



# **ATTACHMENTS**

**UNDER SEPARATE COVER**

**Ordinary Council Meeting**

**18 August 2020**







## Table of Contents

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16.1	Local Strategic Planning Statement	
	Attachment 1 Local Strategic Planning Statement (Draft) .....	4
17.5	Narrandera Shire Cemeteries Service Level Review	
	Attachment 1 Cemetery Review 2020 .....	32
17.7	Narrandera Floodplain Risk Management Committee Minutes and Report	
	Attachment 2 2020-07-22 PWA - Levee Presentation.pdf .....	71
	Attachment 3 2020-07-22 WMS FRMC Mtg1 .pdf .....	106
20.1	Draft Council Financial Statements 2019-2020 - Referral for Audit	
	Attachment 1 General Purpose Financial Statements .....	120
	Attachment 2 Special Purpose Financial Statements .....	201
	Attachment 3 Special Schedules .....	212
	Attachment 4 Reserves Reconciliation June 2020 .....	223
	Attachment 5 Grant Template June 2020 .....	226





## Local Strategic Planning Statement

Narrandera Shire Council

August 2020





# Contents

Local Strategic Planning Statement.....	1
About the statement .....	4
Policy context.....	4
Connecting Regional Priorities and Plans .....	4
Vision .....	5
Context.....	7
Our place in the region.....	7
Narrandera Shire Snapshot.....	9
Structure Map .....	10
Population .....	10
Environment.....	10
Economy.....	11
Our themes and priorities .....	13
Implementation, Monitoring and Reporting.....	13
An Attractive Region.....	14
Priority 1 Diverse housing options.....	14
Priority 2 A vibrant place to visit and stay.....	16
A Region which Celebrates its Assets .....	17
Priority 3 A sustainable region adaptive to changing conditions .....	17
Priority 4 Protection and management of our environment and heritage .....	18
A Progressive Region.....	20
Priority 5 Transport and infrastructure connectivity.....	20
Priority 6 Industry growth and diversification .....	22
Monitoring and action plan.....	23
An Attractive Region .....	23
References .....	28

## 2 Local Strategic Planning Statement



## Acknowledgement of country

Narrandera Shire Council acknowledges the Wiradjuri people as the traditional custodians of the land and pays respect to the Elders of the community past, present and emerging.

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# About the statement

## Policy context

This Local Strategic Planning Statement (LSPS) sets the framework for Narrandera Shire's economic, social and environmental land use needs over the next 20 years. It outlines clear planning priorities describing what will be needed, where these are located and when they will be delivered. The LSPS sets short, medium and long-term actions to deliver the priorities for the community's vision.

This LSPS has been prepared in accordance with clause 3.9 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The LSPS gives effect to the *Riverina Murray Regional Plan 2036*, implementing the directions and actions at a local level. The LSPS brings together and builds on the planning work found in Council's other plans and strategies, such as the Local Environmental Plan (LEP), Development Control Plan (DCP) and Community Strategic Plan (CSP). The LSPS will be used to update key components of these plans to present a consistent strategic direction for Narrandera.



## Connecting Regional Priorities and Plans

The *Riverina Murray Regional Plan 2036* is a 20-year vision for the Riverina Murray region, which is to be a diversified economy founded on Australia's food bowl, iconic waterways and a network of vibrant connected communities. The Riverina Murray Regional Plan outlines a series of directions and actions to realise this vision, identifying local councils as having a significant role to play in achieving the desired outcomes.

The findings of the Western Riverina Regional Economic Development Strategy 2018-2022 are also considered, which sets out a vision for economic growth, building on the region's competitive advantages. Narrandera is identified as being within the Western Riverina Functional Economic Region, together with Carrathool Shire, Griffith City, Leeton Shire and Murrumbidgee councils.

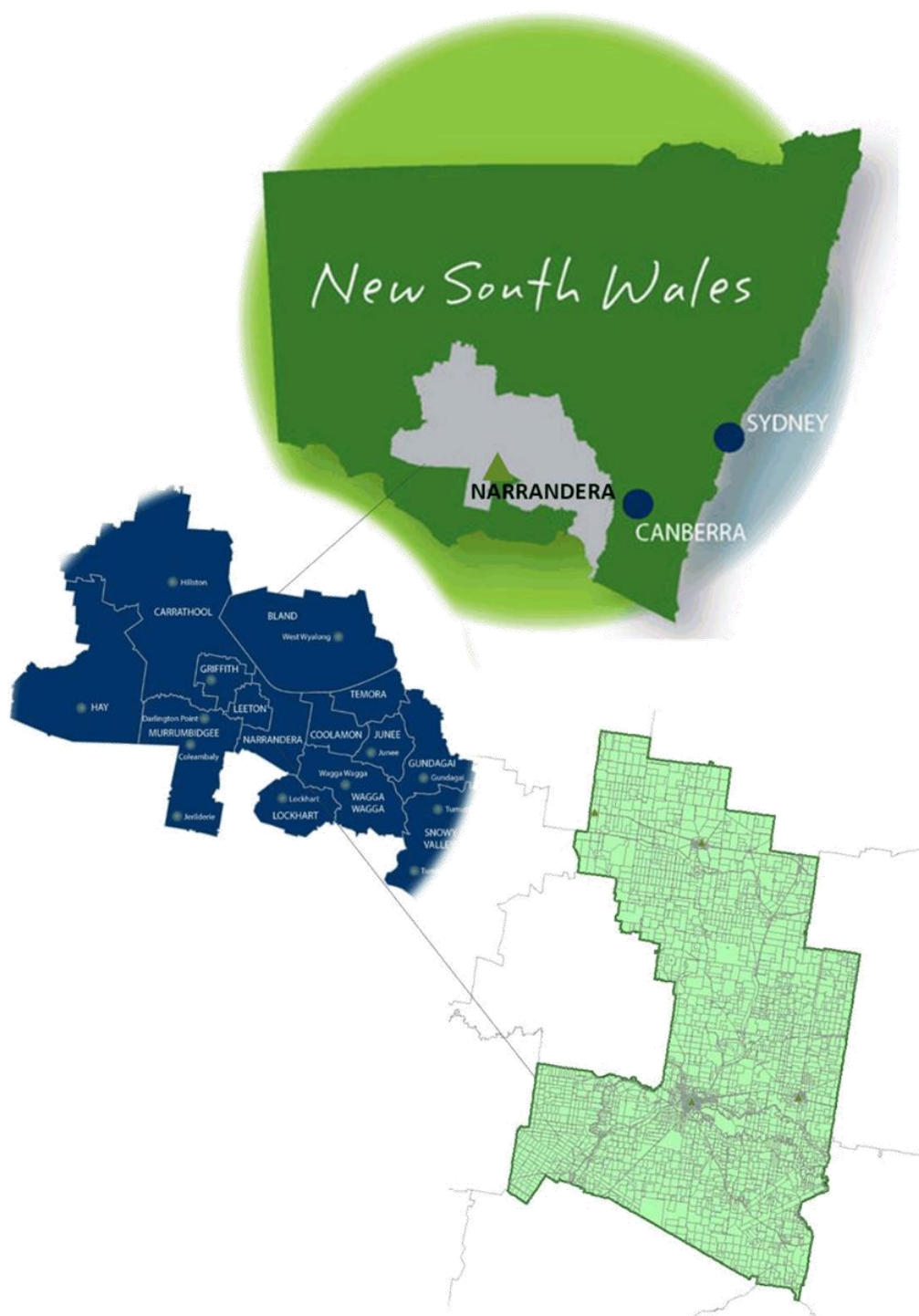


## Vision

*Council's objective is to create a set of planning controls and resources which care for our environment while also facilitating appropriate development to support the economic prosperity of our shire for the benefit of our community.*

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## 6 Local Strategic Planning Statement



## Our place in the region

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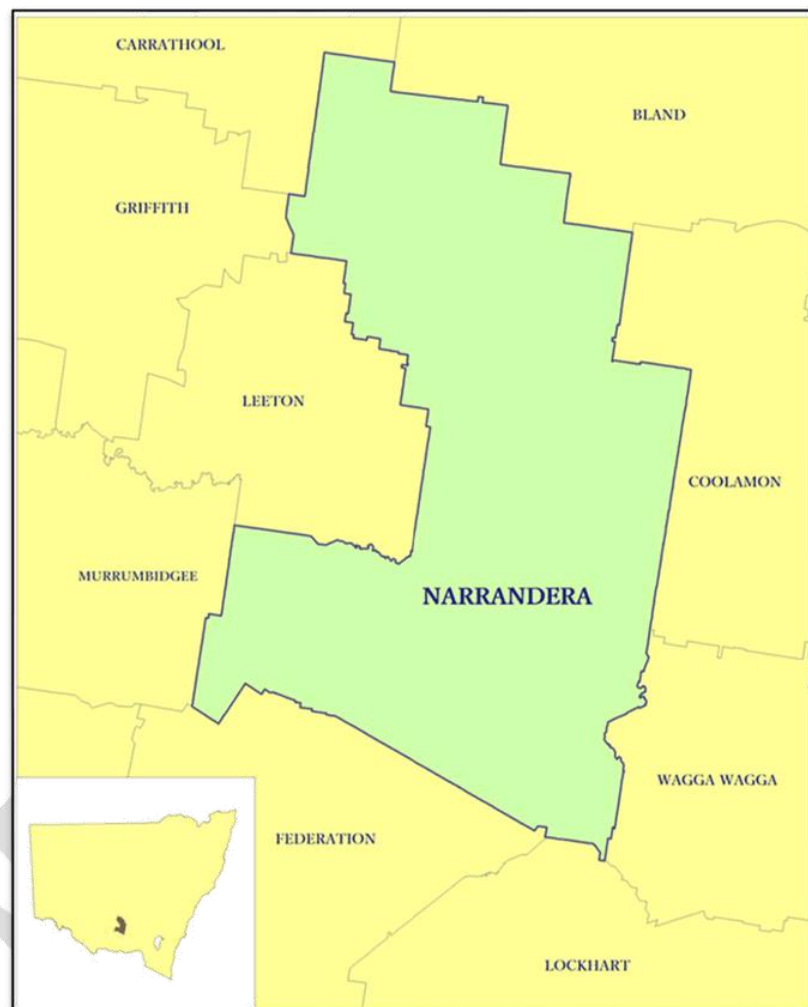
Riverina-Murray region context map

Narrandera Shire is known for its undulating plains, persistently dry semi-arid climate and the Murrumbidgee River runs through the Shire (DPIE, 2016). The Shire is a transition area between the western slopes region which is characterised by broad acre farming characteristic to the east and productive Murrumbidgee Irrigation Area, which is characterised by irrigated horticulture to the west. Narrandera's name comes is derived from the Wiradjuri word "Narrungdera" meaning place of the goanna or place of many lizards. Narrandera Shire was formed in 1960 through the amalgamation of the Narrandera Municipality and part of the previous Yanco Shire.



Narrandera's residents enjoy a picturesque natural setting, heritage buildings, a friendly community and an attractive country lifestyle. In consultation with the local community, the Narrandera Community Strategic Plan (2017) set the following vision for the Shire:

***We are a prosperous, diverse and sustainable community, built on a deep sense of trust, care and commitment for each other and our environment.***





## Narrandera Shire Snapshot

Narrandera township is the major urban centre for the Shire, with a concentration of services and facilities including Narrandera Art and Community Centre, Narrandera District Hospital, Adventure Park, public and private schools, TAFE, a police station, post office, court house, Marie Bashir Park, council buildings and the Narrandera Showground. Narrandera is home to two-thirds of the Shire's population and is the retail centre for the Shire and acts as a service hub for the northern section of Federation Shire to the south.

Barellan is a quiet small village located on Burley Griffith Way 56km north of Narrandera and had a population of 334 at the 2016 census. The dryland farming around the town is known for producing high quality barley with the local brewery taking full advantage. Barellan is known for the Big Tennis Racquet, which is a 20:1 scale model of former local and great Australian tennis player Evonne Goolagong-Cawley, OAM.

Binya is located 83km north-west of Narrandera along Burley Griffin Way. Binya is a friendly broad acre farming community which has deeply rooted ties to the Binya Hall. The area of Binya had a population of 140 at the 2016 census. Binya is at the footsteps of the Binya State Forest, Cocoparra National Park and John Oxley memorial.

Grong Grong is a small farming village located 20km east of Narrandera, just off the Newell Highway which as of 2017 bypasses the town. The small village had a population of 250 at the 2016 census. Grong Grong has many outdoor activities including Berembred Weir and Grong Grong Earth Park.

The Shire is also home to a further 15 rural localities – Ardlethan (part), Brobenah, Colinroobie, Corbie Hill, Kamarah, Landervale, Moomboolbool and Murrumbidgee to the north of Narrandera and Boree Creek, Corobimilla, Euroley, Galore, Gillenbah, Morundah (part) and Sandigo to the south are located throughout the Shire.



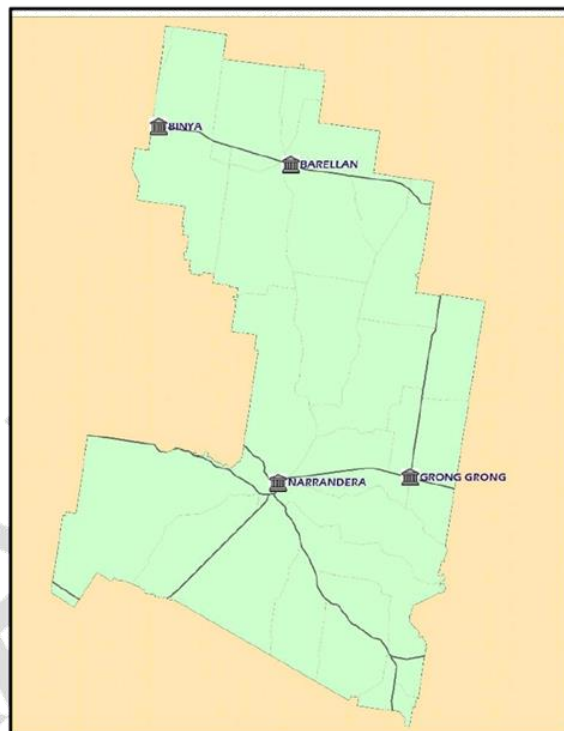


# Structure Map

## Population

Narrandera Shire had a population of approximately 5,950 people in 2016 and is projected to decrease to 4,800 persons in 2036 according to statistics from the Department of Planning Industry and Environment. The main contributing factor for this projected population decline is movement of people to nearby rural centres such as Albury, Griffith, Leeton and Wagga. These areas have drawn residents away from the Shire as they seek opportunities that larger centres can offer. One of the most critical challenges identified in this LSPS is to find opportunities to address and reverse this trend to ensure the ongoing prosperity of the shire.

The composition of our population is also changing to an older demographic. The percentage of adults aged 65 and over was 21% in 2016 and is expected to grow to 32% by 2036. This trend is being experienced across NSW and presents challenges as less people are of working age and demands on health services to support aging in place increases.



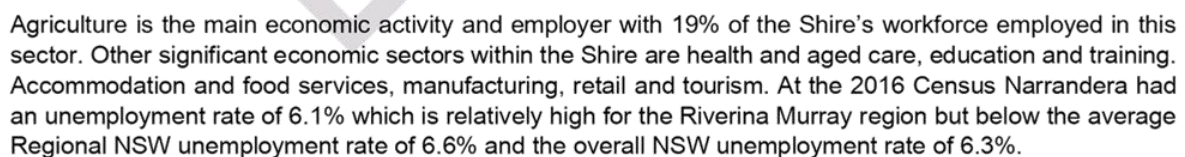
## Environment

Narrandera shire takes immense pride in the natural environment due to the resources, beauty, tourism and inherent value of these natural areas. The hills north of Narrandera, rise between 100 and 200 metres above the plain and form high points such as Square Knob, Mt Brobenah, Mt Barrat, Mt Bunganbil and Bent's Hill. Across the Shire, the main protected areas include four State Forests, Murrumbidgee Valley Regional Park, two Nature Reserves and the Narrandera Flora and Fauna Reserve which is iconic for its Koala Regeneration Area. The wealth of beauty of the shire is something that can be capitalised in order to differentiate from nearest regional areas.

Water is important across the shire as a resource to supply our communities, agriculture and environment. The Shire has series of wetlands, such as Narrandera Wetlands, Lake Coolah and Mejum Swamp, which is home to a variety of native birds. The Murrumbidgee River and major tributaries, such as the Yanco Creek, Bundidgerri Creek, Mirrool Creek and Sandy Creek are enjoyed by residents and visitors. Lake Talbot is a prominent feature for Narrandera as an ideal location for water sports, swimming and fishing.



Narrandera Shire has a diverse economic base. In 2014/15 the Shire had 540 businesses and 2,709 local jobs and a gross regional product (GRP) of \$235 million. The Shire accounted for 2.9% of the Riverina Region GRP and 0.05% of the NSW GRP. From 2011/12 to 2014/15, Narrandera Shire had one of the highest increases in GRP (18.7%) within the Riverina Region, well above the regional increase of 13.4%.



Currently, Healthcare and social assistance are the largest employer in terms of the wages, 266 employees being paid \$21.7 million. Even though Agricultural, Forestry & Fishing is the largest employer in terms of number of employees, 510 employees being paid \$13.1 million. Other industries such as Public Administration & safety, construction, educational & training, manufacturing are some of the other industries which proportionally out-weigh the primary industry. This proves that there is an increased need to provide the skilled labour force within Narrandera.



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12 Local Strategic Planning Statement



## Our themes and priorities

Priorities for Narrandera under the Riverina Murray Regional Plan:

- Encourage local entrepreneurship and seek to attract new business and industry, and support and encourage emerging industries such as nuts and aquaculture to create long-term employment opportunities and attract skilled workers.
- Provide an adequate supply of industrial land to attract new industry and accommodate future expansion.
- Upgrade town streetscapes to support commercial transactions and social interactions, and provide appropriate infrastructure to support recreational facilities, as well as infrastructure to support tourist destinations in the shire, including river and forest areas.
- Enhance the freight network and infrastructure, including rail infrastructure, to facilitate a mode shift from road to rail, linking freight corridors to rail networks.

Based on the Priorities set above, Council has chosen the following themes as priorities to achieve the vision set out for Narrandera Shire.

### **An Attractive Region**

**Priority 1** Diverse housing options

**Priority 2** A vibrant place to visit and stay

### **A Region that Celebrates its Assets**

**Priority 3** A sustainable region adaptive to climate change

**Priority 4** Protection and management of our environment and heritage

### **A Progressive Region**

**Priority 5** Transport and infrastructure connectivity

**Priority 6** Industry growth and diversification

## Implementation, Monitoring and Reporting

Council will ensure the planning priorities are achieved through regular review and monitoring of the actions' progress. Monitoring of the actions will where possible, will be aligned to existing review and reporting schedules including the LEP (5 years) and CSP (4 years). The entire LSPS will also be reviewed every 4 years to align with the CSP but at least every 7 years to meet legislative requirements. This approach is consistent with the Integrated Planning and Reporting framework under the *Local Government Act 1993*.



# An Attractive Region

## Priority 1 Diverse housing options

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 25: Build Housing Capacity to meet demand.
- Direction 26: Provide greater housing choice.

The township of Narrandera will be responsible for most of our housing delivery over the next 20 years. Residents already enjoy a variety of housing types, with small residential and townhouse style development within proximity to main street and services. Large lot and rural residential style living options are largely focused to the east (along the Newell Highway), north (surrounding the Narrandera golf club) and West (along irrigation ways and the Murrumbidgee river) of Narrandera. To the south there is pressure for further residential development to gain access to riverfront views of the Murrumbidgee River. Given the flooding constraints further development should only be permitted where it is compatible with the flood hazard.

Outside the township of Narrandera, our villages provide housing to rural communities supporting the agricultural sector and provide additional housing and lifestyle choices. The Narrandera township's existing residential land is expected to accommodate any future residential growth opportunities for the next 20 years in line with projected population decline. However, should our community be successful in reversing this trend an increase in housing demand may justify opening up further land to residential development. Council will consider any such proposals on the basis of demand at the time and based on whether the proposal supports population retention and growth through providing for desirable housing options without negatively impacting existing urban areas and agricultural operations. The villages of Barellan and Grong Grong already provide opportunity for housing choices through large lot and rural residential land which are supported by local shops and community facilities. There is existing capacity for growth in these communities.

Housing affordability is an issue faced by almost all of NSW, particularly for younger and older demographics. Providing diverse housing options can help enhance liveability of an area. There is an opportunity to provide a flexible approach to support an increase in different styles of housing, leveraging off key locations such as the Narrandera District Hospital, schools and the Narrandera town centre.

The Western Riverina Regional Economic Development Strategy 2018-22 found that Narrandera had 19.8% of the workforce working in a neighbouring Local Government Area, mainly Wagga Wagga. Narrandera is approximately an hour away from larger centres such as Wagga and has competitively priced lands. Council intends to capitalise on this opportunity by continuing to provide an adequate supply of housing options for people who may wish to join our community and benefit from the lifestyle on offer.

Narrandera and the Riverina Region have experienced an influx of transient, seasonal and itinerate workforces. Council will support opportunities to provide housing for this sector of the community.

To deliver this planning priority, Council will:



- Encourage affordable and diverse accommodation options to retain existing residents and attract new residents.
- Collaborate with industry, service providers and the community to improve the supply of rental housing and temporary accommodation for seasonal workers in the region.
- Ensure any greenfield development is appropriately located and serviced.

Narrandera Shire Council will achieve this through the following actions:

- Complete a local housing strategy.
- Review LEP and DCP controls to ensure adequate supply of diverse housing options and temporary accommodation choices.
- Monitor demand and ensure that additional land is made available at appropriate times to support growth if needed.



## Priority 2 A vibrant place to visit and stay

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 7: Promote tourism opportunities.
- Direction 28: Deliver healthy built environments and improved urban design.

Narrandera township is enhanced by its tree-lined streets and heritage buildings and is cherished by the proud residents of the town. To further improve the vibrant East Street and surrounds of Narrandera, Council is in the process of finalising design concepts, costing and funding the upgrade the CBD. These upgrades, in conjunction with appropriate signage, is expected to increase the tourist footprint through Narrandera. It is envisioned this approach will increase economic opportunities for the core retail area. Council will continue to promote Narrandera as a vibrant place, which is open for business new and emerging commercial land uses in our core trading area.

Our Shire is home to a wide array of public spaces such as Grong Grong Earth Park, Marie Bashir Park and Narrandera Adventure Park. Council will continue to maintain and improve our public spaces to ensure that Narrandera remains attractive and modern. Attractive public facilities contribute to healthy communities which increases the desirability of living of an area.

Narrandera can offer a wide range of rural and nature-based activities with reasonably priced accommodation. Narrandera's visitor information center is a powerful player in creating a nexus between tourism and the available attractions across our Shire. Tourism across our Shire can also benefit from improvements in infrastructure, promotion and signage. Ensuring our attractions such as the Narrandera Fisheries Centre, Charles Sturt Memorial, Koala Reserve, Barellan Museum and Lake Talbot Lookout are serviceable and well maintained will help attract and maintain our population. Narrandera Shire also offers a range of Agri-tourism for tourists and residents. Our Shire offers hazelnut and almond production, lamb products, fruit orchards, honey products, cropping, artisan foods and even aquaculture which are available for tourists with a keen sense of taste.

To deliver this planning priority, Council will:

- Create attraction for travelling tourists to support our commercial centre by improving the entrance to the town centre.
- Manage recreational facilities and tourist destinations to promote the Shire as a desirable place to live and visit.
- Collaborate with relevant organisations, state agencies and land owners to manage tourist areas.
- Support the development and maintenance of appropriate infrastructure within significant recreational destinations including environmental protection areas.
- Investigate strategies to source funding for re-development of the council facilities, such as the Narrandera Visitor Information Centre, which helps improve tourism within the region.

