022 financial year marks the Shire community, and our industries and businesses, emerging from the worst effects of the prolonged drought and the COVID-19 pandemic which demanded so much from us all. Having responded for so long to these challenges, ongoing La Nina weather patterns are shaping up to present the next in what seems to be a succession of disasters with floods now imminent. There has been very little time for respite and recovery.

A positive for us has been that, once again, over the past year a fortunate side-effect of the pandemic has been the unprecedented level of grant funding that Council has received in the form of economic stimulus funding from the State and Commonwealth Governments. We are grateful to both levels of Government for having provided our fair share of funding which has contributed significantly to keeping the local economy alive in tough economic times, mostly through infrastructure renewals.

As your Administrator, I would like to again acknowledge the earnest interest and support that I continually receive from many local people across the Shire who regularly provide me with their views and advice on local government matters that affect us all, and to thank you all for that, whether you hail from Kyalite, Euston, Balranald, or one of our outlying rural areas. I particularly acknowledge the valued advice of participants in Council's advisory committees, as well as the Youth Council. These Committees make a significant contribution through their thoughtful insight into Council's affairs.

Again, I want to thank Council's workforce for their tireless commitment to local service levels. They were capably led for much of this year by Interim General Manager, Mr Glenn Wilcox who introduced many reforms that will shape Council's course long into the future. The appointment of Mr Jeffrey Sowiak towards the end of the year sees Council's operations now back in experienced, capable hands for the longer term.

cont...

Council finished the year with a healthy surplus, growing cash reserves, and in a relatively sound financial position from which to go forward. By year end, Council reached the mid-point of the period of Administration which is scheduled to conclude in September 2024. From a governance, financial and asset management perspective, I am not seeing any impediments to the restoration of an elected governing body when that time approaches.

This Annual Report is published in compliance with Section 404 of the Local Government Act 1993 and Clause 217 of the Local Government (General) Regulation 2005. The legislation envisages a report on Council's achievements in implementing its delivery programme for the year and other information that you will find throughout this document. I commend the Annual Report to you.

Mike Colreavy
ADMINISTRATOR



GENERAL MANAGER'S REPORT

Mr Jeff Sowiak



It is my honour as the General Manager to prepare and present a report on the Council's operations and financial position for the year ended 30th June 2022. This report includes an overview of the services delivered and achievements of the Council over the past year and concludes with the Annual Financial Statements and auditors report.

From a financial perspective the results are pleasing, Council was successful in generating around \$21m in revenue, including almost \$10m in operational grants, resulting in a net operating surplus before capital grants and contributions, of \$1.7m, with just over \$2.6m in unrestricted working capital. The reports show that Council's rates and charges contribute just over 35% of the Council's revenue and that Council now has over \$19m in reserves for future projects, the majority of which is allocated for water, sewerage and grant funded projects.

The Annual Report reflects the Council's continuing transformation over recent years to an organisation that is financially sound with effective capacity and reserve funding to address long term challenges. There are undoubtedly challenges ahead in terms of financial and operational reforms, policy changes and addressing long term backlogs in infrastructure. However, as the Annual Report indicates, there have been significant achievements over the past financial year.

I appreciate that in the current environment there are significant challenges in attracting and retaining staff and whilst there has been an impressive list of infrastructure works undertaken, the wet weather and competition for contractors has resulted in a backlog of grant funded works to be completed.

The Council's community committees and the many volunteers involved in these committees have undertaken a mammoth task in providing a sounding board for community issues and continue to provide feedback and direction for the future.

I take this opportunity to thank both the Administrator Mr Mike Colreavy and the community members for their guidance and involvement with Council over the past year and commend the staff and contractors on an outstanding effort in difficult circumstances.

Jeff Sowiak
GENERAL MANAGER

PROGRESS REPORT ON ROLE AND FUNCTIONS OF COUNCIL

REPORT ON GOVERNANCE

The purpose of this report is to provide the community with advice as to actions undertaken to improve the role and function of Council undertaken since August 2021 as required by the Ministerial directions

Planning & Reporting

- Council has prepared and adopted the following IP&R (Integrated Planning & Reporting) documents:
 - Community Strategic Plan
 - Delivery Plan
 - Operational Plan
 - Workforce Plan and Strategy
 - 2022/23 Annual Budget
 - Annual Report 2020-21
- Review of all policies and procedures, Council considered 44 policies at its December 2021 and March 2022 meetings.
- Code of Conduct Training for all staff has been undertaken to ensure that everyone knows and understands their responsibilities.
- Council has prepared a Section 355 Committee Policy to assist in guiding future committees.
- Council approved a S355 Committee to oversee the operation of the Bidgee Haven Hostel. This was a community request.
- Council has prepared and approved the following IP&R documents:
 - Project Management
 - Policies and codes
 - Annual Financial Statements
 - Governance generally
- Changes have been made to Council's business paper to ensure that a more open and transparent reporting is occurring. This includes reporting of tenders, the inclusion of outstanding actions from the internal reviews and reporting of audit management advice.
- A works Committee has commenced to review all project and tender documents prior to reporting to Council to reduce errors and to raise questions as to costing of projects.

- Asset Planning – A review has been undertaken and advice reviewed as to the completion of plans and links to budgets. The current review has determined that our Asset plans expire as at December 2021, that the plans are complete to allow annexure information to be developed to report any changes, and that a new budget process to be implemented in the 2022/23 financial year will link the assets to a 10 year plus financial plan. This work is now under way and should be complete in 2022.
- Asset assessment and development of an asset register to comply with the Accounting Standards has been undertaken by APV consultants. This work is ongoing and will guide future Long Term Financial Plans. This information will be linked into Council's Practical Financial system.
- A review has identified issues around the business units of Water, Sewer and Waste due to financial accountability for costs. Changes have been identified to improve asset management, financial management and service delivery. This will be ongoing.
- The Bidgee Haven Aged Hostel has been considered as a business unit and a review of governance is being undertaken to look at the long term financial viability issues. This is ongoing and a review of staffing structures, and procurement have commenced.
- Legislative Compliance Register – A register has been implemented to allow Council to report publicly any legislative non-compliances. This is an improvement process to allow staff and the community to learn from the reporting process.
- Risk Audit – A Global risk audit has been undertaken using the Office of Local Government's Better Practice Review criteria. This report is an in-depth self assessment process and allows staff and Council to correct areas that are non compliant or deficient. This report was prepared by Council's Internal Auditor and presented to the ARIC committee and reported through to Council for the public to see that changes are being made.
- Consideration of Shared Service Models have been undertaken and reported to Council to look at cost saving and governance support into the future. The Shared Services Model is a regional model to improve financial and governance across the JO Councils.
- Council has tendered for ITC services (computer services) and appointed consultants to manage all aspects of storage and support. Services have moved to a Cloud based model as Council is not able to run in-house servers and backup to meet legislative needs.
- Contract registers are being developed to record and comply with financial management requirements
- Grant registers are being established to track grants received, reporting and acquittals
- A full review of the Council's Records management system has been undertaken and working towards compliance with the NSW Records Act and record keeping standards. Council has adopted the record keeping regulations.

Staff

- A review of staff positions has been undertaken and a new workforce plan has been prepared. This Plan is a Four year model to reflect work under the Delivery Plan.
- Senior staff under Contract were provided with KPI's to allow them to assess their own performance and to seek assistance in areas identified. KPI's are similar to the General Manager's to ensure performance and service delivery is at a level that meets the contract payments and Council expectations of high quality staffing.
- Senior Staff salaries and on costs have been reported in the Annual Report.
- Staff Performance reviews have been conducted as per the Local Government Award provisions and training plans are being developed and funded in the 2022-23 budget
- A review of staff positions has identified noncompliance with Award and Industrial Relations requirements as to Casual employment of staff and a need to move these to permanent positions in the Council structure.
- Staff team building and education has commenced with all staff able to attend in-house training on finance, budget preparation, fees and charges and financial direction. Staff external to the office are being consulted as to the future direction of Council, their needs and the resource needs for the organisation. This is an ongoing process.
- Council has had meetings of its consultative committee and its Work Health and Safety Committee. The Committees have not met regularly but have been renewed with the assistance of the USU representative.
- Delegations:
 - Delegations have been reviewed and issued by Council to the General Manager that comply with legislation.
 - Delegations have been provided by the General Manager to all staff requiring financial or legal delegation. Training as to when and when not to use delegation, procurement policy and procedural matters has been undertaken in house.
- Council has been required to advertise two senior staff positions, being Council's Director Infrastructure and Development and Director Corporate and Community Services. Council has also determined that the position of Finance Manager would not be replaced. A review of organisation needs has deleted the Finance Manager position due to contracting out these works and Directors have been changed to Executive Managers to reflect the organisational needs.
- Council has reviewed and developed a new staff appointment process to ensure that Council has qualified people who are able to meet all the position requirements. Council has raised the standards for staff and this is to ensure that it has the best people in every position. Council is now undertaking qualifications checks, verification of references and required Police checks for some positions.
- Future staffing of positions has been identified as a risk, as new industries are developing in the region that are paying higher wages compared to Local Councils. Issues will emerge if wages are not increased. Initial discussion has been held with Unions to discuss this trend.

Finance

- Council advised the Office of Local Government that it was unable to complete its end of year audit process in the time frames required, due to the inability to determine the 2020/21 financial structure. This was the third year that Council had not met the required deadline.
- Council completed the 2020/21 audit by using external consultants in early December and presented its audited report to the December 2021 Council meeting.
- Council has appointed external consultants to manage its finances. Consultants have taken on the role that was to be performed by the Director Corporate and Community Services and Finance Manager. Staff are assisting the consultants in the day to day management.
- In-house financial training by Consultants has been undertaken to improve process management, reporting and awareness. All staff who deal with finances have been able to attend this training.
- Changes have been made to improve the financial accounts and Senior staff KPI's have a requirement to finalise council's accounts prior to the end of the financial year. Discussion has been held with the External Auditor to commence the pre audit review early to reduce future delays.
- The present year's financial accounts have had extensive reviews undertaken to correct its structure and to ensure that the approved budget is as per the Council adopted budget. This has required external assistance to review and adjust the documents.
- The quarterly budget review was prepared for the November 2021 meeting noting that the completed audit had not been finalised. The March quarter included the adjusted budget taking into account the required carryovers. Difficulties remain due to the budget documents as prepared for 2021-22 and their unique method of development.
- Changes have been made to internal financial reporting to ensure that the movement of money is fully documented and signed off at senior levels to allow greater tracking of changes.
- Council staff have prepared and presented the 2022/23 budget. The draft budget was presented to the March 2022 meeting for public display.
- The 2022-23 Budget has identified Water, Sewer, Waste, Caravan Park and the Hostel as Business units and cross subsidising to and from the General Fund or the business unit; is transparent as to the revenue/ expenditure under each.
- Depreciation of assets in all areas remains the key financial issue for the four business units and changes are to be made to improve long term viability.
- A new Chart of Accounts has been prepared to bring the 2022-23 budget back to a recognisable format and to simplify reporting and use by staff.

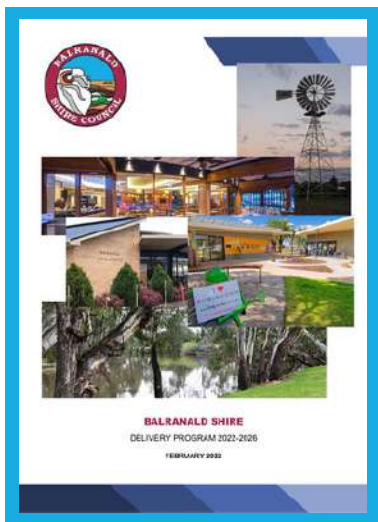
Projects

- A review has been undertaken of the major projects that have been before Council and these include the extension to the Bidgee Haven Hostel, the extension to the Discovery Centre, the Main Street upgrade project and a number of smaller projects.

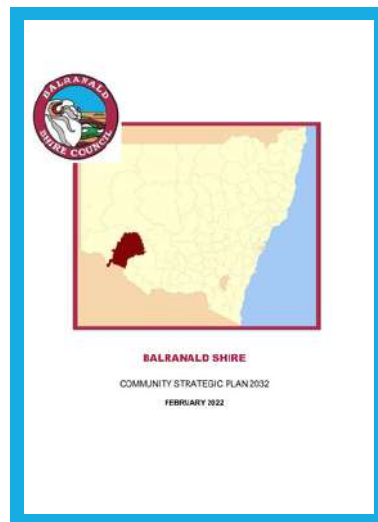
The reviews looked at the funding source, the documentation provided to Council to go to tender, the ability of staff to manage the projects and community advice.

- All major projects in the 2021/22 budget have been placed on hold to allow further review as it was evident that project preparation was incomplete and accurate funding of projects was not available. The project areas increased the financial risks to council even when grant funded. This review will continue into 2022.
- An Internal Audit Report was prepared as to the Main Street Project following advice that the contractor had asked the Court to garnish Council's bank account to return retention money. The Internal Auditor has recommended that the report be submitted to the NSW Ombudsman and to the Office of Local Government as per Council's Internal Reporting Policy. Council submitted the report in December 2021. The report was submitted to Council's ARIC for consideration and review.
- Council has commenced investigation of Grant acquittals and grant financial tracking to ensure that past projects have been completed correctly. This was also an area identified in the external audit report and will be ongoing into 2023.

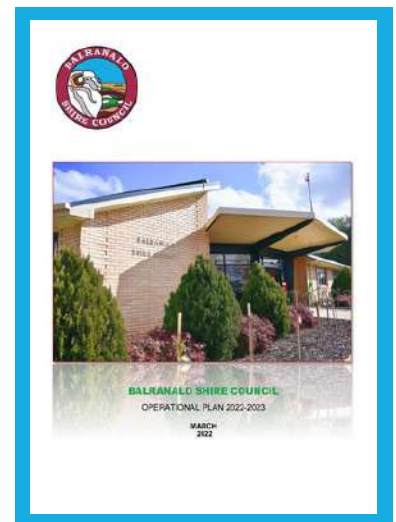
IP&R documents presented and approved by Council:



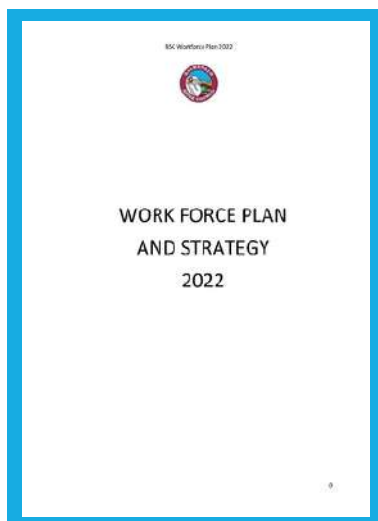
Delivery Plan 2022-2026



Community Strategic Plan 2032



Operational Plan 2022/23

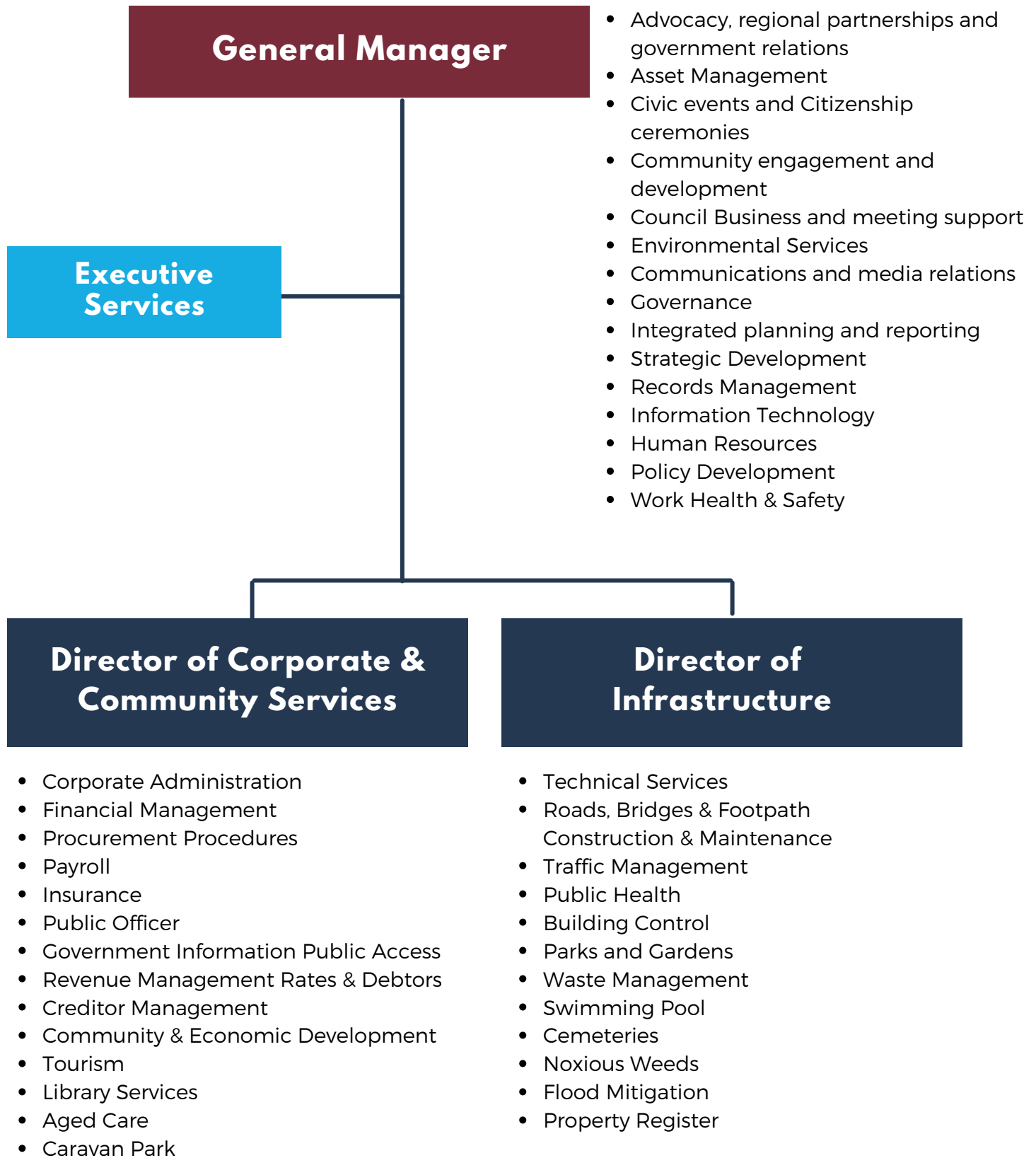


Workforce Plan 2022



Annual Report 2020/21

ORGANISATIONAL STRUCTURE



At the May 2022 Council Ordinary Meeting, Council adopted a new Workforce Plan & Strategy which will be reflected in the 2022/23 Annual Report.

ABOUT THE BALRANALD SHIRE ADMINISTRATOR

On Wednesday 29 January 2020, the Governor of New South Wales appointed Mr Michael Colreavy as the Administrator of the Balranald Shire Council. Mr Colreavy replaced the elected Mayor and Councillors whose offices were declared vacant by the NSW Governor. Mr Colreavy has been appointed for a term of more than four years, which will conclude at the next local government elections in September 2024.

Mr Colreavy’s appointment provides independent leadership with priorities to:

- Restore good governance in cooperation with the Balranald Shire Council Executive Team
- Restore good relationships with the community
- Ensure that the community’s voice is heard and represented

In the 2021/22 financial year, under Administration, Council held 12 Ordinary Meetings. Meetings are generally held at the Council Chambers every third Tuesday of the month.

Council meetings are open to the public, except in circumstances where matters require confidentiality due to legal or commercial-in-confidence matters. Business papers are made available on Council’s website at:

<https://balranald.nsw.gov.au/business/council-documents/council-agenda/>

Payments for the Administrator were as follows:

| Expense Category | Amount |
|--|---------------|
| Salary | \$ 129,676.54 |
| Accommodation & Away from Home Allowance | \$ 739.91 |
| Telephone | \$ 1,097.87 |
| IT Licences | \$ 0 |
| Meeting Expenses | \$ 126.36 |
| TOTAL | \$ 131,640.68 |

ADVISORY COMMITTEES

Youth Council Strategic Focus:

- Strengthen the capacity of our young people to participate and thrive in all facets of community life
- Identify training, education and enterprise skill development needs and connect with / advocate for relevant opportunities
- Promote Youth Mental Health awareness and create and support opportunities for the diversity of Shire youth to come together
- Youth Week event organisation
- Provide a welcoming and inclusive platform for young people to provide ideas and voice concerns to Council
- Develop a Term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Assist Council with decisions regarding infrastructure, service and program growth and advocacy within mandate



Achievements

- Staged the "Car Wash Day" event with sausage sizzle, a fundraising day on October 23rd 2021
- Staged the "Happy Halloween Party" - A Halloween Disco Night which was held on 31st Oct 2021
- Officially launched the all-new Balranald Shire Youth Council Facebook Page in November 2021
- Assisted the Australia Day Committee in planning and staging the Australia Day activities in Balranald
- Supported Council's Events Coordinator in staging Council's Easter Events
- Established relationships with agencies such as South West Arts
- Event managed and coordinated the Youth Week activities held between 4th April - 14th April 2022



PHOTOS: The Youth Council's Carwash Day and "Creepy" attendees at the "Happy Halloween Party" event

Growing Business, Industry & Tourism

Strategic Focus:

- Represent the Shire community to encourage equitable access to the benefits of economic development and industry growth (includes identifying opportunities for increased local employment and local training needs to ensure improved employment options for residents)
- Maintain a Tourism Asset Portfolio to ensure the preservation and/or development of natural, heritage/cultural and built assets (sites), historic stories and narratives
- Assist with the establishment of new tourism events and the development of existing tourism events.
- Assist Council with investment attraction and tourism promotion
- Organise Business after dark events (as per Business Chamber and BEC topics/initiatives)
- Support infrastructure and event grant funding prioritisation and applications
- Actively seek and develop small business – industry synergy/ partnerships
- Develop a term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Establish and nurture a volunteership of members (both from committee and community) to resource on-the-ground activity for tourism development
- Actively support and collaborate with the Euston Progressive Committee for business and tourism promotion and development



Achievements

- Investigated and presented the Windlab Burrawong Windfarm development
- Developed an Annual Plan
- Supported a proposal for the design and production of plaques commemorating the Balranald Shire's early pastoral stations and their history
- Proposed the establishment of a weir able to hold usable water in Yanga Lake
- Supported the Kyalite Progressive Association and their respective projects and the Kyalite Masterplan
- Provided input and feedback on the Public Art Master Plan
- Provided input in the hiring of the Tourism, Communications & Events Coordinator
- Commenced investigation into establishing a Community Trust/Foundation
- Provided input via consultation in the development of Community Strategic Plan
- Provided input and feedback with the Discovery Centre Upgrade plans
- Special Guest Speakers during the 2021-22 year included:
 - Kristy Orr, ACRE Arts Project
 - Celeste Swain and Mel Tranter, Yanga and Millewa SDL-AM Supply Project and Balranald Weir
 - Toni Tyrer and Gay Renfrey from the Balranald Beautification Committee

Strengthening Community Access, Inclusion & Well-Being

Strategic Focus:

- Map & monitor provision of health, well-being and connection/inclusion services and programs
- Plan and advocate regarding closing service gaps and increasing equitable access
- Support and promote community knowledge of, and access to, all available services
- Provide a platform for increased coordination and collaboration of health, well-being and connection services and programs (both local and visiting)
- Identify and promote inclusion of community diversity and events and programs which celebrate diversity
- Develop a term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Assist Council with decisions regarding infrastructure, service and program growth and advocacy within mandate



Achievements

- Developed an Action Plan
- Increased awareness of services and support available to victims of family violence.
- Active in looking for options and solutions for emergency accommodation
- Active in identifying the best ways to get universal messaging to those that are vulnerable
- Active in spreading the message that violence is not acceptable via White Ribbon events
- Coordinated White Ribbon event with white balloons being mailed out to householders
- Provided input in the development of the Community Strategic Plan
- Provided input in updating Council's Disability Inclusion and Access Plan
- Distributed the "My Health Notebook" (Western NSW PHN) - SCAIW did a promotion in the Shire newsletter
- Event managed the staging of the Local Services Networking event held in April 2022
- Worked on the Sustainable Mental Health First Aid (MHFA) model for the Shire
- Provided feedback and support on Council projects
- Provided support with Balranald Senior's Week activities
- Guest Speakers during the year included:
 - Emma Moore - Nurse Manager, Maari Ma Aboriginal Health Services
 - Inspector Darren Brand - NSW Police
 - Courtney McIntyre, MacKillop Community Services, Balranald
 - Jenene House, Transport NSW



PHOTO: Shows one of the residents that displayed white balloons which were distributed by the SCAIW Advisory Committee as part of the White Ribbon event

Ageing Well, Aged Care & Facilities

Strategic Focus:

- Provide a platform to positively promote and support all community members to age well in the setting of their choice
- Identify and advocate for remedy of key service gaps to better support ageing well
- Identify and encourage opportunities which showcase the qualities, assets and skills of our ageing community and provide opportunities for the sharing of these with younger community members
- Reference group to the Hostel Dementia Ward development
- Develop a term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Assist Council with decisions regarding infrastructure, service and program growth and advocacy within mandate



Achievements

- Advised and supported Council with staging the Seniors Week events
- Provided ongoing advice, recommendations and input in reference to the Bidgee Haven Hostel
- 2 Committee Members volunteered to be on the Australia Day Organising Committee and were active in supporting the committee in staging the Balranald Australia Day event



Some of the residents at the Bidgee Haven Hostel at Christmas 2021



PHOTO: Shows morning tea at the Euston Club as part of Senior Citizens Week activities

Balranald Beautification Strategic Focus:

- Represent Shire communities in a coordinated and considered approach to town beautification
- Collaborate in the planning of larger beautification efforts to ensure consistent focus and branding
- Develop a term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Assist Council with decisions regarding infrastructure, service and program growth and advocacy within mandate



Achievements

- Established a priority to order and plant rose bushes and other plants in the main street (Market Street).
- Recommended that dead trees in Market Street be replaced
- Recommended locations of bins along Market Street
- Recommended that the Gates at Greenham Park be upgraded and that a plaque be placed on the gate or near the gates describing the history of the gates.
- Recommended that Balranald Shire Council purchase Christmas Decorations for the Balranald township
- Supported the erection of toilets at the Cemetery
- Supported the erection of the Christmas Tree at the Balranald Discovery Centre and were responsible for decorating the tree
- Made recommendations for a Windmill feature in Balranald
- Made recommendations to assess the watering systems around the town
- Recommended that doggie bag dispensers be located at the Lions Park, court Street Entrance of the Swing Bridge and at the Discovery Centre.