Narrandera Shire Council will achieve this through the following actions:

- Review our LEP to allow for nature-based or experiential tourism in appropriate locations.
- Investigate opportunities to increase signage along key routes for local attractions.
- Creating a Plan of Management for our open spaces.



# A Region which Celebrates its Assets

## Priority 3 A sustainable region adaptive to changing conditions

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 11: Promote the diversification of energy supplies through renewable energy generation.
- Direction 14: Manage land uses along key river corridors.
- Direction 16: Increase resilience to natural hazards and climate change.
- Direction 28: Deliver healthy built environments and improved urban design.

Across NSW our variable climate is resulting in increasing impacts from drought, bushfire, water availability and flooding. Increasing natural hazard resilience is vital for our community to appropriately prepare and manage these events. To help manage these impacts we will embrace new technologies and practices to reduce carbon emissions, efficiently manage natural resources and appropriately locate developments.

The Murrumbidgee River is a prized asset of our region, however, the proximity of Narrandera to the river increases the impacts of flooding to our community. Riverfront views are highly sought after and balancing the need of preserving our natural assets and permitting suitable development can be complicated. Council will continue to implement the Barellan Flood Study and Narrandera Floodplain Risk Management Study and Plan and update these studies if flood patterns or climate change. This will help inform government, developers and landowners about the risks for particular sites when making future development decisions.

Bushfire prone land has been mapped across our Shire however the extent and nature of bushfire prone land may change over time. To ensure our community is appropriately informed and prepared for bushfire, we will continue to regularly update mapping in planning controls and strategies which manage the risks of bushfire such as the Plan of Management - Narrandera Flora and Fauna Reserve.

One key long term action to combat climate change is to invest in environmentally conscious practices and innovate new ways to be sustainable. Becoming a well-informed community can help us to adapt to and plan for future climate risks and land use planning plays an important role in this. By promoting appropriate locations for renewable energy, we can protect our existing assets and enable this emerging energy sector to grow.

To deliver this planning priority, Council will:

- Consider the best available flood information to manage development in and near floodplains.
- Manage development of bushfire prone land and risks associated with it.
- Consider and where possible implement sustainable environmental practices.

Narrandera Shire Council will achieve this through the following actions:

- Finalise and implement the Integrated Water Cycle Management Plan.
- Regularly review strategies and mapping which manage flood affected and bushfire prone areas.
- Incorporate controls into the Narrandera Development Control Plan for enhanced environmental outcomes such as energy efficiency, rain water tanks and 'green star communities'.



## Priority 4 Protection and management of our environment and heritage

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 15: Protect and manage the region's many environmental assets.
- Direction 29: Protect the region's Aboriginal and historic heritage.

Our community takes pride in the abundance of the natural resources situated within the Shire. Managing and protecting these natural assets is one of the keys to attracting people in to the shire. Within Narrandera Shire our protected environmental areas are restricted to four State Forests, Murrumbidgee Valley Regional Park, two Nature Reserves, the Narrandera Flora and Fauna Reserve and Travelling Stock Reserves. Identifying non-protected areas with high environmental value is a priority to preserve our local biodiversity. We will adopt the principles of avoid, minimise and mitigate to appropriately manage and protect biodiversity values from inappropriate land uses and development. This will provide a balance between the growth of our communities and economy, and preservation of local biodiversity for future generations.

A natural attraction of Narrandera is the Koala Management Reserve located in the Murrumbidgee Valley National Park. The Koala's were re-introduced to the area in 1972 and through protection and management the population has now grown to more than 200 koalas. Council will ensure this core koala habitat is appropriately managed to ensure the population can be maintained and encouraged to grow as they recolonise old habitats across Narrandera.

In addition to the natural environment, Narrandera has many heritage assets such as our heritage buildings, the Paddle Steamer Wagga Wagga wreckage, Wiradjuri Honour wall, Tiger Moth Memorial and Gillenbah Grave. Protecting and promoting these assets provides great opportunities attract locals and visitors to our Shire and educate them about our rich heritage to keep these stories alive. Council will continue to encourage preservation and reuse of heritage buildings to ensure they are appropriately maintained and inhabitable for future generations to benefit from.

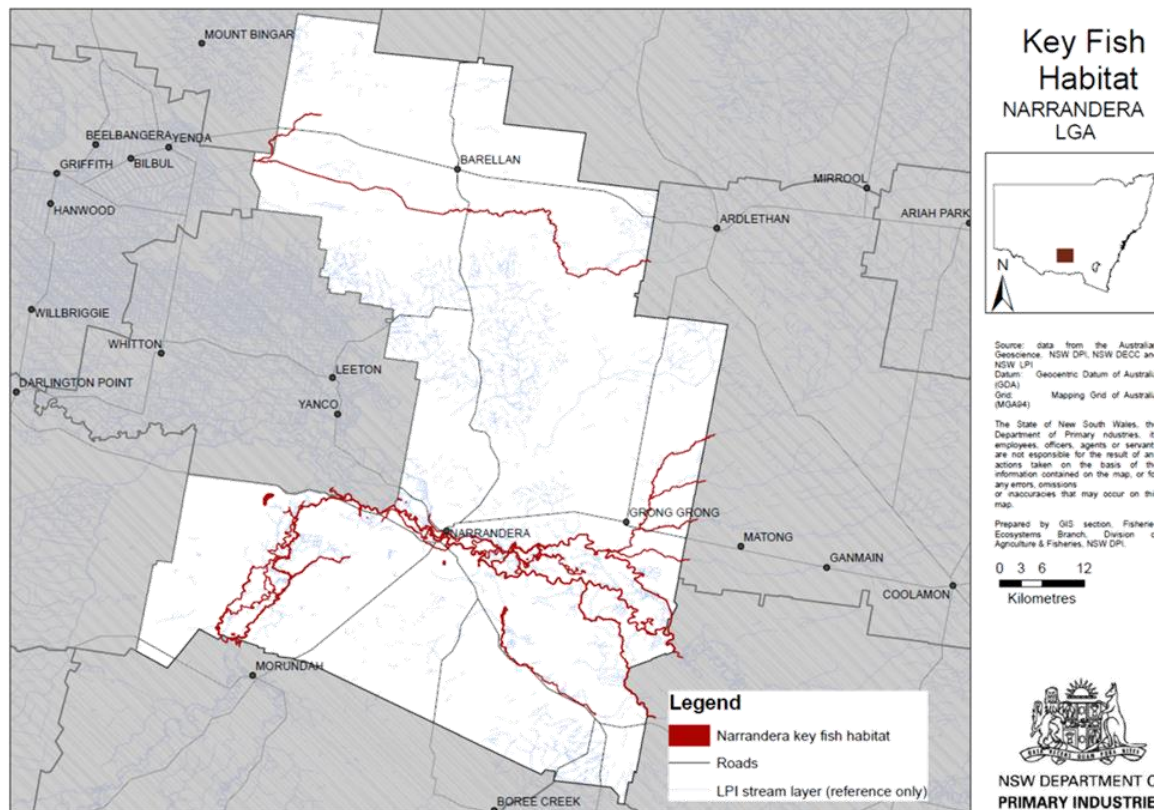
To deliver this planning priority, Council will:

- Identify and protect the Shire's high environmental value areas from incompatible land uses.
- Support the enhancement of high environmental value areas and restoration of degraded vegetation.
- Encourage and support use, re-use and suitable adaptation of heritage buildings.
- Avoid and minimise impacts to Aboriginal and historic heritage values.

Narrandera Shire Council will achieve this through the following actions:

- Update Development Control Plan to regulate high conservation vegetation as per the *State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017*.
- Prepare a comprehensive Koala Plan of Management.
- Review council owned land for opportunities to enhance biodiversity values
- Work with the local Aboriginal community to develop resources regarding places and items which should be suitably protected and managed.







# A Progressive Region

## Priority 5 Transport and infrastructure connectivity

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 18: Enhance road and rail freight links.
- Direction 19: Support and protect ongoing access to air travel.

Narrandera is in crossroads for major roads and rail connection, this has a strategic advantage for both the residents and industries within Narrandera. Narrandera-Leeton Airport located 6.3km from Narrandera town centre provides direct return services from Griffith and Sydney. As the township of Narrandera is located just 99 kilometres east of Wagga Wagga and 98km west of Griffith residents have good access to other main regional centres. Managing and protecting our connectivity to the region and beyond for people and freight is a priority for the growth of our Shire.

Narrandera currently has a rail connection to the North (Dubbo through Parkes), East (Wagga Wagga), South (Shepparton, Victoria) and West (Mildura). Protecting and enhancing connections to local freight and logistics hubs such as WR Connects in Leeton and Riverina Intermodal Freight & Logistics (RiFL) Hub in Wagga Wagga will ensure our gateway to Murrumbidgee Irrigation Area (MIA) remains open.

Red Hill Industrial Estate is located at the North of Narrandera Township and is approximately 1km from the Newell Highway and 7km from Sturt Highway. The estate has Road train and HPV (Higher Productivity Vehicle) access, is appropriately located away from other sensitive land uses. Enhancement and protection of Red Hill Estate facilities and connections to the highway will ensure Red Hill estate can continue to thrive and grow.

To deliver this planning priority, Council will:

- Support enhancements to the freight network and infrastructure, including rail infrastructure, to facilitate a mode shift from road to rail, linking freight corridors to rail networks.
- Advocate for the development of appropriate infrastructure to facilitate community and public transport needs.
- Plan and advocate for funding for redevelopment of or the construction of key transport facilities and infrastructure.

Narrandera Shire Council will achieve this through the following actions:

- Identify and protect future transport corridors and the Narrandera-Leeton Airport from incompatible land uses. Incorporate appropriate controls into the DCP.
- Undertake a strategic review of the Narrandera-Leeton Airport.
- Review policies to encourage services for the travelling public and tourism.
- Deliver actions of the Roads Review including implementation of an effective road hierarchy.
- Investigate opportunities for industries which may benefit from Red Hill Estate's location close to major transport routes.





Inter-regional transport network  
(Source: Riverina Murray 2036 Regional Plan)



## Priority 6 Industry growth and diversification

Gives effect to the following Riverina Murray Regional Plan Directions:

- Direction 1: Protect the region's diverse and productive agricultural land.
- Direction 2: Promote and grow the agribusiness sector.
- Direction 3: Expand advanced and value-added manufacturing.
- Direction 4: Promote business activities in industrial and commercial areas.

Around 88.9% of the Shire's land is used for agriculture, with the value of agricultural production in 2011 being \$168.4 million (RMCG, 2016). Agriculture is dominated by dryland, broadacre farming, mainly for cropping (grains, legumes and oilseeds) and cattle and sheep (for wool and meat) production. Only 2.5% of agricultural land in the Shire is irrigated with the main irrigated activities being grapes, fruit, nuts, vegetables, cotton and rice production. However, recent investment in the Shire may see a shift with the establishment of a large poultry farm, expanded hazelnut plantations and piggery. Aquaculture is another sector set to expand with a \$4.4 million investment to the Narrandera Fisheries.

In an agricultural dependent economy like Narrandera, there are a variety of value-adding opportunities to diversify our produce beyond just production. Opportunities include organic and free-range production methods; packaging of produce; and preparing processed foods such as jams and nuts grown in the region. Council will coordinate the value-added manufacturing industries being strategically located so they have ready and cost-effective access to the regional freight network, utility infrastructure and export markets to help decrease supply chain costs. The Red Hill Industrial Estate is suitable for heavy industries and has capacity for further value-added manufacturing sites to be established.

Narrandera Council acknowledges and welcomes the demographic shift to aging population. Council will continuously advocate to improve health, aged care and social assistance service, programs and facilities. Increased services and facilities will provide more employment within shire strengthening another employment sector that Narrandera can benefit from.

The shift to renewable energy will allow Narrandera to produce such energy from within the shire. Solar farms like Yarrabee Solar project, Sandigo Solar projects are pioneers in Narrandera, leading the shire into an environmentally friendly industry where the energy produced will be used in the shire and exported, while creating local employment opportunities and economic benefits. Council will continue to facilitate emerging industries being appropriately located within the shire.

To deliver this planning priority, Council will:

- Collaborate with State agencies, local business and land owners to identify important agricultural land and protect it from incompatible developments.
- Support renewable energy production in suitable locations.
- Encourage co-location of agricultural value-added industries in appropriate locations.
- Protect the Red Hill Industrial Estate from incompatible land uses on nearby land.

Narrandera Shire Council will achieve this through the following actions:

- Provide an adequate supply of industrial and business land.
- Reviewing LEP and DCP controls to support these priorities.



- Review the Narrandera Land Use Strategy to protect agricultural land from fragmentation and consider flexible development standards to promote agribusiness sector

## Monitoring and action plan

### An Attractive Region

Priority	Action	Timing	Measures
<b>Priority One Diverse Housing Options</b>	1.1 Complete a local housing strategy to establish likely sites for in fill development, green field sites, development standards, etc	Short term 2 years	Completion and adoption of a local housing strategy
	1.2.1 Undertake a "house keeping" review of the NSC LEP and DCP controls to ensure an adequate supply of diverse housing options and temporary accommodation choices	Short term 2 years	Review and adoption of the revised Narrandera Local Environmental Plan 2013
	1.2.2 Upon completion of housing strategy consider need for any planning proposals to further amend the LEP as a result of the strategy	Medium term 3 years	Review and adoption of the revised Narrandera Local Environmental Plan 2013
	1.3 Monitor demand and ensure that	Ongoing	Ensure that a minimum five (5)



	additional land is made available at appropriate times to support growth if needed		years supply of residential zoned land (based on average take up rates) is available
<b>Priority Two A vibrant place to visit and stay</b>	2.1 Review our LEP to allow for nature and food based tourism in appropriate locations through flexible land use uses (e.g. artisan food and drink businesses, visitor & tourist accommodation and eco tourism)	Short term 1 year	Review and adoption of the revised Narrandera Local Environmental Plan 2013
	2.2 Investigate opportunities to increase signage along key routes for local attractions to take advantage of highway frontages	Short term 2 years	Completion and adoption of the review of the Narrandera Local Development Control Plan
	2.3 Create a Plan of Management for Council operated open spaces, including the potential to rezone to Public recreation zone	Medium term 3-5 years	Completion of a Plan of Management for our open spaces
<b>Priority Three A sustainable region adaptive to changing conditions</b>	3.1 Finalise and implement the Integrated Water Cycle Management Plan	Short term 1 year	Completion and adoption of the Narrandera Integrated Water Cycle Management Plan



	3.2 Regularly review strategies and mapping which manage flood affected and bushfire prone areas	Ongoing	Compliance of development in flood affected and bushfire prone areas
	3.3 Incorporate controls into the Narrandera Development Control Plan for sustainable environmental outcomes (such as energy efficiency, passive solar dwelling and subdivision development, water saving initiatives)	Short term 2 years	Complete and adopt the review of the Narrandera Development Control Plan
<b>Priority Four Protection and management of our environment and heritage</b>	4.1 Update Development Control Plan to regulate high conservation vegetation as per the <i>State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017</i>	Short term 2 years	Complete and adopt the review of the Narrandera Development Control Plan.
	4.2 Prepare a comprehensive Koala Plan of Management	Medium term 3-5 years	Adoption of a Koala Plan of Management



	4.3 Review Council owned land for opportunities to enhance biodiversity values	Medium term 3-5 years	Complete a review of Council owned land to determine status of biodiversity and develop strategies to enhance biodiversity values
	4.4 Work with the local Aboriginal community to develop resources regarding places and items which should be suitably protected and managed	<ul style="list-style-type: none"> <li>• Ongoing</li> <li>• Medium term 3-5 years</li> </ul>	<ul style="list-style-type: none"> <li>• Consult with the Narrandera Local Aboriginal Land Council on major developments.</li> <li>• Review Narrandera Development Control Plan in relation to adaptive reuse of heritage items</li> </ul>
<b>Priority Five Transport and infrastructure connectivity</b>	5.1 Identify and protect transport corridors and the Narrandera-Leeton Airport from incompatible land uses. Incorporate appropriate controls into the DCP	Short term 2 years	Complete and adopt the review of the Narrandera Development Control Plan
	5.2 Undertake a strategic review of the Narrandera-Leeton Airport to determine suitable planning actions (i.e. develop minimum acoustic standards applying to adjacent development).	Short term 2 years	Complete and adopt the review of the Narrandera Development Control Plan



	5.3 Review policies to encourage services for the travelling public and tourism through flexible land use uses (e.g. artisan food and drink businesses, visitor & tourist accommodation)	Short term 1 year	Review and adoption of the revised Narrandera Local Environmental Plan 2013
	5.4 Deliver actions of the Roads review including implementation of an effective road hierarchy.	Short term 1 year	Complete and adopt the Narrandera Shire Road review
	5.5 Investigate opportunities for industries which may benefit from Red Hill estate's location close to major transport routes by reviewing the permitted land uses to determine an appropriate mix of development.	Short term 2 years	Review and adoption of the revised Narrandera Local Environmental Plan 2013
<b>Priority Six Industry growth and diversification</b>	6.1 Provide an adequate supply of industrial and business land.	On going.	Ensure that a minimum five (5) years supply of industrial and business zoned land (based on average take up rates) is available.
	6.2 Reviewing LEP and DCP controls to support supply of	Short term 2 years	Completion and adoption of the review of the Narrandera Local



	industrial and business land.		Environmental Plan 2013 and Development Control Plan
	6.3 Review the Narrandera Land Use Strategy to protect agricultural land from fragmentation and consider flexible development standards to promote agribusiness sector	Short term 1 year	Review and adoption of the revised Narrandera Local Environmental Plan 2013

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# Cemetery Review 2020

July 2020

Narrandera Shire Council  
Prepared by: Roger Evans





1.	EXECUTIVE SUMMARY .....	3
2.	INTRODUCTION .....	5
2.1	Background .....	5
2.2	Cemetery Service Review Background.....	6
2.3	Purpose of This Review.....	6
2.4	Objectives of the review .....	7
2.5	Review Tasks.....	7
3.	COUNCIL OBJECTIVES AND PRIORITIES .....	9
3.1	Narrandera Shire Community Strategic Plan .....	9
3.2	Open Space and Receptions Role within the Organisation.....	10
4.	PRODUCTIVITY .....	11
4.1	Cemeteries Currently Under Council Management.....	11
4.2	NSC Cemetery Service – Current Operations.....	13
4.3	Base Cost for Current Service Level.....	16
4.4	Structure of OSR Section .....	18
4.5	Key Responsibility Areas and Essential Tasks .....	19
4.6	Essential Specialised Skills Associated with Cemetery Operations .....	21
4.7	Historical and Cemetery Records .....	21
4.8	Interments Past Five Years .....	24
4.9	Current Utilisation and Capacity .....	26
4.10	Financial Performance .....	27
4.11	Fees and Charges Cost Comparison .....	29
5.	RISK MANAGEMENT.....	31
5.1	Legislative requirements.....	31
5.2	Contractors and Volunteers .....	32
5.3	Monuments .....	33
5.4	Signage.....	34
6.	ASSET MANAGEMENT .....	35
6.1	Policy .....	35
6.2	Cemetery Records Management Systems and Programs .....	36
6.3	Current Capacity and Expected Operational Life of Cemeteries .....	36
6.4	Future Planning - Perpetual Care .....	37
7.	Conclusion.....	38



## 1. EXECUTIVE SUMMARY

The Narrandera Shire Cemetery Review has been conducted to examine current service provisions and management procedures and consider options for the future provision of cemetery services. Narrandera Shire Council currently operates six cemeteries across the Shire, each presenting different management challenges. There are also a number of private cemeteries and graves within the Local Government Area (LGA) that Council does not control or manage.

Taking into consideration the evolution of the cemetery, funeral industry and local government's important role in the provision of services and facilities, the need to establish a long-term direction for the care, control and management of public cemeteries is recognised, as well as the ongoing expectations of procedural and operational improvements.

In line with the purpose of the cemetery review, a number of conclusions have been reached with recommendations made to provide a clear and consistent direction for the planning, management and operation of the cemeteries throughout the LGA. These operational improvements and strategic directions take into consideration several key drivers including:

- Public expectations
- Legislative and regulatory requirements
- Industry standards and trends
- Consistency with other LGAs
- Retainment of the key characteristics of the cemeteries within the Shire
- Future demands on the provision of cemeteries.

The following key recommendations have been identified for Council's consideration:

1. Establish a range of clear and concise policies and procedures for the management and operation of Narrandera Shire Council Cemeteries.
2. Improve efficiency of cemetery operations through the purchase of a cemetery management system, specifically developed for cemetery management. The system is to assist with the coordination of records, reservations, and historical data to enable accurate reports to be generated instantly without unnecessary resource strain. The system would include a mapping program capable of capturing and protecting all historical data, including available for public viewing.
3. Improve the efficiency and effectiveness in the planning, management and operation of Narrandera Shire Council cemeteries through the engagement of a specialised consultant to review historical records for accuracy and develop site specific masterplans, complete with future extensions to address requirements of Section 90 of the *Cemetery and Crematoria Act 2013*.
4. Explore the additional staff and resources needed to address the maintenance needs of expanding cemeteries identified in master plans.
5. Ensure future budget allocations are sufficient to meet maintenance works identified within the master plans.



6. Engage a certified consultant to undertake the monument testing as part of the masterplan and cemetery management system project.
7. Acknowledge that under section 90 of the *Cemeteries and Crematoria Act 2013*, Council is required to have a strategic plan (individual plan or overarching) for Council-managed Crown cemeteries.
8. Acknowledge the Voluntary Code of Practice for Cemetery Maintenance - Cemetery Maintenance Guide.
9. Council to explore options for the extensions of the Narrandera Cemetery and recommend that this should be explored through master planning with a specialised consultant.
10. Council to acknowledge the Barellan Lawn cemetery's forecasted capacity statement and support the concept of extending two lawn areas directly south of the existing lawn areas.



## 2. INTRODUCTION

### 2.1 Background

Narrandera Shire is centrally located in the Riverina Region of NSW, 554kms south west of Sydney, 339km west of Canberra, 437kms north of Melbourne and 824kms east of Adelaide. The Shire covers an area of 4,116 square kilometres. It sits mid-way between the main regional centres of Wagga Wagga (99km to the east) and Griffith (98km to the west), and marks the transition between the extensive broadacre agricultural areas of the western slopes and plains to the east and the highly productive Murrumbidgee Irrigation Area (MIA) to the west.

The township of Narrandera (population 4,375) is the commercial and administrative centre of the Shire. The town is a district centre servicing Narrandera Shire and the northern part of Federation Shire to the south. Located at the junction of the Sturt and Newell Highways and on the banks of the Murrumbidgee River, Narrandera is also a significant highway service centre as well as a popular location for travellers to stop.

Narrandera Shire Council includes the town of Narrandera and the villages of Grong Grong, Binya and Barellan.

According to the 2016 Census undertaken by the Australian Bureau of Statistics, of the 5,853 residents of Narrandera Shire 50.4% of persons were female and 49.6% of persons were male. Approximately 10.1 % of the Shire population identify as being of Aboriginal or Torres Strait Islander descent. Of the entire Shire population 20.0% were aged 0-14 years, 10.5% were aged 15-24 years, 47.4% were aged 25-64 years and 22.1% of the population were aged 65+.

The 2018 estimated residential population for Narrandera (A) is 5,931 People. This represents a 1.5% increase from 2016 when the population on Census night was 5,842 people. In 2011, the population was 5,900. The annualised population growth rate for Narrandera (A) is -0.2%.

Age refers to a person's age at last birthday. The 'Age' profile of the resident population details the age distribution within the region. The 50-59 years cohort is the most common with 874 people.

Table 1: 2018 Age Profile

Cohorts	Narrandera (A)
0-4 years	396
5-9 years	480
10-19 years	667
20-29 years	526
30-39 years	607
40-49 years	675
50-59 years	874
60-69 years	788
70-79 years	480



80-89 years	286
90-99 years	52
100 and over	11
Total	5,842

## 2.2 Cemetery Service Review Background

In 2014 Narrandera Shire Council undertook an organisational review conducted by Blackadder Associates. The purpose of the review was to:

- Review the operations of the Council generally.
- Review the organisation structure down to manager level.
- Evaluate the culture of the organisation.
- Assess the efficiency of operations.
- Evaluate service delivery options.
- Undertake a high-level review of the 34 functional areas (later changed to groupings to reduce the number).

The review sought to identify opportunities for improving the organisation, particularly in the strategic context, the culture of the organisation, the leadership required for the future and the systems and processes that will assist in improving culture and delivering on the strategy.

The review focused on a number of recommendations and although the Cemetery Service Review was not listed in the Blackadder report, Council identified the need to conduct a cemetery service review given following issues, findings and recommendations had been documented in the organisational review as follows:

Issue 2.4	The cemetery is a Council business and should have a business plan. Many other Councils have a positive return on investment from their cemeteries.
Findings	As a Council business there should be a Business Plan for the future development of the Council cemetery.
Recommendations	That the General Manager arrange for a Business Plan to be developed for the Council cemeteries.

## 2.3 Purpose of This Review

The purpose of this Cemetery Review can be broken down into four key focus areas

1. Identify opportunities and changes to management practices to improve efficiencies and cost control.
2. To establish service levels related to industry standards and Council expectations.
3. To establish costs and budget where service levels differ from current service levels.
4. To document processes to enable more efficient delivery of the service.



This study is not a performance review of the Open Space and Recreation team members or contractors. The report addresses levels of service and how these will be retained and improved in the future.

## **2.4 Objectives of the review**

There are three key components identified as the objectives of the review:

### **2.4.1 Productivity**

- a. Seek opportunities for cost savings of 2.5% for labour and materials to maximise operational efficiencies.
- b. Investigate a staff structure that supports this service and recommendations for improvements to work process (specialised cemetery training).
- c. Establish a base cost for maintenance services in Lawn areas and Monumental sections.
- d. Establish a target (benchmark) for maintenance services for Lawn, Old Section and Outer areas at all cemeteries managed by Council.

### **2.4.2 Risk Management**

- a. Identify Council's obligation to contractors and volunteers working onsite and document a process to ensure procedures are adhered to.
- b. Identify risks associated with monuments and document who is responsible for the repair or replacement, also detailing a considerable number of unapproved monuments.

### **2.4.3 Asset Management**

- a. **Review** the current cemetery policy and update to reflect current operational standards.
- b. Explore the use of cemetery specific programs GIS mapping to locate plots for immediate customer feedback regarding ancestor searches and to assist with reservations of plot.
- c. Investigate and Implement appropriate entrance signage to outline rules and regulations with monuments, ornaments, and vases.
- d. Investigate documenting relevant historical information for public viewing to be signposted at the cemeteries.
- e. Determine the useful cemetery life based on current operations and population forecasts and identify future strategies for capital upgrades and requirements for growth through a long-term capital works program.

## **2.5 Review Tasks**

The key tasks involved in preparing this Review included:

1. Identifying all cemeteries currently under Council management.



2. Review Cemetery Policy and Procedures for burials including private land burials within the shire.
3. Identify Council obligations and liability in accordance with the *Cemeteries and Crematorium Act 2013*.
4. Identify monument and ornament management in line with current standards.
5. Assess plant productivity
6. Explore technology options to improve outcomes (specific management systems GIS).
7. Assess current operations ground maintenance and irrigation methods.
8. Review contractor and volunteer management.
9. Evaluate aesthetics and ensure a safe environment for residents and visitors while maintaining the aesthetics of the cemetery, including row numbering of old sections.
10. Evaluate the current maintenance schedule addressing optimal maintenance timing.
11. Review current booking and approval processes.
12. Review management of customer requests (GIS data and signage versus labour-intensive methods).
13. Identify the need for an NSC Cemeteries master plan/strategy.
14. Budget Control (10-year plan to address master plan).
15. Capacity statement of each cemeteries to ensure effective future planning.



### 3. COUNCIL OBJECTIVES AND PRIORITIES

#### 3.1 Narrandera Shire Community Strategic Plan

Council's objectives and priorities are conveyed through the Narrandera Shire Community Strategic Plan 2012 – 2030.

Council's vision for Narrandera Shire is: we are a prosperous, diverse, and sustainable community, built on a deep sense of trust, care and commitment for each other and our environment.

Council's key strategic themes are:

1. A strong and resilient community and sustainable environment.
2. A growing economy.
3. Quality and sustainable infrastructure.
4. Efficient and responsive services.
5. Trusted and effective Government.

Council has developed a range of strategies and actions to deliver on these Strategic Directions, with responsibility for undertaking the actions allocated to Council departments.

Council's Open Space and Recreation section is solely responsible for all services in relation to the management of all six of the Cemeteries under Council's management.

The broad areas of control of the Open Space and Recreation section:

- Parks, including Memorial Parks – ensuring all green space is accessible and well maintained for the public.
- Gardens and Streetscapes - ensuring all gardens and streetscapes are aesthetically pleasing.
- Reserves - by developing and overseeing plans of management which foster water sensitive urban designs, land conservation and high presentation standards of open space and recreation areas.
- Tree Management Strategy and Streetscape Planning - by coordinating and developing action plans that support the implementation of Council's tree management strategy and minimising public risk to Council.
- Management of Sporting Facilities - by developing and overseeing facility management policies, venue bookings, and facility utilisation and works programs, including events.
- Biosecurity - by ensuring Council's legislative requirements are met, weeds management priorities are in line with regional strategies and management plans, protecting the economy, environment, and community from the negative impacts of pests and diseases, weeds and contaminants.
- Capital project - development, funding applications and delivery.
- Cemeteries – Adhering to the requirements of the *Cemeteries and Crematoria Act 2013* and the *Cemeteries and Crematoria Regulation 2014* and the relevant objectives including demonstrating satisfactory levels of accountability, transparency, and integrity.



### **3.2 Open Space and Recreations Role within the Organisation**

Public open space provides significant benefits to communities. These benefits include protecting biodiversity, improving psychological health and wellbeing, improving physical fitness, facilitating social interaction and cohesion, promoting community pride, and enhancing child development through play. Open space also provides a location for participating in civic life.

Open Space and Recreations core functions are:

- To ensure long-term planning, management and development of open space and recreation areas within Narrandera Shire Council, including parks, reserves, lake and beaches, and associated facilities such as sporting grounds and recreational areas, amenities facilities, walking tracks.
- To provide an opportunity for the community to connect and live healthy and active lifestyles.
- To ensure Council's most valued assets are well maintained and continue to meet the needs of the community.
- To improve the lives of existing and future Narrandera Shire residents and visitors, by delivering infrastructure that supports health and well-being outcomes and encompasses biodiversity values.



## 4. PRODUCTIVITY

### 4.1 Cemeteries Currently Under Council Management

Given the importance of cemeteries and that users will often be experiencing intense feelings, staff endeavour to ensure that cemeteries are welcoming and aesthetically pleasing.

Narrandera Shire Council manages three fully operational cemeteries. (Fully operational cemeteries provide for burial and memorialisation through reservations or at the time of need).

#### 4.1.1 Narrandera Cemetery Including the Commonwealth War Graves



Narrandera Cemetery is located at the western end of Douglas Street, Narrandera, and was dedicated for this purpose in 1860. Research in the General Cemetery area indicates that the earliest memorialised interment dates from the year 1886. Narrandera Cemetery is one of the oldest in the area and as such forms an integral connection with the history of the entire region.

The Cemetery is controlled and managed by Council whose main objective is to provide and maintain an aesthetically pleasing environment that is sympathetic to its purpose. It has a monumental section, a lawn cemetery, a niche wall, Chinese Graves, and War Graves section. Due to soil type being primarily sand, only single depth graves are permitted in the Lawn areas.



#### 4.1.2 Barellan Cemetery



The Barellan Cemetery is located east of Barellan with the access road being 1.5km east of the township along the Burley Griffin Way. It was dedicated in May 1909. The Barellan Cemetery has two lawn areas for interment, a monumental section, a niche wall for the interment of ashes and a rose garden for the interment of ashes.

#### 4.1.3 Grong Grong Cemetery



The Grong Grong Cemetery is located on Lachlan Street East of the Newell Highway at the Northern end of the village. It was dedicated in November 1894. The Grong Grong Cemetery has a monumental section and a niche wall for the interment of ashes.

Each operational cemetery has both burial sites and ashes memorial options.

#### 4.1.4 Other Cemeteries

Narrandera Shire Council also manages three non-operational cemeteries (closed or historical cemeteries that have either reached physical capacity or have been closed to burial and memorialisation for other reasons). Such cemeteries are typically older and have historic significance locally or at a broader level.:

- Colinroobie cemetery – Located on Bunganbil Road, Colinroobie Cemetery was vested to Council's management from Crown Land in 2019. There are several monuments located at the cemetery.
- Old Grong Grong cemetery – Located adjacent to the Grong Grong cemetery, the cemetery is bushland with no monuments located at this cemetery.
- Narrandera Pioneer Cemetery – Narrandera Shire Council agreed to take over the management of the Pioneer Cemetery in 2018 when the Cemetery Trust formally



dissolved. The cemetery contains very old graves of some of Narrandera's earliest inhabitants. It is now grassed over and only the headstones are evident. The inscriptions are still quite clear on most of the gravestones.

Maintenance activities for these sites involve vegetation and vermin control.

Details of Council's cemeteries, including their categorisation in terms of the above groups, are outlined in Table 2.

Cemetery	Address	Lot Description	Cemetery Type	Lot Size (approx.)
Narrandera	Douglas street Narrandera, 2700	Lot305 DP 751719 Lot 306 DP751719 Lot 7007 DP1024998 Lot 7033 DP1023995 Lot 1 DP1158505 Lot 1 DP 179974 Lot 7030 DP105003 Lot 7008 DP 1025002 Lot 1 DP 179974 Lot 7032 DP1023995 Lot 1 DP668097 Lot 7009 DP1024999	Fully Operational	9ha
Barellan	Barellan Cemetery Rd Barellan, 2665	Lot 7001 DP94878	Fully Operational	2.7ha
Grong Grong	Lachlan St Grong Grong, 2652	Lot 7300 DP1136149	Fully Operational	4.5ha
Old Grong Grong	Windamere road Grong Grong, 2652	Lot7301 DP 1135839	Closed or Historic Cemetery	
Colinroobie	Bunganbil road Colinroobie	Lot7002 DP94882 Lot 7300 DP1158264	Closed or Historic Cemetery	8ha
Pioneer	Lake Drive Narrandera, 2700	Lot 46 DP751719	Closed or Historic Cemetery	1.5ha

#### 4.2 NSC Cemetery Service – Current Operations

In terms of cemetery management there are six key maintenance principles that apply with cemeteries, these are:

- Welcoming - providing a strong sense of place for visitors.
- Safe - enabling people to move around the cemetery in a safe manner.



- Efficient maintenance processes and cemetery design - to create ongoing efficiencies, in the short and the long-term.
- Serviceable - publicly accessible, as well as places that have discrete operational needs.
- Accessible - meeting appropriate inclusive access standards wherever possible.
- Sustainable including economic, social and ecological - choices made now will also affect perpetual maintenance.

Council provides for a substantial number of cemetery services - averaging around 66 interments per year. It has the care and maintenance of three operational cemeteries along with the general upkeep of three non-operational cemeteries that have been vested to Council in recent years.

In providing the above burial services, and in caring for the perpetual maintenance of the cemeteries, Council staff undertake the following activities:

- Management and maintenance of interment infrastructure to enable supply of burial plots and ash placements including:
  - Gardens and walls associated with ash placement opportunities.
  - Provision of concrete beams associated with burial plots.
- Liaison with the bereaved, funeral directors and the public:
  - To facilitate the sale of plots, issuing of burial permits etc.
  - Provision of information and discussion of options for interment.
  - To assist the public in the location of a grave site / other historical enquiries.
- General maintenance including:
  - Mowing, weeding, graffiti removal, etc.
  - Minor infrastructure maintenance and improvements to facilities such as seating, fencing and pathways.
- Management of contracts:
  - For infrastructure/major capital works such as concrete beams, ash niche walls, roads, and signage.
- Graveside assistance at burials and ash placements including:
  - Grave digging.
  - Provision of shelter.
  - Ensuring occupational health and safety around the grave site.

#### **4.2.1 Current Service Level for Operational Cemeteries**

- Lawn areas maximum 65mm height.
- Areas fully serviced prior to significant events (Easter, Christmas, ANZAC Day, long weekends, public holidays, etc)
- Trees assessed in accordance with Quantified Tree Risk Management principles and maintained in line with Narrandera Shire Councils Tree Maintenance and Replacement program identified in the NSC tree Audit
- Irrigation tests conducted weekly in warmer seasons



- Flowers left and ornaments left in place for one month after interment
- Narrandera Cemetery toilets cleaned weekly.
- Burials to approved and excavated as requested where practical, priority given to excavation and backfilling, in the event of multiple burials or forecasted weather extremes grave to be excavated and covered with appropriate signage where practical.
- All graves at Narrandera Lawn excavated to a depth of 1.5m minimum.
- Customer requests addressed within one working week dependent on the complexity of the request.
- Top dressing conducted four times per year.



### 4.3 Base Cost for Current Service Level

LAWN A1,A2,A3,A4	frequency	Growing season	non growing season	PLANT no	cost/hr/km	TIME/KMS	staff	cost	EACH TIME	YEARLY				
EDGING	4 HOURS	9 MONTHS OF YEAR	3 MONTHS OF YEAR	LABOURER	\$ 37.59	4 hr	2	\$ 300.72	\$ 329.72	GROWING SEASON (fortnightly)	\$ 5,934.96	\$ 6,924.12	Total cost Turf maintenance Lawn cemetery \$37379.76	
				UTE	\$0.50 km	10 km	1	5		NON GROWING SEASON	\$ 989.16	Total cost for edging per year		
				P4140	\$3 hr	4 hr	1	12						
				P4141	\$3 hr	4 hr	1	12						
BLOWING	2 HOURS	9 MONTHS OF YEAR	3 MONTHS OF YEAR	LABOURER	\$ 37.59	2 hr	1	\$ 75.18	\$ 90.18	GROWING SEASON (fortnightly)	\$ 1,623.24	\$ 1,893.78		
				UTE	\$0.50 km	10 km	1	\$ 5.00		NON GROWING SEASON	\$270.54	Total cost for edging per year		
				P3308	\$5 hr	2 km	1	\$ 10.00						
WHIPPERSNIPPING	2 HOURS	9 MONTHS OF YEAR	3 MONTHS OF YEAR	LABOURER	\$ 37.59	2 hr	2	\$ 150.36	\$ 176.36	GROWING SEASON (fortnightly)	\$ 3,174.48	\$ 3,703.56		
				UTE	\$0.50 km	10 km	1	\$ 5.00		NON GROWING SEASON	\$529.08	Total cost for edging per year		
				P3340	\$4.50 hr	2 hr	1	\$ 9.00						
				P4050	\$6 hr	2 hr	1	\$ 12.00						
moving ornament/flowers	2 HOURS	9 MONTHS OF YEAR	3 MONTHS OF YEAR	LABOURER	\$ 34.29	2 hr	1	68.58	\$73.58	GROWING SEASON (fortnightly)	\$1,324.44	\$ 1,545.18		
				ute	\$0.50 km	10 km	1	5		NON GROWING SEASON	\$220.74	Total cost for edging per year		
Mowing	growing season 8.5hrs	9 MONTHS OF YEAR	3 MONTHS OF YEAR			Growing	Non Growing	Growing	Non Growing	\$ 1,254.17	\$22,575.06		\$25,227.42	
				LABOURER	\$ 37.59	8.5	6	1	\$ 319.52		\$ 225.54			
				PLANT OPERATOR	\$ 40.43	8.5	6	1	\$ 343.66		\$ 242.58			
				P2763	\$30 hr	8.5	6	1	\$255		\$180			
				P2764	\$31 hr	8.5	6	1	\$263.50		\$186			
	non growing season 6hrs	9 MONTHS OF YEAR	3 MONTHS OF YEAR	trailor P2620	\$5 hr	8.5	6	1	\$42.50	\$ 884.12	\$30			
				ute	\$0.50 km	60	40	1	\$30.00		\$20.00			
													Total cost Maintaining grass old section \$24712.56	
OLD SECTION	frequency	growing season	non growing season	PLANT no	cost/hr/km	TIME/KMS	staff	cost	EACH TIME	YEARLY				
Moving in between graves	17 Hours	9 MONTHS OF YEAR	3 MONTHS OF YEAR	LABOURER	\$ 37.59	17 hr	1	\$ 639.03	\$ 2,111.34	GROWING SEASON (5 times in growing season)	\$ 10,556.70	\$ 12,668.04	Total cost Maintaining grass old section \$24712.56	
				PLANT OPERATOR	\$ 40.43	17 hr	1	\$ 687.31		NON GROWING SEASON (once per 3 mths)	\$ 2,111.34	Total cost for Moving per year		
				P2755,	\$20 hr	17 hr	1	\$ 340.00						
				P2761	\$20 hr	17 hr	1	\$ 340.00						
				ute	\$0.50 km	40 km	1	\$ 20.00						
				trailor P2620	\$5 hr	17 hr	1	\$ 85.00						
moving-Large outer areas	6.5 Hours	9 MONTHS OF YEAR	3 MONTHS OF YEAR	PLANT OPERATOR	\$ 40.43	6.5 hr	1	262.80	\$ 522.80	GROWING SEASON	\$ 9,410.31	\$ 10,978.70		
				P2757	\$40 hr	6.5 hr	1	\$ 260.00		NON GROWING SEASON	\$ 1,568.39	Total cost for Moving per year		
whippersniping	8.5 Hours	3 TIMES A YEAR	LABOURER	\$ 37.59	8.5 hr	2	639.03	\$700.03	\$ 2,100.09	yearly cost	\$ 2,100.09	yearly cost for whippersniping old section		
			ute	\$0.50 km	20 km	1	10							
			P4050	\$6 hr	8.5 hr	1	51							



PEST AND WEEDS													UNIT SECTION
spraying	3 TIMES A YEAR		RAZE	\$150		3 TANKS		150					\$ 4,094.24
			SPRAY OPERATOR	\$ 39.84		17 hr		\$ 677.28		\$ 1,018.08	\$ 3,054.24		
			SPRAY UTE P2343	0.52	km	40 km		\$21					
			SPRAY UTE PUMP	\$10	hr	17 hr		170	per application	Yearly cost			
	2 TIMES YEAR		BROADLEAF	\$250		3 TANKS		\$ 250.00					
			SPRAY OPERATOR	\$ 39.84		5 hr		\$ 199.20		\$ 520.00	\$ 1,040.00		
			SPRAY UTE P2343	0.52	km	40 km		\$ 20.80					
			SPRAY UTE PUMP	\$10	hr	5 hr		\$ 50.00					
									per application	Yearly cost			
FILLING IN BURROWS	8.5 hours	2 TIMES YEAR	LABOURER	\$ 37.59	hr	\$ 68.58		2	582.93		\$ 617.93	\$ 1,235.86	\$ 1,235.86
			UTE	\$0.50	km	20 km		2	\$ 10.00				Yearly cost
			SAND	\$25	M³	1		1	25				Yearly cost
Baiting			LABOUR	\$ 9.00	hr								
			UTE	P2224									
			BAITS										
WEED CHIPPING			LABOURER	\$ 37.59									
			UTE	P2243									
Garden													
MAINTENANCE	2 hours	a week	GARDENER	\$ 47.53		2	hr	1	\$ 95.06		\$ 4,943.12		\$ 5,203.12
			UTE	\$0.50	km	10 km		1	\$ 5.00		\$ 260.00	\$ 5,203.12	\$ 5,203.12
											Yearly cost		Yearly cost
maintenance on graves	8.5 hours	4 times a year	LABOURER	\$ 37.59		8.5 hr		2	\$ 639.03				
			ute	\$0.50	km	20 km			\$ 10.00		\$ 649.03	\$ 2,596.12	\$ 2,596.12
			soil	\$50	m³							Yearly cost	Yearly cost
Tree maintenance													
Tree maintenance & removal	1 week	4 times a year	LABOURER	\$ 37.59	hr								
			Plant Operator	\$38.21	hr								
			EWP										
			Chainsaw										
											Yearly cost		
Irrigation													
Repairs & Maintenance	1	weekly	Team leader	\$ 47.53	hr								
			materials	\$50									
cost of water													

Figure 2 Base Cost – Current Service Level



### Observations and Assessment:

- Based on the information provided in figure 1, staff are continually seeking more efficient options to deliver the quality service that is expected by the community and Council. Staff have adjusted their maintenance activities over the last 5 years. Adjustments to activities include broadleaf spraying of the general section and trailing the use of growth retardants to limit the frequency of mowing in lawn areas.
- With the required expansion of the lawn areas, there is an increase in mowing and irrigation cost but will reduce the weed control actions along with increase the ascetics of the area.

### 4.4 Structure of OSR Section

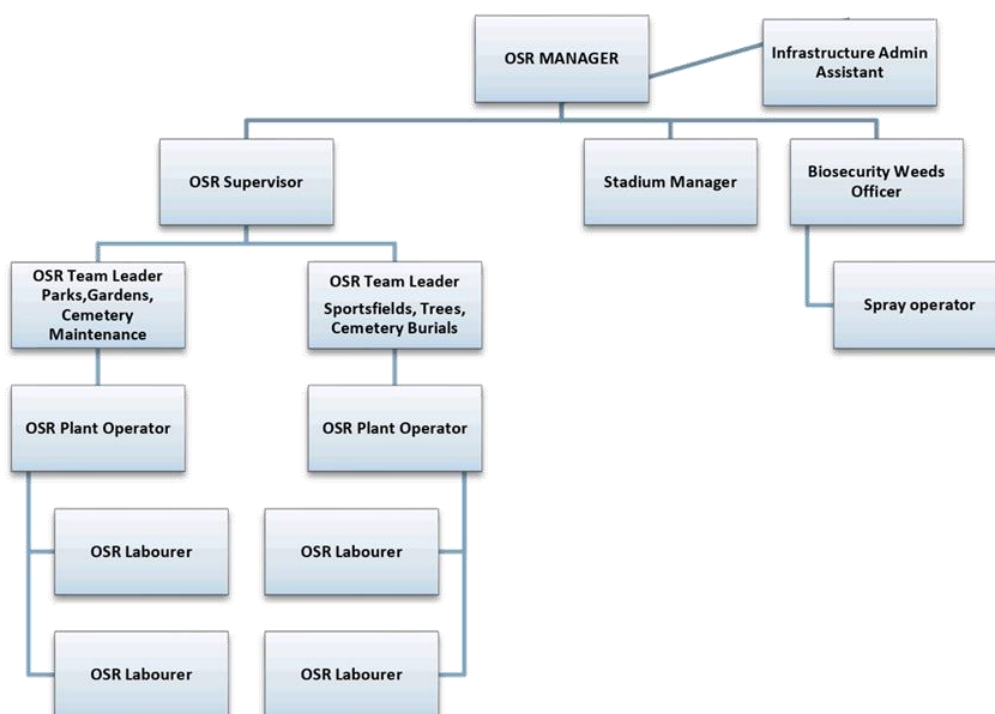


Figure 3 Current OSR Structure

The OSR section has introduced a two-tiered structure in 2019/20, the restructure was introduced to ensure priority works can be accomplished without influencing the general operations. Previously the structure only comprised of a supervisor and one team leader with no real succession planning in place. It was clear that the size diversity of the OSR core areas of management required a new structure to ensure all priority areas were addressed



without the unnecessary direction from management. Staff are still required to multi-task and reprioritise works schedules, but this is directly related to the size of the team.

The structure has been proven to be both more efficient and efficient compared to the previous structure.