PHOTO: The Beautification Committee was responsible for decorating the Christmas tree donated by Balranald Inc received via the Drought Community Grant Round 2 funding

Sport & Recreation Strategic Focus:

- Represent the breadth of community sporting and recreation bodies equitably to ensure the broadest possible access of all community members to all available opportunities
- Partner with Council to catalogue and promote sporting and recreation opportunities across our Shire to encourage active participation for health and wellbeing benefits
- Encourage all sporting and recreation bodies to ensure positive messaging reaches all community members and especially our children and youth (including messages which prevent violence, discourage the use of drugs and alcohol, encourage fair and inclusive participation in sports for all – messaging to reflect State and Federal guidelines)
- Assist or partner with Council in development of projects and applications for infrastructure grant funding or events grant funding
- Assist Council with decisions regarding infrastructure, service and program growth and advocacy within mandate



Achievements

- Due to the pandemic, the Sport & Recreation Advisory Committee did not meet in the 2021/22 reporting year, however, two key achievements were the completion of the tennis courts upgrade & the completion of the new changing rooms at the Greenham Park sports grounds.



PHOTOS: The 2 photos above were taken at the opening of the new Tennis Courts in February 2022 and the bottom photo was taken at the opening of the new Changing Rooms at the sports grounds

Euston Progressive Strategic Focus:

- Provide the Euston community a platform through which to connect with Council in the absence of elected representatives
- Advocate for the Euston community identified areas of interest and priority
- Develop a term and annual (or biennial) Action Plan to guide Advisory Committee priorities and actions
- Collaborate regularly with Business, Industry, Tourism Committee to ensure a whole-of-Shire approach is taken on tourism, beautification and economic development

Cont.

- Recommended grant funding for the Upgrade of the Recreation Reserve
- Recommended road calming at particular intersections
- Recommended toilets and change room amenities at the Euston Recreation Reserve



PHOTO: Shows Alex & Blake on the new footpath on Maher Street in Euston. Footpaths is one of the Priorities of the Euston Progressive Committee



Achievements

- Organised drinking fountains for walking trails
- Supported the plans in upgrading/repairing the football oval
- Developed a **Priority Listing of Works** that was reviewed at each committee meeting which looked at works across Euston. Priorities were listed as below:
 1. Entry to Euston - upgrading the roundabout, water tower, (Regent parrot mural), signage
 2. Sewerage and water
 3. Asset management planning-including explicit criteria, asset classes/adjusted for population growth
 4. Identify areas for residential growth
 5. Economic development strategy for Euston-Robinvale
 6. Netball/Basketball courts
 7. Euston Branding-river, heritage and Regent parrots
 8. Footpaths
 9. Upgrading bus route roads
 10. Euston Forest eco-trail - walking and bike riding
 11. Tourism strategy including developing new products
 12. Access to Council - scheduling a Council meeting, regular/predictable staff visits, contact details displayed at new Post office
 13. Promoting Euston - voucher booklet or pamphlet
 14. Water park - Fountains, water play equipment
 15. Upgrade the Max Willis park
 16. Identify and enhance heritage assets - eucalyptus oil factory, courthouse
 17. Revitalize iconic local events
 18. Vocational training opportunities
- Active in having a defibrillator installed at the Euston Sport & Recreation Club Rooms
- Supported the staging the Australia Day Event in Euston
- Provided input via consultation in the development of Community Strategic Plan
- Supported plans for the upkeep and maintenance of the Euston Court House

Executive of Chairs

Strategic Focus:

- Opportunity to collaborate on cross-committee interests or challenges
- Guidance/feedback from General Manager and Administrator on Committees' charters and achievements, fostering the Committee-Council relationship
- Share opportunities and challenges

COUNCIL HAPPENINGS

1. Council Highlights

- In July 2021 we said farewell to **Angela Harben** after 25 years as librarian. Angela Harben began as the Balranald Shire Librarian in July 1996. Angela played a significant role in the implementation of the Bookmark System at the Library. The new system was the first of many changes to the old style 'borrow and return' library. Community computers and internet took the library into the 21st century with eBooks now available
- In August 2021 we welcomed **Janaya Gaston** as the new Librarian. With 15 years in education, many new ideas and a fresh outlook on the library experience she is set to change things up at our community library. (get picture of Janaya with library book as per newsletter)



Angela Harben (left) and Janaya Gaston (right) with a special library member!

- In August 2021 **Mr Glenn Wilcox**, was appointed to act as General Manager until a permanent replacement was recruited.
- In October 2021 we welcomed the returned of **Connie Mallet** as Council's Tourism, Communications & Events Coordinator

- In December 2021 Council held its annual Christmas Light Competition. Winners were:

1st Prize - Amber Williams

2nd Prize - Lucas and Lennie Griffiths

3rd Prize - Daniel Woolhouse



- On the 9th December Helen Dalton visited Balranald on Thursday 9th December 2021 to present Community Recognition awards to some Balranald community members for the recognition of their services within Balranald community. Recipients of the awards included:

- **Leanne Giansiracusa**

- **Emma Moore**

- **Chris Camin**

- **Jedda and Maxine Kelly**

- **Zaidyn McAlister**



- In February 2022 Balranald Shire Council's Staff member **David Unicomb** received a special award for 40 years of continuous service with the Balranald Shire Council
- In February 2022 we welcomed new Sergeant, **Luke Hayes** to Balranald
- In March 2022 we welcomed **Richard Lucas** as Balranald Shire Council's new Work Overseer
- In April 2022 we welcomed **Jeff Sowiak** as Balranald Shire Council's new General Manager
- In May 2022, staff member **Kristy Bellerby** received an award for 20 years continuous service with Balranald Shire Council

2. Events & Tourism Highlights

Events

Within the reporting period of July 2021 – June 2022 and slowly coming out of Covid restrictions, Council staged and/or funded the following events:

- “Happy Halloween Party” - A Halloween Disco Night held in October 2021
- Christmas Stop & Shop - Buy Local Market Day in December 2021
- Australia Day Events in Balranald & Euston in January 2022
- Active Pools Program in January - March 2022
- Senior Citizens Week held in March 2022
- Small Business Dinner in March 2022
- Easter Egg Hunt in April 2022
- Easter Twilight Market in April 2022
- Youth Week Activities in April 2022

Through donations and funding streams, Council was able to support the following events:

- Robinvale-Euston 80Km Ski Race in February 2022
- Homebush Rodeo in March 2022

AUSTRALIA DAY 2022 – AWARD RECIPIENTS



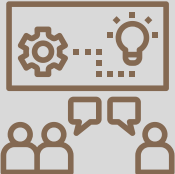




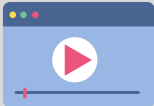


Tourism & Destination Marketing Activities

The first quarter (July - Sept 2021) of the reporting period saw the easing of Covid restrictions and from October to December 2021 we began planning our destination marketing and small business development marketing strategies and kick started our social media, print media and broadcasting media activities. The resurgence in our marketing activities were reflected in our statistics measured at the end of the 2021/2022 year.

Snapshot of Activities & Performance

| MEDIUM/MEDIA | CONTENT/PERFORMANCE |
|--|--|
| Visitor Walk-In at the VIC | From total visitor numbers of 843 recorded for the first quarter July - September 2021 to the last quarter April - June 2022 of 4,530 visitors, visitor numbers increased by 437% |
| Visitor Walk-In at the Interpretive Pavilion | From total visitor numbers of 974 recorded for the first quarter July - September 2021 to the last quarter April - June 2022 of 4,898 visitors, visitor numbers increased by 403% |
| Merchandise Sales at the Vic | From the September - July 2021 quarter sales of \$5,191 to the April - June 2022 quarter, sales of \$23,890, merchandise sales increased by 360% |
| Social Media Audience Reach (with targeted audiences) | Social media promotions kick started around November 2021 with targeted audiences set up behind the Discover Balranald & Surrounds FB page. From a total audience reach of 16,767 recorded for the July - Sept 2021 quarter, to 238,069 audience reach for the last quarter April - June 2022, audience reach increased by 1,320% |
| Social Media Audience Engagement with the Posts (comments, likes & shares) | From a total audience engagement of 2,447 recorded for the July - Sept 2021 quarter, to 25,857 audience engagement for the last quarter April - June 2022, audience engagement increased by 957% |
| Video Stories on FB (organic stories) | In the last quarter of the reporting period (July - Sept 2021) we began posting organic video stories that reinforced the paid promotions on the main FB page. We received 2,500 organic views during that period |
| Discover Balranald & Surrounds Website traffic | Our website traffic increased from 87,000 to 111, 038 an increase of 28% during the reporting period |

| MEDIUM/MEDIA | CONTENT/PERFORMANCE |
|---|---|
| <p>Print Media</p>  | <ul style="list-style-type: none"> • We ran a series of print media advertisements leading up to our Christmas Market Day/Buy Local event as well as leading up the Easter in Balranald Shire events. • During the 21/22 we had a pull page advertisement plus full page editorial in the Autumn and Spring editions in Caravanning Australia. • All print media adverts included a QR code linked to the Discover Balranald & Surrounds website |
| <p>Broadcast Media</p>  | <p>We ran a series of radio campaigns throughout the 2021/22 year. These included:</p> <ul style="list-style-type: none"> • Radio campaign promoting our local small businesses leading up to our Christmas Market Day and a "Shop in Balranald Shire promotional campaign, • Plus live-to-air broadcast from Market Street on Market Day including the "Shop Till You Drop" shopping promotion to drive traffic through local retail stores • Radio campaign leading up to the Shire's Easter Events |
| <p>Regional Destination Management Planning Workshops</p>  | <p>During the January - March 2022 quarter, we hosted two consultation workshops for the development of two regional Destination Management Plans, being:</p> <ul style="list-style-type: none"> • Far West Joint Organisation Destination Management Plan • Destination NSW - Riverina Murray Destination Management Plan <p>It is envisaged that once the regional plans are completed, we will begin the process of developing Balranald Shire's Destination Management Plan in alignment with the findings and objectives of the regional plans but with a local focus.</p> |
| <p>Destination & Visitor Economy Conference in Orange</p>  | <p>During May 2022 we attended the Destination & Visitor Economy Conference in Orange. It was a wonderful opportunity not only to gain the latest trends and opportunity in the tourism space but also to connect with key stakeholder agencies and with personnel from our neighbouring and regional LGAs.</p> |

| MEDIUM/MEDIA | CONTENT/PERFORMANCE |
|---|--|
| <p>Balranald Discovery Centre precinct part of Tourism Australia's National Experience Initiative</p>  | <p>In June 2022 we received news from Tourism Australia that the Balranald Discovery Center precinct had been selected for the National Experience Content Initiative. Videographers and photographers were engaged to take high quality footage and photos of the precinct and surrounds.</p> <p>This project will deliver for free a series of hero images (in landscape and portrait) and a selection of video footage. The images and videos will also be published on the Tourism Australia and Destination NSW image and video galleries for all to access, including media and trade.</p> |
| <p>Balranald Shire Visitor Services' Small Businesses - Promotional Video</p>  | <p>In June 2022 filming began across the Shire of all our small businesses who either directly or indirectly provided services to visitors and contributed to the shire's visitor economy.</p> <p>Businesses included in the filming project included all the retailers, eateries, accommodation venues, auto services etc. It is planned that the final video ready to be launched in November/December 2022 via a new Discover Balranald & Surrounds video channel that will be created on YouTube. The video will also be used across a number.</p> |
| <p>Discover Balranald & Surrounds new website</p>  | <p>In June 2022 we commenced the process of developing a new and refreshed "Discover Balranald & Surrounds" website. The new website will incorporate new features and content and will underpin a planned integrated marketing strategy for 2023 - 2024.</p> <p>It is anticipated that the new website will be ready for launch in late 2022.</p> |
| <p>Events Calendar</p>  | <p>From January 2022 we produced a monthly calendar of events which were uploaded on the current website and posted on local and regional community Facebook pages.</p> <p>We also supported the promotions of key events via our Discover Balranald & Surrounds Facebook page.</p> |

Promotional Content

shop BIG
Like Santa does in Balranald & Euston NSW!

Santa knows where it's at!
Be pleasantly surprised by all we have to offer in Balranald, Euston & the Balranald Shire:

- Gifts, homeware, hardware furniture & decor
- Great range of clothing, sportswear & accessories
- Florist & Garden Supplies
- Beauty, Hairdressing & Cosmetics
- Quality meats & cuts
- Pre-loved books, clothing & other pre-loved goods
- Shop & dine at one of our eateries & stay a night or two!

Balranald Information Centre
63 Market Street, Balranald
1800 444 043 | 03 5020 1599
Euston Information Centre
Euston Club, Nixon Street,
Euston 03 5026 4244

SCAN to view all our Christmas offerings!

visitbalranald.com.au

One of the print media advert for the Shop in Balranald Shire Christmas Campaign

Between November 2021 to June 2022 our promotional content across various online and offline mediums included the following:

- Shop in the Balranald Shire Christmas campaign
- The Murrumbidgee River and river activities
- The new tennis courts in Balranald
- The Balranald Art Gallery and gallery attractions
- Sarah Storer concerts in Kyalite and Euston
- Stunning Sunrises & Sunsets - Part of the magic
- Accommodation options across the shire
- Birdlife in the shire (targeted at the "Birdies" market segment
- Lake Benanee
- Easter in Balranald Shire series of events (shire wide
- Easter Egg Hunt
- Easter Twilight Market
- Mungo National Park
- Easter Egg Hunt success story
- Easter Twilight Market success story
- The Homebush Rodeo
- ANZAC Day
- "The Art of Football" Art Exhibition
- The Southern Cross Exhibition
- "All Creatures Great & Small" - Our amazing wildlife
- The Military Commemorative Trail
- Majestic River Redgums at Yanga National Park
- Stunning Euston

NEW SOUTH WALES • AUSTRALIAN CAPITAL TERRITORY

Be charmed in Balranald Shire

Balranald Shire is a beautiful area to visit, offering a mix of natural beauty, history, and modern amenities. The shire is home to several beautiful lakes, including Lake Benanee, Lake Euston, and Lake Benanee. These lakes are perfect for fishing, boating, and picnicking. The shire also has a rich history, with many historic buildings and sites. The Balranald Discovery & Information Centre is a great place to learn more about the shire and its attractions. They offer a range of services, including map sales, information, and advice. The centre is located in the heart of the shire, making it easy to find. So, if you're looking for a peaceful and scenic holiday, Balranald Shire is the perfect place to visit.

DISCOVER BALRANALD & Surrounds

Under all the treasures the area has to offer...

- ✓ Begin your journey of discovery at the Balranald Discovery & Information Centre
- ✓ Explore World Heritage Mungo National Park & picturesque Yanga National Park
- ✓ Take in the magic of the iconic rivers & lakes - fish, boat, kayak, camp or just chill
- ✓ Learn the area's rich history - Visit the Gaol, Museum, Gallery, Military & Heritage Trails
- ✓ Experience the charm of Euston nestled on the Murray River & picnic at Lake Benanee

Balranald Discovery & Information Centre
63 Market Street, Balranald NSW
1800 444 043

Euston Visitor Information Centre
41 Euston Club, Nixon Street, Euston NSW
03 5026 4244

visitbalranald.com.au

The full page advert and full page editorial in the Autumn 2022 edition of Caravanning Australia

3. Balranald Shire Library Happenings

On August 2021 we welcomed Janaya Gaston as the new Librarian. With 15 years in education, many new ideas and a fresh outlook on the library experience she is set to change things up at our community library. The Library staged and/or supported various activities between August 2021 and June 2022 including the following:



Launch of the Balranald Shire Library Facebook Page



Erection of new display boards and bookshelves



Encouraging creative artwork from the young people and rewarding them with special awards



Staged a series of after-school activity programs



Worked in conjunction with Council's Youth Council to stage a school holiday Halloween Craft workshops



Established a Library Book stand at the Euston Caravan Park Café



Established the "What on this Week" Noticeboard



Conducted school holiday programs



Supported the Active Pools Youth Program



Staged the 'Happy Halloween Party' in partnership with Council's Youth Council



Introduced "Friends of the Library" program which encouraged volunteers to support library programs such as after school activities and holiday programs



Introduced the QR Code Library which gives children access to stories being read to them by many different types of famous people



Successful in winning a grant to develop Stage 1 of the Library Refurbishment project which is to create an IT Hub space at the Library.

It's all happening at the Library! :-)



4. Bidgee Haven Happenings

- In October 2021 Bidgee Haven Hostel's Facebook page was reactivated with a fresh approach to share with the community all the wonderful activities and happenings taking place at the hostel.
- On the 17th December 2021 Council resolved to establish a Section 355 Committee under the Local Government Act 1993, to manage Bidgee Haven Hostel complex and to undertake the roles and functions by Council.
- Over the 2021/22 year Bidgee Haven staff ensured residents enjoyed life to the fullest and involved the residents in a number of events and activities including the following highlights:

Residents celebrated World Chocolate Day with delicious treats!



Residents celebrated Melbourne Cup day in style



Residents celebrated World Sandwich Day with a delicious array of sandwiches for morning tea



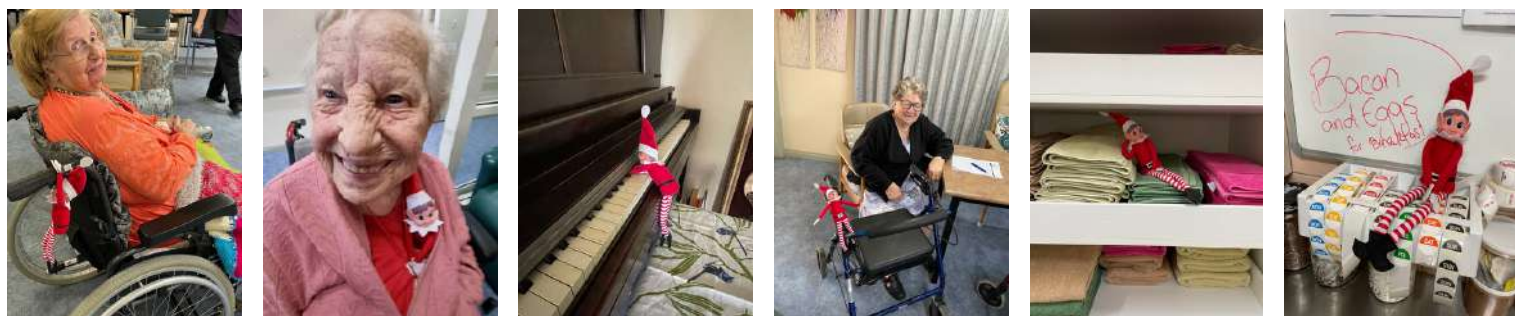
Residents Celebrated Remembrance Day including making the amazing decorations



Residents were a great help in making wonderful Christmas decorations which came out a treat!



The Naughty Elf got up to a lot of mischief at Christmas time!



Throughout 2021/22 residents enjoyed celebrating birthdays!



THE INTEGRATED PLANNING & REPORTING FRAMEWORK

The Local Government Act 1993 (the Local Government Act) requires all Councils in NSW to operate within the Integrated Planning and Reporting Framework. This allows Council to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically for the future.



HOW WE DELIVER ON THE VISION

What you want / Vision



Your Community Strategic Plan (CSP)

Sitting above all other Council plans and policies in the planning hierarchy, the Community Strategic Plan identifies the main priorities and aspirations of the community and provides a clear set of strategies to achieve this vision. While Council has a custodial role in preparing and maintaining the Community Strategic Plan, other stakeholders, including NSW Government agencies and community groups, may also be engaged in developing and delivering the long-term objectives of the Plan.

How we propose to deliver



Delivery Program

The Delivery Program translates the goals of the community, as contained in the Community Strategic Plan, into actions. The Program sets out the principal activities to be undertaken by Council in implementing the Plan within the resources available under the Resourcing Strategy.

What we propose to do



Operational Plan

Spelling out the details of the Delivery Program, the Operational Plan lists the individual projects and activities that will be undertaken for the year to achieve the commitments made in the Delivery Program.

Enabling delivery of the CSP



Resourcing Strategy

The Resourcing Strategy articulates how Council intends to deliver the Community Strategic Plan. The Strategy consists of three components:

- Long Term Financial Plan
- Workforce Management Plan
- Asset Management Plan



Balranald Shire's Community Strategic Plan

Balranald Shire 2027 was adopted by Council in 2017. It maps the ways Council will achieve the 'Six Pillars of Well-Being' over a 10 year period, namely:



Each pillar has community strategic objectives that the Council aims to deliver on. The six pillars were developed after listening to the community. Values that were highly appreciated by the community are identified.

Planning for a new draft Community Strategic Plan commenced in the reporting period aimed at keeping pace with a rapidly changing local and regional economy.

The following outlines the strategic objectives from the Community Strategic Plan and a summary of what was achieved in 2021/22 under each strategic pillar.

THE SIX PILLARS - Objectives & Achievements

PILLAR 1. Our People

A community that is proactive, engaged & connected



Key Objectives

- Expand opportunities for social interaction
- Implement a Welcoming Strategy
- Encourage understanding, respect and tolerance between our diverse communities
- Improve communications & information dissemination
- Improve Council Engagement with the Community



The Australia Day events held in January 2022 provided Council the opportunity to stage events in Balranald & Euston for much needed social interaction after the impacts of the pandemic, as well as the opportunity to encourage understanding and respect for all who live in our shire.



Achievements

- Balranald Shire Council supported and staged community events for social interaction and community engagement including:
 - Senior's Week
 - Australia Day Events in Balranald & Euston
 - Easter Twilight Market & Egg Hunt events
 - The Christmas "Buy Local" Market Day Event
 - Christmas Lights Competition
 - Youth Week Events
- Continued to work closely with all community service organisations to support, promote and encourage understanding, respect and tolerance within our shire communities
- During the the 2021/22 year, Council commenced the process of developing a new corporate website to improve our online communications with the community and the public
- Council's Community Newsletter was given a fresh look and was distributed on a monthly basis and continues to offer community groups and organisations a medium to promote their events and activities for free
- Regular social media posts continued on promoting community activities and events
- In August 2021 Council announced that residents of the Balranald Shire could pay their rates directly online using their Credit Cards.
- New range of activities and funding for the Balranald Library was achieved during 2021/22 to help make our library more vibrant & engaging for the community.

PILLAR 2. Our Place

A liveable and thriving community that maintains lifestyle opportunities & addresses its disadvantages



Key Objectives

- Prepare a population retention and attraction strategy
- Promote opportunities from potential mining, horticultural and energy investments
- Towns are safe and inviting for locals and visitors
- Identify groups within our community facing hardship and disadvantage
- Plan for an ageing population
- Develop a Disability Inclusion Action Plan
- Plan, construct, operate and maintain recreational facilities
- Create and/or promote events



Achievements

- Parks, public areas and facilities were maintained to agreed standards
- Council met regularly with the Police and other agencies to ensure our towns are safe & inviting to locals and visitors
- The Local Traffic Committee met several times during the year to address road safety matters to ensure safety on our roads
- The Strengthening Access, Inclusion and Wellbeing Advisory Committee identified and advised on groups within our community facing hardship and disadvantage with minutes reported to Council
- Within the year Council's Strengthening Community Access, Inclusion & Wellbeing Advisory Committee began review of the Disability Inclusion Action Plan
- The Ageing Well, Aged Care and Facilities Advisory Committee met during the year to provide recommendations to Council on needs of the aged in our community
- On the 17th December 2021 Council resolved to establish a Section 355 Committee under the Local Government Act 1993, to manage Bidgee Haven Hostel complex.
- Council staged and supported various community events throughout the year which were promoted via the Newsletter, Council's website and social media pages



Achievements (cont.)

- Council consulted with organisations within the renewable energy industry in reference to proposed investments in the Shire and region. Council's Growing Business, Industry & Tourism Advisory Committee also advised Council of potential investments in the region and Shire
- Council was active in completing projects in constructing, upgrading and maintaining recreational facilities including:
 - Building a new football change room shed at Greenham Park Sport Grounds
 - Updating the Balranald power supply at Greenham Park grounds
 - Upgrade of the Tennis Courts
 - Upgrade of the Euston Recreation Reserve
- On the 7th April 2022 Council's Strengthening Community Access, Inclusion & Wellbeing Advisory Committee planned and staged the Health, Wellbeing & Support Services Networking Expo. 22 organisations - both local to Balranald and visiting - brought more than 47 service providers to showcase a comprehensive range of services and supports to our community.



PHOTOS: Some of the stalls that were present at the Health, Wellbeing & Support Services Networking Expo which was held at the Theatre Royal

PILLAR 3. Our Economy

A community that ensures a strong and resilient economy



Key Objectives

- Implement regular business networking and training initiatives
- Promote use of enterprise creation and expansion schemes and funding sources
- Formulate and implement a Balranald Shire Tourism and Marketing Strategy
- Improve Heritage Park (Discovery Centre Precinct)
- Improve links between Balranald communities and Mungo and Yanga National Parks
- Develop and improve Shire signage
- Implement physical improvements to Market Street
- Maximise regional development opportunities



Achievements

- The Growing Business, Industry & Tourism Advisory Committee held regular monthly meetings with recommendations and reporting to Council
- At the June 2022 Council meeting revised plans for the Balranald Visitor Information Centre were presented to proceed with fully developed architectural and structural plans for the extensions to the Balranald Visitor Information Centre and for Tenders to be invited for the construction of the proposed works
- Council consulted with organisations within the renewable energy industry in reference to proposed investments in the Shire and region.
- Council's Growing Business, Industry & Tourism Advisory Committee also advised Council of potential investments in the region including investigating and proposing the Windlab Burrawong Windfarm development
- During the January - March 2022 quarter, Council hosted two consultation workshops for the development of two regional Destination Management Plans. One was for the Far West Joint Organisation and the other for Destination NSW - Riverina Murray



Achievements (cont.)