Staff now have career pathways to progress into higher specialised positions and they have opportunity to undertake specific training in core areas without having an impact on the day to day operations of the unit.

Staff are responsible and accountable for designated sections and take pride in their work. This is evident with the weekly and monthly schedules as staff are proactively scheduling the priorities and amending the schedule to ensure other tasks get addressed according to priority. This scheduling also assists with forecasted leave as staff have demonstrated that some tasks, like planting or turf laying, have been bought forward if some members were planning on taking leave.

#### **4.5 Key Responsibility Areas and Essential Tasks**

In conducting the Cemetery review it is essential recognised the roles of OSR staff and the core areas of management in order to accurately establish a level of service that can be effectively sustained. The OSR structure has evolved over the last five years, with a team leader replacing the previous gardener positions allowing for a two-tiered structure to focus on key areas of management, this has also assisted with responsibility and accountability of tasks. The structure is also focused on succession planning, offering staff a pathway to progress into all areas of management. Although staff are still required to multitask, the current structure allows staff to undertake specialised training and will also incorporate apprenticeships as opportunity presents.

Below is a broad overview of the key areas of responsibility and the tasks being performed by the OSR and Biosecurity section:

- The Open Space and Recreation Manager (OSRM) is responsible for all aspects of the Open Space and Recreation including Council-managed Crown reserves, Lake Talbot and the Narrandera Wetlands, Cemeteries, sporting venues and user groups, parks, amenities, playgrounds, trees and biosecurity.
- In relation to cemeteries management, the role is responsible for the management and coordination of all cemetery operations including reporting, record keeping, customer service and the development long term plans and strategies to ensure Council-managed cemeteries are well maintained and managed in accordance with industry standards and current legislation.
- The Infrastructure Administration Assistant is responsible for all administration activities associated with the infrastructure section. In relation to cemeteries, the Infrastructure Administration Assistant is primarily responsible for record keeping, reservations, customer service and inquires, plot locations.
- The Open Space and Recreation Supervisor (OSRS) is primarily responsible for coordinating fortnightly works schedules for parks, tree maintenance, sports fields, playground maintenance, reserves. In relation to cemeteries the position is responsible for scheduling cemetery maintenance operations, plot locating and burials.



- The Open Space and Recreation Team Leader (OSRTL1) is responsible for conducting grave digging operations. The position is also responsible for conducting tree maintenance, Playing field maintenance, playground maintenance. This position has a crew of three staff.
- The Open Space and Recreation Team Leader (OSRTL2) is responsible for general ground and garden maintenance operations within the cemeteries. The position is also responsible for conducting garden maintenance in the CBD, small parks, entrances, reserves, memorial gardens, cleaning Toilets, BBQ areas, walking tracks and footpaths. The position has a crew of three staff.
- One-two casual staff have been employed where savings can be made within the operational budget to fund their employment.
- The Barellan grave digging contractor is employed directly by the funeral directors to carry out grave digging operations when available.

Given the resources available there is often a requirement for staff members to share roles and responsibilities to ensure priority tasks can be completed to a high standard and within an acceptable timeframe. **Cemetery burials take priority over all other tasks.**

#### **Observations and Assessment:**

The review discussed possible options for the employment of designated cemetery staff for the maintenance and operations of the cemeteries including grave digging. Work options discussed:

**Week 1:** 4 days located at Narrandera Cemetery and 1 day in Grong Grong conducting cemetery general maintenance on the cemetery and town

**Week 2:** 2-3 days at Narrandera Cemetery and 1-2 days at Barellan conducting cemetery and town maintenance

- Cost – employing a full-time staff member for the cemetery operations would cost \$69,030.39 per year. Additional plant would also be needed. At times of burial, a second staff member would also need to assist.
- The position would assist with an increase in service level. The review group acknowledged that the current structure proactively maintains the current service level that appears to meet the community's expectations at this current period of time.
- The overall cost of the position could be offset by an increase in fees and charges, but the review group acknowledge this may not be received well by the wider community.

The review group concluded that although the additional position and plant will be of great assistance allowing staff to focus on other core areas, the inclusion of a designated cemetery position should be explored in future masterplans, as the cemeteries are continually expanding and a higher service level will be required.



### RECOMMENDATION 1

1.1: The review Group recommend that additional staff should be explored within three (3) years, future masterplans should reflect staffing needs along with the maintenance needs as cemeteries continue to expand, theses masterplans should also take into consideration the expansion of areas that OSR service.

#### 4.6 Essential Specialised Skills Associated with Cemetery Operations

- Staff have completed specialised grave digging training to ensure the organisation is operating in accordance with industry standards and also to minimise any risk to Council.
- Staff also have horticultural certification along with arboriculture training.
- Staff use Quantified Tree Risk Assessment (QTRA) principles when assessing and reprioritise tree works. Tree maintenance priorities are detailed in the Tree Audit and Tree Management Plan which is referred to by staff when planning tree works.

#### 4.7 Historical and Cemetery Records



Figure 4 Council Cemetery Records

It is believed that Narrandera Shire Council was vested with the management and coordination of interments at cemeteries within the Shire in the 1960s. Churches were responsible for interments and interment records prior to 1960s.

It is evident that some records have either been misplaced, not been passed onto Council, were inaccurate, or interments not recorded or lost during fire events. Due to these reasons it has been difficult for staff to provide accurate information to relatives for information requests prior to Council's time of management.



Council staff utilise the following records, maps and journals to coordinate cemetery operations and address requests:

- Five (5) original cemetery maps for Grong Grong cemetery.
- One (1) original Map for Barellan Monumental sections 1955.
- Five (5) journals for Narrandera
  - General section 1900-1925
  - General section 1926-1942
  - General section 1958-1992,
  - General Church of England 1942-1958
  - Lawn area 1 1979 – present day
- One (1) Journal containing record for Barellan 1967-1994 and Grong Grong 1965-1993
- Eighteen (18) historical records that consist of permits and reserve certificates, staff uses these records to assists with historical information requests.
- Administration staff currently use a spreadsheet to document, record interments and reservations.

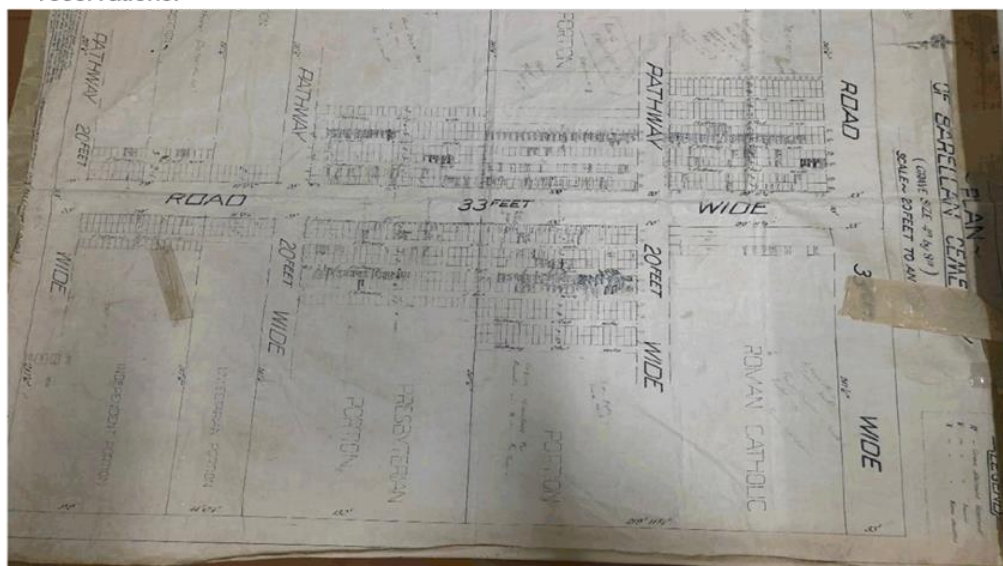


Figure 5 Barellan Cemetery map

Council staff undertook a site survey of all three operational cemeteries in 2007. The GPS coordinates were plotted and all interments along with reserve were recorded. This information is accurate with what is evident onsite but cannot be relied upon for all unmarked graves.

The image below is the mapping of Narrandera cemetery. The contracting plot colours indicate interments and reserved plots.



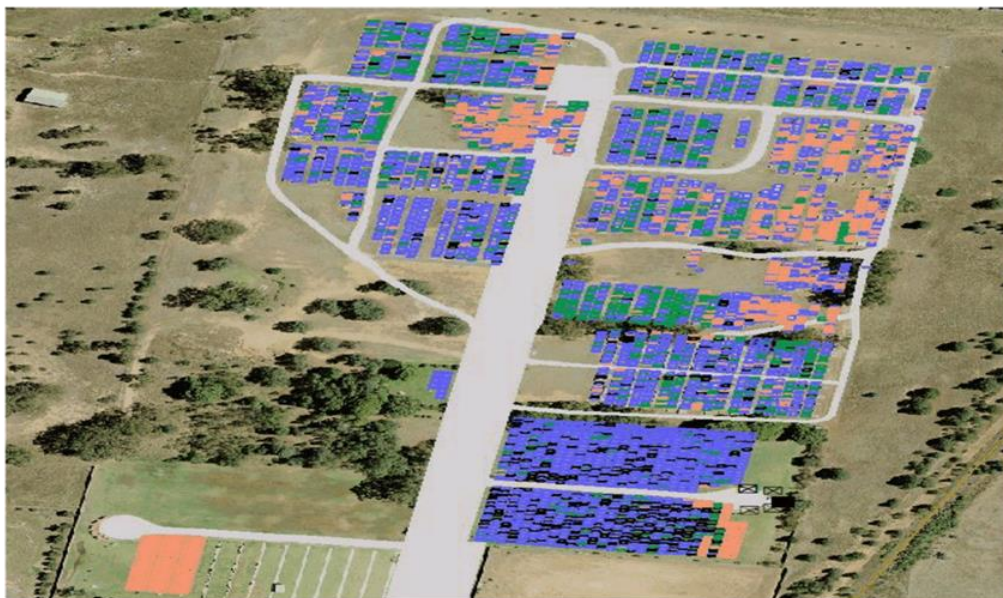


Figure 6 Narrandera Cemetery GIS plot locations 2007

There are unmarked graves at all cemeteries as this was not uncommon prior to 1960 - it is believed some graves were not recorded if the fees could not be finalised at the time of burial.

A common practice of past grave diggers was to use a system where a glass flower jar is placed at the head of each used plot. Councils current practice is to probe graves to find evidence that the plot has been used when request is received for a burial at an old grave site.

In 1988 the Griffith Genealogical and history society surveyed and documented monumental inscriptions and burial records of cemeteries located in the Narrandera District including Ardlethan, Barellan, Arian Park and burials on private properties.

All attempts have been made to keep all Council-managed cemeteries coordinated, neat and symmetrical, but as is the case with all monumental sections there has been a period where the graves and monuments are out of line with other sections. Staff have been required to reline new graves at these sites.

Due to the increase in "find a grave" web services becoming readily available to the general public, Council has seen a sharp increase of the number of information requests to located ancestors. These requests occur in a frequently with up to two requests per week and can be n very time consuming, taking between thirty minutes to four hours to address. This is directly dependent upon how readily available and accurate the information as staff attempt to cross check the information to ensure it is accurate.



**Observations and Assessment:**

- The review group identified that a more efficient record system is needed. This would increase customer satisfaction and staff productivity.
- Council should acknowledge the services of the Infrastructure Administration Assistant who addresses the historic requests on a weekly basis with the current record system council has in place. The need to create and document a burial process had been identified during this review. The process has since been completed. The process ensures that other staff can utilise this document to ensure interments can take place in the absence of key cemetery management staff.
- Council should acknowledge the possible inaccuracy of some historical records give the transfer of records is not an issue with current or previous staffs skills or expertise but is directly related to the inconsistencies with record keeping during the period prior to 1960
- Council to investigate the purchase of a suitable cemetery records, booking, mapping system to ensure Council's record keeping and reporting requirement meet industry standards and increase customer satisfaction. Staff investigated two suitable cemetery management systems with the cost ranging from \$100 to \$2,000 per month and \$10,000 to \$45,000 for the program and install. All current records should be reviewed and cross check for accuracy before implementing a management system, this should be done by an external consultant that specialises in this area.
- Entrance signage, row numbering and mapping should be considered to assist with locating specific plots in all sections. Signage is currently in place at all operational cemeteries for sections but only lawn areas have visible row numbers.
- Historic signage may also be considered

**RECOMMENDATION 2**

2.1: Council to obtain quotes and purchase a suitable cemetery management system for records, booking and mapping system specifically for cemeteries.

2.2: Council to approve funds for the engagement of a specialised consultant to review all council records, cross check cemetery sites and create site specific masterplans for all cemeteries under council management.

**4.8 Interments Past Five Years**

The number of interments averages around 66 interments per annum.

Table 2: Interments 2015/16-2019/20

<b>Narrandera General Cemetery (Double Depth)</b>					
Burial Type	2015/16	2016/17	2017/18	2018/19	2019/20
1st Interment	2	5	2	2	3
2nd Interment	1	7	5	1	3
Total Burials	3	12	7	3	6



<b>Narrandera Lawn Cemetery (Single depth only)</b>					
Burial Type	2015/16	2016/17	2017/18	2018/19	2019/20
1st Interment	33	40	50	40	51
Total Burials	33	40	50	40	51

<b>Narrandera Ashes</b>					
Memorial Type	2015/16	2016/17	2017/18	2018/19	2019/20
Rose garden	1	3	3	3	3
Niche wall	3	11	4	1	0
Total Burials	4	14	7	4	3

<b>Barellan General Cemetery (Double Depth)</b>					
Burial Type	2015/16	2016/17	2017/18	2018/19	2019/20
1st Interment	2	0	1	2	0
2nd Interment	0	1	1	1	0
Total Burials	2	1	2	3	0

<b>Barellan Lawn Cemetery (Double Depth)</b>					
Burial Type	2015/16	2016/17	2017/18	2018/19	2019/20
1st Interment	5	3	2	3	8
2nd Interment	2	4	0	1	1
Total Burials	7	7	2	4	9

<b>Barellan Ashes</b>					
Memorial Type	2015/16	2016/17	2017/18	2018/19	2019/20
Rose garden	0	0	0	0	1
Niche wall	0	1	0	0	1
Total Burials	0	1	0	0	2

<b>Grong Grong General Cemetery</b>					
Burial Type	2015/16	2016/17	2017/18	2018/19	2019/20
1st Interment	1	1	1	1	3
2nd Interment	1	0	0	0	1
Total Burials	2	1	1	1	4

<b>Grong Grong Ashes</b>					
Memorial Type	2015/16	2016/17	2017/18	2018/19	2019/20
Niche wall	2	0	1	0	2
Total Burials	2	0	1	0	2

<b>Consolidated Summary</b>	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Total</b>	<b>51</b>	<b>76</b>	<b>69</b>	<b>55</b>	<b>76</b>



#### 4.9 Current Utilisation and Capacity

In general terms the site is considered to be at capacity when no new reservations are possible.

The review group calculated that with every seven interments an average of one reserve will take place.

Table 3 Capacity and Available Plots

Cemetery	Plots Allocated	Reserved Plots	Plots available	Average interments per annum
<b>Narrandera Lawn (A1, A2, A3, A4)</b>	A1- 747 A2- 614 A3 - 357 A4 - 0	A1- 64 A2 - 149 A3 - 220 A4 - 0	A1- 0 - at capacity A2- 1 A3 - 216 A4 -	42.8
<b>Narrandera General Section</b>	Information not included			6.2
<b>Narrandera Rose garden</b>	38	30	38	2.6
<b>Narrandera Niche wall</b>	Niche Wall 1 – 73 Niche Wall Western - 28	Niche Wall 1 – 17 Niche Wall Western - 20	Niche Wall 1 – 2 Niche Wall Western - 57	3.8
<b>Barellan General Section</b>	Information not included			1.6
<b>Barellan Lawn</b>	Eastern Lawn – 93 Western Lawn - 15	Eastern Lawn – 27 Eastern Lawn - 12	Eastern Lawn – 0 - at capacity Western Lawn - 78	5.8
<b>Barellan Rose Garden 1</b>	2	1	39	0.2
<b>Barellan Niche Wall</b>	5	2	13	0.2
<b>Grong Grong General Section</b>	Information not included			1.8
<b>Grong Grong Niche Wall</b>	6	0	14	1

- An average of 66 interments take place per annum, averaging 1.3 interments per week.
- Narrandera Lawn area A1 is at capacity with one (1) plot being available in lawn area A2
- Barellan Eastern Lawn has reached capacity.
- Records from the General sections have not been included into this assessment. This is mainly due to the time take to cross check records for accuracy. The review group recommends that the capacity assessment should be conducted in more detail by a specialist to provide an accurate assessment of all available records and site information.



**Observations and Assessment:**

- Narrandera Lawn sections interments average 42.8 lawn area interments per year. This indicates that the lawn section will reach capacity within 23.5 years.
- The review group recognises the need to explore options for the extension of the Narrandera Cemetery and recommend that this should be explored through master planning.
- The western Barellan Lawn section will reach capacity at a minimum of 16.5 years with an average interment rate of 5.8 per year and a maximum of 20 years with an average of 1.6 second interments.
- The review group recommends that the capacity assessment should be conducted in more detail by a specialist to provide an accurate assessment of all available records and site information.

**4.10 Financial Performance**

Financial results of the cemetery services are directly aligned with number of deaths along with the number of reservations resulting burials or memorialisation's that occur over a given period. This is particularly true in terms of revenue, which can change significantly from year to year. Additional costs may also be borne by cemeteries from year to year in terms of pre-emptive capital works (eg: niche walls, landscape upgrades, lawn beams, road and carpark upgrades etc.).

A review of revenue, expenses, overall operating results are provided below over the past five years. For reference, it is noted that the number of burials, reservations and memorialisation's undertaken at the cemeteries is shown in Table 2 and Table 3



## Narrandera Shire Council

## Net Operating Results Summary

Column I	2015-16	2016-17	2017-18	2018-19	2019-20	5 year average
Revenue	86207.01	127,708.60	133,816.73	116,968.95	152,972.32	<b>123,534.72</b>
Expenses (including rates, insurances and depreciation)	117,418.67	107,835.02	142,546.72	137,705.62	149,580.68	<b>131,017.34</b>
Net Operating Result	-31,211.66	19,873.58	-8,729.99	-20,736.67	3,391.64	<b>-7,482.62</b>

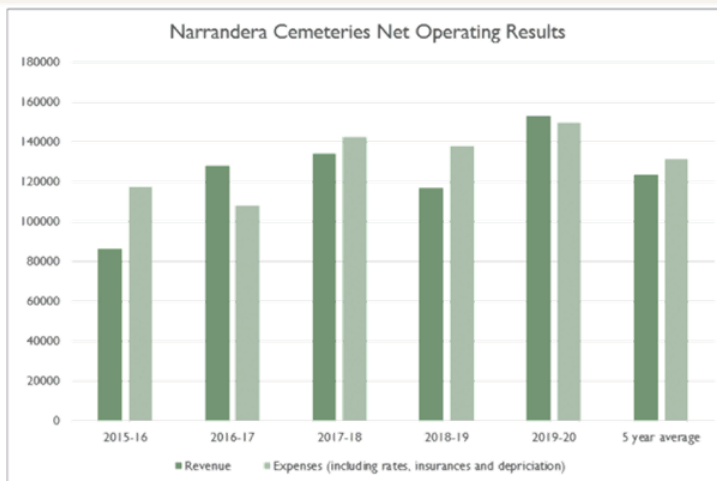


Figure 7 Operating Summary

OPERATING EXPENSES						
EXPENSE	2015-16	2016-17	2017-18	2018-19	2019-20	Average
Maintenance expenses	96,986.84	97,635.02	102,502.72	104,336.63	129,960.50	<b>106,284.34</b>
Engineers contribution	10,000.00	10,200.00	10,000.00	10,000.00	10,000.00	<b>10,040.00</b>
Rates	0.00	0.00	0.00	2,905.45	9,620.18	<b>2,505.13</b>
Insurances	0.00	0.00	0.00	20.90	0.00	<b>4.18</b>
Depreciation - Specialised	10,431.83	0.00	30,044.00	20,442.64	0.00	<b>12,183.69</b>
Total	117,418.67	107,835.02	142,546.72	137,705.62	149,580.68	<b>131,017.34</b>

Figure 8 Operating Expenses

**4.10.1 Revenue**

Revenue streams exist within cemetery operations, with the significant and recurring ones being:

- Interment permits: paid to Council on reservation/purchase of a burial plot (either at the time of need or in advance) and including any out of area payments as applicable.
- Burial fees: paid to Council on uptake of a burial permit via interment of the body; and
- Grave digging fees: also paid to Council to cover costs associated with Council's grave digging operations.

Other minor income streams include fees associated with ash interments within memorial walls, gardens and plots, and other minor fees and charges. In overall terms, (except for



2015-16) over the last 4 years total revenue has grown by \$25,263.72 around 20% increase, though these results are variable from year to year, as shown in the graph at Figure 8.

#### **4.10.2 Expenses**

Like revenues, there are a number of expense streams that exist within the service, the significant and recurring ones being:

- Employment / staff costs – These costs are directly associated with the operational maintenance of the cemeteries with staff booking their time to each individual cemetery and the tasks that they are addressing.
- Materials and equipment costs - relating to the general maintenance and improvements within the cemeteries.
- Contracts - including contracted capital works, facility and infrastructure repairs and maintenance
- Utilities –cemeteries now have water charges at full rates. With the current climate, the continual extension of Lawn areas and the increase customer expectations these charges will continually increase substantially.

Other minor expense streams include internal plant costs, business overheads (rates, utilities etc.), and corporate overheads (HR, finance, management etc.).

It is noted that with future improvements and the continual expansion and growth of cemeteries depreciation will also increase.

#### **Observations and Assessment:**

- There has been a 20% increase in revenue over the last four years
- In general terms Councils' net operating result is in line with the current expenses. Years where a negative net operating result has been recorded is directly related to depreciation

#### **4.11 Fees and Charges Cost Comparison**

When reviewing cemetery-based fees and charges, a comparison was undertaken with Leeton Shire Council and Griffith City Council.

The fees and charges structure varied between councils, with Griffith and Leeton both having total burial fees compared to Narrandera having fees for each component of the interment.

Figure 9 provides fees and charges cost comparison between the three councils.

By assessing these fees and changes the review group can conclude that Narrandera Shire cemetery fees and charges are in line with the neighbouring councils.



Cemetery Fees & Charges COMPARISON					
2019-20	Narrandera	Barellan	Grong Grong	Leeton	Griffith
Column1	Column2	Column2	Column22	Column3	Column4
<b>General</b>					
Average total per interment	\$2,709.00	\$2,709.00	\$2,887.00	\$3,210.00	\$2,014.00
Land	\$1,035.00	\$1,035.00	\$1,035.00		
Land - Perpetual maintenance	\$451.00	\$451.00	\$451.00		
Interment Permit	\$178.00	\$178.00	\$178.00		inc
Headstone Permit	\$99.00	\$99.00	\$99.00		inc
General 1st Interment - Adult casket	\$946.00	\$946.00	\$946.00	\$3,210.00	\$2,014.00
General 2nd Interment - Adult casket	\$946.00	\$946.00	\$946.00	\$1,085.00	\$1,142.00
General 1st Interment - Infant casket	\$473.00	\$473.00	\$473.00		\$960.00
General 2nd Interment - Infant casket					\$450.00
General Ashes Interment	\$473.00	\$473.00	\$473.00		\$314.00
Travel		\$288.00	\$178.00		
Lawn	\$2,709.00	\$2,709.00		\$3,945.00	\$3,075.00
Average total per interment					
Land	\$1,035.00	\$1,035.00			
Land - Perpetual maintenance	\$451.00	\$451.00			
Interment Permit	\$178.00	\$178.00			inc
Headstone Permit	\$99.00	\$99.00			inc
Lawn 1st Interment - Adult casket	\$946.00	\$946.00		\$3,945.00	\$3,075.00
Lawn 2nd Interment - Adult casket		\$946.00		\$1,295.00	\$1,433.00
Lawn 1st Interment - Infant casket	\$473.00	\$473.00		\$3,660.00	\$1,614.00
Lawn 2nd Interment - Infant casket					\$1,374.00
Ashes Interment	\$473.00	\$473.00			\$777.00
<b>Niche wall</b>					
Average total per interment	\$1,082.00	\$1,658.00	\$1,548.00		\$1,349.00
Niche wall ashes allocation, interment and plaque	\$805.00	\$805.00	\$805.00		\$1,349.00
Supply and install vase	\$99.00	\$99.00	\$99.00		inc
Interment permit	\$178.00	\$178.00	\$178.00		inc
Reservation	\$515.00	\$515.00	\$515.00		
Interment into reserve	\$288.00	\$288.00	\$288.00		
		\$288.00	\$178.00		
<b>Rose Garden</b>					
Average total per interment	\$1,271.00	\$1,559.00		\$1,485.00	\$1,155.00
Rose Garden ashes allocation and intern	\$805.00	\$805.00		\$1,485.00	\$1,155.00
Interment permit	\$178.00	\$178.00			inc
Reservation	\$515.00	\$515.00		\$575.00	
Interment into reserve	\$288.00	\$288.00			
Travel		\$288.00			

Figure 9 Fees and Charges Comparison



## 5. RISK MANAGEMENT

### 5.1 Legislative requirements

Local Government controlled cemeteries were once subject to Ordinance 68 of the old *Local Government Act* (1919). The *Local Government Act* 1993 does not include any cemetery specific legislation. As such, the care, control, and management of cemeteries are covered by a range of legislations, charters, and Funeral Industry Guidelines. Following is a listing of the key relevant legislative provisions:

- Cemeteries and Crematoria Act 2013 (C&C Act).
- Anti-Discrimination Act 1991
- Birth Deaths and Marriages Registration Act 1995
- Conversion of Cemeteries Act 1974
- Coroners Act 1980
- Crown Lands Management Act 2016
- Crown Lands (General Reserves) Amendment (Sustainable Burials) By-laws 2011
- Environmental Planning & Assessment Act 1979 & Environmental Planning & Assessment Regulation 2000
- Fair Trading 1987 & Fair Trading General Regulations 2002
- Government Information (Public Access) Act 2009
- Health Records Information Privacy Act 2002
- AS-4204 (2019) Headstone and cemetery monuments
- Heritage Act 1977
- Human Tissues Act 1993
- Local Government Act 1993
- Privacy and Personal Information Protection Act 1998
- Public Health Act 2010
- Public Health Regulation 2012
- State Records Act 1998
- Threatened Species Conservation Act 1995
- Threatened Species Conservation Amendment Act 2002
- Threatened Species Legislation Amendment Act 2004
- Work Health and Safety Act 2011 & Work Health and Safety Regulation 2017
- Workers Compensation Act 1987 & Workplace Injury Management & Workers Compensation Act 1998.

#### Observations and Assessment:

- The inter-relationship of both legislation and regulatory information required in cemetery operations is of a complex nature.



- All related policies and procedures will be required to be clear and concise to be compliant with legislation/regulations and transparent to staff, customers and all external agents.
- Staff are now able to refer to the Cemeteries & Crematoria NSW – Voluntary Code of Practice for Cemetery Maintenance to ensure Councils obligations are met and any risk to the organisations is minimised.
- Any future planning or master must be in accordance with the current industry standards and relevant legislation.
- Under section 90 of the *Cemeteries and Crematoria Act 2013*, Council is required to have a strategic plan for Council-managed Crown cemeteries. Council does not currently have a strategic plan in place.

### RECOMMENDATION 3

3.1: Council acknowledge that Under section 90 of the *Cemeteries and Crematoria Act 2013*, Council is required to have a strategic plan (individual plan or overarching) for Council managed Crown cemeteries.

## 5.2 Contractors and Volunteers

### Requirements for Works within Council Cemeteries by External Agents

Council has a responsibility to ensure that all activities conducted within its cemeteries comply with the requirements of the Work Health & Safety Act 2011 and the Work Health & Safety Regulation 2017 and associated legislation.

Some Councils have introduced a range of permits and guidelines for the operation of external agents in local government managed cemeteries.

External agents include but are not limited to funeral directors, monumental masons, grave diggers, their employees and any second parties that carry out services for them. The activities that they undertake include but are not limited to; excavation and site restoration; landscaping; funeral services; equipment maintenance; construction and maintenance of structures and monuments; lifting and transport and the disposal of surplus materials.

To date these identified works have been undertaken without any formal agreement between Council and the external agents. As with other areas of Council's operations, it is proposed that Council implement a specific agreement with external agents through the introduction of a permit and associated guidelines to operate within Council's cemeteries. The agreement and permit is aimed at clarifying responsibilities and accountability

Narrandera Shire Council currently has an approved contractor register in place to ensure all insurances and certificates are current.

Volunteer groups are required to be inducted under Councils volunteer induction register.



### 5.3 Monuments

Cemetery monuments often reflect the history, age and evolution of trends over time. These form a link to the past and reflect fluctuating prosperity, as well as changing traditions in stone masonry and religion. Monuments are a significant part of the make-up of the cemetery and are often seen to be an inherent part of council's maintenance responsibility. However, the **responsibility for maintenance of monuments lies with the interment right holder**.

There are two key considerations associated with monumentation:

- Ensuring that there is a clear understanding of responsibility between operator and rights holder
- Ensuring monuments remain safe, considering the general public's interaction with them.

Narrandera Shire Council does not currently conduct any structural assessment of monuments. This is mainly due both to recent changes in legislation and the skills and resources. The review identified that Council have a responsibility to ensure that monuments are designed and installed to meet appropriate standards and policies - most notably AS 4204:2019 Headstones and Cemetery Monuments and AS 4425:1996 Above Ground Burial Structures.

Ensuring appropriate standards are met will mean longer-term safety and a reduced need for interference with cemetery monuments in the future. The overarching principal identified in the Cemeteries & Crematoria NSW – Voluntary Code of Practice for Cemetery Maintenance is to 'do as much as necessary, but as little as possible' that may impact on the significance on existing monuments.

Creating clear and consistent monumental requirements is important and should be detailed in the policy.

Safety testing monuments should include extensive community engagement before, during and after implementation. Monuments should be visually inspected, hand tested, and where necessary machine topple testing (as per AS-4204:2019). Records should be kept and testing repeated at least every five years or as necessary. Where concerns exist, inform interment right holders and lay down monuments in accordance with National Trust Guidelines, but only if they pose an imminent risk.

#### Observations and Assessment:

- Although maintenance of monuments lies with the interment right holder, the review group noted that this may not always be possible give the age of the monument and the number of generations that have passed since the interment.
- AS 4204:2019 Headstones and cemetery monuments and AS 4425:1996 Above ground burial structures.
- The review group identified that testing of monuments structural integrity is needed at least every five years. Staff currently do not have the skills or the resources to conduct testing.
- The policy should include a monument testing program to be conducted every five years.
- Clear and consistent monumental requirements is important and should be detailed in the policy.



- Safety testing monuments should include extensive community engagement before, during and after implementation

#### **RECOMMENDATION 4**

4.1: That Council reviews the Cemetery Management policy and include clear and consistent monumental requirements and also include a monument testing program to be conducted every five (5) years. Safety testing monuments to include extensive community engagement before, during and after implementation.

4.2: Council note that resources and staff do not have the skills or specialised training to carry out the training. The review group recommend that a consultant be engaged to undertake the monument testing as part of the masterplan and cemetery management system project.

#### **5.4 Signage**

Access into a cemetery is important to ensure effective use of the site for a range of user types, from those grieving to interment services vehicles such as hearses. Site entry areas need to cater to other access requirements, such as those of pedestrians and cyclists.

By using visual features such as trees, fencing and other entry markers, as well as keeping signs and entranceways consistent with their surroundings, cemetery entry areas can be a defining 'welcome zone', helping to establish the tone of the space from the outset and elevating the cemetery's importance in line with community values. The area has the practical objective of being a clear marker for visitors to find the cemetery access point/s and to orientate themselves upon entry.

Council has section signage at all three of the operation cemeteries along with a cemetery entrance sign just stating the name of each cemetery. The review group found that more signage along with row numbering would assist visitors and contractors

#### **Observations and Assessment:**

- Council currently does not have any overview cemetery signage to assist visitors.
- There is a need for cemetery entrance signage at each cemetery, both operational and non-operational. These signs should include an aerial view of each cemetery identifying key sites, individual sections, amenities and roads.
- These signs may also have a brief outline of the history of each cemetery.
- Row numbering in the general section of operational cemeteries should also be considered to assist visitors and contractors. This may lead to a decrease in requests for information.



## 6. ASSET MANAGEMENT

### 6.1 Policy

The review group identified the need for council to implement a cemetery management plan to complement the Cemetery management policy. The purpose of the management plan is to provide staff guidance with planning and operations, the management plan will ensure council is both the capable and has capacity to meet all the relevant industry regulations and standards.

Policy review. Refer to:

- Attachment 2: Cemetery Management Policy
- Attachment 3: Voluntary Code of Practice for Cemetery Maintenance - Cemetery Maintenance Guide

The review group assessed the Voluntary Code of Practice for Cemetery Maintenance - Cemetery maintenance guide (attachment 3) that had been provided by Cemeteries & Crematoria New South Wales (CCNSW).

CCNSW is a statutory body established in 2014 under the *Cemeteries and Crematoria Act 2013*. CCNSW is led by an independent board (CCNSW Board) appointed by, and responsible to, the Minister for Water, Property and Housing.

The Voluntary Code of Practice for Cemetery Maintenance, otherwise referred to as the Cemetery Maintenance Guide, was been developed to help cemetery operators to implement the Cemetery and Crematorium Operator Code of Practice for Interment Rights and General Services.

The Operator Code of Practice is regulated by CCNSW.

The Review group found that the Cemetery Maintenance Guide gives practical advice to assist staff to ensure that they can address Part 8 of the Operator Code relating to maintenance of facilities, graves, vaults, cemeteries and crematoria.

The Cemetery Maintenance Guide is designed to highlight best-practice principles and directions that can help operators establish and improve on their cemeteries over time and in line with community expectations and available resources.

The Cemetery Maintenance Guide will help the Council meet the relevant objects of the *Cemetery and Crematoria Act 2013* including those to:

- (a) recognise the right of all individuals to a dignified interment and treatment of their remains with dignity and respect
- (b) provide for the operation of a consistent and coherent regime for the governance and regulation of cemeteries and crematoria
- (c) ensure that the operators of cemeteries and crematoria demonstrate satisfactory levels of accountability, transparency and integrity
- (d) promote environmental sustainability of the interment industry, including provision for natural and private burials.

It should be noted that this document is a guide and is not designed to give comprehensive details about all issues associated with cemetery maintenance.



**RECOMMENDATION 5**

5.1: Council adopts the Cemetery Management policy

5.2: Council acknowledges the Voluntary Code of Practice for Cemetery Maintenance - Cemetery Maintenance Guide

**6.2 Cemetery Records Management Systems and Programs**

The review group has identified the need to purchase a specialised cemetery management system to map all interments, coordinate bookings, register reservations and provided accurate data for reporting and public information requests.

Council's current system is labour intensive and often needs to be crosschecked multiple times to ensure accuracy.

The review group investigated a number of software management systems that would be of great benefit to the cemetery operations. The review group focused on system that had the capacity to comprehensively manage the operational, financial, compliance and mapping needs of council managed cemeteries. The cost of the systems ranges from \$10,000 - \$45,000 installation and \$100- \$2,000 per month.

Although the upfront costs may appear to be substantial, the saving made through efficiencies with reporting and public requests for information would be of greater value.

The review group identified the need for a consultant to assess historic records and cross check them with site surveys. The review group recommend that the purchase of the cemetery management system, the development of site-specific master plans and the analysis of records should all be conducted during the same project.

**Observations and Assessment:**

- Councils current cemetery operation and reporting system is extremely labour intensive. The review group identified the need for a specialised cemetery management system to be implemented as a priority.
- The system must have the capacity to comprehensively manage the operational, financial, compliance and mapping needs of the cemetery. The review group believe the system will instantly improve productivity and customer service along with protecting the historical records of the cemeteries.

**6.3 Current Capacity and Expected Operational Life of Cemeteries**

Through calculating the average interments over the past five years (table 2) and comparing the figure against the available plots (table 3) staff can estimate that the Narrandera lawn areas will reach capacity within 23.5 years.



Through the same process the review group estimated that the Barellan western lawn section will reach capacity between 16.5 years and 20 years given that second interments take place at the site.

The review group found that with the current records available the capacity calculation for the general sections was not able to be carried out for this review. The review team recommend a specialised consultant given the time needed to cross check the records.

Masterplans will require careful consideration to the future needs of cemeteries and include infrastructure requirements along with addressing all current standards including accessibility

#### **Observations and Assessment:**

- Narrandera lawn areas will reach capacity within 23.5 years.
- Barellan western lawn section will reach capacity between 16.5 years and 20 years
- The review group have identified the need for site specific master plans to address future extensions along with specific requests from the public including the following:
  - Sheltered areas
  - Disabled access
  - Remembrance areas
  - Car park (potential hay shed suite)
  - Unique monuments
  - Seating
  - Bins
  - Toilets and fencing

#### **Recommendation 5**

5.1: Council to explore options for the extensions of the Narrandera Cemetery and recommend that this should be explored through master planning with a consultant.

5.2: Council acknowledge the Barellan Lawn cemeteries forecasted capacity statement and support the concept of extending two lawn areas directly south of the existing lawn areas.

#### **6.4 Future Planning - Perpetual Care**

From a maintenance perspective, perpetual care requires ongoing consideration of long-term community needs for cemetery planning, as well as through the lifecycle stages of the cemetery.

At the current rate of interment, it is estimated that within 23.5 years the Narrandera Cemetery lawn cemetery will be capacity.



In order to ensure the Narrandera Cemetery remains operational, Council needs to carefully consider extending the cemetery. The extension should be investigated and documented in a masterplan, consideration to the full extent of area that can be used for cemetery purposes, including the potential number of interments that can catered for needs of the cemetery should be included to provide an accurate estimate life of the cemetery extensions.

Perpetual funds raised may reasonably be used for cemetery expansion, provided that long-term plans and associated costs are being considered/allowed for at the point at which the cemetery reaches its perpetual or forever phase.

Barellan western lawn section will reach capacity between 16.5 years and 20 years. The review group found that the current cemetery has the space to create two more lawn areas directly south of the existing lawn areas. Master plans should be used to identify the extensions along with any infrastructure requirements needed.

## 7. Conclusion

Cemetery services need to be delivered with dignity and respect. As public services they need to be provided at a fair price to the public and there is a community expectation that cemetery grounds will be adequately maintained. In providing these services, cemeteries need to comply with legislative requirements to ensure the health and safety of cemetery employees and the broader community.

Taking into consideration the evolution of the cemetery, funeral industry and local government's important role in the provision of services and facilities, the need to establish a long-term direction for the care, control and management of public cemeteries is recognised, as well as the ongoing expectations of procedural and operational improvements.

During the review process it was clear that the staff vested with operating the cemeteries take great pride and ownership of the services they are providing, often going above and beyond their position description to assist families at their time of need.

All cemetery operators are required to comply with the same legislation and reporting requirements. In order for Narrandera Shire Council to meet these legislative requirements and more importantly the reporting requirements, it is essential for Council to consider the recommendations within this report.

The review group acknowledged the need for additional staff and resources, but also understand that this might not be achievable given the current economic climate. The review group have taken the conservative approach in recommending that the need additional staff should be reassessed in line with the implementation of future master plans and the additional maintenance requirements that they will be associated with them.

The review group found that the Narrandera Shire Cemeteries are being managed to a high standard. Given the resources available, other areas of management within the OSR section are seeing a reduction in service level when there is an influx of interments. The introduction of software systems will have an immediate effect, ensuring historic records are preserved, improving customer service, and having instantaneous access to interment searches and reporting.



In considering the recommendations for this review, the review group emphasize the importance of committing long term funding and resources to carry out the actions predicted within the future master plans. This is essential to ensure masterplans are of value and are a working asset to council.





# HOW SAFE IS A LEVEE ? CAN IT FAIL ?

A risk-based approach!





## WHAT MAKES A SOUND LEVEE ?

It has been:

- Properly designed
- Well constructed
- Well maintained
- Any defects and weaknesses fixed
- Crest level sufficiently high to protect the town for the expected major flood.





## WHAT MAKES A LEVEE UNSOUND?

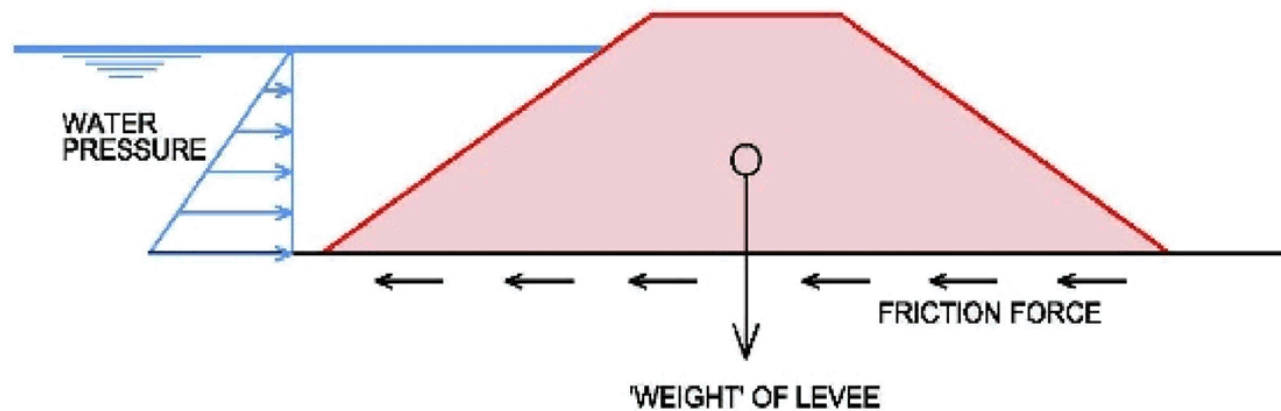
Some problems may be:

- Not designed to modern standards;
- Not well constructed - e.g. unsuitable materials, poorly compacted;
- Not been well maintained (condition degraded);
- Lots of defects present;
- Crest level not high enough or gaps made in levee e.g. roadways





## HOW DOES A LEVEE HOLD BACK WATER





## WATER PRESSURE v HEIGHT OF A LEVEE

LEVEE HEIGHT (Metres)	WATER PRESSURE (Kilopascals)	EQUIVALENT HORIZONTAL FORCE (Tonnes/metre Length)	MASS OF LEVEE (Tonnes/metre of Length)
<b>1</b>	<b>10</b>	<b>0.5</b>	<b>11</b>
<b>2</b>	20	2	42
<b>3</b>	<b>29</b>	<b>5</b>	<b>95</b>
<b>4</b>	39	8	168
<b>5</b>	<b>49</b>	<b>13</b>	<b>263</b>
<b>6</b>	59	18	378
<b>7</b>	69	25	515
<b>8</b>	78	32	672
<b>9</b>	88	41	851
<b>10</b>	<b>98</b>	<b>50</b>	<b>1050</b>







## HISTORY OF LEVEE FAILURES

Catastrophic failures rare for NSW urban levees – but can happen - recent South Murwillumbah.

Many near misses:

- Flood not quite high enough to overtop.
- Failures averted by emergency repairs DURING the flood.
- Flood hasn't lasted quite long enough for collapse.
- Good Luck !!

Many many cases of failures elsewhere – Rural levees & QLD, USA, Europe





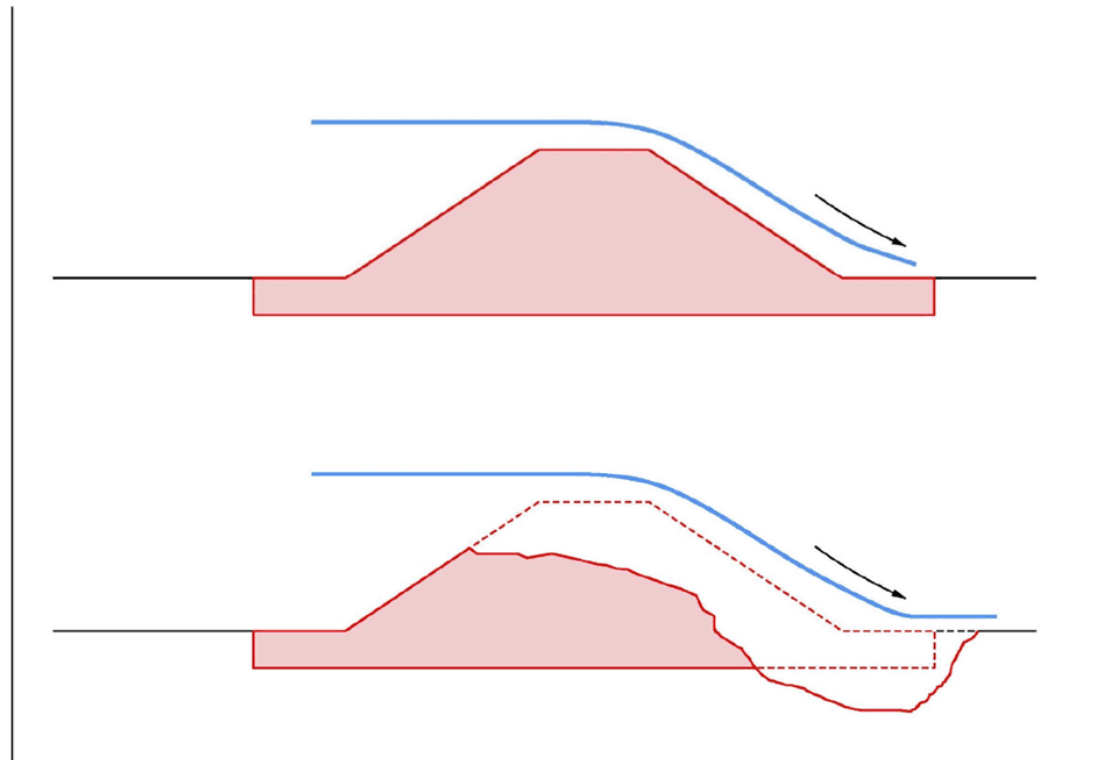
## WHY AND HOW CAN A LEVEE FAIL?