- From October to December 2021, after the easing of Covid restrictions, the Tourism & Destination Marketing staff began planning our destination marketing and small business development marketing strategies and kick started our social media, print media and broadcasting media activities. The resurgence in our marketing activities was reflected in our statistics measured at the end of the 2021/2022 year. A summary of these performance results and marketing activities can be viewed in the "Events & Tourism Highlights" section of this report
- In December 2021 Council funded the "Shop in Balranald Shire" marketing campaign which included an integrated strategy incorporating print media, radio adverts and social media promotions. It also included a market day with the radio live broadcasting on-site on Market Street and a competition to drive traffic into the retail shops
- In March 2022, Council hosted a Small Business dinner evening titled "Growing Beyond Covid" which included a series of guest speakers providing practical advice, marketing strategies, tips and information on grant opportunities for businesses & farmers in NSW to help kick-start and grow enterprises beyond the effects of COVID.
- Council continued to work collaboratively with government agencies, regional organisations and neighbouring Councils to identify collaborative economic development and destination marketing opportunities
- Upgrade works to improve access to Mungo National Park had been scheduled and completed through Council's ongoing capital works program for roads
- Ongoing engagement with business operators to expand and strengthen business and tourism activities



PHOTOS: (left) The happy winner, Megan Purtill, of our "Shop in Balranald Shire" Christmas promotional campaign. (right) Revised preliminary plans for the redevelopment of the Visitor Information Centre presented at the June 2022 Council Meeting

PILLAR 4. Our Culture

A community that respects and celebrates its diverse cultures, heritage & arts



Key Objectives

- Identify, protect and interpret our significant heritage sites
- Support promotions



Achievements

- Council was active in supporting and promoting a number of cultural events during the year
- Council promoted events and activities held at the Balranald Art Gallery including:
 - "I do"- Weddings through the ages" exhibition
 - The Balranald Art Gallery & gallery attractions
 - "The Art of Football Art Exhibition"
 - "Sip & Paint" events
 - "On Purpose & Happy Accidents" Exhibition
- Council completed the construction of the Balranald Community Learning Centre with the official opening taking place February 2022
- Council carried out some conservation work at the Theatre Royal as part of Council's commitment to protecting our heritage assets. Council also installed new heating at the Theatre Royal
- Council promoted heritage and cultural assets throughout the year including:
 - Southern Cross Exhibition
 - The Military Commemorative Trail
 - Mungo Heritage & Cultural sites
 - Yanga Homestead and Woolshed
 - Balranald Museum & Old Lockup/Gaol

PHOTOS: Opening of the Balranald Community Learning Centre and "The Art of Football Exhibition one of the Balranald Art Gallery exhibition that Council promoted during the year

PILLAR 5. Our Infrastructure

A community that maintains and strengthens its natural and built environment



Key Objectives

- Continual focus on reducing our environmental footprint and being environmentally sustainable
- Extend mobile coverage especially in the Hatfield/Clare area and National Parks
- Prepare strategic plans for water and sewer supply
- Prepare and implement Plans and strategies in support of maintaining health standards in the Shire
- Identify and lobby for key transport and road infrastructure improvements
- Provide for more and improved footpaths and mobility scooter paved concrete paths
- Identify potential access to new energy technologies & infrastructure
- Provide community infrastructure



Achievements

- Our infrastructure team achieved key goals in maintaining and strengthening our natural and built environment.
- Monthly activities and achievements were highlighted in Council's monthly newsletter.
- Infrastructure updates were reported to Council on a monthly basis

Completed infrastructure and road projects included:

- Building of the new football changeroom shed at Greenham Park
- Routine maintenance works on Market Street & Yanga Way
- Main Road maintenance work
- Redevelopment of the Euston Club Riverfront
- Sealing of existing road for safety improvement – Weimby Kyalite Road Upgrade
- Development of the Balranald Creative Learning Centre
- Upgrade of the Balranald Tennis Courts
- All projects completed under the Local Roads & Community Infrastructure Fund Round 2 (See Completed projects)
- Balranald Riverfront Enhancement Eco Trail
- Balranald Swing Bridge Widening
- Balranald Aerodrome Fencing
- Toilet at Balranald Cemetery
- Euston Recreation Reserve Upgrades



Achievements (cont.)

- Collection of domestic and business waste as per service agreement
- Noxious weeds procedures implemented to meet requirements of the Biosecurity Act 2015
- Implementation of the Companion Animals Act 1998 and encouragement of compliance with legislation and community education was communicated through the community newsletter and social media
- Food premise inspections conducted twice per year
- Private swimming pool inspections implemented in accordance with regulations, with Compliance Certificates and fees/charges in place
- Water sampling compliant with NSW Health allocated sample program
- Completion of allocated funding for footpath works in Euston & Balranald
- Cemeteries operated effectively and efficiently and meet acceptable community service levels
- Aerodrome operated in accordance with acceptable community service levels and within CASA guidelines
- Water and sewerage data collection done in a timely manner and reported within deadlines to State authorities and reports to Council
- Potable water quality maintained in all town water supplies
- Infrastructure renewal works completed as per approved capital works program



PHOTOS: (left) Alex & Blake on the new footpath in Maher Street, Balranald and (right) Weimby-Kyalite Bitumen Sealing

PILLAR 6. Our Leadership

A community that values and fosters leadership, lifelong learning, innovation and good governance



Key Objectives

- Establish a Leadership Development Network and Strategy
- Seek approaches in both planning and delivery of community services
- Encourage community member participation in decision making
- Ensure that Council is efficiently managed to provide civic leadership and good governance to meet all future needs of the Balranald Shire area



In February 2022 long-time Council staff member David Unicomb was presented with a Certificate in recognition of his 40 years continuous service with Balranald Shire Council



Achievements

- Council's Advisory Committees met regularly throughout the 2021/22 year and remained diligent in their commitment to ensuring the community's voice is heard and consistently playing a pivotal role in informing and guiding the decisions of Council in an equitable, open and democratic manner.
- Council prepared, presented and adopted the following IP&R documents:
 - Community Strategic Plan
 - Delivery Plan
 - Workforce Plan & Strategy
 - 2022/23 Annual Budget
 - The 2020/21 Annual Report
- Council reviewed/prepared, presented and adopted 44 Council Policies
- Council tendered for ITC services and appointed consultants to manage all aspects of storage and support
- Council commenced the process of developing a Grants/Projects Register and monthly reporting of projects to effectively monitor the status of projects and their alignment with project timelines, allocated funds and reporting requirements



Achievements

- As part of long term planning, Council commenced the development of village/locality plans which will be used for grant funding of proposed development projects
- Council has openly reported all decisions and information from the Executive of Chairs in open council and via the community newsletter
- Council established a Works Committee to allow it to review project proposals to determine future tenders before advertising to ensure that correct processes are being followed that reduces the risk to the organisation
- Council established an Australia Day Committee to drive the events at Balranald and Euston in January 2022.
- A Legislative Compliance Register was implemented to allow Council to report publicly any legislative non-compliances. This is an improvement process to allow staff and the community to learn from the reporting process.
- Council approved the free entry to the swimming pool for the summer season
- Weekly discussions/interviews were held throughout the year on 3SH being the regional radio network. This has proven to be a positive way to promote Council happenings, tourism and council meeting decisions.



PHOTO: (Balranald Swimming Pool) - Council approved the free entry to the swimming pool for the summer season

PLANS & POLICIES ADOPTED

In the the 2021/22 year, the following Plans & Policies were adapted by Council:

| Plans & Policies | Month Adopted |
|---|---------------------|
| Adoption of Cemetery Management Plan | August 2021 |
| Investment Policy | October 2021 |
| Model Code of Meeting Practice | March 2022 |
| Stormwater Management Plan | March 2022 |
| Community Strategic Plan | May 2022 |
| Delivery Plan | May 2022 |
| Workforce Plan & Strategy | May 2022 |
| 2022/23 Operational Plan, Long Term Financial Plan, Long Term Financial Plan, Fees & Charges & Revenue Policy | May 2022 |
| Fees & Charges | May 2022 |
| Adoption of Council Policies: <ul style="list-style-type: none"> • Access to Information Policy • Asbestos Policy • Asset Disposal Policy • Business Ethics Policy • Child Protection Policy • Compliance Enforcement Policy – Biosecurity Act 2015 & Biosecurity Regulation 2017 • Cyber Security Guidelines Policy • Financial Hardship Policy • Government Information (Public Access) Act 2009 Agency Information Guide Policy (GIPA) • Grievance Policy • Information and Communication Technology (ICT) Policy • Leave for Civil Emergencies Policy • Legislative Compliance Procedure and Register (Operations) • Motor Vehicle Policy • Plant and Equipment Replacement Policy • Related Party Disclosure Policy • Debt Recovery Policy | May 2022 |

SUMMARY OF GRANTS & PROJECTS

✓ Completed Projects in the 2021/22 year

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|--|---|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| FESTIVAL OF PLACE - SUMMER NIGHT FUND From the NSW Government of Planning Industry & Environment to improve the atmosphere of the Easter Twilight Market | \$14,345 | ✓ | ✓ | ✓ | ✓ | | |
| SMALL BUSINESS MONTH From the NSW Treasury for the delivery of one or more business focused activities held during the NSW March Small Business Month | \$2,400 | ✓ | | ✓ | | | ✓ |
| ACTIVE POOLS PROGRAM From the NSW Government Office of Sport for an Active Pools Youth Program held at the Janelle Master Swimming Pool | \$5,000 | ✓ | ✓ | | | | |
| YOUTH GRANT - YOUTH WEEK From the NSW Government of Planning Industry & Environment and Council Contribution to improve the atmosphere of the Easter Twilight Market | Grant: \$3,644.30 Council Contribution: \$2,513.00 | ✓ | | ✓ | ✓ | | |
| NSW PARTNERSHIPS LOCAL COUNCIL FUNDING STAGE 2 - RESPONSE TO COVID From the Office of Local Government and Council contribution for Financial Support in lieu of lost revenues due the impact of COVID 19 lockdowns and facility closure | Grant: \$90,000 Council Contribution: \$12,242 | | ✓ | | | | ✓ |

✓ Completed Projects (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|--|---------------|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| BALRANALD RETIREMENT HOSTEL - AGED CARE WORKFORCE BONUS PAYMENT 2022 From the Department of Health for Workforce Bonus Payments to Hostel workers who worked through the pandemic. | \$10,160 | | ✓ | | | | ✓ |
| ePLANNING PROGRAMS From NSW Government's ePlanning Program to support ePlanning program support and upgrades | \$50,000 | | | | | ✓ | ✓ |
| COMMUNITY DEVELOPMENT PROGRAM From the Department of Health for building a new football change room shed at Greenham Park Sport Grounds | \$500,000 | ✓ | ✓ | | | ✓ | |
| ROUTINE MAINTENANCE COUNCIL CONTRACT From Transport NSW for routine maintenance works on Market Street & Yanga Way | \$133,925 | | ✓ | ✓ | | ✓ | ✓ |
| BLOCK GRANT 2021/22 From Transport NSW for main road maintenance for the following: <ul style="list-style-type: none"> • MR 67 - 192.9km • MR 431 - 6.5km • MR 514 - 62.9km • MR 296 - 2.2km | \$1,178,291 | | ✓ | | | ✓ | ✓ |

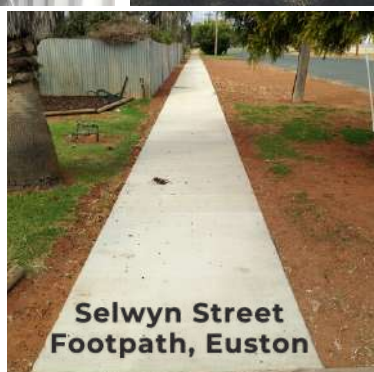
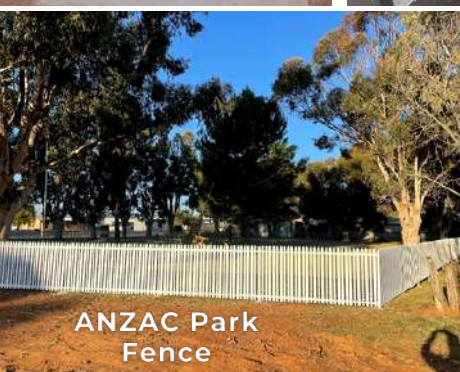
✓ Completed Projects (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|--|---|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| ClubGRANT - EUSTON CLUB From ClubGrant Euston Club for the Redevelopment of the Euston Club Riverfront | \$88,000 | | ✓ | ✓ | | ✓ | |
| RESILIENCE TO CLIMATE CHAGE From Local Government NSW for the change adaptive program - Private domestic water supplies on rural and remote properties | \$102,500 | | ✓ | | | ✓ | ✓ |
| STREET LIGHT SUBSIDY From Carbon Bank of Australia for energy saving street lighting | \$26,753 | | ✓ | | | ✓ | ✓ |
| CROWN RESERVE IMPROVEMENT FUND From Crown Reserve - Consultancy & Plans of Management for Greenham Park lighting project to update the power supply | \$25,850 | ✓ | ✓ | | | ✓ | |
| FIXING LOCAL ROAD ROUND 1 From Transport NSW and Council Contribution for sealing existing road for safety improvement. - Weimby Kyalite Road Upgrade | Grant: \$1,927,500 Council Contribution: \$128,500 | | ✓ | | | ✓ | ✓ |
| STRONGER COUNTRY COMMUNITY FUND ROUND 3 From Local Government NSW to fund the following: <ul style="list-style-type: none"> Development of Balranald Creative Learning Centre - \$284,377 Upgrade of the Tennis Courts - \$287,503 | \$284,377 for Creative Learning Centre \$287,503 for Tennis Courts Upgrade | ✓ | ✓ | ✓ | ✓ | ✓ | |

✓ Completed Projects (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|---|---------------|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| LOCAL ROADS & COMMUNITY INFRASTRUCTURE FUND ROUND 2 From the Depart of Infrastructure, Transport Regional Development & Communications for the following projects: <ul style="list-style-type: none"> • ANZAC Park Fence • River Street/Murray Terrace/Selwyn Street • Bertram and Taylor Road Euston - Traffic Improvement • Euston Forest Eco Trail • Greenham Hall - Refurbishment Event Furniture and Storage • Murrumbidgee Bridge Approach Footpath • Purton Lane Sealing • Ivanhoe Road - Signage - Safety Improvements • Balranald Theatre Royal - Heating • Wampo intersection - Road Safety Upgrade | \$832,921 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Below are photos of some of the completed projects under the Local Roads & Community Infrastructure Fund Round 2



Photos

The following are photos representing some of the projects completed in 2021/22



**Small Business Dinner -
Small Business Month Grant**



**Easter Twilight Market -
Festival of Place Grant**



Active Pool Program



**Greenham Park Football
Change Rooms Shed**



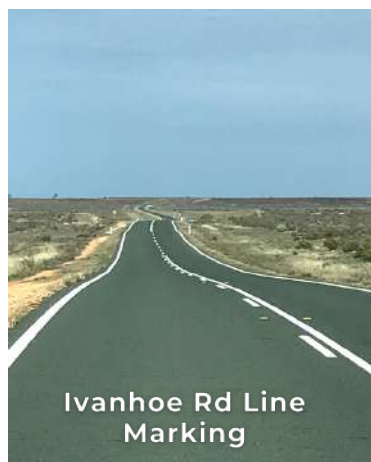
Euston Outdoor Gym



GMR 67 Road Works



**Euston Playground at the
Recreation Reserve**



**Ivanhoe Rd Line
Marking**



Tennis Courts Upgrade



**The new Balranald
Creative Learning Centre**



Bridge Widening



**Murray Terrace Exposed
Aggregate Footpath**

SUMMARY OF GRANTS & PROJECTS



Water & Sewer

Water & Sewer works during the 2021/22 year included:

- Contracts were awarded for various switchboard upgrades and pump replacements for both water and sewer.
- Replacement of old water mains in both Balranald and Euston
- Inspection and cleaning of the Balranald water reservoirs.
- Sewer relining in Balranald
- Switchboard upgrade for Pump Station No 2
- Replacement of a failed pump at Pump Station No 1 was being investigated pending contractor availability
- Upgrades to the main Balranald raw water intake
- Upgrades to control systems for irrigation to reduce unnecessary water use on public spaces were being investigated
- Engineering staff liaise with Public Works Advisory and DPIE (Water) to finalise an Integrated Water Cycle Management (IWCM) Plan, with a focus on addressing future population growth and increased demand for water in both Balranald and Euston.
- A report on water supply issues for Balranald was prepared and submitted to DPIE to support the application for potential funding for upgrading the Balranald water supply system. Representations are being made for a similar assessment of the future needs of Euston
- Replacement of old 25mm raw water meters in the older residential area of Euston
- A new sewerage pump was installed at Balranald Sewerage Pump Station before Christmas 2021
- Electrical switchboard upgrades have been carried out at Euston raw water pump station
- As part of a program to improve our service to customers and to renew and replace old assets in line with good asset management practice, Balranald Shire Council has engaged contractors to replace the raw water mains in the following areas: Balranald Moa Street East side - Turandurey to Ballandella Street and Balranald Yuranigh Street East side - Harben to Market Street

SUMMARY OF GRANTS & PROJECTS

✓ Projects In Progress @ 30th June 2022

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|---|--|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| DISCOVERY CENTRE REDEVELOPMENT PROJECT From the Far West Joint Organisation for the Discovery Centre Redevelopment Project | \$950,000 | ✓ | | ✓ | ✓ | ✓ | |
| CROWN RESERVE IMPROVEMENT FUND From The Crown Reserves Improvement Fund for: <ul style="list-style-type: none"> Lions Park Upgrade \$587,991 Balranald Caravan Park Upgrade - \$771,500 | \$587,991 for Lions Park Upgrade \$771,500 for Balranald Caravan Park Upgrade | ✓ | ✓ | ✓ | | ✓ | ✓ |
| EVERYONE CAN PLAY From the Department of Planning, Industry & Environment which will support the Lions Park Upgrade for Play Equipment upgrade | \$200,000 | ✓ | ✓ | ✓ | | ✓ | |
| FIXING LOCAL ROADS ROUND 3 From Transport NSW for sealing existing Roads for safety improvements for the following: <ul style="list-style-type: none"> Tapalin Mail Road \$412,500 / Council contribution of \$27,500 Euston Prungle Road \$300,000 / Council contribution \$20,000 Marma Box Creek Road \$600,000 / Council Contribution \$40,000 | \$412,000 + \$27,500 Tapalin Mail Road \$300,000 + \$20,000 Prungle Road \$600,000 + \$40,000 Marma Box Creek Rd | | ✓ | ✓ | | ✓ | ✓ |

Projects In Progress (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|--|---|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| ROADS TO DISCOVERY - Ongoing from 2019 -2024 From the -Department of Infrastructure, Transport, Regional Development and Communications for various works including the following: <ul style="list-style-type: none"> • McCabe St Resealing • O'Conner Street Resealing • Kilpatrick Road Resealing • Reseal Multiple locations Perry St. • Reseal Multiple locations Shailer Tce • Betram Road Reseal • Tapalin Mail Road • Windomal Road • Mildura Ivanhoe Road • Hatfield The Vale Road • Weimby Kyalite Road • Marma Box Creed Road • Burke Wills Road • Freshwater Road • Wooranbara Corriong • Leslie Drive • Tapalin Mail Road As at 30th June 2022 a number of the road projects above were completed with a number still yet to be completed. | \$4,997,524 | | ✓ | ✓ | | ✓ | ✓ |
| FIXING LOCAL ROADS ROUND 1 From the Department of Transport NSW for upgrades to Marma Box Creek Road | Grant: \$2,100,000 Council Contribution: \$140,000 | | ✓ | ✓ | | ✓ | ✓ |
| FIXING LOCAL ROADS ROUND 2 From the Department of Transport NSW for upgrades to Leslie Drive, Euston - Currently on Hold | Grant: \$246,500 Council Contribution: \$14,500 | | ✓ | ✓ | | ✓ | ✓ |

Projects In Progress (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|--|---|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| COMMUNITY BUILDING PARTNERSHIPS From the Department of Communities and Justice for the Kyalite Memorial Park & Foreshore Development, | \$32,572 | ✓ | ✓ | ✓ | | ✓ | |
| FINANCIAL ASSISTANCE From the Office of Local Government - Department of Planning & Environment for Financial Assistance | \$3,737,513 | | ✓ | | | | ✓ |
| TRANSPORT ACCESS REGIONAL PARTNERSHIPS From the Department of Transport NSW for local projects as follows: <ul style="list-style-type: none"> • Beating Isolation: Providing transport to community based facilities for disadvantaged community members • Backing Balranald Youth: Transport initiative for Balranald youth • Building Resources Balranald: To provide funding for at least 12 people to obtain their medium rigid license | \$63,000 | ✓ | ✓ | ✓ | | | ✓ |
| OUR RIVERS OUR REGIONS From the Department of Department of Infrastructure, Regional Development and Cities for the following: <ul style="list-style-type: none"> • Riverfront Enhancement Eco Trail: \$30,007 (Completed) • Riverbend Reserve Place Making: \$444,00 (In Progress due to wet weather & flooding) • Swing Bridge Widening: \$170,000 (Completed) | \$30,007 + \$444,000 + \$170,000 | ✓ | ✓ | ✓ | ✓ | ✓ | |

Projects In Progress (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|---|---------------|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| LOCAL ROADS & COMMUNITY INFRASTRUCTURE ROUND 2 From the Department of Infrastructure, Transport, Regional Development and Communications for the following projects: In Progress: <ul style="list-style-type: none"> • \$100,000 Euston Town Approaches • \$66,000 Balranald Irrigation Automation -Currently sourcing quotes • \$30,0000 Kyalite Riverside Reserve Enhancements (funding in conjunction with Community Building Partnerships Grant) – Project near completion, awaiting Solar Light installation • \$26,739 Seal off Street Parking – Awaiting better weather for project to be completed • \$84,000 Theatre Royal refurbishments • \$30,000 Church and Harben Street Drainage Improvements – Excavation started • \$80,000 Balranald Riverfront Enhancements - Waiting for the river water to abate, will not be completed Completed: <ul style="list-style-type: none"> • \$110,000 Balranald Aerodrome Fencing • \$50,000 Toilet at Balranald Cemetery • \$40,000 Euston Recreation Reserve Upgrades | \$616,739 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Projects In Progress (cont.)

| GRANT/PROJECT | Funding Value | Alignment with our Six Pillars | | | | | |
|---|---------------|--------------------------------|----|----|----|----|----|
| | | P1 | P2 | P3 | P4 | P5 | P6 |
| LOCAL ROADS & COMMUNITY INFRASTRUCTURE ROUND 3 From the Department of Communities and Justice for the Kyalite Memorial Park & Foreshore Development for projects which were being assessed at 30-06-2022. | \$1,665,842 | ✓ | ✓ | ✓ | | ✓ | |
| PUBLIC LIBRARY INFRASTRUCTURE GRANT From the Library Council of NSW for Stage 1 of the Library Refurbishment Project which includes the development of a Technology Support Hub in the unused CWA room and other indoor refurbishment requirements. | \$67,862 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| STRONGER COUNTRY COMMUNITY FUND ROUND 4 From the Library Council of NSW for Stage 1 of the Library Refurbishment Project which includes the development of a Technology Support Hub in the unused CWA room and other indoor refurbishment requirements. | \$527,626 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



Airport exclusion fence , on of the projects completed as at 30-06-2022 under the Local Roads & Community infrastructure Fund- Round 2

DONATIONS BY COUNCIL

One way Council supports and actively participates in the community is through its donations and contributions program. Each year, Council makes available to community groups the opportunity to apply for grants that can be used in programs that provide community benefit.

Total donations made by Council to support our local community across different funding streams is **\$13,417**. Donations and contributions can be either in the form of a cash donation, a waiver of fees or in-kind. For the 2021/22 year, Council approved the following donations and contributions:

| Contract Description | Amount |
|--|-----------------|
| Balranald Art Gallery - Bal-Archies Awards | \$ 3,000 |
| Lodge Balranald No. 214 | \$ 500 |
| Balranald Can Assist | \$ 500 |
| Balranald Central School | \$ 100 |
| Balranald Combined Church's Community Carols | \$ 270 |
| Kyalite Progress Association | \$ 500 |
| Robinvale-Euston 80 Ski Race | \$ 2,000 |
| Christmas Lights Decoration Competition | \$ 615 |
| National Recovery & Resilience Agency | \$ 420 |
| Balranald Central School - Year 12 Formal | \$ 512 |
| Balranald Country Education Fund | \$ 5,000 |
| TOTAL | \$13,417 |



Balranald Can Assist was one of the recipients of a donation from Council in the 2021/22 year.

STATUTORY INFORMATION



Contracts Awarded Greater than \$150,000

There were no contracts awarded greater than \$150,000 by Council during the 2021/22 financial year.



Disability Inclusion Act 2014

In accordance with the Disability Inclusion Act 2014, Council is in the process of updating its current Disability Inclusion Action Plan. The plan will be accessed on Council's website when finalised.

Balranald Shire Council embraces the inclusion of people with a disability in all aspects of community life. 5.6% of the Balranald Shire population identify as needing assistance because of a disability.

Council, through community consultation, has identified the following areas where improvements to disability accessibility can be done:

- Working in partnership to deliver health, wellbeing and inclusion services and programs
- Identify and close any access gaps to community services
- Facilitate and foster collaboration in delivering a program of community events
- Maintain and upgrade parks and sporting facilities



Equal Employment Opportunities

Code of Conduct training is delivered to all staff across the organisation. Council has the appropriate policies and procedures in place to govern the Equal Employment Opportunity (EEO) management Plan. Council actively supports the principles and practices of EEO.

The induction process and job advertisements adhere with EEO policies.



Functions Delegated to Other Organisations

Council did not delegate any functions to other organisations for the 2021/22 financial year.



Government Information (Public Access) Act 2009 and Regulation sl 25(1)

Government Information (Public Access) Act 2009 and Regulation sl 25(1) Part 7 Section 125 (1) of the Government Information (Public Access) Act 2009, known as the GIPA Act, states that each agency (of which Balranald Shire Council is one) must, within 4 months after the end of each reporting year, prepare an annual report on the agency's obligations under this Act for submission to the Minister responsible for the agency.

Council fulfilled its responsibilities in regard to reporting for the 2021/22 year. Council's GIPA reportable totals during the year are as follows:

- Received zero (0) access application requests
- Received zero (0) access application invalid requests
- Zero (0) applications reviewed Under Part 5 of the Act; and,
- Zero (0) applications transferred to other agencies

Council makes available to the public all relevant policies, Agendas of Council Meetings, including Advisory Committee Minutes, minutes of Council meetings, and any other documents where there is a public interest content, including the Community Strategic Plans, Operational Plans and Budget. This information is available on Council's website, and is also on display at Council's office. Documents to be adopted with a period of community consultation are displayed at Council's office, as well as at public venues, and when possible, in the other population centres within the Shire area. These locations and times are advertised in local media sources to raise awareness within the community.



Public Interest Disclosure Act 1994 and Regulation s31 c14

Public Interest Disclosure Act 1994 and Regulation s31 c14, similar to the reporting requirement under the GIPA Act and Regulations, Councils are required to submit a Public Interest Disclosures Annual Report to the Minister and a copy is also provided to the NSW Ombudsman. Council submitted their Public Interest Disclosure (PID) Annual Report with the required time frame, which is within 4 months after the end of the financial year. Council received zero (0) submissions for the 2021/22 year.

Council's policy conforms to its Code of Conduct, Equal Employment Opportunity Policy, Workplace Harassment Policy and Workplace Grievance Procedure Policy.

The policy is accessible to all staff and the public via Council's website and is required to be reviewed every two years (the current version was adopted in February 2017).

In the 2021/22 year there were:

- Zero (0) Public Officials who made PIDs
- Zero (0) PID's Received
- Zero (0) PIDs Finalised



Legal Proceedings

A summary of legal proceedings either commenced by, or commenced against, Council are summarised as follows.