1. The flood is higher than the crest – overtops.
2. Fails prematurely due to:
  - It was not designed to modern standards or intended use.
  - It was not well constructed.
  - It has not been well maintained and thus degraded over time.
  - There are a lot of defects.
  - Crest has low gaps in levee e.g. roadways





## OVERTOPPING

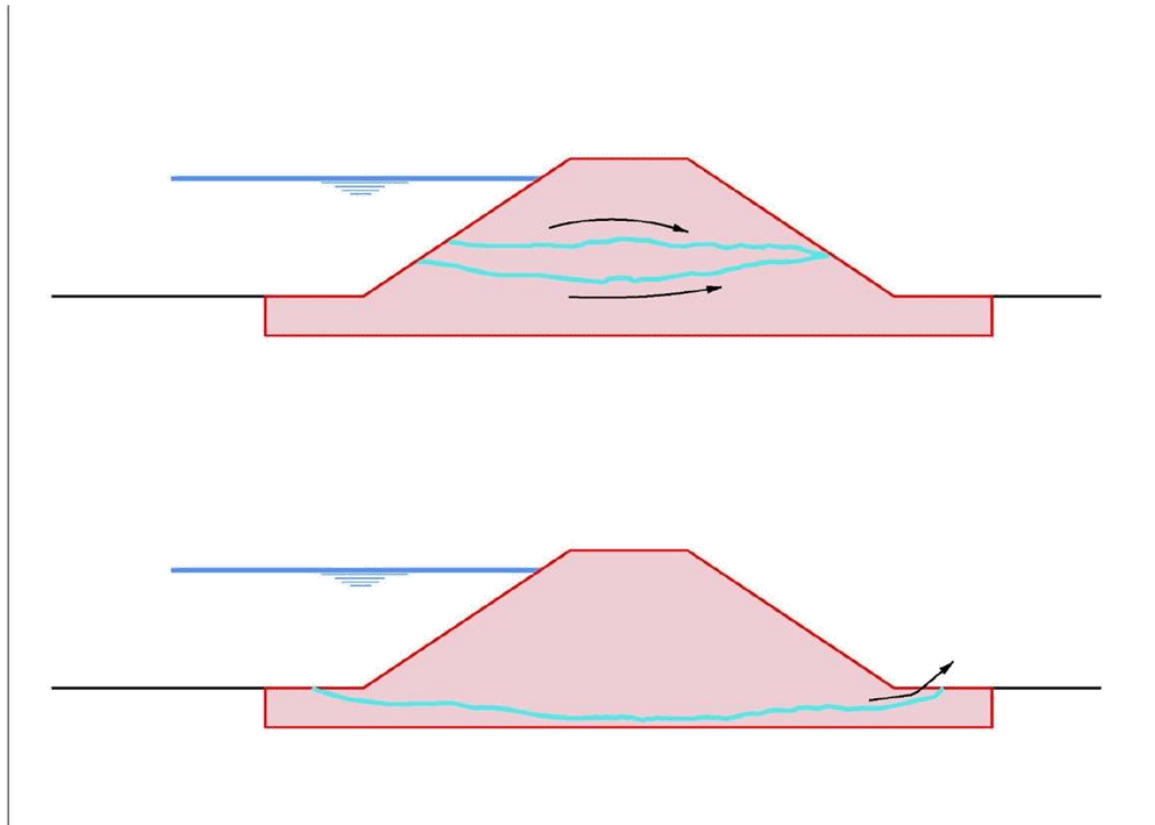








## PIPING FAILURE

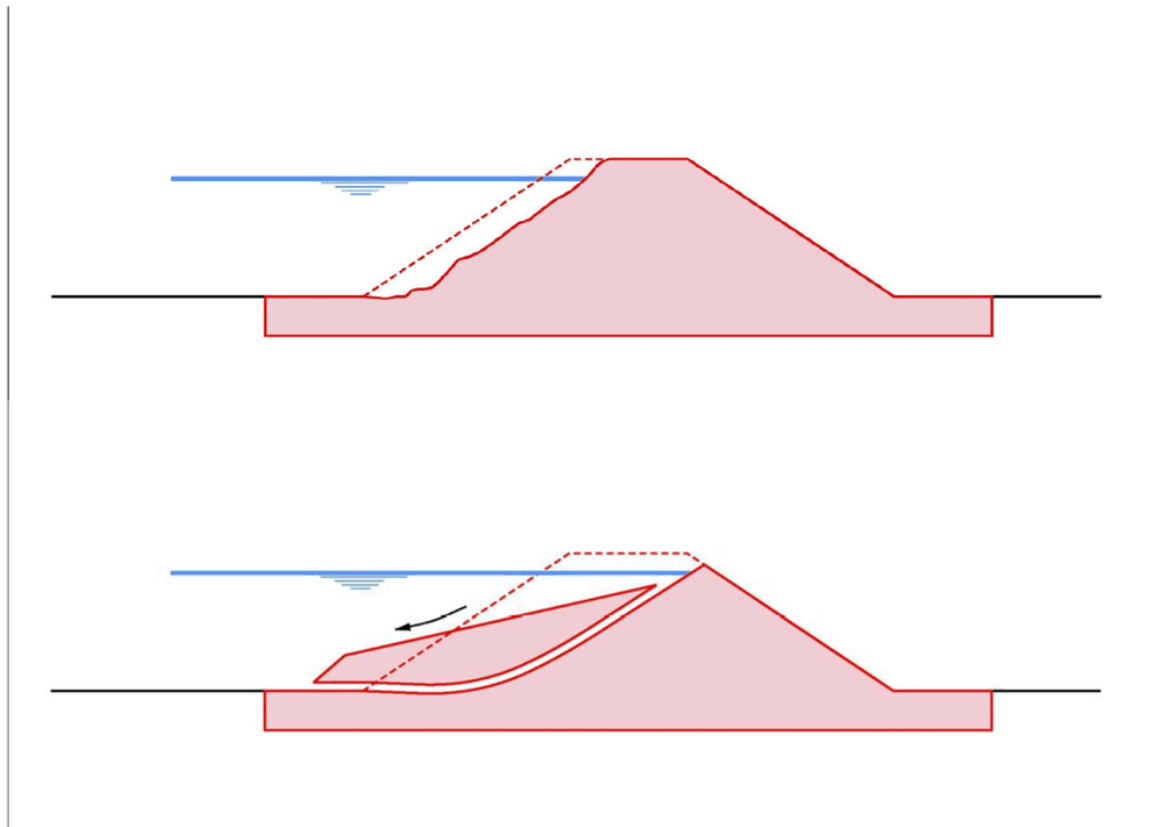








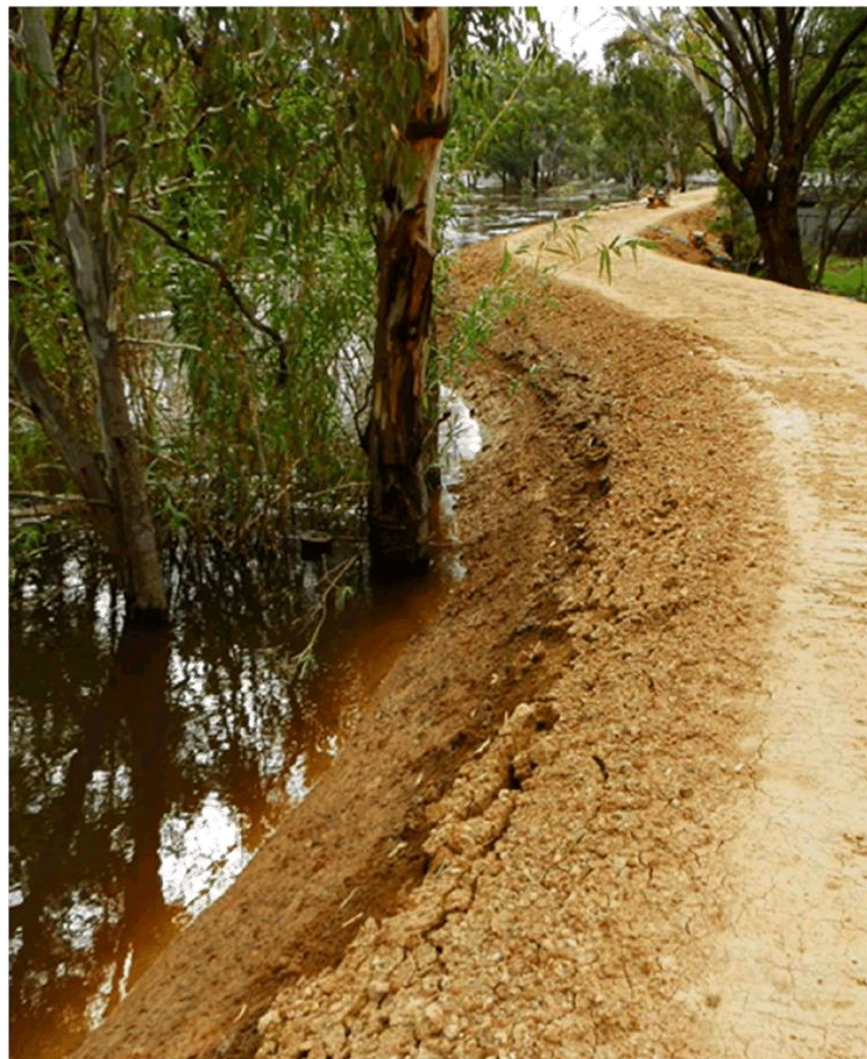
## SURFACE EROSION/SLOPE FAILURE





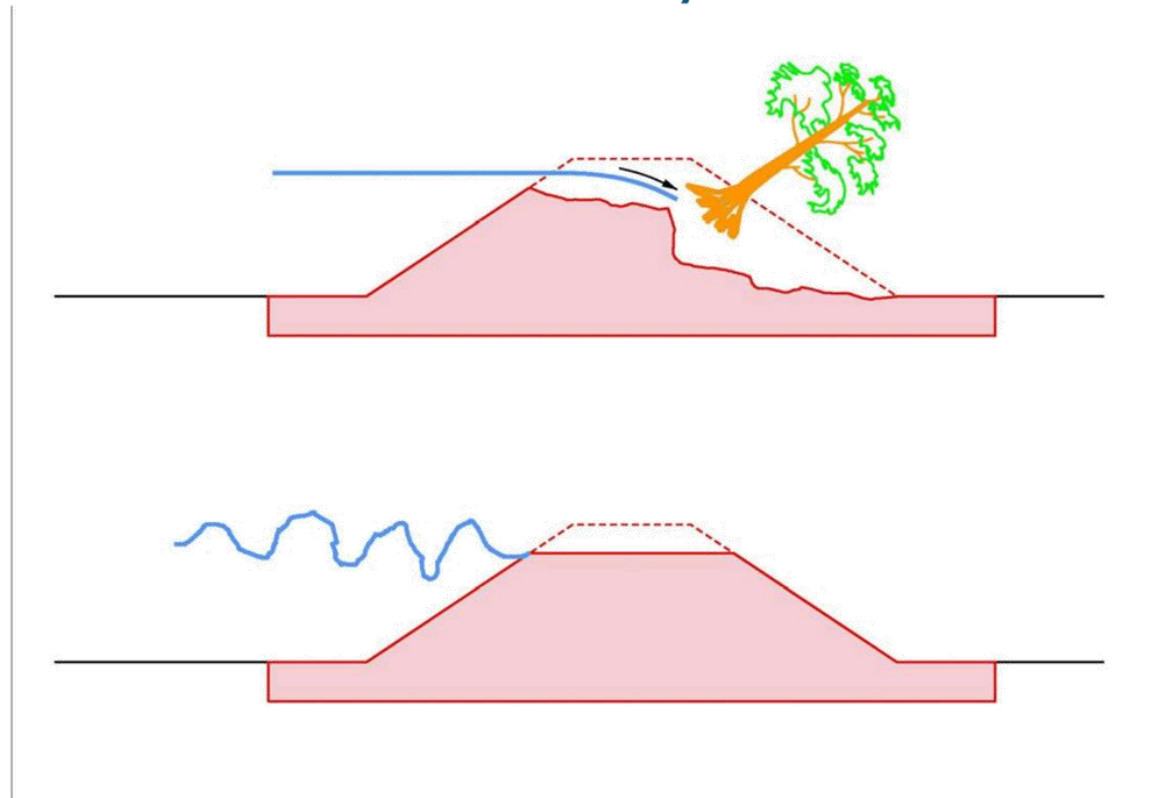








## TREE DAMAGE/WAVE EROSION

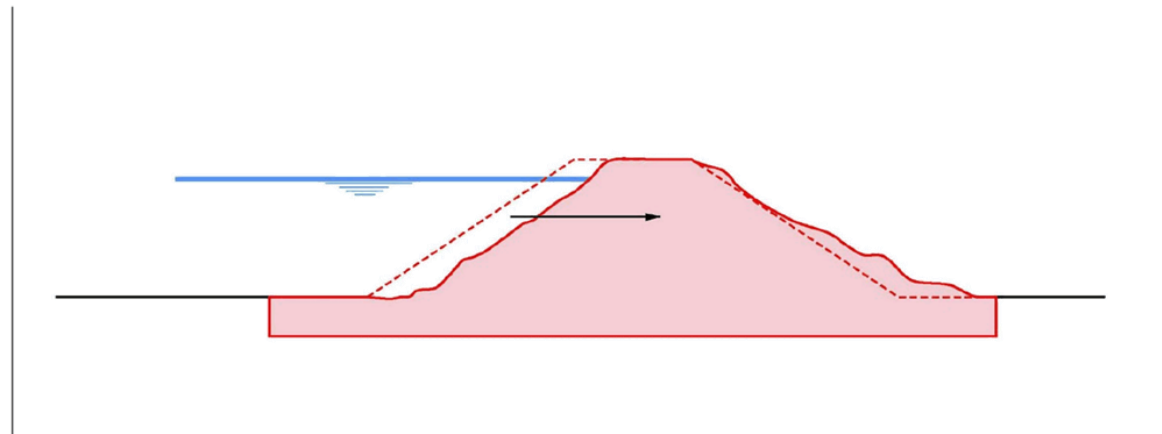








## SLIDING







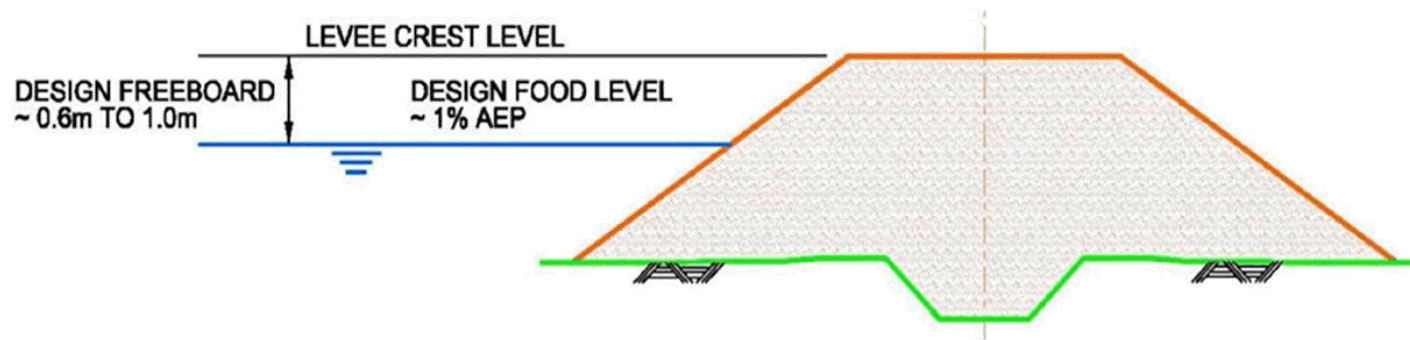


## WHAT IS THE SAFE FLOOD LEVEL FOR A LEVEE ?





## Levee Design Freeboard



### Design Freeboard Components:

- Uncertainties in flood prediction
- Wind wave action & water surges
- Settlement of the levee over time
- Normal deterioration with age
- Potential for unknown defects
- Effects of climate change



## WHAT DOES 'SAFE' REALLY MEAN ?

### PROBABLY WON'T FAIL ???

- Likely OK – say 95% confidence.
- i.e. still 5% chance of failure

### ENGINEERING 'SAFE':

- ~ 99.99% confidence
- i.e. will almost never fail.



← Rope Breaking Strain – **85 kg**

← Person's weight – **80 kg**

This is what a coroner looks for after the event if there was a fatality !!



## Flood Confidence Limit of An Existing Levee

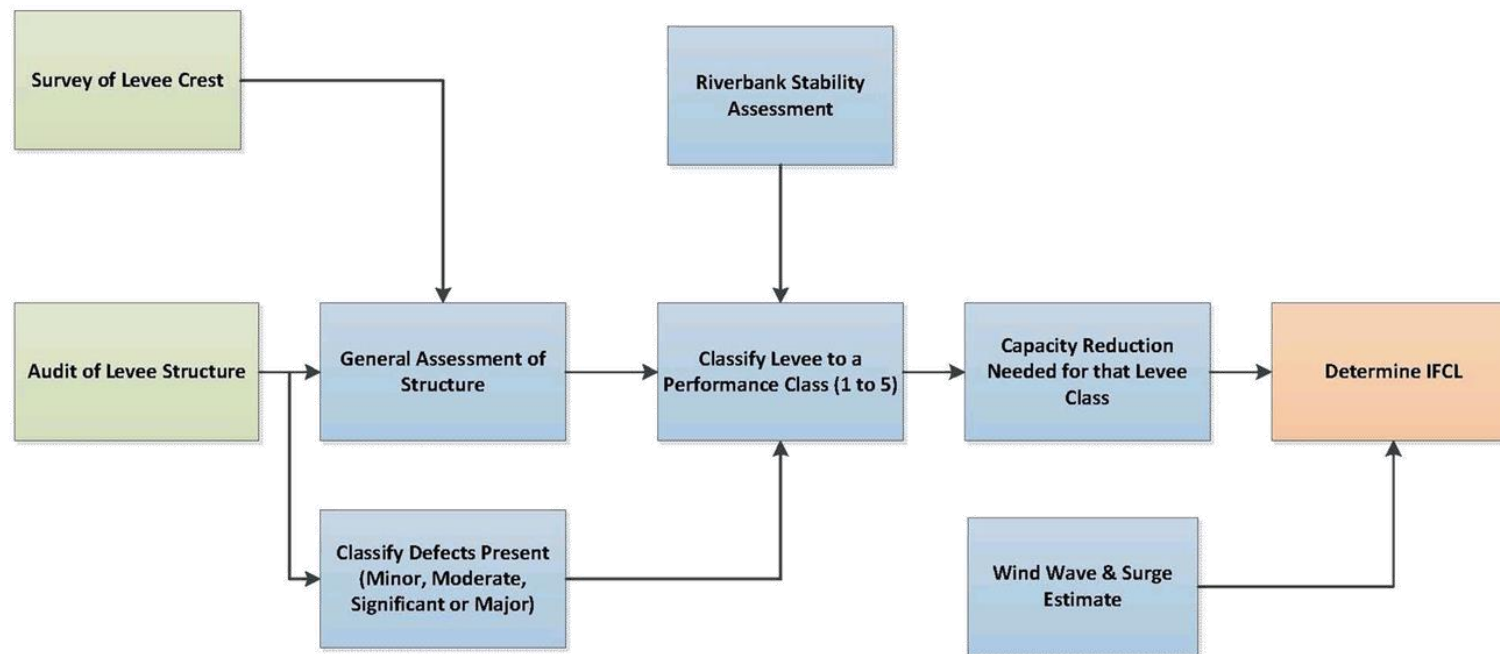
The **Flood Confidence Limit** of a levee is the highest flood level where recommended risk tolerance limits for **life safety risk** are met.

i.e. where life is at risk if the levee fails before overtopping.





# IFCL Methodology





## Levee Performance Classes

Levee Class	Key Characteristics of a Levee in the Class	Confidence In Performance in Major Floods
1.	<ul style="list-style-type: none"> <li>New or recently upgraded levee (within last 10-15 years).</li> </ul>	Very High
2.	<ul style="list-style-type: none"> <li>Older levee well maintained in very good condition.</li> </ul>	High with a small flood load limitation
3.	<ul style="list-style-type: none"> <li>Older levee some issues with maintenance but in reasonable condition.</li> </ul>	Satisfactory with a significant flood load limitation.
4.	<ul style="list-style-type: none"> <li>Older levee, not well maintained and in poor condition.</li> </ul>	Unsatisfactory for Life safety Protection
5.	<ul style="list-style-type: none"> <li>A levee in very poor condition, significant or major defects, and/or inadequate design and construction.</li> </ul>	Little or No Confidence in Levee's Integrity

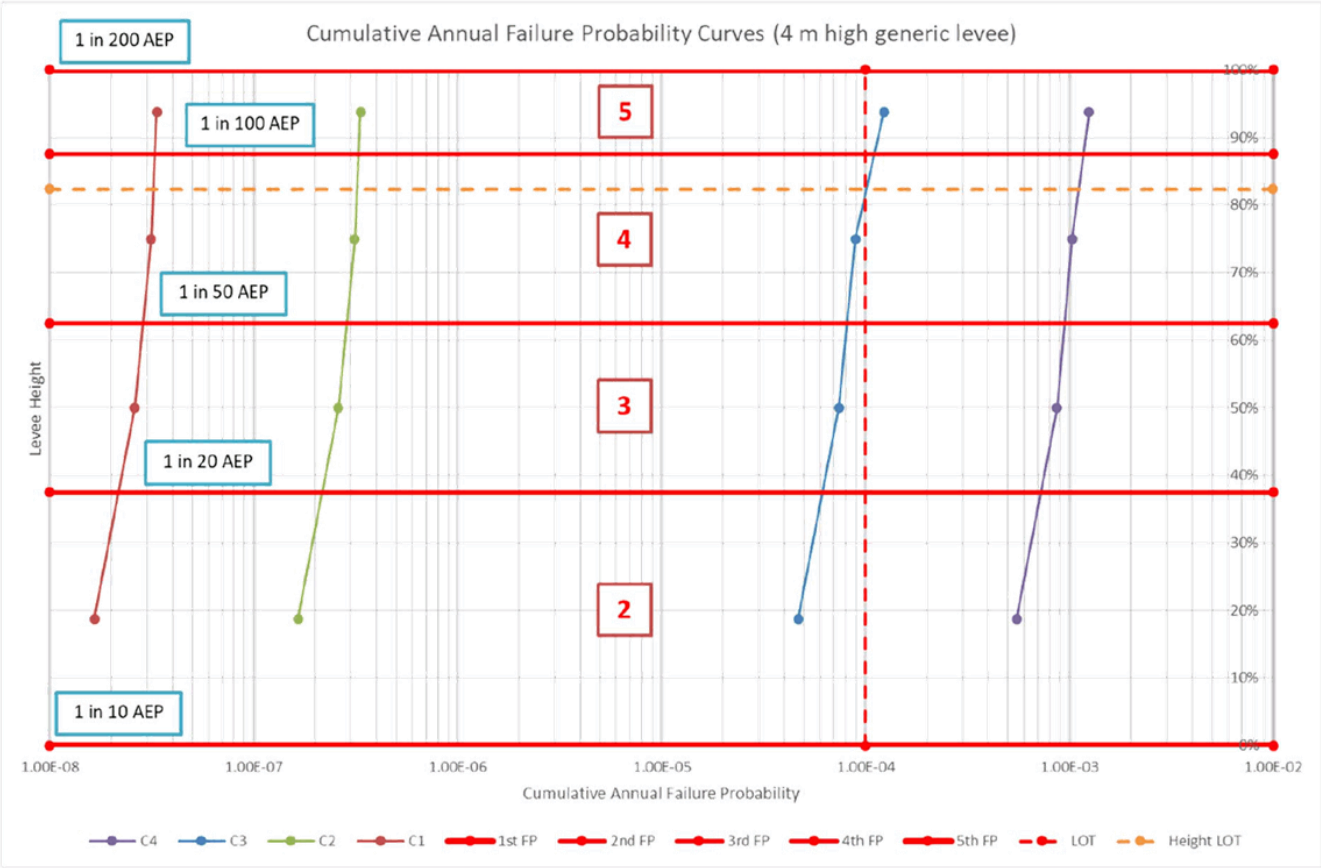


## How IFCL was developed

1. Combined knowledge and experience of senior PWA engineers with investigating and designing levees in NSW for last 40 years.
2. Research on past levee failures in NSW.
3. Research on O/S and interstate practice.
4. Empirical failure probability estimates from experience.
5. Structural calculations of typical levees.
6. Utilised life safety limits from ANCOLD for person most at risk to set Interim Flood Confidence Limits: risk probability limit is 0.01 % p.a.
7. Trialled on different levees, Peer reviewed by expert dam engineer.