- 1 Code of Conduct Complaint in reference to a General Manager
- 1 Code of Conduct Complaint in reference to a Director

Council was advised that there were **no adverse findings** in relation to the Code of Conduct Complaints, and the allegations were found to be **not sustained**. A full evaluation of how these complaints were made was carried out.



Planning Agreements

Council did not enter into any planning agreements for the 2021/22 financial year.



Rates and Charges Written Off

The following rates were Written Off in the 2021/22 year:

| | |
|-----------------|--------------------|
| General Rates: | \$ 4,837.58 |
| Filtered Water: | \$ 117.47 |
| Sewerage: | \$ 12.28 |
| Garbage: | \$.89 |
| Legal Charges: | \$ 3,087.98 |
| Raw Water: | \$ 1.15 |
| Storm Water: | \$ 54.75 |
| TOTAL | \$ 8,115.45 |



Special Rate Variation

In 2019 Council applied for a multi-year special variation to:

- increase its general income by 10% for each year from 2019/20 to 2024/25, a cumulative
- increase of 94.87% over seven years, and retain this increase in its rate base permanently

The SRV only applies to the General rate component of the annual rates notices – the increases under this SRV do not apply to the waste, water and sewer access charges.

The IPART decision highlighted the fact that even with the SRV, Council's forecast average rate in 2024/25 of \$555 is lower than neighbouring council's current rates and significantly below the NSW state average. **The additional funding generated for 2020/21 year from the SRV was \$207,183**

The additional funding raised through the SRV was allowed to be spent for the purposes of funding operating and capital expenditure for its key assets - buildings, roads, bridges and drainage networks, and improving its financial sustainability.



General Manager's Remuneration

The total remuneration packages for the General Manager function during the 2021/22 year was **\$288,000**



Senior Staff Remuneration

The total remuneration package for Council's two senior staff for the year (excluding the General Manager position) is broken down in the following components:

| Description | Total Remuneration |
|--|--------------------|
| (i) The total of the values of the components of their packages | \$268,901 |
| (iii) The total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor | \$ 41,251 |
| (iii) The total value of any non-cash benefits for which any of them may elect under the package | \$ 35,606 |
| (v) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits | \$ 32,800 |



Work Carried Out on Private Land

Council undertakes private works. For the 2021/22 financial year, the revenue generated from private works was **\$149,003**. Council is, under Section 67 of the Local Government Act 1993, able to perform private works by agreement with the owner or occupier of any private land.

Examples of works done during 2020/21 under Section 67 included:

- Water and sewer connections
- Water and sewer maintenance
- Driveway access construction
- Supply of Materials, Plant, Equipment & Labor hire
- Water from Council's standpipe



Labour Statistics on the 25th May 2022 as per the Local Government (General) Regulation 2021

Wednesday 25th May 2022 was chosen as the "relevant day" for Councils to report on their labour statistics in their annual reports under Section 217 of the Local Government (General) Regulation 2021.

| Description | Total Number of persons who performed paid work on Wednesday 25th May 2022 | Total Number of persons directly employed by Council for 2021/22 year |
|---|--|---|
| Permanent Full Time | 40 | 48 |
| Permanent Part-time | 1 | 7 |
| Casual | 9 | 37 |
| Fixed Term Contract | 1 | 1 |
| The number of staff members employed by council who are senior staff for purposes of LG Act 1993 | 2 | 2 |
| The number of persons engaged by Council under a contract or other arrangement with the person's employer, this is wholly or principally for the labour of the person | 5 | 7 |
| The number of persons supplied to the Council, under a contract or other arrangement with the person's employer, as an apprentice or trainee | 0 | 0 |



Swimming Pool Inspections

Under the Swimming Pools Act 1992, Council is required to make provision for the inspection, at least once every 3 years, of any swimming pool situated on premises on which there is tourist and visitor accommodation or more than 2 dwellings.

For the 2021/22 financial year, Council undertook **four (4)** inspections on Swimming Pools.



Companion Animals Management, Companion Animals Act (1998)

Only dogs are kept at the Council pound. For the 2021/22 financial year, pound statistics were:

| Description | Number |
|---|--------|
| Placed into the Pound by seize by Council ranger or owner surrender | 16 |
| Stolen from Council Pound | 0 |
| Return to Owners | 8 |
| Euthanised Dogs | 2 |
| Sold/Re-homed | 0 |
| Released to re-homing organisations | 6 |

There were **no dog attacks** reported to Council for the 2021/22 financial year.

Funding spent by Council in **2021/22** totaled **\$2,327.34** compared with \$11,284 for the 2020/21 year. Expenditure includes animal upkeep, repairs to the pound and ranger costs.

There are no designated off-leash areas within the Balranald Shire Council local government area.

FINANCIAL REPORT

The following is Balranald Shire Council's Annual Financial Statements for the year ending 30th June 2022.

Balranald Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022



Balranald Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Balranald Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

| Contents | Page |
|---|-----------|
| Understanding Council's Financial Statements | 3 |
| Statement by Administrator and Management | 4 |
| Primary Financial Statements: | |
| Income Statement | 5 |
| Statement of Comprehensive Income | 6 |
| Statement of Financial Position | 7 |
| Statement of Changes in Equity | 8 |
| Statement of Cash Flows | 9 |
| Notes to the Financial Statements | 10 |
| Independent Auditor's Reports: | |
| On the Financial Statements (Sect 417 [2]) | 86 |
| On the Financial Statements (Sect 417 [3]) | 89 |

Overview

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

70 Market Street
Balranald NSW 2715

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 B1-2.

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.balranald.nsw.gov.au.

Balranald Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present 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 2022.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Balranald Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Administrator and Management

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

The attached general purpose financial statements have been prepared in accordance with:

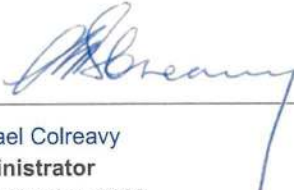
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 20 September 2022.



Michael Colreavy
Administrator
20 September 2022



Jeff Sowiak
General Manager/Responsible Accounting
Officer
20 September 2022

Balranald Shire Council

Income Statement

for the year ended 30 June 2022

| Original unaudited budget 2022 \$ '000 | | Notes | Actual 2022 \$ '000 | Actual 2021 \$ '000 |
|--|---|-------|---------------------------|---------------------------|
| Income from continuing operations | | | | |
| 4,727 | Rates and annual charges | B2-1 | 4,557 | 4,129 |
| 2,900 | User charges and fees | B2-2 | 2,191 | 1,980 |
| 526 | Other revenues | B2-3 | 361 | 339 |
| 10,058 | Grants and contributions provided for operating purposes | B2-4 | 9,612 | 8,791 |
| 8,088 | Grants and contributions provided for capital purposes | B2-4 | 3,740 | 3,685 |
| 71 | Interest and investment income | B2-5 | 119 | 74 |
| 162 | Other income | B2-6 | 108 | 115 |
| 26,532 | Total income from continuing operations | | 20,688 | 19,113 |
| Expenses from continuing operations | | | | |
| 5,387 | Employee benefits and on-costs | B3-1 | 5,432 | 5,777 |
| 5,508 | Materials and services | B3-2 | 3,681 | 2,814 |
| 114 | Borrowing costs | B3-3 | 119 | 125 |
| 4,966 | Depreciation, amortisation and impairment of non-financial assets | B3-4 | 5,373 | 5,214 |
| 368 | Other expenses | B3-5 | 416 | 518 |
| – | Net loss from the disposal of assets | B4-1 | 71 | – |
| – | Net share of interests in joint ventures and associates using the equity method | D2 | 200 | 227 |
| 16,343 | Total expenses from continuing operations | | 15,292 | 14,675 |
| 10,189 | Operating result from continuing operations | | 5,396 | 4,438 |
| 10,189 | Net operating result for the year attributable to Council | | 5,396 | 4,438 |
| Net operating result for the year before grants and contributions provided for capital purposes | | | | |
| 2,101 | | | 1,656 | 753 |

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

Balranald Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2022

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|--|-------|-----------------|-----------------|
| Net operating result for the year – from Income Statement | | 5,396 | 4,438 |
| Other comprehensive income: | | | |
| Amounts which will not be reclassified subsequently to the operating result | | | |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-7 | 72,764 | 175 |
| Total items which will not be reclassified subsequently to the operating result | | 72,764 | 175 |
| Total other comprehensive income for the year | | 72,764 | 175 |
| Total comprehensive income for the year attributable to Council | | 78,160 | 4,613 |

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

Balranald Shire Council

Statement of Financial Position

as at 30 June 2022

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|--|-------|-----------------|-----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | C1-1 | 4,523 | 7,292 |
| Investments | C1-2 | 18,000 | 10,750 |
| Receivables | C1-4 | 2,338 | 2,290 |
| Inventories | C1-5 | 258 | 240 |
| Other | C1-9 | 26 | 14 |
| Total current assets | | 25,145 | 20,586 |
| Non-current assets | | | |
| Receivables | C1-4 | 54 | 64 |
| Infrastructure, property, plant and equipment (IPPE) | C1-7 | 221,493 | 146,933 |
| Intangible assets | C1-8 | 300 | 350 |
| Investments accounted for using the equity method | D2-1 | 932 | 1,132 |
| Total non-current assets | | 222,779 | 148,479 |
| Total assets | | 247,924 | 169,065 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | C3-1 | 4,397 | 3,560 |
| Contract liabilities | C3-2 | 3,212 | 3,067 |
| Borrowings | C3-3 | 203 | 182 |
| Employee benefit provisions | C3-4 | 736 | 804 |
| Total current liabilities | | 8,548 | 7,613 |
| Non-current liabilities | | | |
| Borrowings | C3-3 | 1,643 | 1,854 |
| Employee benefit provisions | C3-4 | 94 | 119 |
| Provisions | C3-5 | 170 | 170 |
| Total non-current liabilities | | 1,907 | 2,143 |
| Total liabilities | | 10,455 | 9,756 |
| Net assets | | 237,469 | 159,309 |
| EQUITY | | | |
| Accumulated surplus | C4-1 | 64,275 | 58,879 |
| IPPE revaluation reserve | C4-1 | 173,194 | 100,430 |
| Council equity interest | | 237,469 | 159,309 |
| Total equity | | 237,469 | 159,309 |

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

Balranald Shire Council

Statement of Changes in Equity

for the year ended 30 June 2022

| | Notes | 2022 | | | 2021 | | |
|---|-------|--------------------------------|-------------------------------------|-------------------------|--------------------------------|-------------------------------------|-------------------------|
| | | Accumulated surplus \$ '000 | IPPE revaluation reserve \$ '000 | Total equity \$ '000 | Accumulated surplus \$ '000 | IPPE revaluation reserve \$ '000 | Total equity \$ '000 |
| Opening balance at 1 July | | 58,879 | 100,430 | 159,309 | 54,441 | 100,255 | 154,696 |
| Net operating result for the year | | 5,396 | – | 5,396 | 4,438 | – | 4,438 |
| Net operating result for the period | | 5,396 | – | 5,396 | 4,438 | – | 4,438 |
| Other comprehensive income | | | | | | | |
| Gain (loss) on revaluation of infrastructure, property, plant and equipment | C1-7 | – | 72,764 | 72,764 | – | 175 | 175 |
| Other comprehensive income | | – | 72,764 | 72,764 | – | 175 | 175 |
| Total comprehensive income | | 5,396 | 72,764 | 78,160 | 4,438 | 175 | 4,613 |
| Closing balance at 30 June | | 64,275 | 173,194 | 237,469 | 58,879 | 100,430 | 159,309 |

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

Balranald Shire Council

Statement of Cash Flows

for the year ended 30 June 2022

| Original unaudited budget 2022 \$ '000 | | Notes | Actual 2022 \$ '000 | Actual 2021 \$ '000 |
|--|---|-------|---------------------------|---------------------------|
| Cash flows from operating activities | | | | |
| Receipts: | | | | |
| 4,727 | Rates and annual charges | | 4,668 | 4,258 |
| 2,900 | User charges and fees | | 2,770 | 1,981 |
| 71 | Interest received | | 80 | 85 |
| 18,146 | Grants and contributions | | 14,296 | 15,233 |
| – | Bonds, deposits and retentions received | | 1,080 | 480 |
| 526 | Other | | 235 | 1,164 |
| Payments: | | | | |
| (5,387) | Payments to employees | | (5,493) | (5,800) |
| (5,508) | Payments for materials and services | | (3,117) | (3,318) |
| (141) | Borrowing costs | | (115) | (126) |
| – | Bonds, deposits and retentions refunded | | (471) | (336) |
| (368) | Other | | (1,575) | (720) |
| 14,966 | Net cash flows from operating activities | G1-1 | 12,358 | 12,901 |
| Cash flows from investing activities | | | | |
| Receipts: | | | | |
| 22,300 | Sale of investments | | 10,000 | 9,000 |
| – | Proceeds from sale of IPPE | | 43 | – |
| Payments: | | | | |
| – | Purchase of investments | | (17,250) | (14,500) |
| (14,765) | Payments for IPPE | | (7,730) | (6,386) |
| 7,535 | Net cash flows from investing activities | | (14,937) | (11,886) |
| Cash flows from financing activities | | | | |
| Payments: | | | | |
| (190) | Repayment of borrowings | | (190) | (257) |
| (190) | Net cash flows from financing activities | | (190) | (257) |
| 22,311 | Net change in cash and cash equivalents | | (2,769) | 758 |
| – | Cash and cash equivalents at beginning of year | | 7,292 | 6,534 |
| 22,311 | Cash and cash equivalents at end of year | C1-1 | 4,523 | 7,292 |
| – | plus: Investments on hand at end of year | C1-2 | 18,000 | 10,750 |
| 22,311 | Total cash, cash equivalents and investments | | 22,523 | 18,042 |

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

Balranald Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2022

| | |
|---|-----------|
| A About Council and these financial statements | 12 |
| A1-1 Basis of preparation | 12 |
| B Financial Performance | 15 |
| B1 Functions or activities | 15 |
| B1-1 Functions or activities – income, expenses and assets | 15 |
| B1-2 Components of functions or activities | 16 |
| B2 Sources of income | 18 |
| B2-1 Rates and annual charges | 18 |
| B2-2 User charges and fees | 19 |
| B2-3 Other revenues | 20 |
| B2-4 Grants and contributions | 21 |
| B2-5 Interest and investment income | 23 |
| B2-6 Other income | 23 |
| B3 Costs of providing services | 24 |
| B3-1 Employee benefits and on-costs | 24 |
| B3-2 Materials and services | 25 |
| B3-3 Borrowing costs | 25 |
| B3-4 Depreciation, amortisation and impairment of non-financial assets | 26 |
| B3-5 Other expenses | 27 |
| B4 Gains or losses | 28 |
| B4-1 Gain or loss from the disposal, replacement and de-recognition of assets | 28 |
| B5 Performance against budget | 29 |
| B5-1 Material budget variations | 29 |
| C Financial position | 31 |
| C1 Assets we manage | 31 |
| C1-1 Cash and cash equivalents | 31 |
| C1-2 Financial investments | 31 |
| C1-3 Restricted and allocated cash, cash equivalents and investments | 33 |
| C1-4 Receivables | 35 |
| C1-5 Inventories | 37 |
| C1-6 Non-current assets classified as held for sale | 38 |
| C1-7 Infrastructure, property, plant and equipment | 39 |
| C1-8 Intangible assets | 43 |
| C1-9 Other | 43 |
| C2 Leasing activities | 44 |
| C2-1 Council as a lessee | 44 |
| C2-2 Council as a lessor | 45 |
| C3 Liabilities of Council | 46 |
| C3-1 Payables | 46 |
| C3-2 Contract Liabilities | 47 |
| C3-3 Borrowings | 49 |
| C3-4 Employee benefit provisions | 51 |

Balranald Shire Council

Contents for the notes to the Financial Statements for the year ended 30 June 2022

| | |
|--|-----------|
| C3-5 Provisions | 52 |
| C4 Reserves | 54 |
| C4-1 Nature and purpose of reserves | 54 |
| D Council structure | 55 |
| D1 Results by fund | 55 |
| D1-1 Income Statement by fund | 55 |
| D1-2 Statement of Financial Position by fund | 56 |
| D2 Interests in other entities | 57 |
| D2-1 Interests in joint arrangements | 57 |
| E Risks and accounting uncertainties | 59 |
| E1-1 Risks relating to financial instruments held | 59 |
| E2-1 Fair value measurement | 63 |
| E3-1 Contingencies | 70 |
| F People and relationships | 73 |
| F1 Related party disclosures | 73 |
| F1-1 Key management personnel (KMP) | 73 |
| F1-2 Councillor and Mayoral fees and associated expenses | 74 |
| F2 Other relationships | 75 |
| F2-1 Audit fees | 75 |
| G Other matters | 76 |
| G1-1 Statement of Cash Flows information | 76 |
| G2-1 Commitments | 77 |
| G3-1 Events occurring after the reporting date | 78 |
| G4 Statement of performance measures | 79 |
| G4-1 Statement of performance measures – consolidated results | 79 |
| G4-2 Statement of performance measures by fund | 80 |
| H Additional Council disclosures (unaudited) | 82 |
| H1-1 Statement of performance measures – consolidated results (graphs) | 82 |
| H1-2 Financial review | 83 |
| H1-3 Council information and contact details | 85 |

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 20 September 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, 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.

Historical cost convention

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

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 C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

A1-1 Basis of preparation (continued)

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 C1-4.

Monies and other assets received by Council

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
- Balranald water supply
- Euston water supply
- Balranald sewerage service
- Euston sewerage service

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 not recognised volunteer services in the income statement as they are neither material nor able to be reliably measured.

New accounting standards and interpretations issued but 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 2021 reporting period.

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

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

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.

This standard has an effective date for the 30 June 2024 reporting period.

A1-1 Basis of preparation (continued)

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,
- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and
- AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

Council does not expect any material impact from the above amendments.

This standard has an effective date for the 30 June 2023 reporting period.

Apart from the standards listed above there are no other released standards and interpretations (with future effective dates) that are expected to have a material impact on Council.

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2022.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

| | Income | | Expenses | | Operating result | | Grants and contributions | | Carrying amount of assets | |
|--|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------------------|-----------------|---------------------------|-----------------|
| | 2022 \$ '000 | 2021 \$ '000 | 2022 \$ '000 | 2021 \$ '000 | 2022 \$ '000 | 2021 \$ '000 | 2022 \$ '000 | 2021 \$ '000 | 2022 \$ '000 | 2021 \$ '000 |
| Functions or activities | | | | | | | | | | |
| Governance | 31 | 288 | 314 | 387 | (283) | (99) | – | – | 767 | 403 |
| Administration | 380 | 272 | 3,072 | 4,734 | (2,692) | (4,462) | 117 | – | 26,326 | 13,862 |
| Public order and safety | 107 | 231 | 381 | 506 | (274) | (275) | 208 | 225 | 829 | 562 |
| Health | 9 | 9 | 58 | 62 | (49) | (53) | – | – | 94 | 105 |
| Environment | 435 | 416 | 410 | 342 | 25 | 74 | 48 | 27 | 8,312 | 4,883 |
| Community services and education | 1,388 | 1,542 | 1,375 | 1,368 | 13 | 174 | 986 | 1,206 | 1,458 | 1,957 |
| Housing and community amenities | 188 | 228 | 644 | 618 | (456) | (390) | 46 | 215 | 6,455 | 6,044 |
| Water supplies | 1,588 | 1,491 | 837 | 751 | 751 | 740 | – | 77 | 13,199 | 13,161 |
| Sewerage services | 711 | 643 | 371 | 369 | 340 | 274 | 1,218 | – | 10,954 | 10,602 |
| Recreation and culture | 1,234 | 291 | 1,026 | 1,021 | 208 | (730) | – | 605 | 6,695 | 10,861 |
| Mining, manufacturing and construction | 6 | 5 | 84 | 64 | (78) | (59) | – | – | 268 | 25 |
| Transport and communication | 4,574 | 6,090 | 5,674 | 3,265 | (1,100) | 2,825 | 4,442 | 5,692 | 170,514 | 104,427 |
| Economic affairs | 819 | 599 | 846 | 961 | (27) | (362) | 119 | – | 1,121 | 1,041 |
| General Purpose Income | 9,218 | 7,008 | – | – | 9,218 | 7,008 | 6,168 | 4,429 | – | – |
| FSWJO | – | – | 200 | 227 | (200) | (227) | – | – | 932 | 1,132 |
| Total functions and activities | 20,688 | 19,113 | 15,292 | 14,675 | 5,396 | 4,438 | 13,352 | 12,476 | 247,924 | 169,065 |

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 are as follows:

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policymaking committees, public disclosure (e.g. GIPA), and legislative compliance.

Administration

Includes corporate support and other support services, engineering works, and any Council policy compliance.

Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, beach control, enforcement of regulations and animal control.

Health

Includes immunisation, food control, health centres etc.

Environment

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

Water supplies

Includes management of water schemes, costs of reticulation, treatment and supply, and management of water infrastructure.

Sewerage services

Includes management of sewerage schemes, costs of reticulation and treatment, and management of sewer infrastructure.

Recreation and culture

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

Mining, manufacturing and construction

Includes building control, quarries and pits, mineral resources, and abattoirs.

Transport and communication

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

Economic affairs

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.

B1-2 Components of functions or activities (continued)

General Purpose Income

This includes financial assistance grant funding which has no specific function allocation and is expended in areas of council.

B2 Sources of income

B2-1 Rates and annual charges

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| Ordinary rates | | |
| Residential | 400 | 342 |
| Farmland | 1,423 | 1,280 |
| Business | 1,022 | 936 |
| Less: pensioner rebates (mandatory) | (19) | (19) |
| Rates levied to ratepayers | 2,826 | 2,539 |
| Pensioner rate subsidies received | 11 | 10 |
| Total ordinary rates | 2,837 | 2,549 |
| Annual charges | | |
| (pursuant to s.496, s.496A, s.496B, s.501 & s.611) | | |
| Domestic waste management services | 321 | 306 |
| Water supply services | 733 | 676 |
| Sewerage services | 609 | 539 |
| Waste management services (non-domestic) | 55 | 58 |
| Stormwater Charges | 19 | 19 |
| Less: pensioner rebates (mandatory) | (39) | (39) |
| Annual charges levied | 1,698 | 1,559 |
| Pensioner subsidies received: | | |
| – Water | 7 | 6 |
| – Sewerage | 6 | 6 |
| – Domestic waste management | 9 | 9 |
| Total annual charges | 1,720 | 1,580 |
| Total rates and annual charges | 4,557 | 4,129 |
| Timing of revenue recognition for rates and annual charges | | |
| Rates and annual charges recognised over time (1) | 4,524 | 4,098 |
| Rates and annual charges recognised at a point in time (2) | 33 | 31 |
| Total rates and annual charges | 4,557 | 4,129 |

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at 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 recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

| | Timing | 2022 \$ '000 | 2021 \$ '000 |
|---|--------|-----------------|-----------------|
| Specific user charges | | | |
| (per s.502 - specific 'actual use' charges) | | | |
| Sewerage services | 2 | 73 | 77 |
| Sewerage services contract aboriginal mission | 2 | 26 | 24 |
| Water service contract aboriginal mission | 2 | 51 | 49 |
| Water supply services | 2 | 767 | 644 |
| Total specific user charges | | 917 | 794 |
| Other user charges and fees | | | |
| (i) Fees and charges – statutory and regulatory functions (per s.608) | | | |
| Building services – other | | 7 | – |
| Private works – section 67 | 2 | 149 | 58 |
| Registration fees | 2 | 1 | 1 |
| Section 603 certificates | 2 | 6 | 6 |
| Town planning | 2 | 43 | 56 |
| Other | | 4 | – |
| Building services | 2 | 23 | 30 |
| Total fees and charges – statutory/regulatory | | 233 | 151 |
| (ii) Fees and charges – other (incl. general user charges (per s.608)) | | | |
| Aged care | 2 | 389 | 371 |
| Caravan park | 2 | 480 | 438 |
| Cemeteries | 2 | 29 | 29 |
| Lease rentals | | 7 | – |
| Refuse and effluent disposal | | – | 2 |
| Transport for NSW works (state roads not controlled by Council) | 2 | 108 | 160 |
| Waste disposal tipping fees | 2 | 2 | 3 |
| Water connection fees | 2 | 2 | 7 |
| Other | 2 | 24 | 25 |
| Total fees and charges – other | | 1,041 | 1,035 |
| Total other user charges and fees | | 1,274 | 1,186 |
| Total user charges and fees | | 2,191 | 1,980 |
| Timing of revenue recognition for user charges and fees | | | |
| User charges and fees recognised over time (1) | | – | – |
| User charges and fees recognised at a point in time (2) | | 2,191 | 1,980 |
| Total user charges and fees | | 2,191 | 1,980 |

Accounting policy

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

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

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

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

B2-3 Other revenues

| | Timing | 2022 \$ '000 | 2021 \$ '000 |
|----------------------------------|--------|-----------------|-----------------|
| Commissions and agency fees | 2 | 77 | 79 |
| Diesel rebate | 1 | 24 | 39 |
| Insurance claims recoveries | 1 | 7 | — |
| Motor vehicle contributions | 2 | 14 | 32 |
| Raw water standpipe sales | 2 | 20 | 32 |
| Rebates | 2 | 34 | 34 |
| Sales – miscellaneous | 2 | 32 | 4 |
| Tourist information centre sales | 2 | 52 | 75 |
| Other | 2 | 101 | 44 |
| Total other revenue | | 361 | 339 |

Timing of revenue recognition for other revenue

| | | |
|---|------------|------------|
| Other revenue recognised over time (1) | 330 | 40 |
| Other revenue recognised at a point in time (2) | 31 | 299 |
| Total other revenue | 361 | 339 |

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

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

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

B2-4 Grants and contributions

| | | Operating 2022 \$ '000 | Operating 2021 \$ '000 | Capital 2022 \$ '000 | Capital 2021 \$ '000 |
|--|--------|------------------------------|------------------------------|----------------------------|----------------------------|
| | Timing | | | | |
| General purpose grants and non-developer contributions (untied) | | | | | |
| General purpose (untied) | | | | | |
| Current year allocation | | | | | |
| Financial assistance | 1 | 2,431 | 2,138 | – | – |
| Payment in advance - future year allocation | | | | | |
| Financial assistance | 1 | 3,738 | 2,291 | – | – |
| Amount recognised as income during current year | | 6,169 | 4,429 | – | – |
| Special purpose grants and non-developer contributions (tied) | | | | | |
| Cash contributions | | | | | |
| Previously specific grants: | | | | | |
| Pensioners' rates subsidies: | | | | | |
| Water supplies | 2 | – | – | – | 77 |
| Aged care | 2 | 978 | 943 | 5 | 261 |
| Bushfire and emergency services | 1 | 207 | 225 | – | – |
| Employment and training programs | | 7 | – | – | – |
| Environmental programs | 2 | 17 | – | – | – |
| Library – per capita | 1 | 47 | 48 | – | – |
| Library – special projects | 2 | – | – | 15 | 13 |
| Noxious weeds | 1 | 27 | 27 | – | – |
| Recreation and culture | 2 | 5 | – | 1,094 | 545 |
| Drainage | 2 | – | – | 5 | – |
| Crown Land Management | 2 | – | – | – | 88 |
| Youth week | 1 | 3 | 2 | – | – |
| Tourism | | 15 | – | 103 | – |
| Street lighting | 1 | 46 | 40 | – | – |
| Transport (roads to recovery) | 1 | 845 | 1,249 | – | – |
| Transport (other roads and bridges funding) | 2 | – | 600 | 2,233 | 2,021 |
| Other specific grants | 1 | 110 | 38 | – | 24 |
| Previously contributions: | | | | | |
| Community services | 1 | – | 25 | 57 | – |
| Roads and bridges | | – | – | 186 | – |
| Transport for NSW contributions (regional roads, block grant) | 1 | 1,136 | 1,165 | 42 | 656 |
| Total special purpose grants and non-developer contributions – cash | | 3,443 | 4,362 | 3,740 | 3,685 |
| Total special purpose grants and non-developer contributions (tied) | | 3,443 | 4,362 | 3,740 | 3,685 |
| Total grants and non-developer contributions | | 9,612 | 8,791 | 3,740 | 3,685 |
| Comprising: | | | | | |
| – Commonwealth funding | | 8,099 | 6,632 | 3,178 | 1,914 |
| – State funding | | 1,513 | 2,107 | 401 | 1,683 |
| – Other funding | | – | 52 | 161 | 88 |
| | | 9,612 | 8,791 | 3,740 | 3,685 |

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

| | Operating 2022 \$ '000 | Operating 2021 \$ '000 | Capital 2022 \$ '000 | Capital 2021 \$ '000 |
|---|------------------------------|------------------------------|----------------------------|----------------------------|
| Unspent grants and contributions | | | | |
| Unspent funds at 1 July | 357 | 255 | 3,259 | 375 |
| Add: Funds received and not recognised as revenue in the current year | 9,654 | 8,215 | 3,843 | 6,954 |
| Less: Funds recognised as revenue in previous years that have been spent during the reporting year | (9,892) | (8,113) | (2,268) | (3,697) |
| Less: Funds received in prior year but revenue recognised and funds spent in current year | — | — | (1,622) | (373) |
| Unspent funds at 30 June | 119 | 357 | 3,212 | 3,259 |

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include achievement of specified levels of service, delivery of specific goods or services, or the completion of agreed asset development. 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.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

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.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion 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.

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

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council 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.

B2-5 Interest and investment income

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Interest on financial assets measured at amortised cost | | |
| – Overdue rates and annual charges (incl. special purpose rates) | 29 | 12 |
| – Cash and investments | 90 | 62 |
| Total interest and investment income (losses) | 119 | 74 |
| Interest and investment income is attributable to: | | |
| Unrestricted investments/financial assets: | | |
| Overdue rates and annual charges (general fund) | 23 | 5 |
| General Council cash and investments | 69 | 50 |
| Restricted investments/funds – external: | | |
| Water fund operations | 19 | 13 |
| Sewerage fund operations | 8 | 6 |
| Total interest and investment income | 119 | 74 |

Accounting policy

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

B2-6 Other income

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|-----------------------------------|-------|-----------------|-----------------|
| Rental income | | | |
| Other lease income | | | |
| Commercial related | | 43 | 45 |
| Room/Facility Hire | | 11 | – |
| Health and day care related | | 2 | 1 |
| Leaseback fees - council vehicles | | 3 | – |
| Staff housing | | 49 | 69 |
| Total other lease income | | 108 | 115 |
| Total rental income | C2-2 | 108 | 115 |
| Total other income | | 108 | 115 |

B3 Costs of providing services

B3-1 Employee benefits and on-costs

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Salaries and wages | 4,473 | 4,742 |
| Employee leave entitlements (ELE) | 377 | 364 |
| Superannuation – defined contribution plans | 386 | 401 |
| Superannuation – defined benefit plans | 46 | 65 |
| Workers' compensation insurance | 116 | 113 |
| Fringe benefit tax (FBT) | 33 | 48 |
| Protective clothing | 55 | 69 |
| Medicals | 9 | 8 |
| Recruitment | 9 | 34 |
| Other | 2 | 2 |
| Total employee costs | 5,506 | 5,846 |
| Less: capitalised costs | (74) | (69) |
| Total employee costs expensed | 5,432 | 5,777 |
| Number of 'full-time equivalent' employees (FTE) at year end | 45 | 48 |
| Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies) | 58 | 60 |

Accounting policy

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 E3-1 for more information.

B3-2 Materials and services

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|--|-------|-----------------|-----------------|
| Raw materials and consumables | | 972 | 865 |
| Contractor and consultancy costs | | 854 | 151 |
| – Caravan park management | | 11 | 126 |
| – Waste | | 213 | 194 |
| Administrator fees and associated expenses | F1-2 | 133 | 156 |
| Advertising | | 55 | 46 |
| Audit Fees | F2-1 | 60 | 61 |
| Bank charges | | 15 | 15 |
| Cleaning | | 15 | 10 |
| Computer software charges | | 75 | 2 |
| Electricity and heating | | 206 | 210 |
| Insurance | | 399 | 343 |
| Office expenses (including computer expenses) | | 120 | 105 |
| Postage | | 12 | 12 |
| Printing and stationery | | 20 | 16 |
| Street lighting | | 15 | 47 |
| Subscriptions and publications | | 62 | 23 |
| Telephone and communications | | 43 | 40 |
| Tourism expenses (excluding employee costs) | | 87 | 114 |
| Training costs (other than salaries and wages) | | 34 | 49 |
| Travel expenses | | 63 | 41 |
| Valuation fees | | 69 | 68 |
| Other expenses | | 73 | 70 |
| Legal expenses: | | | |
| – Legal expenses: planning and development | | 1 | – |
| – Legal expenses: other | | 26 | 6 |
| Lease expenses: | | | |
| Expenses from leases of low value assets | | 12 | 10 |
| Other | | 36 | 34 |
| Total materials and services | | 3,681 | 2,814 |
| Total materials and services | | 3,681 | 2,814 |

Accounting policy

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

B3-3 Borrowing costs

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| (i) Interest bearing liability costs | | |
| Interest on loans | 119 | 125 |
| Total interest bearing liability costs | 119 | 125 |
| Total interest bearing liability costs expensed | 119 | 125 |
| Total borrowing costs expensed | 119 | 125 |

Accounting policy

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.

B3-4 Depreciation, amortisation and impairment of non-financial assets

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|---|-------|-----------------|-----------------|
| Depreciation and amortisation | | | |
| Furniture and fittings | | 21 | 21 |
| Land improvements (depreciable) | | 3 | – |
| Office equipment | | 26 | 26 |
| Plant and equipment | | 394 | 379 |
| Infrastructure: | C1-7 | | |
| – Buildings – non-specialised | | 565 | 556 |
| – Buildings – specialised | | 8 | 8 |
| – Footpaths | | 35 | 32 |
| – Kerb and gutter | | 63 | 63 |
| – Other structures | | 303 | 285 |
| – Roads and bridges | | 3,362 | 3,265 |
| – Sewerage network | | 165 | 157 |
| – Stormwater drainage | | 56 | 56 |
| – Swimming pools | | 34 | 34 |
| – Water supply network | | 272 | 263 |
| Other assets: | | | |
| – Other | | 41 | 44 |
| Intangible assets | C1-8 | 25 | 25 |
| Total gross depreciation and amortisation costs | | 5,373 | 5,214 |
| Total depreciation and amortisation costs | | 5,373 | 5,214 |
| Total depreciation, amortisation and impairment for non-financial assets | | 5,373 | 5,214 |

Accounting policy

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 C1-6 for IPPE assets and Note C1-8 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new 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 not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets 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 non-financial 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).

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.

B3-5 Other expenses

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|--|-------|-----------------|-----------------|
| Impairment of receivables | | | |
| User charges and fees | | 20 | 13 |
| Other | | 85 | 60 |
| Total impairment of receivables | C1-4 | 105 | 73 |
| Other | | | |
| Contributions/levies to other levels of government | | | |
| – Emergency services levy (includes FRNSW, SES, and RFS levies) | | 276 | 420 |
| Donations, contributions and assistance to other organisations (Section 356) | | 35 | 25 |
| Total other | | 311 | 445 |
| Total other expenses | | 416 | 518 |

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses

B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

| | Notes | 2022 \$ '000 | 2021 \$ '000 |
|---|-------|-----------------|-----------------|
| Gain (or loss) on disposal of property (excl. investment property) | | | |
| Proceeds from disposal – property | | 4 | – |
| Less: carrying amount of property assets sold/written off | | (35) | – |
| Gain (or loss) on disposal | | (31) | – |
| Gain (or loss) on disposal of plant and equipment | C1-7 | | |
| Proceeds from disposal – plant and equipment | | 39 | – |
| Less: carrying amount of plant and equipment assets sold/written off | | (44) | – |
| Gain (or loss) on disposal | | (5) | – |
| Gain (or loss) on disposal of investments | C1-2 | | |
| Proceeds from disposal/redemptions/maturities – investments | | 10,000 | 9,000 |
| Less: carrying amount of investments sold/redeemed/matured | | (10,000) | (9,000) |
| Gain (or loss) on disposal | | – | – |
| Gain (or loss) on disposal of intangible assets | C1-8 | | |
| Proceeds from disposal – intangible assets | | – | – |
| Less: carrying amount of intangible assets sold/written off | | (25) | – |
| Gain (or loss) on disposal | | (25) | – |
| Other | | | |
| Proceeds from disposal of Library Books | | – | – |
| Less: carrying amount of Library Books written off | | (10) | – |
| Gain (or loss) on disposal | | (10) | – |
| Net gain (or loss) from disposal of assets | | (71) | – |

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. 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.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 22/06/2021 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

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

| \$ '000 | 2022 Budget | 2022 Actual | 2022 ----- Variance ----- | |
|---|----------------|----------------|------------------------------|----------------|
| Revenues | | | | |
| Rates and annual charges | 4,727 | 4,557 | (170) | (4)% U |
| User charges and fees | 2,900 | 2,191 | (709) | (24)% U |
| User fees and charges were down for the period due to a number of factors including continued reduction in facility usage from the impacts of COVID, water consumption down due to increased rainfall, and a reduction in works and services during the year. | | | | |
| Other revenues | 526 | 361 | (165) | (31)% U |
| Other income was down due to reduction in claimable Diesel Fuel Rebate as a result of Federal Government review of rates, reduced water standpipe sales, decrease in staff vehicle contributions and tourism sales was also down due to reduced visitations. | | | | |
| Operating grants and contributions | 10,058 | 9,612 | (446) | (4)% U |
| Capital grants and contributions | 8,088 | 3,740 | (4,348) | (54)% U |
| The grant for extension of the Bidgee Haven Hostel was not pursued during the year as per the original budget and a number of other capital grants remained on hold during the year due to rationalisation of work activities. | | | | |
| Interest and investment revenue | 71 | 119 | 48 | 68% F |
| Interest on overdue rates returned to more normal levels following the removal of the State Government interest 'holiday' granted in the previous year due to COVID, as well as increased investment rates and available funds for short term investment. | | | | |
| Other income | 162 | 108 | (54) | (33)% U |
| Staff housing contributions were down during the period due to delay in replacement of departing senior staff. | | | | |

B5-1 Material budget variations (continued)

| \$ '000 | 2022 Budget | 2022 Actual | 2022 ----- Variance ----- | |
|--|----------------|-----------------|------------------------------|-----------------|
| Expenses | | | | |
| Employee benefits and on-costs | 5,387 | 5,432 | (45) | (1)% U |
| Materials and services | 5,508 | 3,681 | 1,827 | 33% F |
| A decrease in expected works and services during the year due to rationalisation of work activities and reduced capital grant take up. | | | | |
| Borrowing costs | 114 | 119 | (5) | (4)% U |
| Depreciation, amortisation and impairment of non-financial assets | 4,966 | 5,373 | (407) | (8)% U |
| Other expenses | 368 | 416 | (48) | (13)% U |
| Original budget contribution for shared emergency services levy with Wentworth Shire Council was understated. | | | | |
| Joint ventures and associates – net losses | – | 200 | (200) | ∞ U |
| Council does not budget for the operations of the Far South West Joint Organisation of Councils but brings to account a share of the operating result at year end. | | | | |
| Statement of cash flows | | | | |
| Cash flows from operating activities | 14,966 | 12,358 | (2,608) | (17)% U |
| Cashflow from operating activities was down during the year as indicated in the notes pertaining to reduced income and expenditure above. | | | | |
| Cash flows from investing activities | 7,535 | (14,937) | (22,472) | (298)% U |
| Cashflow from grants was higher during the year, enabling increased short term investment opportunities. | | | | |
| Cash flows from financing activities | (190) | (190) | – | 0% F |

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Cash assets | | |
| Cash on hand and at bank | 145 | 4,414 |
| Cash equivalent assets | | |
| – Deposits at call | 4,378 | 1,878 |
| – Short-term deposits | – | 1,000 |
| Total cash and cash equivalents | 4,523 | 7,292 |

Reconciliation of cash and cash equivalents

| | | |
|---|--------------|--------------|
| Total cash and cash equivalents per Statement of Financial Position | 4,523 | 7,292 |
| Balance as per the Statement of Cash Flows | 4,523 | 7,292 |

Accounting policy

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.

C1-2 Financial investments

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Debt securities at amortised cost | | | | |
| Long term deposits | 18,000 | – | 10,750 | – |
| Total | 18,000 | – | 10,750 | – |
| Total financial investments | 18,000 | – | 10,750 | – |
| Total cash assets, cash equivalents and investments | 22,523 | – | 18,042 | – |

Accounting policy

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.

C1-2 Financial investments (continued)

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 and cash and cash equivalents in the Statement of Financial Position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

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

C1-3 Restricted and allocated cash, cash equivalents and investments

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2022 \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 | 2021 \$ '000 |
|--|----------------------------|--------------------------------|-----------------|----------------------------|--------------------------------|-----------------|
| (a) Externally restricted cash, cash equivalents and investments | | | | | | |
| Total cash, cash equivalents and investments | 22,523 | – | 22,523 | 18,042 | – | 18,042 |
| Less: Externally restricted cash, cash equivalents and investments | (8,254) | – | (8,254) | (7,458) | – | (7,458) |
| Cash, cash equivalents and investments not subject to external restrictions | 14,269 | – | 14,269 | 10,584 | – | 10,584 |

External restrictions**External restrictions – included in liabilities**

External restrictions included in cash, cash equivalents and investments above comprise:

| | | |
|--|--------------|--------------|
| Specific purpose unexpended grants – general fund | 3,206 | 3,061 |
| Specific purpose unexpended grants – water fund | 6 | 6 |
| External restrictions – included in liabilities | 3,212 | 3,067 |

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

| | | |
|---|--------------|--------------|
| Specific purpose unexpended grants (recognised as revenue) – general fund | 119 | 549 |
| Water fund | 2,962 | 2,198 |
| Sewer fund | 1,252 | 1,028 |
| Stormwater management | 19 | – |
| Domestic waste management | 690 | 616 |
| External restrictions – other | 5,042 | 4,391 |
| Total external restrictions | 8,254 | 7,458 |

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2022 \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 | 2021 \$ '000 |
|--|----------------------------|--------------------------------|-----------------|----------------------------|--------------------------------|-----------------|
| (b) Internal allocations | | | | | | |
| Cash, cash equivalents and investments not subject to external restrictions | 14,269 | – | 14,269 | 10,584 | – | 10,584 |

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2022 \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 | 2021 \$ '000 |
|--|----------------------------|--------------------------------|-----------------|----------------------------|--------------------------------|-----------------|
| Less: Internally restricted cash, cash equivalents and investments | (11,618) | – | (11,618) | (6,287) | – | (6,287) |
| Unrestricted and unallocated cash, cash equivalents and investments | 2,651 | – | 2,651 | 4,297 | – | 4,297 |

Internal allocations

At 30 June, Council has internally allocated funds to the following:

| | | |
|-----------------------------------|---------------|--------------|
| Plant and vehicle replacement | 1,879 | 366 |
| Infrastructure replacement | 1,472 | 214 |
| Employees leave entitlement | 271 | 269 |
| Deposits, retentions and bonds | – | 130 |
| Caravan park reserve | 486 | 139 |
| Euston cemetery | – | 15 |
| Gravel pits rehabilitation | 235 | 234 |
| Hostel bonds | 2,353 | 1,743 |
| Hostel Other | – | 33 |
| Self Care Unit Bonds | 140 | 140 |
| Health reserve | – | 6 |
| Lake Benanee capital improvements | – | 1 |
| Other assets replacement | – | 286 |
| Town clock | – | 3 |
| Financial Assistance Funds | 3,738 | 2,291 |
| Future Development Fund | 1,044 | 415 |
| Berrett Park Revitalisation | – | 2 |
| Total internal allocations | 11,618 | 6,287 |

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2022 \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 | 2021 \$ '000 |
|--|----------------------------|--------------------------------|-----------------|----------------------------|--------------------------------|-----------------|
|--|----------------------------|--------------------------------|-----------------|----------------------------|--------------------------------|-----------------|

(c) Unrestricted and unallocated

| | | | | | | |
|--|--------------|----------|--------------|--------------|----------|--------------|
| Unrestricted and unallocated cash, cash equivalents and investments | 2,651 | – | 2,651 | 4,297 | – | 4,297 |
|--|--------------|----------|--------------|--------------|----------|--------------|

C1-4 Receivables

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|---|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Rates and annual charges | 177 | 30 | 166 | 39 |
| Interest and extra charges | 15 | 5 | 16 | 6 |
| User charges and fees | 330 | 19 | 377 | 19 |
| Accrued revenues | | | | |
| – Interest on investments | 60 | – | 19 | – |
| – Other income accruals | – | – | 64 | – |
| Government grants and subsidies | 1,593 | – | 1,652 | – |
| Net GST receivable | 332 | – | 91 | – |
| Other debtors | – | – | 2 | – |
| Total | 2,507 | 54 | 2,387 | 64 |
| Less: provision for impairment | | | | |
| Rates and annual charges | (111) | – | (59) | – |
| Other debtors | (58) | – | (38) | – |
| Total provision for impairment – receivables | (169) | – | (97) | – |
| Total net receivables | 2,338 | 54 | 2,290 | 64 |
| Externally restricted receivables | | | | |
| Water supply | | | | |
| – Rates and availability charges | 136 | – | 52 | – |
| – Other | 160 | – | 260 | 19 |
| Sewerage services | | | | |
| – Rates and availability charges | 38 | – | 40 | – |
| – Other | 22 | – | 26 | – |
| Total external restrictions | 356 | – | 378 | 19 |
| Unrestricted receivables | 1,982 | 54 | 1,912 | 45 |
| Total net receivables | 2,338 | 54 | 2,290 | 64 |

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| Movement in provision for impairment of receivables | | |
| Balance at the beginning of the year (calculated in accordance with AASB 139) | 97 | 26 |
| Add: new provisions recognised during the year | 72 | 71 |
| Balance at the end of the year | 169 | 97 |

Accounting policy

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.

Impairment

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

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

C1-4 Receivables (continued)

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 6 years past due, whichever occurs first.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|----------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Inventories at cost | | | | |
| Stores and materials | 232 | – | 216 | – |
| Trading stock | 26 | – | 24 | – |
| Total inventories at cost | 258 | – | 240 | – |
| Total inventories | 258 | – | 240 | – |

Accounting policy

Raw materials and stores, work in progress and finished goods

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

C1-6 Non-current assets classified as held for sale

Council did not classify any non-current assets and disposal group assets.

C1-7 Infrastructure, property, plant and equipment

| By aggregated asset class | At 1 July 2021 | | | Asset movements during the reporting period | | | | | | | At 30 June 2022 | | |
|--|----------------------------------|--|--------------------------------|---|---------------------------------|--|---------------------------------|--------------------------|---|---|----------------------------------|--|--------------------------------|
| | Gross carrying amount \$ '000 | Accumulated depreciation and impairment \$ '000 | Net carrying amount \$ '000 | Additions renewals ¹ \$ '000 | Additions new assets \$ '000 | Carrying value of disposals \$ '000 | Depreciation expense \$ '000 | WIP transfers \$ '000 | Revaluation decrements to equity (ARR) \$ '000 | Revaluation increments to equity (ARR) \$ '000 | Gross carrying amount \$ '000 | Accumulated depreciation and impairment \$ '000 | Net carrying amount \$ '000 |
| Capital work in progress | 3,706 | – | 3,706 | 580 | 1,334 | – | – | (2,645) | – | – | 2,974 | – | 2,974 |
| Plant and equipment | 6,005 | (3,943) | 2,062 | 19 | 50 | (44) | (394) | – | – | – | 5,914 | (4,221) | 1,693 |
| Office equipment | 530 | (420) | 110 | 2 | 11 | – | (26) | 14 | – | – | 558 | (446) | 112 |
| Furniture and fittings | 330 | (220) | 110 | – | – | – | (21) | – | – | – | 330 | (241) | 89 |
| Land: | | | | | | | | | | | | | |
| – Operational land | 3,514 | – | 3,514 | – | – | (35) | – | – | – | 128 | 3,607 | – | 3,607 |
| – Community land | 2,214 | – | 2,214 | – | – | – | – | – | – | – | 2,214 | – | 2,214 |
| Land improvements – non-depreciable | 798 | – | 798 | – | – | – | – | – | – | – | 798 | – | 798 |
| Land improvements – depreciable | 311 | (168) | 143 | – | – | – | (3) | – | – | – | 311 | (171) | 140 |
| Infrastructure: | | | | | | | | | | | | | |
| – Roads and bridges | 126,991 | (53,138) | 73,853 | 2,493 | 772 | – | (3,362) | 2,425 | – | 72,156 | 186,383 | (38,047) | 148,336 |
| – Other structures | 23,579 | (13,276) | 10,303 | 604 | 87 | – | (303) | 61 | (4,556) | – | 8,045 | (1,850) | 6,195 |
| – Swimming pools | 1,982 | (664) | 1,318 | – | – | – | (34) | – | (393) | – | 1,156 | (265) | 891 |
| – Sewerage network | 13,833 | (4,655) | 9,178 | 314 | – | – | (165) | 2 | (3) | – | 12,761 | (3,436) | 9,325 |
| – Water supply network | 17,272 | (7,325) | 9,947 | 243 | – | – | (272) | – | (688) | – | 17,028 | (7,796) | 9,232 |
| – Buildings – specialised | 938 | (326) | 612 | – | – | – | (8) | – | – | 484 | 1,457 | (369) | 1,088 |
| – Stormwater drainage | 4,747 | (1,222) | 3,525 | – | – | – | (56) | – | – | 868 | 5,664 | (1,326) | 4,338 |
| – Kerb and gutter | 5,073 | (1,441) | 3,632 | – | – | – | (63) | – | (590) | – | 4,447 | (1,469) | 2,978 |
| – Footpaths | 1,886 | (851) | 1,035 | 15 | 25 | – | (35) | – | – | 280 | 1,889 | (570) | 1,319 |
| – Buildings – non-specialised | 34,731 | (14,431) | 20,300 | 26 | 645 | – | (565) | 143 | – | 5,078 | 41,674 | (16,046) | 25,628 |
| Other assets: | | | | | | | | | | | | | |
| – Library books | 188 | (163) | 25 | – | 14 | (10) | – | – | – | – | 152 | (123) | 29 |
| – Other | 796 | (248) | 548 | – | – | – | (41) | – | – | – | 796 | (289) | 507 |
| Total infrastructure, property, plant and equipment | 249,424 | (102,491) | 146,933 | 4,296 | 2,938 | (89) | (5,348) | – | (6,230) | 78,994 | 298,158 | (76,665) | 221,493 |

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

C1-7 Infrastructure, property, plant and equipment (continued)

| By aggregated asset class | At 1 July 2020 | | | Asset movements during the reporting period | | | | | At 30 June 2021 | | |
|--|----------------------------------|--|--------------------------------|---|---------------------------------|---------------------------------|--------------------------|---|----------------------------------|--|--------------------------------|
| | Gross carrying amount \$ '000 | Accumulated depreciation and impairment \$ '000 | Net carrying amount \$ '000 | Additions renewals ¹ \$ '000 | Additions new assets \$ '000 | Depreciation expense \$ '000 | WIP transfers \$ '000 | Revaluation increments to equity (ARR) \$ '000 | Gross carrying amount \$ '000 | Accumulated depreciation and impairment \$ '000 | Net carrying amount \$ '000 |
| Capital work in progress | 356 | – | 356 | 1,030 | 2,425 | – | (105) | – | 3,706 | – | 3,706 |
| Plant and equipment | 5,897 | (3,564) | 2,333 | 102 | 6 | (379) | – | – | 6,005 | (3,943) | 2,062 |
| Office equipment | 503 | (394) | 109 | 3 | 24 | (26) | – | – | 530 | (420) | 110 |
| Furniture and fittings | 330 | (199) | 131 | – | – | (21) | – | – | 330 | (220) | 110 |
| Land: | | | | | | | | | | | |
| – Operational land | 3,514 | – | 3,514 | – | – | – | – | – | 3,514 | – | 3,514 |
| – Community land | 2,214 | – | 2,214 | – | – | – | – | – | 2,214 | – | 2,214 |
| Land improvements – non-depreciable | 798 | – | 798 | – | – | – | – | – | 798 | – | 798 |
| Land improvements – depreciable | 311 | (168) | 143 | – | – | – | – | – | 311 | (168) | 143 |
| Infrastructure: | | | | | | | | | | | |
| – Buildings – non-specialised | 34,240 | (13,875) | 20,365 | 119 | 372 | (556) | – | – | 34,731 | (14,431) | 20,300 |
| – Buildings – specialised | 938 | (318) | 620 | – | – | (8) | – | – | 938 | (326) | 612 |
| – Other structures | 23,293 | (12,991) | 10,302 | 16 | 270 | (285) | – | – | 23,579 | (13,276) | 10,303 |
| – Roads | 125,287 | (49,872) | 75,415 | 1,093 | 606 | (3,265) | 5 | – | 126,991 | (53,138) | 73,853 |
| – Footpaths | 1,752 | (819) | 933 | – | 134 | (32) | – | – | 1,886 | (851) | 1,035 |
| – Stormwater drainage | 4,747 | (1,166) | 3,581 | – | – | (56) | – | – | 4,747 | (1,222) | 3,525 |
| – Water supply network | 16,821 | (6,995) | 9,826 | 117 | 77 | (263) | 100 | 91 | 17,272 | (7,325) | 9,947 |
| – Sewerage network | 13,404 | (4,456) | 8,948 | 303 | – | (157) | – | 84 | 13,833 | (4,655) | 9,178 |
| – Swimming pools | 1,982 | (630) | 1,352 | – | – | (34) | – | – | 1,982 | (664) | 1,318 |
| – Kerb and gutter | 5,073 | (1,378) | 3,695 | – | – | (63) | – | – | 5,073 | (1,441) | 3,632 |
| Other assets: | | | | | | | | | | | |
| – Library books | 183 | (163) | 20 | – | 5 | – | – | – | 188 | (163) | 25 |
| – Other | 796 | (204) | 592 | – | – | (44) | – | – | 796 | (248) | 548 |
| Total infrastructure, property, plant and equipment | 242,439 | (97,192) | 145,247 | 2,783 | 3,919 | (5,189) | – | 175 | 249,424 | (102,491) | 146,933 |

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

C1-7 Infrastructure, property, plant and equipment (continued)

Accounting policy

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

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

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

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

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

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

| 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 | 3 to 4 | | |
| Vehicles | 5 to 8 | Buildings | |
| Heavy plant/road making equipment | 5 to 8 | Buildings: masonry | 50 to 100 |
| Other plant and equipment | 5 to 15 | Buildings: other | 20 to 40 |
| Water and sewer assets | | Stormwater assets | |
| Dams and reservoirs | 20 to 100 | Drains | 70 to 100 |
| Bores | 10 to 50 | Culverts | 50 to 80 |
| Reticulation pipes: PVC | 50 to 80 | Flood control structures | 20 to 80 |
| Reticulation pipes: other | 25 to 50 | | |
| Pumps and telemetry | 8 to 20 | | |
| Transportation assets | | Other infrastructure assets | |
| Sealed roads: surface | 15 | Bulk earthworks | Indefinite |
| Sealed roads: structure | 35 to 150 | Swimming pools | 25 to 140 |
| Unsealed roads | 90 to 150 | Other open space/recreational assets | 20 |
| Bridge: concrete | 80 to 120 | Other infrastructure | 20 |
| Bridge: other | 80 to 120 | | |
| Road pavements | 35 to 130 | | |
| Kerb, gutter and footpaths | 40 | | |

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

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.