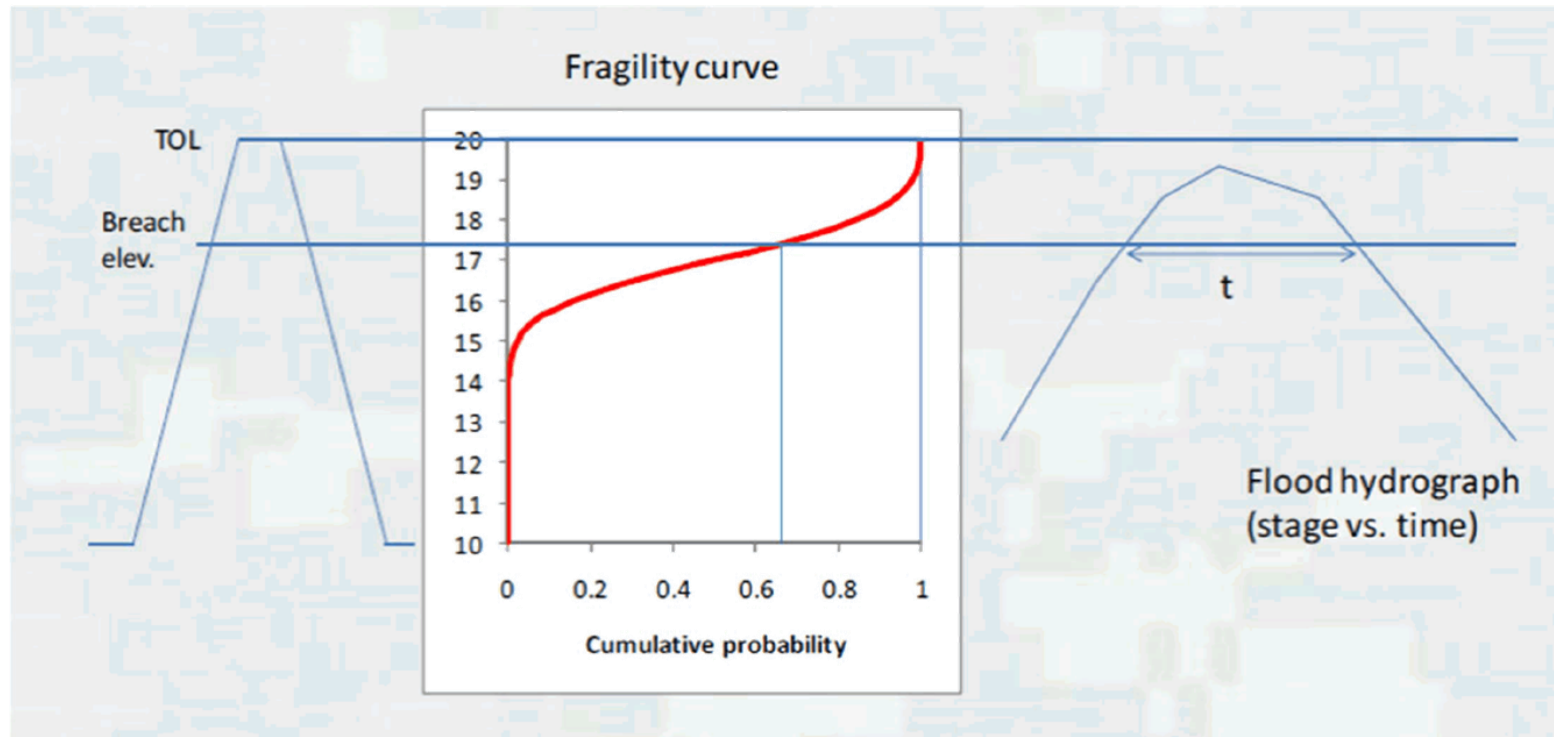


# Structural Failure Probability v Flood height





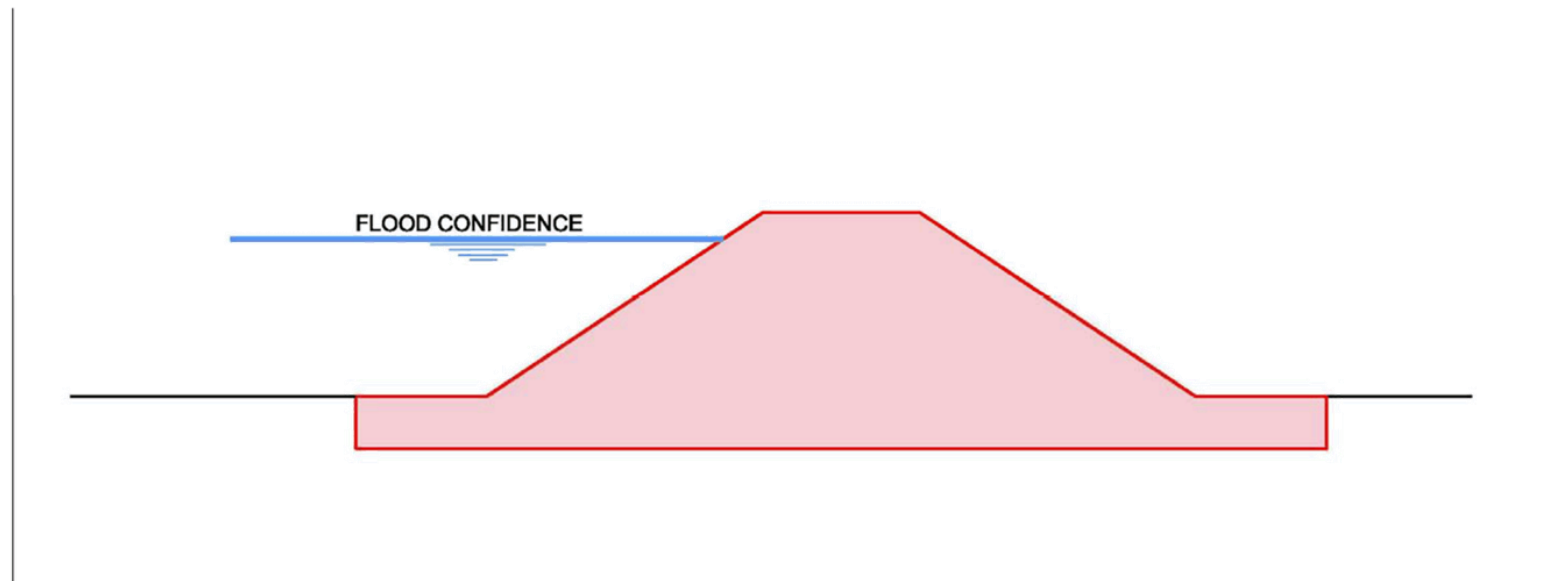
## TYPICAL LEVEE FAILURE PREDICTION FRAGILITY CURVE



from USACE

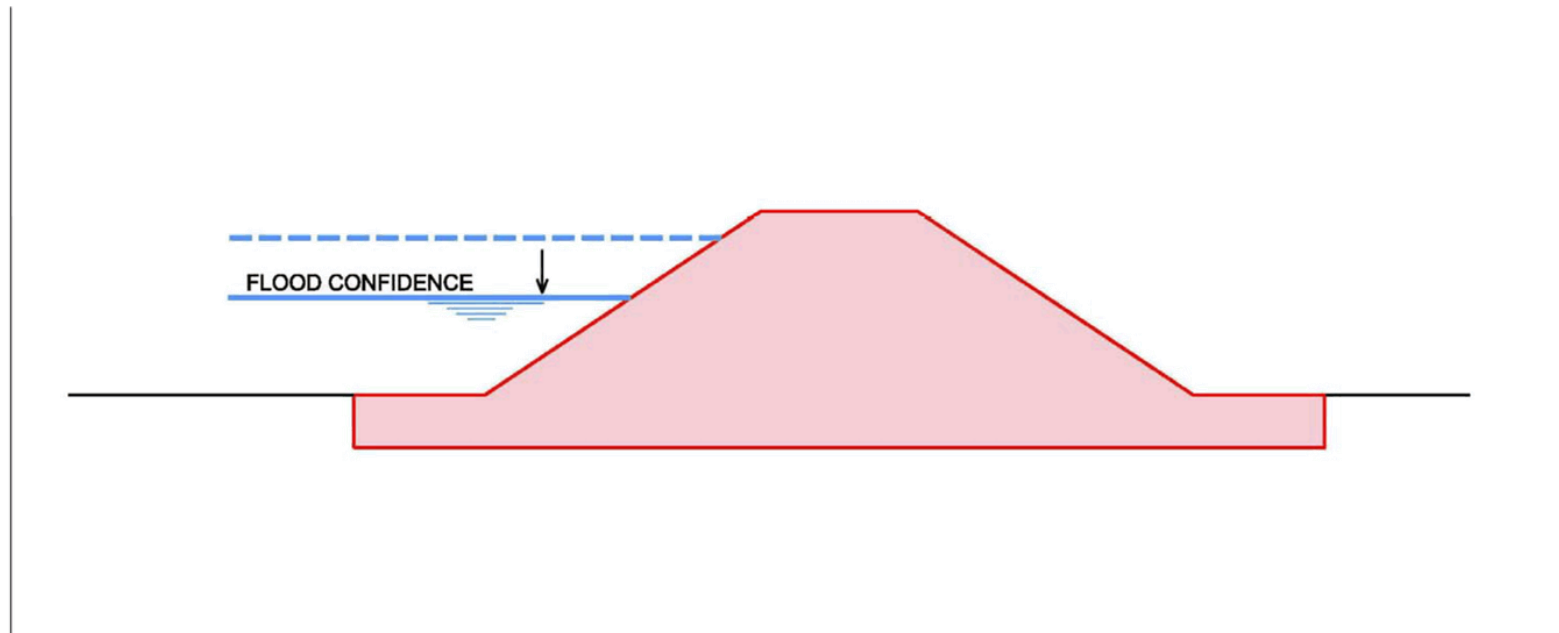


## LEVEE FLOOD CONFIDENCE LIMIT – SOUND LEVEE





## LEVEE FLOOD CONFIDENCE LIMIT – LESS SOUND LEVEE





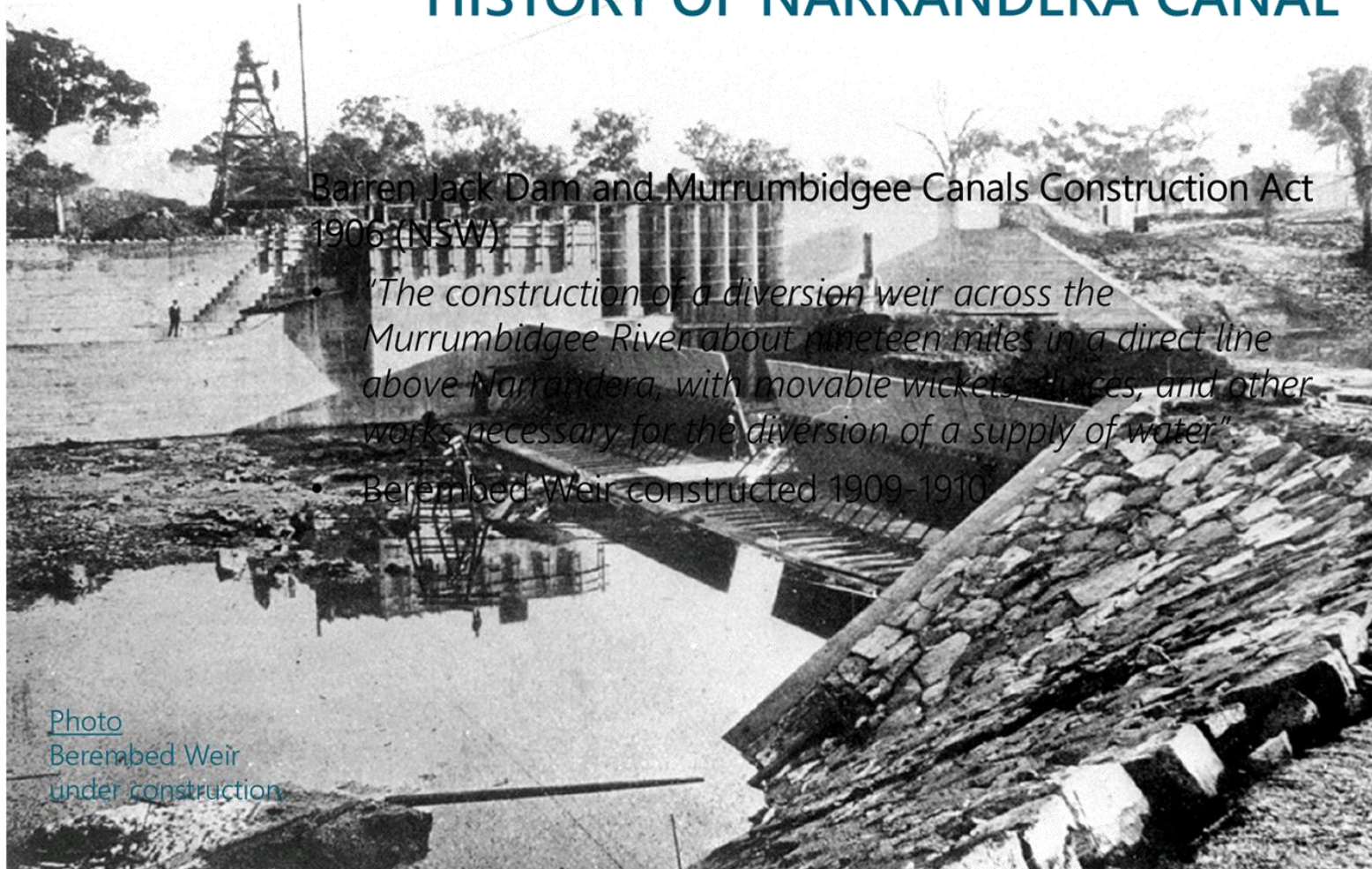
## NSW LEVEE CAPACITY CLASSIFICATION

Levee Class	Key Characteristics of a Levee in the Class	Confidence In Performance in Major Floods
1.	<ul style="list-style-type: none"> <li>New or recently upgraded levee (within last 10-15 years).</li> </ul>	Very High
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32

## HISTORY OF NARRANDERA CANAL



Barren Jack Dam and Murrumbidgee Canals Construction Act 1906 (NSW)

- *"The construction of a diversion weir across the Murrumbidgee River about nineteen miles in a direct line above Narrandera, with movable wickets, sluices, and other works necessary for the diversion of a supply of water".*
- Berembred Weir constructed 1909-1910

Photo  
Berembred Weir  
under construction

PRG 1258/2/2534



33

## HISTORY OF NARRANDERA CANAL

### Irrigation Records (June 15 1917)

- The Main Canal will extend eventually to about 120 miles from Berembé. At the present time it is constructed nearly to the township of Griffith, 90 miles from Berembé.
- A similar type of regulator (the Bundiggery Regulator) has been constructed immediately above the Main Canal.
- Through the town of Narrandera the canal is carried between high embankments...
- The whole of this section and also some miles below Narrandera, is protected by a high flood bank. During last October when the river reached a height of 25ft. 9½in. on the Narrandera dam there was strong current along portion of this bank, and one small breach occurred a short distance above the Narrandera regulator which was closed, and so prevented any damage to the lower canal.

Photo  
Horse-drawn scoop  
undertaking Main  
Canal excavation



EXCAVATING MAIN CANAL

rks



## NARRANDERA LEVEE ASSESSMENT

Some classification considerations :

- Designed and built as irrigation canal not a levee.
- Little knowledge of original design/construction available.
- Construction material suitability questionable.
- 2012 Repairs questionable.
- 'Tested' by flood 2010 & 2012 – nearly overtopped.
- A number of significant issues 2013 audit – trees, erosion, cracking, slumping, and trees.



= PROVISIONAL CLASSIFICATION: CLASS 4/5 ?



## Questions ??

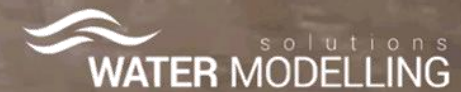




# Narrandera Detention Basis Strategy Study

## FRMC Meeting #1

22<sup>nd</sup> July 2020







# Overview

- Introductions
- Project Background and Objectives
- Overview of Basins
- Next steps
- Input from FRMC/Questions





## Study Background

- Narrandera Shire Council recently completed a review of the Floodplain Risk Management Study.
- The implementation of a detention basin strategy was a key recommendation from the flood management plan
- Aims to reduce flood risk along the main overland flow path through Narrandera which extends downstream from Henry Mathieson Oval





# The Study Team

## **Water Modelling Solutions (Julian and Kylee)**

- Specialists in floodplain management and flood mitigation design

## **Xeros Piccolo (Alistair Xeros)**

- Civil Engineers based in Wagga Wagga
- Formed in 2001 but have operated in the region for >40 years

## **NGH Environmental**

- Based in Wagga Wagga
- Environmental and planning assessment

The team recently delivered the Barellan Levee Design Study



## Study Objectives / Key Tasks

- Collate and review relevant data
- Consult with the FRMC, community and key stakeholders
- Investigate the study area:
  - Survey
  - Geotechnical Investigation
  - Services/Underground Utilities Assessment
- Undertake modelling to confirm sizing, understand downstream benefits/impacts
- Develop Concept Design:
  - Develop concept design plans
  - Costing
  - Benefit-Cost Analysis





## Study Objectives / Key Tasks

- Preliminary Environmental Review, consider required approvals e.g. environmental, dam safety, crown land
- Prepare a feasibility report

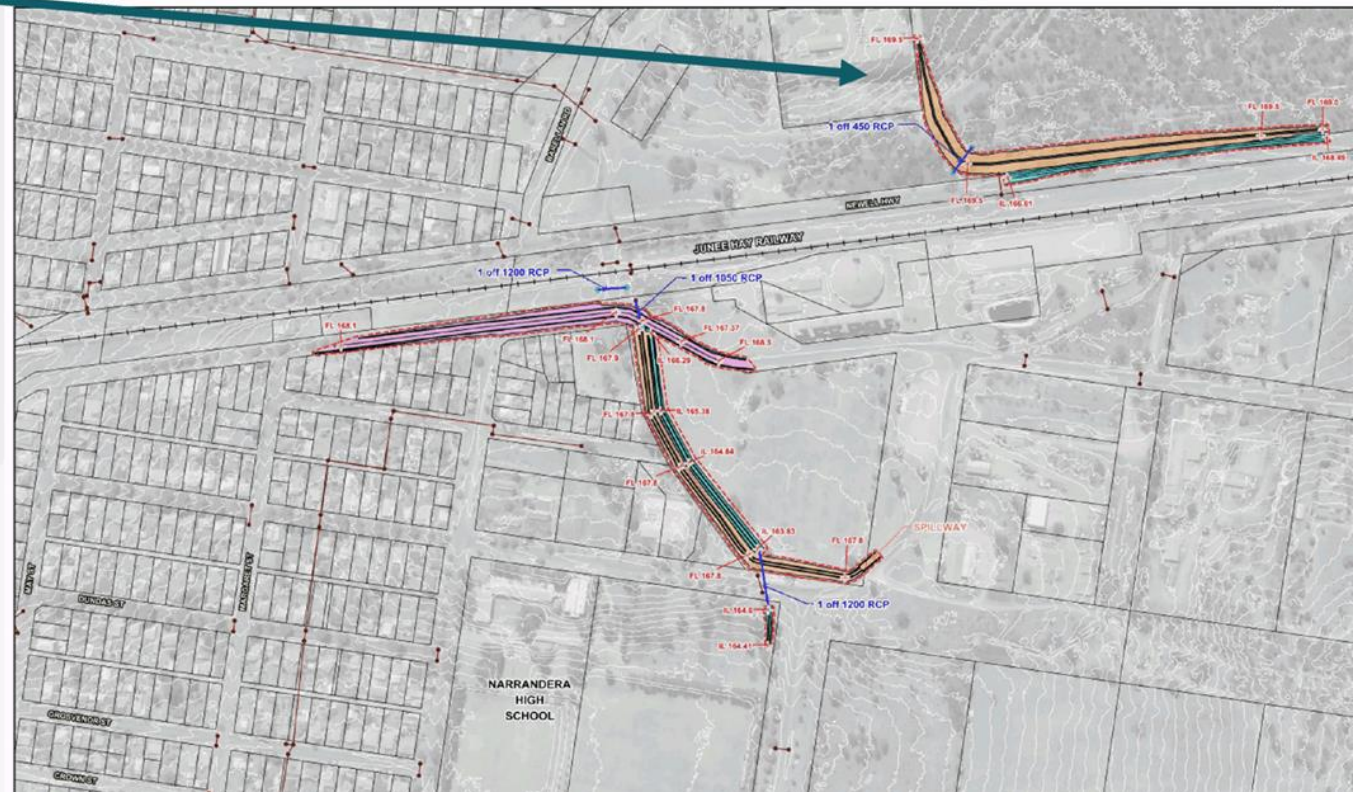


## Detention Basins – Original Concept Design



- North Basin

- To the north of Newell Highway
- Earthen banks
- Culvert outlet
- Crown Land
- Vegetation impacts
- Highway Corridor



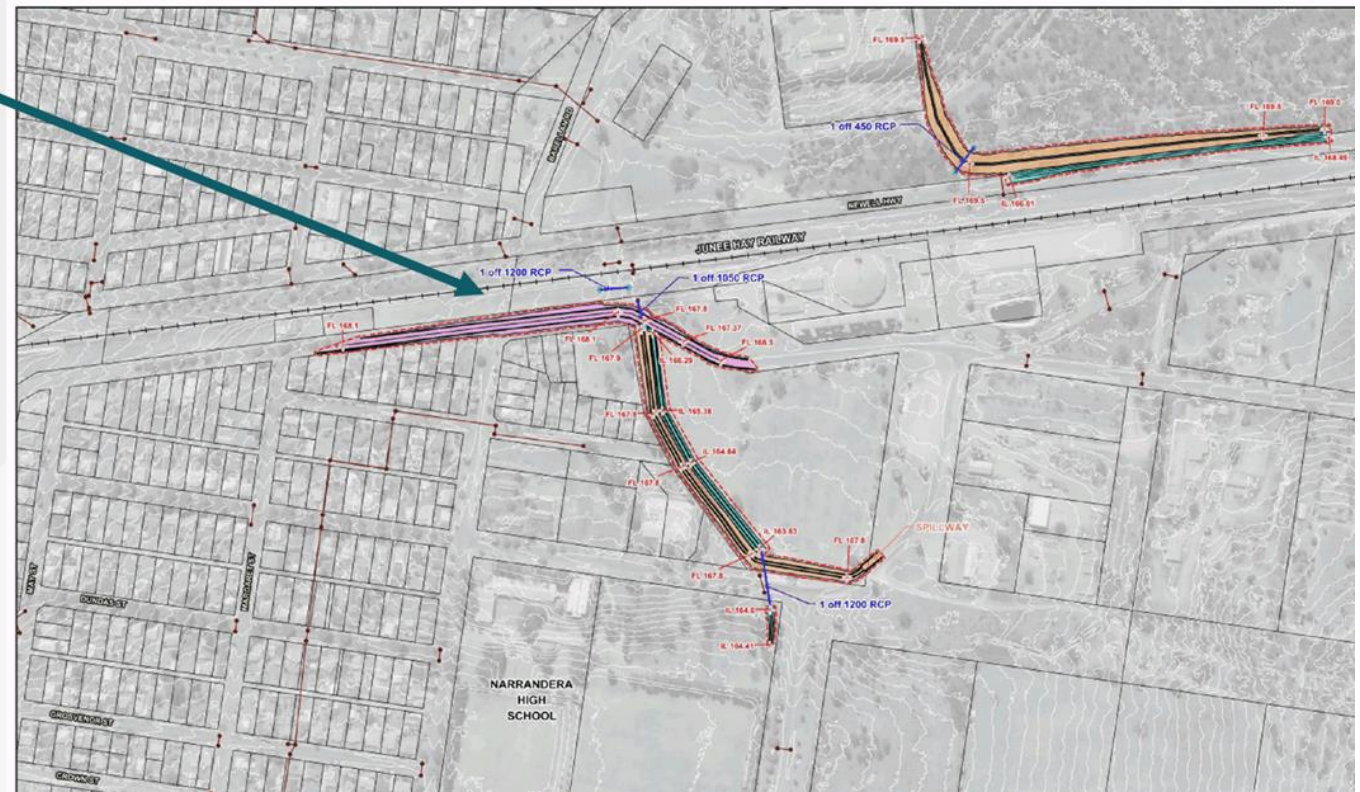


## Detention Basins – Original Concept Design



- South Basin

- To the south of Newell Highway
- Raising of Whitten Street and earth embankments
- Aims to direct runoff via Henry Mathieson Oval for temporary storage rather than through properties to the west
- New culvert under Lethbridge Drive
- Railway Corridor





# Detention Basins – Benefits

solutions  
WATER MODELLING





## Detention Basins – Original Concept Design

- Construction cost originally estimated at \$2.6 million
- Found to have a benefit cost ratio of 1.35 i.e. for every \$1 spent, it saves \$1.35 in flood damage
- We prefer options which have a ratio of  $>1$



## Key Constraints and Considerations

- Vegetation (Northern Basin) in Crown Land
- Railway and Highway Corridor
- Raising of Whitten Oval, interaction with existing properties





## Next Steps and Project Timelines

- Survey/geotechnical assessment/services assessment
- Modelling to confirm basin size, downstream benefits/impacts
- Late October - meet with FRMC with preferred design and results of benefit-cost
- Late 2020 – Further design work, Investigate planning/environmental impacts and approvals
- March 2021 – Draft Study Report



## Input from FRMC

- Is there anything you think we should know?
- Any concerns with the detention basin concept?
- Questions?