C1-7 Infrastructure, property, plant and equipment (continued)

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

Council has assessed the value of rural firefighting assets ("Red fleet") and determined that the value of these assets are not material and have not recognised them in the financial statements.

Externally restricted infrastructure, property, plant and equipment

| | as at 30/06/22 | | | as at 30/06/21 | | |
|---|----------------------------------|---|--------------------------------|----------------------------------|---|--------------------------------|
| | Gross carrying amount \$ '000 | Accumulated depn. and impairment \$ '000 | Net carrying amount \$ '000 | Gross carrying amount \$ '000 | Accumulated depn. and impairment \$ '000 | Net carrying amount \$ '000 |
| Water supply | | | | | | |
| WIP | 432 | – | 432 | 392 | – | 392 |
| Plant and equipment | 315 | 78 | 237 | 315 | 63 | 252 |
| Land | | | | | | |
| – Operational land | 34 | – | 34 | 34 | – | 34 |
| Infrastructure | 17,028 | 7,796 | 9,232 | 17,272 | 7,324 | 9,948 |
| Total water supply | 17,809 | 7,874 | 9,935 | 18,013 | 7,387 | 10,626 |
| Sewerage services | | | | | | |
| WIP | 4 | – | 4 | 2 | – | 2 |
| Plant and equipment | 285 | 60 | 225 | 285 | 45 | 240 |
| Land | | | | | | |
| – Operational land | 88 | – | 88 | 88 | – | 88 |
| Infrastructure | 12,761 | 3,436 | 9,325 | 13,833 | 4,655 | 9,178 |
| Total sewerage services | 13,138 | 3,496 | 9,642 | 14,208 | 4,700 | 9,508 |
| Total restricted infrastructure, property, plant and equipment | 30,947 | 11,370 | 19,577 | 32,221 | 12,087 | 20,134 |

C1-8 Intangible assets

Intangible assets are as follows:

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| Other Intangibles | | |
| Opening values at 1 July | | |
| Gross book value | 443 | 425 |
| Accumulated amortisation | (93) | (50) |
| Net book value – opening balance | 350 | 375 |
| Movements for the year | | |
| Amortisation charges | (25) | (25) |
| Gross book value written off | (125) | – |
| Accumulated amortisation charges written off | 100 | – |
| Closing values at 30 June | | |
| Gross book value | 318 | 443 |
| Accumulated amortisation | (18) | (93) |
| Total Intangibles – net book value | 300 | 350 |
| Total intangible assets – net book value | 300 | 350 |

Accounting policy

Intangible Assets

Aged care hostel bed licences

Council operates an aged care hostel which is licenced under Commonwealth Department of Health and Aged Care for 15 bed accommodation. The licences are recognised at cost of acquisition, no amortisation applies as the licences are currently deemed to have an indefinite useful life.

C1-9 Other

Other assets

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|---------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Prepayments | 26 | – | 14 | – |
| Total other assets | 26 | – | 14 | – |

C2 Leasing activities

C2-1 Council as a lessee

Council had no leases in place as at 30 June 2021.

(a) Income Statement

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

| | 2022 \$ '000 | 2021 \$ '000 |
|---------------------------------------|-----------------|-----------------|
| Expenses relating to low-value leases | 12 | 10 |
| | 12 | 10 |

(b) Leases at significantly below market value – concessionary / peppercorn leases

Accounting policy

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 received. The right-of-use asset 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.

C2-2 Council as a lessor

Operating leases

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

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

(i) Assets held as property, plant and equipment

| | | |
|--|------------|------------|
| Lease income (excluding variable lease payments not dependent on an index or rate) | 108 | 115 |
| Total income relating to operating leases for Council assets | 108 | 115 |

(ii) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

| | | |
|---|------------|------------|
| < 1 year | 32 | 31 |
| 1–2 years | 33 | 32 |
| 2–3 years | 34 | 33 |
| 3–4 years | 35 | 34 |
| 4–5 years | 35 | 35 |
| Total undiscounted lease payments to be received | 169 | 165 |

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, 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 for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Goods and services – operating expenditure | 1,176 | – | 594 | – |
| Goods and services – capital expenditure | 234 | – | 731 | – |
| Accrued expenses: | | | | |
| – Borrowings | 9 | – | 5 | – |
| – Salaries and wages | 80 | – | 48 | – |
| – Other expenditure accruals | – | – | 6 | – |
| Security bonds, deposits and retentions | 269 | – | 270 | – |
| Retirement home contributions | 2,353 | – | 1,743 | – |
| Other | 93 | – | 41 | – |
| Prepaid rates | 183 | – | 122 | – |
| Total payables | 4,397 | – | 3,560 | – |

Payables relating to restricted assets

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|---|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Externally restricted assets | | | | |
| Water | 65 | – | 21 | – |
| Sewer | 15 | – | – | – |
| Payables relating to externally restricted assets | 80 | – | 21 | – |
| Total payables relating to restricted assets | 80 | – | 21 | – |
| Total payables relating to unrestricted assets | 4,317 | – | 3,539 | – |
| Total payables | 4,397 | – | 3,560 | – |

C3-1 Payables (continued)

Current payables not anticipated to be settled within the next twelve months

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| The following liabilities, even though classified as current, are not expected to be settled in the next 12 months. | | |
| Payables – security bonds, deposits and retentions | 2,450 | 1,898 |
| Total payables | 2,450 | 1,898 |

Accounting policy

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.

Payables

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

C3-2 Contract Liabilities

| | Notes | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|--|-------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Grants and contributions received in advance: | | | | | |
| Unexpended capital grants (to construct Council controlled assets) | (i) | 3,212 | – | 3,067 | – |
| Total grants received in advance | | 3,212 | – | 3,067 | – |
| Total contract liabilities | | 3,212 | – | 3,067 | – |

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library 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.

Contract liabilities relating to restricted assets

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Externally restricted assets | | | | |
| Water | 6 | – | 6 | – |
| Unspent grants held as contract liabilities (excl. Water & Sewer) | 3,206 | – | 3,061 | – |
| Contract liabilities relating to externally restricted assets | 3,212 | – | 3,067 | – |
| Total contract liabilities relating to restricted assets | 3,212 | – | 3,067 | – |
| Total contract liabilities | 3,212 | – | 3,067 | – |

C3-2 Contract Liabilities (continued)

Significant changes in contract liabilities

There was no significant movement in Contract Liabilities during the year.

Accounting policy

Contract liabilities are recorded when 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.

C3-3 Borrowings

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|------------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Loans – secured ¹ | 203 | 1,643 | 182 | 1,854 |
| Total borrowings | 203 | 1,643 | 182 | 1,854 |

(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 E1-1.

Borrowings relating to restricted assets

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|---|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Externally restricted assets | | | | |
| Water | 74 | 559 | 66 | 636 |
| Borrowings relating to externally restricted assets | 74 | 559 | 66 | 636 |
| Total borrowings relating to restricted assets | 74 | 559 | 66 | 636 |
| Total borrowings relating to unrestricted assets | 129 | 1,084 | 116 | 1,218 |
| Total borrowings | 203 | 1,643 | 182 | 1,854 |

(a) Changes in liabilities arising from financing activities

| | 2021 | | Non-cash movements | | | | 2022 |
|--|-------------------------------|-----------------------|------------------------|----------------------------------|--|---------------------------------------|-------------------------------|
| | Opening Balance \$ '000 | Cash flows \$ '000 | Acquisition \$ '000 | Fair value changes \$ '000 | Acquisition due to change in accounting policy \$ '000 | Other non-cash movement \$ '000 | Closing balance \$ '000 |
| Loans – secured | 2,036 | (190) | – | – | – | – | 1,846 |
| Total liabilities from financing activities | 2,036 | (190) | – | – | – | – | 1,846 |

| | 2020 | | Non-cash movements | | | | 2021 |
|--|-------------------------------|-----------------------|------------------------|----------------------------------|--|---------------------------------------|----------------------------|
| | Opening Balance \$ '000 | Cash flows \$ '000 | Acquisition \$ '000 | Fair value changes \$ '000 | Acquisition due to change in accounting policy \$ '000 | Other non-cash movement \$ '000 | Closing balance \$ '000 |
| Loans – secured | 2,293 | (257) | – | – | – | – | 2,036 |
| Total liabilities from financing activities | 2,293 | (257) | – | – | – | – | 2,036 |

C3-3 Borrowings (continued)

(b) Financing arrangements

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| Total facilities | | |
| Bank overdraft facilities ¹ | 200 | 200 |
| Credit cards/purchase cards | 150 | 150 |
| Total financing arrangements | 350 | 350 |
| Drawn facilities | | |
| – Credit cards/purchase cards | 5 | 5 |
| Total drawn financing arrangements | 5 | 5 |
| Undrawn facilities | | |
| – Bank overdraft facilities | 200 | 200 |
| – Credit cards/purchase cards | 145 | 145 |
| Total undrawn financing arrangements | 345 | 345 |

Additional financing arrangements information**Breaches and defaults**

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

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

Accounting policy

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.

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.

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 borrowing costs.

C3-4 Employee benefit provisions

| | 2022 Current \$ '000 | 2022 Non-current \$ '000 | 2021 Current \$ '000 | 2021 Non-current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Annual leave | 427 | – | 455 | – |
| Long service leave | 240 | 90 | 316 | 119 |
| Gratuities | 40 | – | 33 | – |
| ELE on-costs | 29 | 4 | – | – |
| Total employee benefit provisions | 736 | 94 | 804 | 119 |
| Total employee benefit provisions relating to unrestricted assets | 736 | 94 | 804 | 119 |
| Total employee benefit provisions | 736 | 94 | 804 | 119 |

Current employee benefit provisions not anticipated to be settled within the next twelve months

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. | | |
| Provisions – employees benefits | 418 | 485 |
| | 418 | 485 |

Description of and movements in provisions

| | ELE provisions | | | | |
|--|-------------------------|----------------------------------|----------------------------|--|------------------|
| | Annual leave \$ '000 | Long service leave \$ '000 | ELE on-costs \$ '000 | Other employee benefits \$ '000 | Total \$ '000 |
| 2022 | | | | | |
| At beginning of year | 455 | 435 | – | 33 | 923 |
| Additional provisions | 372 | (52) | 33 | 17 | 370 |
| Amounts used (payments) | (400) | (53) | – | (10) | (463) |
| Total ELE provisions at end of year | 427 | 330 | 33 | 40 | 830 |
| 2021 | | | | | |
| At beginning of year | 393 | 431 | – | 37 | 861 |
| Additional provisions | 313 | 49 | – | 1 | 363 |
| Amounts used (payments) | (251) | (45) | – | (5) | (301) |
| Total ELE provisions at end of year | 455 | 435 | – | 33 | 923 |

Accounting policy

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating long service 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 long service 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

C3-4 Employee benefit provisions (continued)

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

On-costs

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

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

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

C3-5 Provisions

| | 2022 Current \$ '000 | 2022 Non-Current \$ '000 | 2021 Current \$ '000 | 2021 Non-Current \$ '000 |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
| Asset remediation/restoration: | | | | |
| Asset remediation/restoration (future works) | – | 170 | – | 170 |
| Sub-total – asset remediation/restoration | – | 170 | – | 170 |
| Total provisions | – | 170 | – | 170 |

Description of and movements in provisions

| | Other provisions | |
|---------------------------------------|---------------------------------|------------------|
| | Asset remediation \$ '000 | Total \$ '000 |
| 2022 | | |
| At beginning of year | 170 | 170 |
| Total other provisions at end of year | 170 | 170 |
| 2021 | | |
| At beginning of year | 170 | 170 |
| Total other provisions at end of year | 170 | 170 |

Nature and purpose of provisions

Asset remediation

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

Accounting policy

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

C3-5 Provisions (continued)

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 a borrowing cost.

Asset remediation – tips and quarries

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 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.

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 infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of 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.

D1-1 Income Statement by fund

| | General 2022 \$ '000 | Water 2022 \$ '000 | Sewer 2022 \$ '000 |
|--|-------------------------------------|-----------------------------------|-----------------------------------|
| Income from continuing operations | | | |
| Rates and annual charges | 3,109 | 807 | 641 |
| User charges and fees | 1,349 | 769 | 73 |
| Interest and investment revenue | 92 | 19 | 8 |
| Other revenues | 264 | 71 | 26 |
| Grants and contributions provided for operating purposes | 9,612 | – | – |
| Grants and contributions provided for capital purposes | 3,740 | – | – |
| Other income | 108 | – | – |
| Total income from continuing operations | 18,274 | 1,666 | 748 |
| Expenses from continuing operations | | | |
| Employee benefits and on-costs | 5,196 | 181 | 55 |
| Materials and services | 3,127 | 381 | 173 |
| Borrowing costs | 76 | 43 | – |
| Depreciation, amortisation and impairment of non-financial assets | 4,906 | 287 | 180 |
| Other expenses | 393 | 23 | – |
| Net losses from the disposal of assets | 71 | – | – |
| Share of interests in joint ventures and associates using the equity method | 200 | – | – |
| Total expenses from continuing operations | 13,969 | 915 | 408 |
| Operating result from continuing operations | 4,305 | 751 | 340 |
| Net operating result for the year | 4,305 | 751 | 340 |
| Net operating result attributable to each council fund | 4,305 | 751 | 340 |
| Net operating result for the year before grants and contributions provided for capital purposes | 565 | 751 | 340 |

D1-2 Statement of Financial Position by fund

| | General 2022 \$ '000 | Water 2022 \$ '000 | Sewer 2022 \$ '000 |
|---|----------------------------|--------------------------|--------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 1,403 | 2,368 | 752 |
| Investments | 16,900 | 600 | 500 |
| Receivables | 1,982 | 296 | 60 |
| Inventories | 258 | — | — |
| Other | 26 | — | — |
| Total current assets | 20,569 | 3,264 | 1,312 |
| Non-current assets | | | |
| Receivables | 54 | — | — |
| Infrastructure, property, plant and equipment | 201,916 | 9,935 | 9,642 |
| Investments accounted for using the equity method | 932 | — | — |
| Intangible assets | 300 | — | — |
| Total non-current assets | 203,202 | 9,935 | 9,642 |
| Total assets | 223,771 | 13,199 | 10,954 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | 4,317 | 65 | 15 |
| Contract liabilities | 3,206 | 6 | — |
| Borrowings | 129 | 74 | — |
| Employee benefit provision | 736 | — | — |
| Total current liabilities | 8,388 | 145 | 15 |
| Non-current liabilities | | | |
| Borrowings | 1,084 | 559 | — |
| Employee benefit provision | 94 | — | — |
| Provisions | 170 | — | — |
| Total non-current liabilities | 1,348 | 559 | — |
| Total liabilities | 9,736 | 704 | 15 |
| Net assets | 214,035 | 12,495 | 10,939 |
| EQUITY | | | |
| Accumulated surplus | 54,519 | 6,052 | 3,704 |
| Revaluation reserves | 159,516 | 6,443 | 7,235 |
| Council equity interest | 214,035 | 12,495 | 10,939 |
| Total equity | 214,035 | 12,495 | 10,939 |

D2 Interests in other entities

| | Council's share of net assets | |
|---|--------------------------------------|----------------|
| | 2022 | 2021 |
| | \$ '000 | \$ '000 |
| Council's share of net income | | |
| Net share of interests in joint ventures and associates using the equity method – expenses | | |
| Joint ventures | 200 | 227 |
| Total net share of interests in joint ventures and associates using the equity method – expenses | 200 | 227 |
| Total Council's share of net income | (200) | (227) |
| Council's share of net assets | | |
| Net share of interests in joint ventures and associates using the equity method – assets | | |
| Joint ventures | 932 | 1,132 |
| Total net share of interests in joint ventures and associates using the equity method – assets | 932 | 1,132 |
| Total Council's share of net assets | 932 | 1,132 |

D2-1 Interests in joint arrangements

The following information is provided for joint arrangements that are individually material to the Council. Included are the amounts as per the individual joint arrangement's financial statements, adjusted for fair-value adjustments, rather than Council's share.

Council is a member of the Far South West Joint Organisation of Councils (FSWJO). Details of Council's membership and participation is as follows:

The FSWJO is a separately constituted entity pursuant to Part 7 (Sections 400O to 400ZH) of the Local Government Act (NSW) 1993, as amended, and the Local Government (General) Regulation 2008. The FSWJO has the same year end date as the Council.

The principal functions of the Far West Joint Organisation will be to:

Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities:

1. Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities,
2. Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area,
3. Enhancing strategic capacity to support member councils to deliver services to their communities,
4. Service delivery to provide services directly to communities within the region.

The percentage ownership interest held is equivalent to the percentage voting rights for all associates as follows: FSWJO comprises the Councils of the Shires of Balranald, Wentworth, Broken Hill and Central Darling Shire Councils. The Board of the FSWJO comprises 4 voting members being the Mayors of the four member Councils, and non-voting members being the General Managers of the four member Councils, as well as 3 appointed members from the State Government and Cabinet (non-voting).

Balranald Shire Council, as a member of the FSWJO, has a one quarter voting right (25%) in respect to the decisions of the Board.

For the 2021/22 year, no member Councils were required to make contributions to the FSWJO. Members of the FSWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

The FSWJO has engaged an Executive Officer on a standard Local Government employment contract for 3 years. There are no liability issues identified for Council in the short to medium term.

D2-1 Interests in joint arrangements (continued)

FarSouth West Joint Organisation Equity Method

| | \$'000 2022 | \$'000 2021 |
|---|----------------|----------------|
| Summarised Statement of Financial Position | | |
| Current assets | 3,745 | 4619 |
| Current liabilities | (18) | (92) |
| Net assets | 3,726 | 4,527 |
| Summarised Statement of Income and other Comprehensive Income | | |
| Grant funding | 60 | 150 |
| Interest income | 2 | 5 |
| Total income from continuing operations | 62 | 155 |
| Employee benefits | - | (98) |
| Depreciation and amortisation | - | (2) |
| Administration expenses | (861) | (948) |
| Other expenses | (2) | |
| Total expense from continuing operations | (864) | (1,048) |
| Gain/(Loss) from continuing operations | (801) | (893) |
| Total comprehensive income | (801) | (893) |
| Summarised statement of Cash Flows | | |
| Cashflow from operating activities | (859) | (893) |
| Cashflow from investing activities | - | 33 |
| Net increase/(decrease) in cash and cash equivalents | (859) | (860) |
| Reconciliation of carrying amount of interest in the joint arrangement to summarised financial information for FWJO accounted for using the Equity method: | | |
| Balranald Shire Council's share of net assets | 932 | 1,132 |
| Carrying amount of net assets | 932 | 1,132 |

Accounting policy

Interests in joint arrangements are accounted for using the equity method in accordance with AASB128 Investments in Associates and Joint Ventures.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. If the Council's share of losses of a joint arrangement equals or exceeds its interest in the joint arrangement, the Council discontinues recognising its share of further losses.

The Council's share in the joint arrangements gains or losses arising from transactions between itself and its joint arrangement are eliminated.

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

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

| | Carrying value 2022 \$ '000 | Carrying value 2021 \$ '000 | Fair value 2022 \$ '000 | Fair value 2021 \$ '000 |
|-------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Measured at amortised cost | | | | |
| Cash and cash equivalents | 4,523 | 7,292 | 4,523 | 7,292 |
| Receivables | 2,392 | 2,354 | 2,392 | 2,354 |
| Investments | | | | |
| – Debt securities at amortised cost | 18,000 | 10,750 | 18,000 | 10,750 |
| Total financial assets | 24,915 | 20,396 | 24,915 | 20,396 |
| Financial liabilities | | | | |
| Payables | 4,397 | 3,560 | 4,397 | 3,560 |
| Loans/advances | 1,846 | 2,036 | 1,846 | 2,036 |
| Total financial liabilities | 6,243 | 5,596 | 6,243 | 5,596 |

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

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

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

The risks associated with the instruments held are:

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

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

E1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| <p>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.</p> | | |
| Impact of a 1% movement in interest rates | | |
| – Equity / Income Statement | 225 | 180 |

(b) Credit risk

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

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

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

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

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

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

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

E1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; 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 payment.

| | Not yet overdue \$ '000 | overdue rates and annual charges | | | | Total \$ '000 |
|-----------------------|-------------------------------|----------------------------------|------------------------|------------------------|----------------------|------------------|
| | | < 5 years \$ '000 | 1 - 2 years \$ '000 | 2 - 5 years \$ '000 | ≥ 5 years \$ '000 | |
| 2022 | | | | | | |
| Gross carrying amount | 128 | 68 | 11 | – | – | 207 |
| 2021 | | | | | | |
| Gross carrying amount | – | 197 | – | – | 8 | 205 |

Receivables - non-rates and annual charges and contract assets

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

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

| | Not yet overdue \$ '000 | 0 - 30 days \$ '000 | Overdue debts | | | Total \$ '000 |
|------------------------|-------------------------------|------------------------|-------------------------|-------------------------|----------------------|------------------|
| | | | 31 - 60 days \$ '000 | 61 - 90 days \$ '000 | > 91 days \$ '000 | |
| 2022 | | | | | | |
| Gross carrying amount | 786 | – | 19 | 269 | 1,280 | 2,354 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 0.00% | 4.50% | 2.45% |
| ECL provision | – | – | – | – | 58 | 58 |
| 2021 | | | | | | |
| Gross carrying amount | 557 | 5 | 150 | 74 | 1,460 | 2,246 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 0.00% | 2.60% | 1.69% |
| ECL provision | – | – | – | – | 38 | 38 |

E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, 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 by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. 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 (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

| | Weighted average interest rate % | Subject to no maturity \$ '000 | payable in: ≤ 1 Year \$ '000 | 1 - 5 Years \$ '000 | > 5 Years \$ '000 | Total cash outflows \$ '000 | Actual carrying values \$ '000 |
|------------------------------------|--|---|------------------------------------|---------------------------|----------------------|-----------------------------------|---|
| 2022 | | | | | | | |
| Payables | 0.00% | 2,622 | 1,775 | – | – | 4,397 | 4,397 |
| Borrowings | 4.03% | – | 304 | 1,218 | 324 | 1,846 | 1,846 |
| Total financial liabilities | | 2,622 | 2,079 | 1,218 | 324 | 6,243 | 6,243 |
| 2021 | | | | | | | |
| Payables | 0.00% | 2,013 | 1,547 | – | – | 3,560 | 3,560 |
| Borrowings | 5.74% | – | 265 | 572 | 1,199 | 2,036 | 2,036 |
| Total financial liabilities | | 2,013 | 1,812 | 572 | 1,199 | 5,596 | 5,596 |

Loan agreement breaches

There were not any breaches to loan agreements which have occurred during the reporting year.

E2-1 Fair value measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

| Fair value measurement hierarchy | | | | | | | | | |
|---|-------|--------------------------|----------|---------------------------------------|-------|---|---------|---------|---------|
| \$ '000 | Notes | Date of latest valuation | | Level 2 Significant observable inputs | | Level 3 Significant unobservable inputs | | Total | |
| | | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Infrastructure, property, plant and equipment | C1-7 | | | | | | | | |
| Plant and equipment | | 30/06/21 | 30/06/20 | — | — | 1,693 | 2,062 | 1,693 | 2,062 |
| Office equipment | | 30/06/21 | 30/06/20 | — | — | 112 | 110 | 112 | 110 |
| Furniture and fittings | | 30/06/21 | 30/06/20 | — | — | 89 | 110 | 89 | 110 |
| Land – operational | | 30/06/22 | 30/06/18 | 3,607 | 3,514 | — | — | 3,607 | 3,514 |
| Land community | | 30/06/20 | 30/06/20 | — | — | 2,214 | 2,214 | 2,214 | 2,214 |
| Land improvements | | 30/06/22 | 30/06/20 | — | — | 938 | 941 | 938 | 941 |
| Buildings non - specialised | | 30/06/22 | 30/06/18 | — | 1,430 | 25,628 | 18,870 | 25,628 | 20,300 |
| Buildings specialised | | 30/06/22 | 30/06/18 | — | — | 1,088 | 612 | 1,088 | 612 |
| Other structures | | 30/06/22 | 30/06/20 | — | — | 6,195 | 10,303 | 6,195 | 10,303 |
| Roads and bridges | | 30/06/22 | 30/06/18 | — | — | 148,336 | 73,853 | 148,336 | 73,853 |
| Kerb and channels | | 30/06/22 | 30/06/18 | — | — | 2,978 | 3,632 | 2,978 | 3,632 |
| Footpaths | | 30/06/22 | 30/06/18 | — | — | 1,319 | 1,035 | 1,319 | 1,035 |
| Stormwater drainage | | 30/06/22 | 30/06/18 | — | — | 4,338 | 3,525 | 4,338 | 3,525 |
| Water supply network | | 30/06/22 | 30/06/18 | — | — | 9,232 | 9,947 | 9,232 | 9,947 |
| Sewerage network | | 30/06/22 | 30/06/18 | — | — | 9,325 | 9,178 | 9,325 | 9,178 |
| Swimming pools | | 30/06/22 | 30/06/18 | — | — | 891 | 1,318 | 891 | 1,318 |
| Other | | 30/06/22 | 30/06/20 | — | — | 536 | 573 | 536 | 573 |
| Total infrastructure, property, plant and equipment | | | | 3,607 | 4,944 | 214,912 | 138,283 | 218,519 | 143,227 |

Valuation techniques

Infrastructure, property, plant and equipment (IPPE)

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 & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & equipment, Office Equipment and Furniture & fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes area as follows:

- Plant & equipment- Graders, Trucks, rollers, tractors and motor vehicles.
- Office equipment- Computers, photocopies, calculators etc.

E2-1 Fair value measurement (continued)

- Furniture & Fittings- Chairs, desks and display boards.

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

Operational & Community Land

Operational & community Land are based on either the market value approach (level 2) or the cost approach (level 3). Operational Land is represented by actual market values in the Balranald Shire LGA. Operational land was valued based on observable market values (level 2). Community land is based on values supplied by the Valuer General which is not based on market value and as such have been classified at a level 3.

Council has changed its methodology for valuation of Community Land during the year to accord with the methodology supported by the NSW Auditor General. Council uses valuations supplied by the NSW Valuer General with a current base date of 2019.

Buildings- Non Specialised & Specialised

Non- Specialised & Specialised Buildings have been valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the market or cost approach, with effective date 30 June 2022. The approaches estimated the replacement cost of each building by componentising the building into significant parts.

While all buildings were physically inspected and the unit rates based on square market based evidence (level) 2 was established for some building assets, the majority of building assets were valued at a level 3.

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

Other Structures

Other structures comprise of aerodrome runway, lighting, irrigation systems and fencing etc. have been valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022. The approach estimated the replacement cost of the asset by componentising the asset into significant parts. No market evidence (level 2) inputs are available therefore level 3 valuation inputs were used for this asset class.

Roads, Bridges, Footpaths & Drainage Infrastructure.

Roads comprise roads carriageway, roadside shoulders & Kerb and Gutter and Channels. Bridges comprised of Bridges and Major Culverts. All these asset classes were valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

The approach estimated the replacement cost for each asset by componentising the assets into significant parts using Balranald Shire Council's internal data base of costs. From field observations taken during this revaluation most of the unsealed road network has been reclassified from a formed and paved road asset to a formed only road asset.

Unit rates applied to the most recent valuation have increased significantly from previous valuations and this is based on the valuer's determination of unit rates applicable to similar local government entities. The increase in unit rates has resulted in a substantial increase in the carrying value of Roads assets at 30 June 2022.

Water Supply Network

Assets within this class comprise reservoirs, pumping stations and water pipelines.

The cost approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. All Water Supply Network Assets were valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains.

The cost approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. All Water Supply Network Assets were valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the cost approach, with effective date 30 June 2022.

This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

E2-1 Fair value measurement (continued)

Swimming Pools

Assets within this class comprise Council's outdoor swimming pool, valued externally by APV Valuers and Asset Management of Level 18, 344 Queen Street Brisbane QLD 4000 using the market or cost approach, with effective date 30 June 2022. The approach estimated the replacement cost for each pool by componentising its significant parts.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

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

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

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 and equipment | Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Office equipment | Replacement Cost | Current Replacement Cost, Remaining Useful Life |
| Furniture and fittings | Replacement Cost | Current Replacement Cost, Remaining Useful Life |
| Community Land | Unimproved Value | New South Wales Valuer Generals Unimproved Value |
| Land improvements | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Buildings non specialised | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Building specialised | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Other structures | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Roads and bridges | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Kerb and gutter | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Footpaths | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Stormwater drainage | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Water supply network | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Sewerage network | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Swimming pools | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |
| Other assets | Depreciated Replacement Cost | Current Replacement Cost, Remaining Useful Life, Residual Value |

E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

| | Plant and equipment | | Office equipment | | Furniture and fittings | | Community Land | |
|--------------------------------------|---------------------|---------|------------------|---------|------------------------|---------|----------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Opening balance | 2,062 | 2,333 | 110 | 109 | 110 | 131 | 2,214 | 2,214 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 69 | 108 | 27 | 27 | – | – | – | – |
| Disposals (WDV) | (44) | – | – | – | – | – | – | – |
| Depreciation and impairment | (394) | (379) | (26) | (26) | (21) | (21) | – | – |
| Revaluations | – | – | 1 | – | – | – | – | – |
| Closing balance | 1,693 | 2,062 | 112 | 110 | 89 | 110 | 2,214 | 2,214 |

| | Land improvement | | Buildings non specialised | | Building specialised | | Other structures | |
|--|------------------|---------|---------------------------|---------|----------------------|---------|------------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Opening balance | 941 | 941 | 18,870 | 18,935 | 612 | 620 | 10,303 | 10,302 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | – | – | 814 | 491 | – | – | 752 | 286 |
| Transfers from/(to) level 2 FV hierarchy | – | – | 865 | – | – | – | – | – |
| Depreciation and impairment | (3) | – | – | (556) | (8) | (8) | (303) | (285) |
| Revaluations | – | – | 5,078 | – | 484 | – | (4,556) | – |
| Rounding | – | – | 1 | – | – | – | (1) | – |
| Closing balance | 938 | 941 | 25,628 | 18,870 | 1,088 | 612 | 6,195 | 10,303 |

| | Roads and bridges | | Kerb and gutter | | Footpaths | | Stormwater drainage | |
|--------------------------------------|-------------------|---------|-----------------|---------|-----------|---------|---------------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Opening balance | 73,853 | 75,415 | 3,632 | 3,695 | 1,035 | 933 | 3,525 | 3,581 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 5,690 | 1,703 | – | – | 40 | 134 | – | – |
| Depreciation and impairment | (3,362) | (3,265) | (63) | (63) | (35) | (32) | (56) | (56) |
| Revaluations | 72,156 | – | (590) | – | 280 | – | 868 | – |
| Rounding | (1) | – | (1) | – | (1) | – | 1 | – |
| Closing balance | 148,336 | 73,853 | 2,978 | 3,632 | 1,319 | 1,035 | 4,338 | 3,525 |

| | Water supply network | | Sewerage network | | Swimming pool | | Other assets | |
|--------------------------------------|----------------------|---------|------------------|---------|---------------|---------|--------------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Opening balance | 9,947 | 9,826 | 9,178 | 8,948 | 1,318 | 1,352 | 573 | 612 |
| Total gains or losses for the period | | | | | | | | |
| Other movements | | | | | | | | |
| Purchases (GBV) | 243 | 294 | 316 | 303 | – | – | 14 | 5 |
| Disposals (WDV) | – | – | – | – | – | – | (10) | – |
| Depreciation and impairment | (272) | (263) | (165) | (157) | (34) | (34) | (41) | (44) |
| Revaluations | (688) | 91 | (3) | 84 | (393) | – | – | – |
| Rounding | 2 | (1) | (1) | – | – | – | – | – |
| Closing balance | 9,232 | 9,947 | 9,325 | 9,178 | 891 | 1,318 | 536 | 573 |

E2-1 Fair value measurement (continued)

| | Total | |
|--|----------------|----------------|
| | 2022 | 2021 |
| | \$ '000 | \$ '000 |
| Opening balance | 138,283 | 139,947 |
| Purchases (GBV) | 7,965 | 3,351 |
| Transfers from/(to) level 2 FV hierarchy | 865 | – |
| Disposals (WDV) | (54) | – |
| Depreciation and impairment | (4,783) | (5,189) |
| Revaluations | 72,637 | 175 |
| Rounding | (1) | (1) |
| Closing balance | 214,912 | 138,283 |

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

Buildings assets were revalued during the year and while a small number of assets were assessed with market inputs (level 2), Council has utilised the level 3 valuations effective 30 June 2022.

E2-1 Fair value measurement (continued)

Highest and best use

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

E3-1 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 future service employer contributions and past service employer 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 member contributions for non-180 Point Members; Nil for 180 Point Members* |
| Division C | 2.5% salaries |
| Division D | 1.64 times member contributions |

* For 180 Point Members, Employers are required to contribute 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% in line with the increase in the Superannuation Guarantee) 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 past service contributions of \$40.0 million for 1 July 2019 to 31 December 2021, and \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. 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.

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

E3-1 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 2022 was \$30,176.09. The last valuation of the Scheme was performed by Fund Actuary, Richard Boyfield, FIAA as at 30 June 2021. The amount of additional contributions included in the total employer contribution advised above is \$14,863.44. Council's expected contribution to the plan for the next annual reporting period is \$28,455.60.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

| Employer reserves only * | \$millions | Asset Coverage |
|--------------------------|------------|----------------|
| Assets | 2,376.6 | |
| Past Service Liabilities | 2,380.7 | 99.8% |
| Vested Benefits | 2,391.7 | 99.4% |

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

The share of any funding surplus or deficit that can be attributed to Council is 0.07%

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 | 5.5% 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.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2022.

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity. StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA. These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

E3-1 Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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:

| | 2022 \$ '000 | 2021 \$ '000 |
|----------------------|-----------------|-----------------|
| Compensation: | | |
| Short-term benefits | 561 | 879 |
| Termination benefits | 226 | 233 |
| Total | 787 | 1,112 |

F1-2 Councillor and Mayoral fees and associated expenses

| | 2022 | 2021 |
|--|---------|---------|
| | \$ '000 | \$ '000 |

The aggregate amount of Councillor and Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:

| | | |
|---|------------|------------|
| Administrator fee | 130 | 141 |
| Other Councillors' expenses (including Administrator) | 3 | 15 |
| Total | 133 | 156 |

F2 Other relationships

F2-1 Audit fees

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

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

| | | |
|--|-----------|-----------|
| | 60 | 61 |
| Remuneration for audit and other assurance services | 60 | 61 |
| Total Auditor-General remuneration | 60 | 61 |
| Total audit fees | 60 | 61 |

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Net operating result from Income Statement | 5,396 | 4,438 |
| Add / (less) non-cash items: | | |
| Depreciation and amortisation | 5,373 | 5,214 |
| (Gain) / loss on disposal of assets | 71 | — |
| Share of net (profits)/losses of associates/joint ventures using the equity method | 200 | 227 |
| Movements in operating assets and liabilities and other cash items: | | |
| (Increase) / decrease of receivables | (110) | 68 |
| Increase / (decrease) in provision for impairment of receivables | 72 | 71 |
| (Increase) / decrease of inventories | (18) | (45) |
| (Increase) / decrease of other current assets | (12) | (3) |
| Increase / (decrease) in payables | 582 | 91 |
| Increase / (decrease) in accrued interest payable | 4 | (1) |
| Increase / (decrease) in other accrued expenses payable | 26 | (135) |
| Increase / (decrease) in other liabilities | 722 | 222 |
| Increase / (decrease) in contract liabilities | 145 | 2,692 |
| Increase / (decrease) in employee benefit provision | (93) | 62 |
| Net cash flows from operating activities | 12,358 | 12,901 |

G2-1 Commitments

Capital commitments (exclusive of GST)

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
|--|-----------------|-----------------|

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

Property, plant and equipment

| | | |
|-----------------------------------|--------------|--------------|
| Sewerage and water infrastructure | 310 | 6 |
| Buildings | 4,669 | 5,192 |
| Plant and equipment | 111 | – |
| Roads | 914 | 1,963 |
| Other Structures | 1,909 | 1,311 |
| Total commitments | 7,913 | 8,472 |

These expenditures are payable as follows:

| | | |
|--|--------------|--------------|
| Within the next year | 3,633 | 8,472 |
| Later than one year and not later than 5 years | 4,280 | – |
| Total payable | 7,913 | 8,472 |

Sources for funding of capital commitments:

| | | |
|---------------------------------|--------------|--------------|
| Unrestricted general funds | 111 | – |
| Future grants and contributions | 4,590 | 4,992 |
| Unexpended grants | 3,212 | 3,480 |
| Total sources of funding | 7,913 | 8,472 |

Details of capital commitments

| Nature of Commitment | Amount of Commitment \$'000 | Expected Source of Funding |
|---|-----------------------------------|----------------------------|
| Plant & Equipment on Order: | | |
| Plant & Equipment Acquisition | 111 | Unrestricted funds |
| Grant Programs: | | |
| Bidgee Haven Hostel Extension | 4,280 | Future grants |
| | 234 | Unexpended grants |
| Greenham Park Changerooms Construction | 70 | Unexpended grants |
| Crown Reserve Balranald Caravan Park | 772 | Unexpended grants |
| Library Infrastructure | 84 | Unexpended grants |
| Fixing Local Roads Program 2 | 163 | Unexpended grants |
| Fixing Local Roads Program 3 | 751 | Unexpended grants |
| Everyone Can Play Lions Park Improvements | 90 | Unexpended grants |
| Crown Reserve Infrastructure Lions Park | 528 | Unexpended grants |
| Our Rivers Our Region Program | 512 | Unexpended grants |
| Other capital grant programs | 7 | Unexpended grants |
| Other Carry Forward Works: | | |
| Water Infrastructure | 180 | Future Grants |
| Sewer Infrastructure | 130 | Future Grants |
| Total Commitments | 7,913 | |

G3-1 Events occurring after the reporting date

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

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

| \$ '000 | Amounts 2022 | Indicator 2022 | Indicators 20212020 | | Benchmark |
|--|-----------------|-------------------|------------------------|---------|-----------|
| 1. Operating performance ratio | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | 1,927 | 11.37% | 6.35% | (2.65)% | > 0.00% |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 16,948 | | | | |
| 2. Own source operating revenue ratio | | | | | |
| Total continuing operating revenue excluding all grants and contributions ¹ | 7,336 | 35.46% | 34.73% | 35.48% | > 60.00% |
| Total continuing operating revenue ¹ | 20,688 | | | | |
| 3. Unrestricted current ratio | | | | | |
| Current assets less all external restrictions | 16,535 | 7.15x | 6.14x | 5.72x | > 1.50x |
| Current liabilities less specific purpose liabilities | 2,314 | | | | |
| 4. Debt service cover ratio | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 7,419 | 24.01x | 16.54x | 12.22x | > 2.00x |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) | 309 | | | | |
| 5. Rates and annual charges outstanding percentage | | | | | |
| Rates and annual charges outstanding | 116 | 2.44% | 3.80% | 6.74% | < 10.00% |
| Rates and annual charges collectable | 4,754 | | | | |
| 6. Cash expense cover ratio | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 22,523 | 24.66 | 20.51 | 12.64 | > 3.00 |
| Monthly payments from cash flow of operating and financing activities | 913 | months | months | months | months |

(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

G4-2 Statement of performance measures by fund

| \$ '000 | General Indicators ³ | | Water Indicators | | Sewer Indicators | | Benchmark |
|---|---------------------------------|--------------|---------------------|--------------|---------------------|--------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| 1. Operating performance ratio | | | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2} | 5.75% | 0.33% | 45.08% | 42.20% | 45.45% | 40.35% | > 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 | 26.93% | 26.13% | 100.00% | 95.33% | 100.00% | 100.00% | > 60.00% |
| Total continuing operating revenue ¹ | | | | | | | |
| 3. Unrestricted current ratio | | | | | | | |
| Current assets less all external restrictions | 7.15x | 6.14x | ∞ | (15.90)x | ∞ | ∞ | > 1.50x |
| Current liabilities less specific purpose liabilities | | | | | | | |
| 4. Debt service cover ratio | | | | | | | |
| Operating result before capital excluding interest and depreciation/impairment/amortisation ¹ | 30.78x | 17.97x | 9.01x | 8.95x | ∞ | ∞ | > 2.00x |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) | | | | | | | |
| 5. Rates and annual charges outstanding percentage | | | | | | | |
| Rates and annual charges outstanding | 1.19% | 5.57% | 5.06% | 0.00% | 5.01% | 0.00% | < 10.00% |
| Rates and annual charges collectable | | | | | | | |
| 6. Cash expense cover ratio | | | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 24.26 months | 20.23 months | 32.97 months | 25.63 months | 17.98 months | 17.17 months | > 3.00 months |
| Monthly payments from cash flow of operating and financing activities | | | | | | | |

(1) - (2) Refer to Notes at Note G6-1 above.

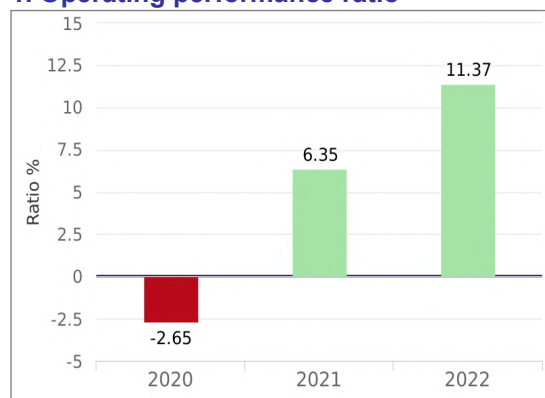
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 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 2021/22 result

2021/22 ratio 11.37%

Council has consolidated and improved its operating performance over the past 4 years and is now demonstrating performance significantly above benchmark.

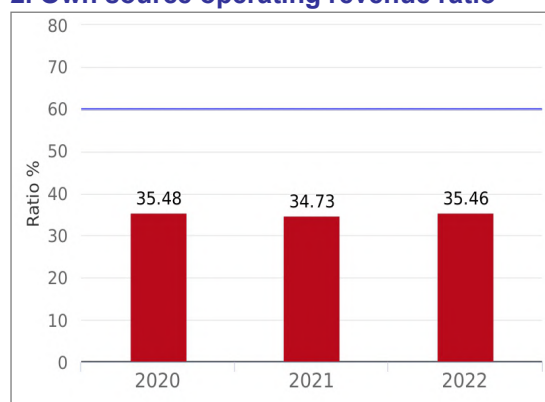
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 35.46%

Grant funding is a large contributor to Council's operations as it has limited capacity to generate additional revenue from other sources. While below benchmark, Council's position has been continually positioned around the 35% mark over the past 4 years.

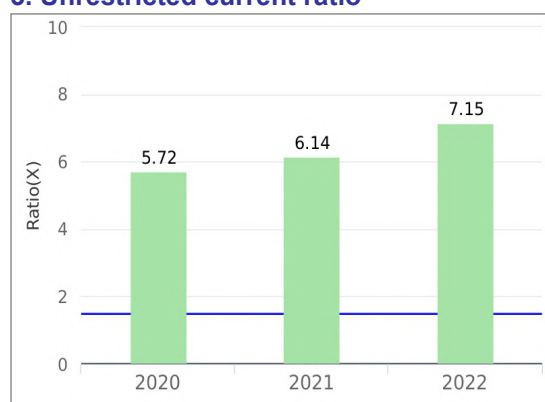
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 7.15x

Council's unrestricted funds has been steadily increasing and Council is now in a position to extend works and services for the benefit of the community.

Benchmark: — > 1.50x

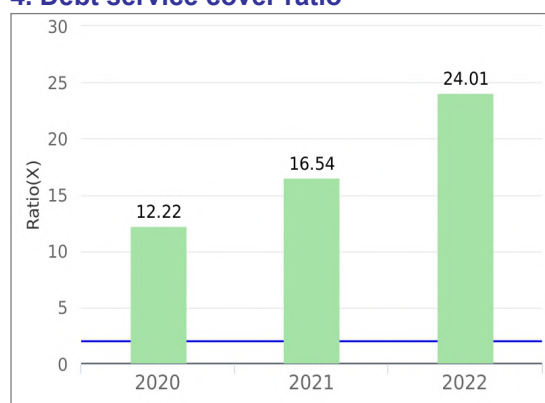
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-1 Statement of performance measures – consolidated results (graphs) (continued)

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 2021/22 result

2021/22 ratio 24.01x

The debt service cover ratio remains well above benchmark and continues to trend in a positive direction.

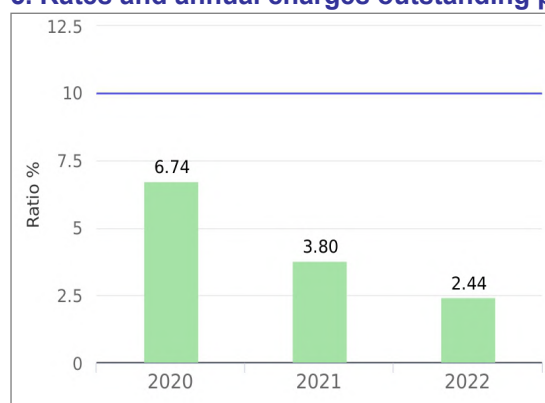
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2021/22 result

2021/22 ratio 2.44%

As a small community that has previously been hit hard by drought and lack of local services, the continued trend for improvement in the outstanding rates and charges position is an indicator of the focus Council has in keeping its outstanding debts in a manageable position.

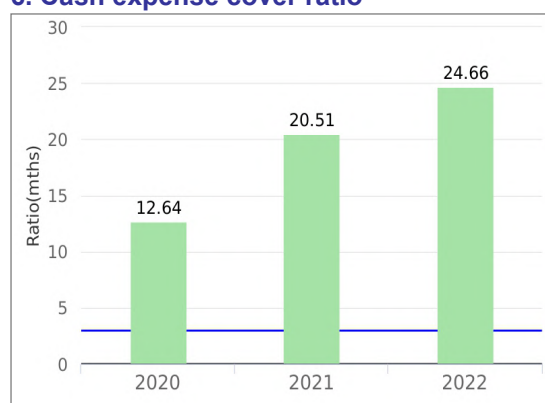
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 24.66 months

The continued improvement in this ratio replicates the trend in other important indicators, demonstrating Council's commitment to deliver better services to its community.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Financial review

H1-2 Financial review (continued)

Key financial figures of Council over the past 5 years

| | 2022 \$ '000 | 2021 \$ '000 | 2020 \$ '000 | 2019 \$ '000 | 2018 \$ '000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Inflows: | | | | | |
| Rates and annual charges revenue | 4,557 | 4,129 | 3,875 | 3,289 | 2,328 |
| User charges revenue | 2,191 | 1,980 | 2,297 | 2,133 | 2,063 |
| Interest and investment revenue (losses) | 119 | 74 | 153 | 195 | 161 |
| Grants income – operating and capital | 13,352 | 12,476 | 12,137 | 11,089 | 7,699 |
| Total income from continuing operations | 20,688 | 19,113 | 18,816 | 18,540 | 13,902 |
| Sale proceeds from IPPE | 43 | – | 40 | – | 1,109 |
| New loan borrowings and advances | – | – | – | – | – |
| Outflows: | | | | | |
| Employee benefits and on-cost expenses | 5,432 | 5,777 | 5,020 | 4,724 | 4,769 |
| Borrowing costs | 119 | 125 | 143 | 159 | 157 |
| Materials and contracts expenses | 3,681 | 2,814 | 4,437 | 2,553 | 3,323 |
| Total expenses from continuing operations | 15,292 | 14,675 | 15,246 | 13,780 | 13,170 |
| Total cash purchases of IPPE | 7,730 | 6,386 | 8,277 | 5,807 | 3,107 |
| Total loan repayments (incl. finance leases) | 190 | 257 | 265 | 248 | 257 |
| Operating surplus/(deficit) (excl. capital income) | 1,656 | 753 | (487) | 916 | 369 |
| Financial position figures | | | | | |
| Current assets | 25,145 | 20,586 | 14,357 | 12,644 | 10,092 |
| Current liabilities | 8,548 | 7,613 | 4,432 | 3,129 | 2,109 |
| Net current assets | 16,597 | 12,973 | 9,925 | 9,515 | 7,983 |
| Available working capital (Unrestricted net current assets) | 3,124 | 4,888 | 2,569 | 3,190 | 1,583 |
| Cash and investments – unrestricted | 2,651 | 4,297 | 1,453 | 1,133 | 1,040 |
| Cash and investments – internal restrictions | 11,618 | 6,287 | 6,446 | 5,075 | 5,456 |
| Cash and investments – total | 22,523 | 18,042 | 11,784 | 9,846 | 9,446 |
| Total borrowings outstanding (loans, advances and finance leases) | 1,846 | 2,036 | 2,293 | 2,293 | 2,549 |
| Total value of IPPE (excl. land and earthworks) | 291,539 | 242,898 | 235,913 | 222,731 | 216,089 |
| Total accumulated depreciation | 76,665 | 102,491 | 97,192 | 87,387 | 82,574 |
| Indicative remaining useful life (as a % of GBV) | 74% | 58% | 59% | 61% | 62% |

Source: published audited financial statements of Council (current year and prior year)

H1-3 Council information and contact details

Principal place of business:

70 Market street
BALRANALD NSW 2715

Contact details

Mailing Address:

PO Box 120
BALRANALD NSW 2715

Telephone: 03 5020 1300

Facsimile: 03 5020 1620

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.balranald.nsw.gv.au

Email: council@balranald.nsw.gv.au

Officers

General Manager

Mr Jeff Sowiak

Administrator

Mr Michael Colreavy

Responsible Accounting Officer

Mr Jeff Sowiak

Public Officer

Carol Holmes

Auditors

Auditor General of NSW
Level 19, Darling Park Tower 2, 201 Sussex Street, Sydney
NSW 2000



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

I have audited the accompanying financial statements of Balranald 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 2022, the Statement of Financial Position as at 30 June 2022, 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 2022, 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 2022 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 B5-1 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.

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

Manuel Moncada
Delegate of the Auditor-General for New South Wales

31 October 2022
SYDNEY



Mr Michael Colreavy
Administrator
Balranald Shire Council
PO Box 120
BALRANALD NSW 2715

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: D2222452/1687

31 October 2022

Dear Administrator

**Report on the Conduct of the Audit
for the year ended 30 June 2022
Balranald Shire Council**

I have audited the general purpose financial statements (GPFS) of the Balranald Shire Council (the Council) for the year ended 30 June 2022 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 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

| | 2022 \$m | 2021 \$m | Variance % |
|--|-------------|-------------|---------------|
| Rates and annual charges revenue | 4.56 | 4.13 | ↑ 10.4 |
| Grants and contributions revenue | 13.35 | 12.48 | ↑ 7.0 |
| Operating result from continuing operations | 5.40 | 4.44 | ↑ 21.6 |
| Net operating result before capital grants and contributions | 1.66 | 0.75 | ↑ 121.3 |

Rates and annual charges revenue (\$4.56 million) increased by \$428,000 (10.4 per cent) in 2021–2022. Council had an approved Special Rate Variation which resulted in an increase of general rates revenue by 10 per cent in 2021–22.

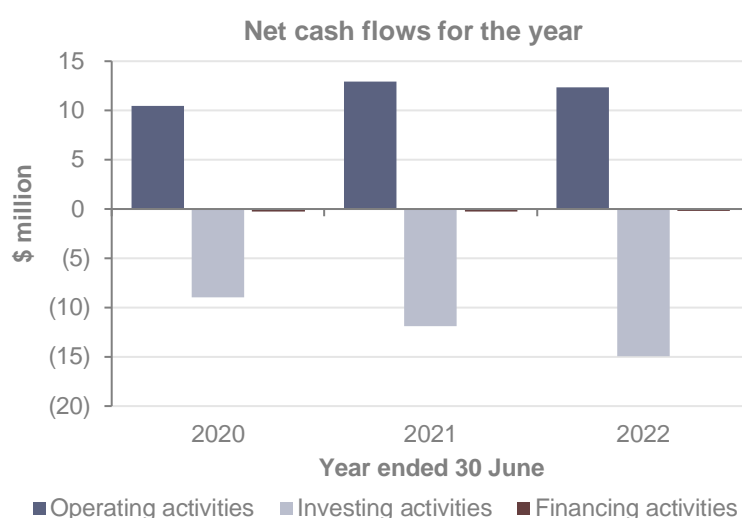
Grants and contributions revenue (\$13.35 million) increased by \$876,000 (7 per cent) in 2021–2022. This is primarily due to the receipt of increased advance payments of financial assistance grants.

Council's operating result (\$5.40 million including the effect of depreciation and amortisation expense of \$5.37 million) was \$958,000 higher than the 2020–21 result. This was mainly due to the increase in grants and contributions.

The net operating result before capital grants and contributions (\$1.66 million) was \$903,000 higher than the 2020–21 result due to the increase in grants and contributions

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$2.8 million to \$4.5 million at the close of the year.
- The decrease can be attributed to investing funds in longer term deposits.



FINANCIAL POSITION

Cash and investments

| Cash and investments | 2022 | 2021 | Commentary |
|---|-------------|-------------|--|
| | \$m | \$m | |
| Total cash, cash equivalents and investments | 22.5 | 18.0 | <ul style="list-style-type: none"> External restrictions include unspent specific purpose grants and domestic waste management charges, and water and sewerage funds. Balances are internally restricted due to Council policy or decisions for forward plans including works program. |
| Restricted cash and investments: | | | |
| • External restrictions | 8.3 | 7.5 | |
| • Internal allocations | 11.6 | 6.3 | |

Debt

After repaying principal and interest of \$309,000, total debt as at 30 June 2022 was \$1.8 million (2021: \$2 million).

PERFORMANCE

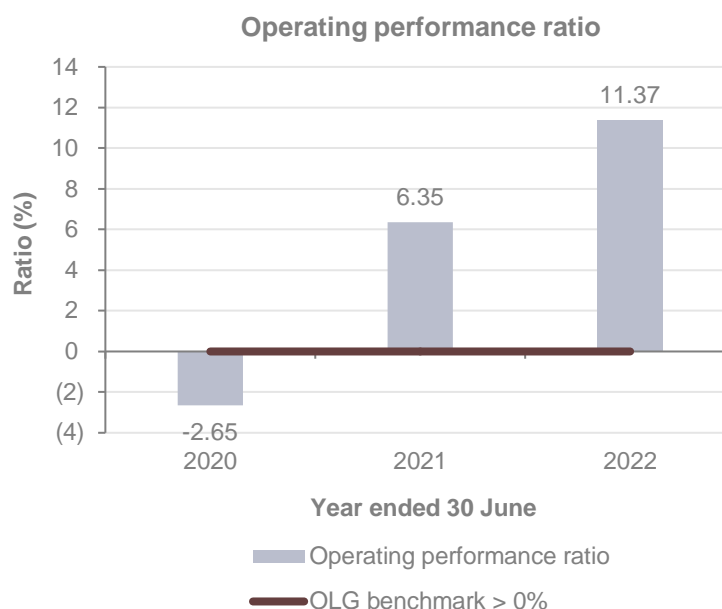
Performance measures

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 and Environment.

Operating performance ratio

The Council met the OLG benchmark for the current reporting period.

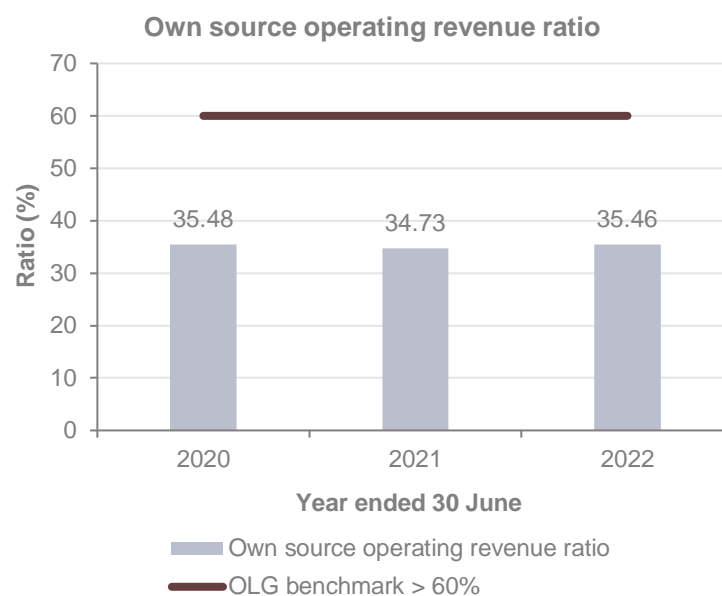
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

The Council did not meet the OLG benchmark for the current reporting period.

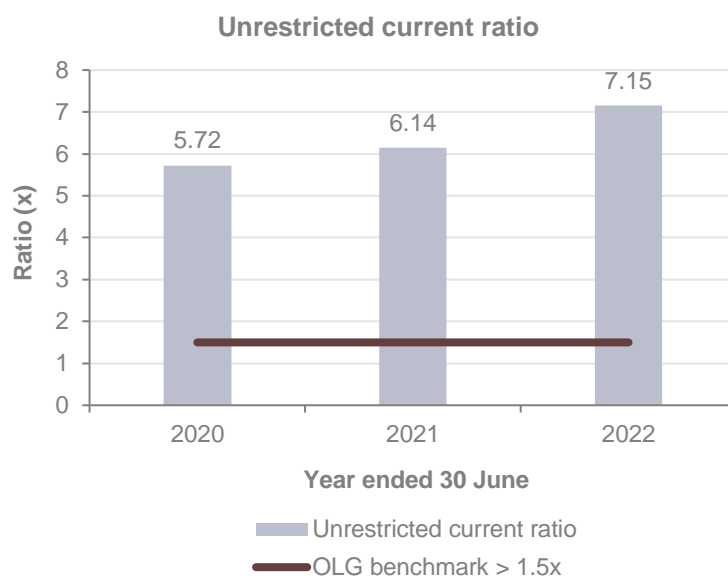
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

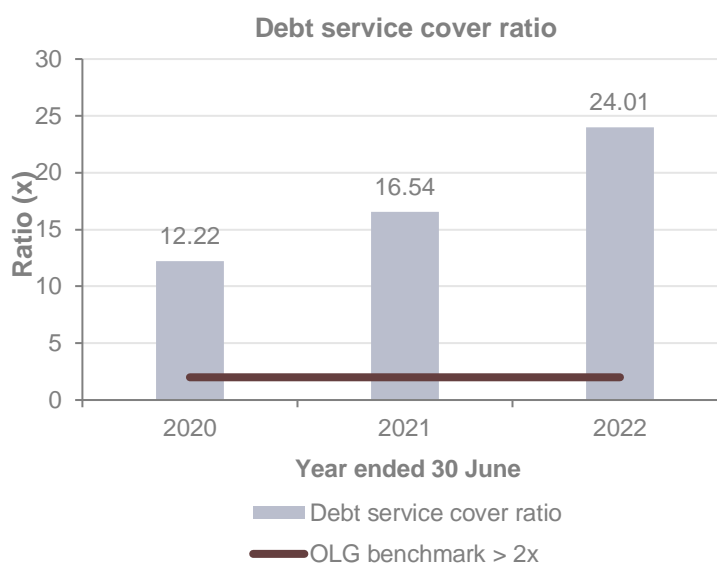
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council met the OLG benchmark for the current reporting period.

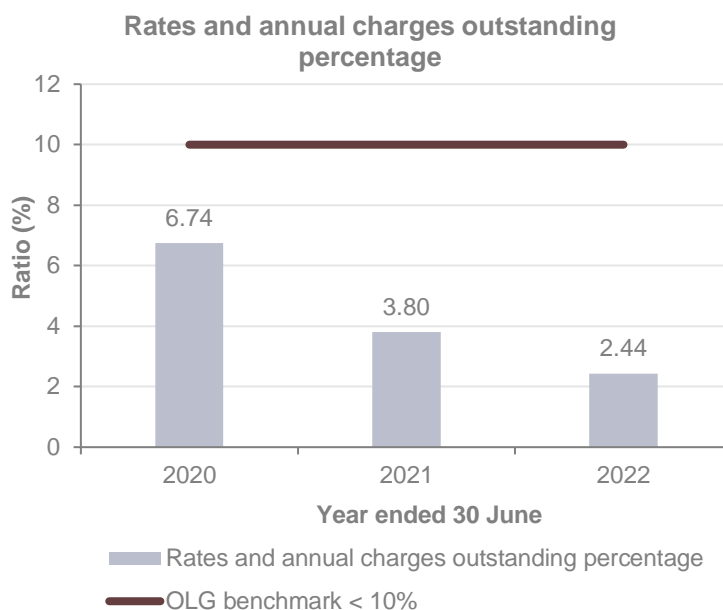
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council met the OLG benchmark for the current reporting period.

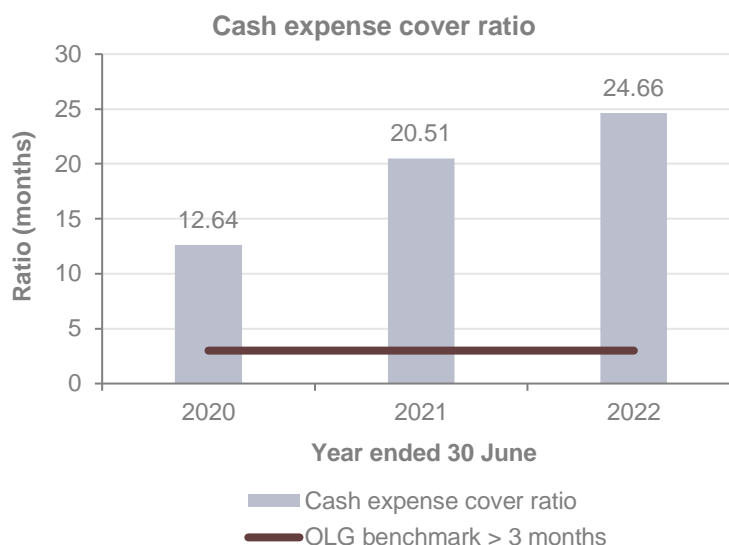
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent regional and rural councils.



Cash expense cover ratio

The Council met the OLG benchmark for the current reporting period.

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.



Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$4.3 million compared \$2.8 million for the prior year
- The level of asset renewals during the year represented 80 percent of the total depreciation expense (\$5.3 million) for the year.

OTHER MATTERS

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.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.

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

Manuel Moncada
Delegate of the Auditor-General for New South Wales

Balranald Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Special Purpose Financial Statements

for the year ended 30 June 2022

| Contents | Page |
|---|-----------|
| Statement by Administrator and Management | 3 |
| Special Purpose Financial Statements: | |
| Income Statement of water supply business activity | 4 |
| Income Statement of sewerage business activity | 5 |
| Statement of Financial Position of water supply business activity | 6 |
| Statement of Financial Position of sewerage business activity | 7 |
| Note – Significant Accounting Policies | 8 |
| Auditor's Report on Special Purpose Financial Statements | 11 |

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).

Balranald Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2022

Statement by Administrator and Management

Statement by Administrator 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:

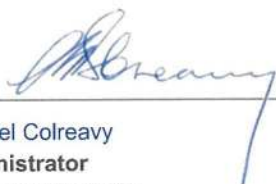
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial 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 20 September 2022.



Michael Colreavy
Administrator
20 September 2022



Jeff Sowiak
General Manager/Responsible Accounting
Officer
20 September 2022

Balranald Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2022

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Income from continuing operations | | |
| Access charges | 807 | 742 |
| User charges | 762 | 728 |
| Fees | 7 | 7 |
| Interest and investment income | 19 | 13 |
| Other income | 71 | 81 |
| Total income from continuing operations | 1,666 | 1,571 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 181 | 194 |
| Borrowing costs | 43 | 44 |
| Materials and services | 381 | 371 |
| Depreciation, amortisation and impairment | 287 | 278 |
| Water purchase charges | 23 | 21 |
| Total expenses from continuing operations | 915 | 908 |
| Surplus (deficit) from continuing operations before capital amounts | 751 | 663 |
| Grants and contributions provided for capital purposes | – | 77 |
| Surplus (deficit) from continuing operations after capital amounts | 751 | 740 |
| Surplus (deficit) from all operations before tax | 751 | 740 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (188) | (172) |
| Surplus (deficit) after tax | 563 | 568 |
| Plus accumulated surplus | 5,301 | 4,561 |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 188 | 172 |
| Less: | | |
| Closing accumulated surplus | 6,052 | 5,301 |
| Return on capital % | 8.0% | 6.7% |
| Subsidy from Council | – | – |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 563 | 568 |
| Less: capital grants and contributions (excluding developer contributions) | – | (77) |
| Surplus for dividend calculation purposes | 563 | 491 |
| Potential dividend calculated from surplus | 282 | 246 |

Balranald Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2022

| | 2022 \$ '000 | 2021 \$ '000 |
|--|-----------------|-----------------|
| Income from continuing operations | | |
| Access charges | 641 | 567 |
| User charges | 70 | 78 |
| Liquid trade waste charges | — | 2 |
| Fees | 3 | 2 |
| Interest and investment income | 8 | 6 |
| Other income | 26 | 24 |
| Total income from continuing operations | 748 | 679 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 55 | 59 |
| Materials and services | 173 | 175 |
| Depreciation, amortisation and impairment | 180 | 171 |
| Total expenses from continuing operations | 408 | 405 |
| Surplus (deficit) from continuing operations before capital amounts | 340 | 274 |
| Surplus (deficit) from continuing operations after capital amounts | 340 | 274 |
| Surplus (deficit) from all operations before tax | 340 | 274 |
| Less: corporate taxation equivalent (25%) [based on result before capital] | (85) | (71) |
| Surplus (deficit) after tax | 255 | 203 |
| Plus accumulated surplus | 3,364 | 3,090 |
| Plus adjustments for amounts unpaid: | | |
| – Corporate taxation equivalent | 85 | 71 |
| Less: | | |
| Closing accumulated surplus | 3,704 | 3,364 |
| Return on capital % | 3.5% | 2.9% |
| Subsidy from Council | 13 | — |
| Calculation of dividend payable: | | |
| Surplus (deficit) after tax | 255 | 203 |
| Surplus for dividend calculation purposes | 255 | 203 |
| Potential dividend calculated from surplus | 128 | 102 |

Balranald Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2022

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 2,368 | 1,604 |
| Investments | 600 | 600 |
| Receivables | 296 | 312 |
| Total current assets | 3,264 | 2,516 |
| Non-current assets | | |
| Receivables | – | 19 |
| Infrastructure, property, plant and equipment | 9,935 | 10,626 |
| Total non-current assets | 9,935 | 10,645 |
| Total assets | 13,199 | 13,161 |
| LIABILITIES | | |
| Current liabilities | | |
| Contract liabilities | 6 | 6 |
| Payables | 65 | 21 |
| Borrowings | 74 | 66 |
| Total current liabilities | 145 | 93 |
| Non-current liabilities | | |
| Borrowings | 559 | 636 |
| Total non-current liabilities | 559 | 636 |
| Total liabilities | 704 | 729 |
| Net assets | 12,495 | 12,432 |
| EQUITY | | |
| Accumulated surplus | 6,052 | 5,301 |
| Revaluation reserves | 6,443 | 7,131 |
| Total equity | 12,495 | 12,432 |

Balranald Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2022

| | 2022 \$ '000 | 2021 \$ '000 |
|---|-----------------|-----------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 752 | 528 |
| Investments | 500 | 500 |
| Receivables | 60 | 66 |
| Total current assets | 1,312 | 1,094 |
| Non-current assets | | |
| Infrastructure, property, plant and equipment | 9,642 | 9,508 |
| Total non-current assets | 9,642 | 9,508 |
| Total assets | 10,954 | 10,602 |
| LIABILITIES | | |
| Current liabilities | | |
| Payables | 15 | — |
| Total current liabilities | 15 | — |
| Total liabilities | 15 | — |
| Net assets | 10,939 | 10,602 |
| EQUITY | | |
| Accumulated surplus | 3,704 | 3,364 |
| Revaluation reserves | 7,235 | 7,238 |
| Total equity | 10,939 | 10,602 |

Note – Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993* (Act), the *Local Government (General) Regulation 2005* (Regulation) 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, fair value 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, and returns 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. Balranald Shire Council combined water supplies

Comprising the whole of the operations and assets of the raw and filtered water supply systems, that services the towns of Balranald and Euston.

b. Balranald Shire Council sewerage service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems, that services the towns of Balranald and Euston.

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):

Note – Significant Accounting Policies (continued)

Notional rate applied (%)

Corporate income tax rate – 25%

Land tax – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is \$100 + **1.6%**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000.

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

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 25%.

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 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where 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. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) 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'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

Note – Significant Accounting Policies (continued)

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 3.66% at 30/6/22.

(iii) 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 2022 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

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Balranald 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 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water supply
- Sewerage

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activities as at 30 June 2022, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (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 the Significant accounting policies note 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 2022 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 the Significant accounting policies note 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 'Manuel Moncada', with a stylized flourish at the end.

Manuel Moncada
Delegate of the Auditor-General for New South Wales

31 October 2022
SYDNEY

Balranald Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2022



| Contents | Page |
|--|------|
| Special Schedules: | |
| Permissible income for general rates | 3 |
| Report on infrastructure assets as at 30 June 2022 | 7 |

Balranald Shire Council

Permissible income for general rates

| | Notes | Calculation 2021/22 \$ '000 | Calculation 2022/23 \$ '000 |
|---|-------------------------|-----------------------------------|-----------------------------------|
| Notional general income calculation ¹ | | | |
| Last year notional general income yield | a | 2,602 | 2,880 |
| Plus or minus adjustments ² | b | (12) | (4) |
| Notional general income | c = a + b | 2,590 | 2,876 |
| Permissible income calculation | | | |
| Special variation percentage ³ | d | 10.00% | 10.00% |
| Plus special variation amount | h = d x (c + g) | 259 | 288 |
| Sub-total | k = (c + g + h + i + j) | 2,849 | 3,164 |
| Plus (or minus) last year's carry forward total | l | 8 | (6) |
| Less valuation objections claimed in the previous year | m | — | (18) |
| Sub-total | n = (l + m) | 8 | (24) |
| Total permissible income | o = k + n | 2,857 | 3,140 |
| Less notional general income yield | p | 2,880 | 3,170 |
| Catch-up or (excess) result | q = o - p | (23) | (30) |
| Plus income lost due to valuation objections claimed ⁴ | r | 18 | — |
| Carry forward to next year ⁵ | t = q + r + s | (5) | (30) |

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 (NSW)*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable, the Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) 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

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Balranald Shire Council (the Council) for the year ending 30 June 2023.

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 2021–22 (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 2022 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 2022'.

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.

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

Manuel Moncada
Delegate of the Auditor-General for New South Wales

31 October 2022
SYDNEY

Balranald Shire Council

Report on infrastructure assets as at 30 June 2022

| Asset Class | Asset Category | Estimated cost to bring assets to satisfactory standard | Estimated cost to bring to the agreed level of service set by Council | 2021/22 Required maintenance ^a | 2021/22 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost | | | | |
|-----------------------------|--|---|---|---|----------------------------|---------------------|------------------------------|---|--------------|--------------|--------------|-------------|
| | | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | 1 | 2 | 3 | 4 | 5 |
| Buildings | Buildings | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Buildings – non-specialised | 170 | 125 | 45 | 37 | 25,628 | 41,674 | 35.0% | 60.0% | 5.0% | 0.0% | 0.0% |
| | Buildings – specialised | — | — | 20 | 23 | 1,088 | 1,457 | 95.0% | 0.0% | 5.0% | 0.0% | 0.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 170 | 125 | 65 | 60 | 26,716 | 43,131 | 37.0% | 58.0% | 5.0% | 0.0% | 0.0% |
| Other structures | Other structures | 105 | 395 | 268 | 227 | 6,195 | 8,045 | 8.0% | 40.0% | 40.0% | 10.0% | 2.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 105 | 395 | 268 | 227 | 6,195 | 8,045 | 8.0% | 40.0% | 40.0% | 10.0% | 2.0% |
| Roads | Roads | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sealed roads | 215 | 800 | 382 | 500 | 106,407 | 124,250 | 85.0% | 7.0% | 4.0% | 2.0% | 2.0% |
| | Unsealed roads | 1,995 | 1,498 | 943 | 958 | 40,556 | 59,602 | 10.0% | 15.0% | 45.0% | 25.0% | 5.0% |
| | Bridges | — | — | — | — | 1,373 | 2,531 | 7.0% | 0.0% | 93.0% | 0.0% | 0.0% |
| | Footpaths | 15 | 95 | 17 | 17 | 1,319 | 1,889 | 0.0% | 22.0% | 75.0% | 3.0% | 0.0% |
| | Other road assets | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Kerb and channels | — | — | 18 | 18 | 2,978 | 4,447 | 30.0% | 45.0% | 20.0% | 5.0% | 0.0% |
| | Other road assets (incl. bulk earth works) | — | — | 56 | 51 | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 2,225 | 2,393 | 1,416 | 1,544 | 152,572 | 192,719 | 58.7% | 10.4% | 18.9% | 9.2% | 2.8% |
| Water supply network | Water supply network | 798 | 2,020 | 464 | 255 | 9,232 | 17,028 | 20.0% | 10.0% | 50.0% | 15.0% | 5.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 798 | 2,020 | 464 | 255 | 9,232 | 17,028 | 20.0% | 10.0% | 50.0% | 15.0% | 5.0% |
| Sewerage network | Sewerage network | 440 | 1,158 | 166 | 121 | 9,325 | 12,761 | 7.0% | 50.0% | 30.0% | 8.0% | 5.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 440 | 1,158 | 166 | 121 | 9,325 | 12,761 | 7.0% | 50.0% | 30.0% | 8.0% | 5.0% |
| Stormwater drainage | Stormwater drainage | 75 | 167 | 13 | 17 | 4,338 | 5,664 | 16.0% | 83.0% | 1.0% | 0.0% | 0.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | 75 | 167 | 13 | 17 | 4,338 | 5,664 | 16.0% | 83.0% | 1.0% | 0.0% | 0.0% |

Balranald Shire Council

Report on infrastructure assets as at 30 June 2022 (continued)

| Asset Class | Asset Category | Estimated cost to bring assets to satisfactory standard | Estimated cost to bring to the agreed level of service set by Council | 2021/22 Required maintenance ^a | 2021/22 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost | | | | |
|----------------------------------|---------------------------|---|---|---|----------------------------|---------------------|------------------------------|---|--------------|--------------|-------------|-------------|
| | | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | \$ '000 | 1 | 2 | 3 | 4 | 5 |
| Open space / recreational assets | Swimming pools | — | — | 43 | 34 | 891 | 1,156 | 10.0% | 40.0% | 46.0% | 0.0% | 4.0% |
| | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | — | — | 43 | 34 | 891 | 1,156 | 10.0% | 40.0% | 46.0% | 0.0% | 4.0% |
| Other infrastructure assets | Other | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Sub-total | — | — | — | — | — | — | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| | Total – all assets | 3,813 | 6,258 | 2,435 | 2,258 | 209,269 | 280,504 | 48.1% | 21.9% | 19.5% | 7.9% | 2.6% |

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

Infrastructure asset condition assessment 'key'

| # | Condition | Integrated planning and reporting (IP&R) description |
|---|---------------------|--|
| 1 | Excellent/very good | No work required (normal maintenance) |
| 2 | Good | Only minor maintenance work required |
| 3 | Satisfactory | Maintenance work required |
| 4 | Poor | Renewal required |
| 5 | Very poor | Urgent renewal/upgrading required |

Balranald Shire Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (consolidated) *

| \$ '000 | Amounts 2022 | Indicator 2022 | Indicators 20212020 | | Benchmark |
|--|-----------------|-------------------|------------------------|---------|------------|
| Buildings and infrastructure renewals ratio | | | | | |
| Asset renewals ¹ | 4,275 | 89.06% | 57.52% | 74.74% | >= 100.00% |
| Depreciation, amortisation and impairment | 4,800 | | | | |
| Infrastructure backlog ratio | | | | | |
| Estimated cost to bring assets to a satisfactory standard | 3,813 | 1.82% | 2.75% | 2.78% | < 2.00% |
| Net carrying amount of infrastructure assets | 209,326 | | | | |
| Asset maintenance ratio | | | | | |
| Actual asset maintenance | 2,258 | 92.73% | 104.01% | 124.43% | > 100.00% |
| Required asset maintenance | 2,435 | | | | |
| Cost to bring assets to agreed service level | | | | | |
| Estimated cost to bring assets to an agreed service level set by Council | 6,258 | 2.23% | 2.61% | 2.65% | |
| Gross replacement cost | 280,504 | | | | |

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

(1) 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.

Balranald Shire Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (by fund)

| | General fund | | Water fund | | Sewer fund | | Benchmark |
|--|--------------|---------|------------|--------|------------|--------|------------|
| \$ '000 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| Buildings and infrastructure renewals ratio | | | | | | | |
| Asset renewals ¹ | | | | | | | |
| Depreciation, amortisation and impairment | 85.22% | 63.22% | 89.34% | 0.00% | 190.30% | 0.00% | >= 100.00% |
| Infrastructure backlog ratio | | | | | | | |
| Estimated cost to bring assets to a satisfactory standard | | | | | | | |
| Net carrying amount of infrastructure assets | 1.35% | 2.17% | 8.64% | 7.74% | 4.72% | 4.64% | < 2.00% |
| Asset maintenance ratio | | | | | | | |
| Actual asset maintenance | | | | | | | |
| Required asset maintenance | 104.27% | 118.83% | 54.96% | 70.46% | 72.89% | 63.51% | > 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 | 1.23% | 1.48% | 11.86% | 11.30% | 9.07% | 8.09% | |

(1) 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.