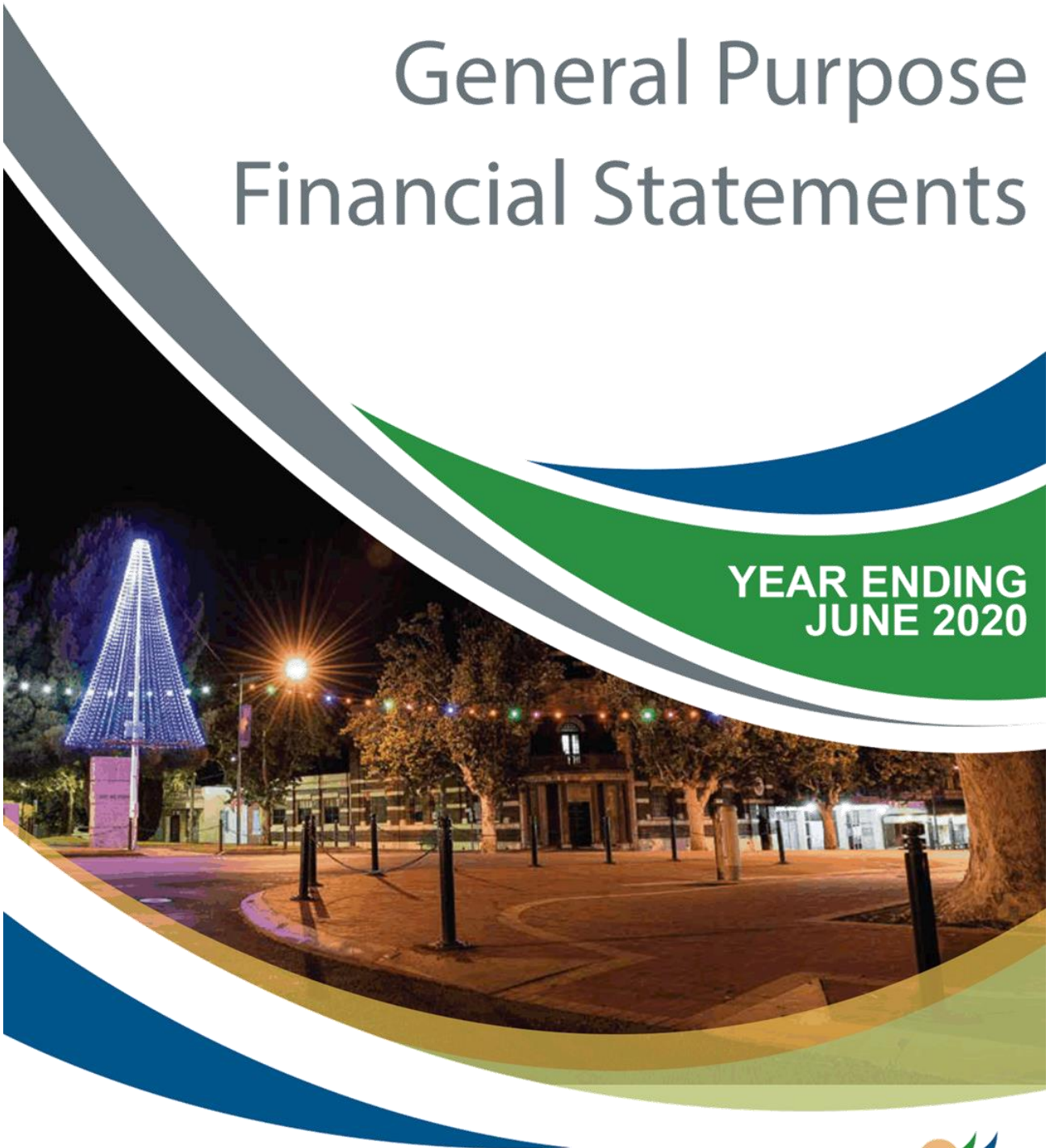
## Key Contacts...

- Julian Skipworth, Water Modelling Solutions
  - Email: [julian.Skipworth@watermodelling.com.au](mailto:julian.Skipworth@watermodelling.com.au)
  - Phone: 0404 631712
- Ian Draper, Narrandera Shire Council
  - Email: [ian.draper@Narrandera.nsw.gov.au](mailto:ian.draper@Narrandera.nsw.gov.au)
  - Phone: (02) 6959 5510



# Narrandera Shire Council General Purpose Financial Statements

**YEAR ENDING  
JUNE 2020**





## Narrandera Shire Council

Financial Statements 2020

## General Purpose Financial Statements

for the year ended 30 June 2020

Contents	Page
<b>1. Understanding Council's Financial Statements</b>	<b>3</b>
<b>2. Statement by Councillors &amp; Management</b>	<b>4</b>
<b>3. Primary Financial Statements:</b>	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
<b>4. Notes to the Financial Statements</b>	<b>10</b>
<b>5. Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	80
On the Financial Statements (Sect 417 [3])	81

### Overview

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

141 East St  
Narrandera NSW 2700

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.narrandera.nsw.gov.au](http://www.narrandera.nsw.gov.au)



## Narrandera Shire Council

Financial Statements 2020

### General Purpose Financial Statements

for the year ended 30 June 2020

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

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

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

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

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

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

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

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

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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



## Narrandera Shire Council

Financial Statements 2020

## General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 18 August 2020.

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Cr Neville Kschenka  
Mayor  
18 August 2020

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Cr David Fahey  
Councillor  
18 August 2020

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Mr George Cowan  
General Manager  
18 August 2020

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Mr Martin Hiscox  
Responsible Accounting Officer  
18 August 2020



## Narrandera Shire Council

Financial Statements 2020

## Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
	<b>Income from continuing operations</b>			
7,715	Rates and annual charges	3a	7,839	7,573
3,346	User charges and fees	3b	3,193	3,445
477	Other revenues	3c	2,254	756
7,481	Grants and contributions provided for operating purposes	3d,3e	8,634	7,690
2,120	Grants and contributions provided for capital purposes	3d,3e	2,069	3,914
626	Interest and investment income	4	520	703
92	Net gains from the disposal of assets	6	322	–
182	Rental income	12c	207	–
22,039	<b>Total income from continuing operations</b>		<b>25,038</b>	<b>24,081</b>
	<b>Expenses from continuing operations</b>			
7,542	Employee benefits and on-costs	5a	7,783	7,563
4,168	Materials and contracts	5b	5,432	4,765
4,917	Depreciation and amortisation	5c	5,144	4,895
1,783	Other expenses	5d	2,336	1,805
–	Net losses from the disposal of assets	6	–	134
18,410	<b>Total expenses from continuing operations</b>		<b>20,695</b>	<b>19,162</b>
3,629	<b>Operating result from continuing operations</b>		<b>4,343</b>	<b>4,919</b>
3,629	<b>Net operating result for the year</b>		<b>4,343</b>	<b>4,919</b>
3,629	Net operating result attributable to council		4,343	4,919
1,509	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>2,274</b>	<b>1,005</b>

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

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



## Narrandera Shire Council

Financial Statements 2020

## Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Net operating result for the year (as per Income Statement)</b>		<b>4,343</b>	<b>4,919</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	(27,271)	566
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(27,271)</b>	<b>566</b>
<b>Total other comprehensive income for the year</b>		<b>(27,271)</b>	<b>566</b>
<b>Total comprehensive income for the year</b>		<b>(22,928)</b>	<b>5,485</b>
Total comprehensive income attributable to Council		(22,928)	5,485

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

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



## Narrandera Shire Council

Financial Statements 2020

## Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	2,554	2,320
Investments	7(b)	26,610	22,607
Receivables	8	1,875	3,704
Inventories	9	603	691
Contract assets	11a	398	—
<b>Total current assets</b>		<b>32,040</b>	<b>29,322</b>
<b>Non-current assets</b>			
Receivables	8	26	27
Inventories	9	407	438
Infrastructure, property, plant and equipment	10	204,201	228,378
Right of use assets		—	—
<b>Total non-current assets</b>		<b>204,634</b>	<b>228,843</b>
<b>Total assets</b>		<b>236,674</b>	<b>258,165</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	1,712	1,585
Contract liabilities	11b	1,506	—
Provisions	14	2,563	2,523
<b>Total current liabilities</b>		<b>5,781</b>	<b>4,108</b>
<b>Non-current liabilities</b>			
Payables	13	3	3
Provisions	14	72	52
<b>Total non-current liabilities</b>		<b>75</b>	<b>55</b>
<b>Total liabilities</b>		<b>5,856</b>	<b>4,163</b>
<b>Net assets</b>		<b>230,818</b>	<b>254,002</b>
<b>EQUITY</b>			
Accumulated surplus	15	147,374	143,287
Revaluation reserves	15	83,444	110,715
<b>Council equity interest</b>		<b>230,818</b>	<b>254,002</b>
<b>Total equity</b>		<b>230,818</b>	<b>254,002</b>

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

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



Narrandera Shire Council

Financial Statements 2020

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

	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
\$ '000							
<b>Opening balance</b>		143,287	110,715	254,002	138,368	110,149	248,517
Changes due to AASB 1058 and AASB 15 adoption	15	(256)	—	(256)	—	—	—
Changes due to AASB 16 adoption	15	—	—	—	—	—	—
<b>Restated opening balance</b>		<b>143,031</b>	<b>110,715</b>	<b>253,746</b>	<b>138,368</b>	<b>110,149</b>	<b>248,517</b>
<b>Net operating result for the year</b>		<b>4,343</b>	<b>—</b>	<b>4,343</b>	<b>4,919</b>	<b>—</b>	<b>4,919</b>
<b>Restated net operating result for the period</b>		<b>4,343</b>	<b>—</b>	<b>4,343</b>	<b>4,919</b>	<b>—</b>	<b>4,919</b>
<b>Other comprehensive income</b>							
— Gain (loss) on revaluation of IPP&E	10	—	(27,271)	(27,271)	—	566	566
<b>Other comprehensive income</b>		<b>—</b>	<b>(27,271)</b>	<b>(27,271)</b>	<b>—</b>	<b>566</b>	<b>566</b>
<b>Total comprehensive income</b>		<b>4,343</b>	<b>(27,271)</b>	<b>(22,928)</b>	<b>4,919</b>	<b>566</b>	<b>5,485</b>
<b>Equity – balance at end of the reporting period</b>		<b>147,374</b>	<b>83,444</b>	<b>230,818</b>	<b>143,287</b>	<b>110,715</b>	<b>254,002</b>

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

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



## Narrandera Shire Council

Financial Statements 2020

## Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
7,691	Rates and annual charges		7,791	7,406
3,317	User charges and fees		3,308	3,603
654	Investment and interest revenue received		683	686
9,625	Grants and contributions		13,117	10,833
–	Bonds, deposits and retention amounts received		93	11
739	Other		3,974	2,012
<i>Payments:</i>				
(7,542)	Employee benefits and on-costs		(7,702)	(7,628)
(4,402)	Materials and contracts		(5,389)	(5,121)
–	Bonds, deposits and retention amounts refunded		(11)	(17)
(1,782)	Other		(3,743)	(2,693)
8,300	<b>Net cash provided (or used in) operating activities</b>	16b	<b>12,121</b>	<b>9,092</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
4,290	Sale of investment securities		30,133	25,845
453	Sale of infrastructure, property, plant and equipment		757	168
–	Deferred debtors receipts		1	10
<i>Payments:</i>				
–	Purchase of investment securities		(33,350)	(24,097)
(12,823)	Purchase of infrastructure, property, plant and equipment		(9,428)	(9,693)
(8,080)	<b>Net cash provided (or used in) investing activities</b>		<b>(11,887)</b>	<b>(7,767)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
1,620	Proceeds from borrowings and advances		–	–
1,620	<b>Net cash flow provided (used in) financing activities</b>		<b>–</b>	<b>–</b>
1,840	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>234</b>	<b>1,325</b>
304	Plus: cash and cash equivalents – beginning of year	16a	2,320	995
2,144	<b>Cash and cash equivalents – end of the year</b>	16a	<b>2,554</b>	<b>2,320</b>
15,962	plus: Investments on hand – end of year	7(b)	26,610	22,607
18,106	<b>Total cash, cash equivalents and investments</b>		<b>29,164</b>	<b>24,927</b>

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

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Basis of preparation	11
2(a)	Council functions/activities – financial information	14
2(b)	Council functions/activities – component descriptions	15
3	Revenue from continuing operations	16
4	Interest and investment income	23
5	Expenses from continuing operations	24
6	Gain or loss from disposal of assets	28
7(a)	Cash and cash equivalents	29
7(b)	Investments	29
7(c)	Restricted cash, cash equivalents and investments	31
8	Receivables	33
9	Inventories and other assets	35
10	Infrastructure, property, plant and equipment	37
11	Contract assets and liabilities	41
12	Leases	43
13	Payables and borrowings	46
14	Provisions	47
15	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	49
16	Statement of cash flow information	54
17	Interests in other entities	54
18	Commitments	55
19	Contingencies	56
20	Financial risk management	59
21	Material budget variations	62
22	Fair Value Measurement	64
23	Related party disclosures	70
24	Statement of developer contributions	71
25	Result by fund	72
26(a)	Statement of performance measures – consolidated results	75
26(b)	Statement of performance measures – by fund	76
<b>Additional Council disclosures (unaudited)</b>		
26(c)	Statement of performance measures – consolidated results (graphs)	77
27	Council information and contact details	79



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 1. Basis of preparation**

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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

Council is a not for-profit entity.

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

**(a) Historical cost convention**

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

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

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

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

**Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

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

**Covid 19 Impacts**

Covid 19 has caused a disruption to council's business practices with a number of staff working remotely from home or at other council facilities away from the main administration building. Whilst this has caused some inconvenience it has not resulted in significant additional cost. Some costs have been incurred for additional equipment and staff salaries for employees required to isolate.

Council has provided some rent relief to the lessee of Lake Talbot Tourist Park to compensate for lost income due to the compulsory lockdown and some additional costs have been incurred in cleaning of council facilities.

Rate collections are marginally less than the previous year's however it is not known if this is a consequence of Covid or attributable to the prolonged drought. Other receivables have not been impacted.

Overall the financial impact has not been significant and is not anticipated to increase in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to covid. Fair value for the majority of Council's non-current assets is determined by replacement cost where there is no anticipated material change in value due to covid.

continued on next page ...

Page 11 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 1. Basis of preparation (continued)

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

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

## (i) Impairment of receivables

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

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

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

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

- General purpose operations
- Water service
- Sewerage service
- Barellan Hall and Museum
- Grong Grong Hall
- Narrandera Railway Management Committee
- Narrandera Koala Regeneration Centre Supervisory Committee
- Arts Centre and Narrandera Museum

**(b) The Trust Fund**

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

Trust monies and property subject to Council's control have been included in these reports.

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

**Goods and Services Tax (GST)**

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

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

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

**Volunteer services**

Council makes use of volunteers for the community transport program, museums at Narrandera and Barellan and also library services. The estimated value of these services has been included in the financial statements based on an average salary and on costs council would be required to pay if the services were not donated.

continued on next page ...

Page 12 of 81



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**

for the year ended 30 June 2020

**Note 1. Basis of preparation (continued)****New accounting standards and interpretations issued not yet effective**

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

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

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

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

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

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

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

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

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

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

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

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

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

**New accounting standards adopted during the year**

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

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

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 15.



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Functions or activities</b>										
Our Community	3,266	3,868	5,440	5,225	(2,174)	(1,357)	1,661	2,454	22,170	21,318
Our Environment	1,154	1,115	1,579	1,428	(425)	(313)	152	126	3,044	3,004
Our Economy	1,120	937	2,049	1,990	(929)	(1,053)	–	3	7,683	7,147
Our Infrastructure	7,791	7,535	8,898	8,212	(1,107)	(677)	3,153	2,881	184,564	210,855
Our Civic Leadership	11,707	10,626	2,729	2,307	8,978	8,319	4,973	4,934	19,213	15,841
<b>Total functions and activities</b>	<b>25,038</b>	<b>24,081</b>	<b>20,695</b>	<b>19,162</b>	<b>4,343</b>	<b>4,919</b>	<b>9,939</b>	<b>10,398</b>	<b>236,674</b>	<b>258,165</b>



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**

for the year ended 30 June 2020

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

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

**Our Community**

Security cameras, emergency services, health, aged & disabled services, social support, home modification and maintenance, community transport, community options, youth and childcare services, street lighting, public cemeteries, library, swimming pools, sportsgrounds, parks & reserves, Lake Talbot, sports stadium, cultural services, roads safety officer, arts centre.

**Our Environment**

Ordinance and ranger services, insect & vermin control, noxious weeds, waste management, public toilets, environmental protection, development control.

**Our Economy**

State Roads contract, economic development/real estate, industrial subdivision, industrial promotion, marketing & tourism, visitors centre, saleyards, caravan parks, private works, council land & buildings, aerodrome.

**Our Infrastructure**

Infrastructure services, stormwater, urban & rural roads, regional roads, bridges, Roads to Recovery, roads ancillary, car parking, water & sewer services.

**Our Civic Leadership**

Governance, council chambers, administration, finance, human resources & work health and safety, information technology, property/revenue, employment overheads, plant operations, external plant revenue and general purposes income.



## Narrandera Shire Council

Financial Statements 2020

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

## Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential	1058 (1)	1,591	1,558
Farmland	1058 (1)	2,936	2,889
Business	1058 (1)	417	404
Less: pensioner rebates (mandatory)	1058 (1)	(133)	(136)
<b>Rates levied to ratepayers</b>		<b>4,811</b>	<b>4,715</b>
Pensioner rate subsidies received	1058 (1)	73	76
<b>Total ordinary rates</b>		<b>4,884</b>	<b>4,791</b>
<b>Annual charges</b>			
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>			
Domestic waste management services	1058 (1)	750	727
Stormwater management services	1058 (1)	72	71
Water supply services	1058 (1)	776	730
Sewerage services	1058 (1)	1,275	1,176
Waste management services (non-domestic)	1058 (1)	116	113
Less: pensioner rebates (mandatory)	1058 (1)	(76)	(77)
<b>Annual charges levied</b>		<b>2,913</b>	<b>2,740</b>
Pensioner subsidies received:			
– Water	1058 (1)	22	22
– Sewerage	1058 (1)	20	20
<b>Total annual charges</b>		<b>2,955</b>	<b>2,782</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>7,839</b>	<b>7,573</b>

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

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

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

**Accounting policy for rates and charges**

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

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

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

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

**2019 accounting policy**

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

continued on next page ...

Page 16 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB	2020	2019
<b>(b) User charges and fees</b>			
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (1)	1,448	1,409
Sewerage services	15 (1)	109	172
<b>Total specific user charges</b>		<b>1,557</b>	<b>1,581</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Inspection services	15 (1)	1	12
Planning and building regulation	15 (1)	45	60
Private works – section 67	15 (1)	134	296
Regulatory/ statutory fees	15 (1)	–	1
Section 10.7 certificates (EP&A Act)	15 (1)	20	27
Section 603 certificates	15 (1)	12	15
Companion animals fees	15 (1)	1	2
<b>Total fees and charges – statutory/regulatory</b>		<b>213</b>	<b>413</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	15 (1)	78	104
Aged care	15 (1)	657	612
Cemeteries	15 (1)	161	117
Child care		–	79
Community centres	15 (1)	1	2
Leaseback fees – Council vehicles	15 (1)	18	15
Multipurpose centre	15 (1)	5	6
Transport for NSW (formerly RMS) charges (state roads not controlled by Council)	15 (1)	136	177
Transport for NSW (formerly RMS) charges (ordered works)	15 (1)	223	165
Sundry sales	15 (1)	–	6
Waste disposal tipping fees	15 (1)	14	11
Connection fees	15 (1)	16	32
Sportsground Fees	15 (1)	9	14
Halls	15 (1)	22	–
Library	15 (1)	4	7
Stadium Fees	15 (1)	43	68
Other	15 (1)	36	36
<b>Total fees and charges – other</b>		<b>1,423</b>	<b>1,451</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>3,193</b>	<b>3,445</b>

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

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

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

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

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

**Accounting policy for user charges and fees**

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

continued on next page ...

Page 17 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

**2019 accounting policy**

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

\$ '000	AASB	2020	2019
<b>(c) Other revenues</b>			
Rental income – other council properties (2019 only)		–	27
Lease rentals (2019 only)		–	36
Lease rentals – Lake Talbot Tourist Park (2019 only)		–	83
Fines	1058 (1)	13	10
Legal fees recovery – rates and charges (extra charges)	15 (1)	(1)	1
Commissions and agency fees	15 (1)	42	41
Recycling income (non-domestic)	15 (1)	12	19
Diesel rebate	1058 (1)	66	68
Sales – general	15 (1)	87	65
Incentive insurance rebate	1058 (1)	48	96
Staff Housing (2019 only)	15 (1)	–	41
Insurance reimbursement	1058 (1)	29	29
Rural fire service reimbursement	1058 (1)	115	155
Sale of scrap materials	15 (1)	15	33
Temporary Sale of Water Allocation	15 (1)	1,360	–
Volunteer Services	15 (1)	460	–
Other	15 (1)	8	52
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>2,254</u></b>	<b><u>756</u></b>

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

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

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

**Accounting policy for other revenue**

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

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

**2019 accounting policy:**

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

Parking fines are recognised as revenue when the fine has been paid.

continued on next page ...

Page 18 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(d) Grants</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance	1058 (1)	2,413	2,418	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance	1058 (1)	2,557	2,507	–	–
<b>Total general purpose</b>		<b>4,970</b>	<b>4,925</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>					
Sewerage services	1058 (2)	–	–	54	–
Bushfire and emergency services	1058 (1)	37	–	–	–
Employment and training programs	1058 (1)	4	9	–	–
Heritage and cultural	1058 (1)	34	35	–	–
Library	1058 (2)	–	–	84	25
Library – per capita	1058 (1)	58	22	–	–
Library – special projects	1058 (1)	19	8	–	–
Noxious weeds	1058 (1)	44	43	–	–
Recreation and culture	1058 (2)	–	1	77	45
Storm/flood damage	1058 (1)	–	–	–	1,614
Street lighting	1058 (1)	33	33	–	–
Transport (roads to recovery)	1058 (1)	1,496	932	–	–
Transport (other roads and bridges funding)	1058 (1)	599	209	646	172
Community services – recurrent grant	1058 (1)	2	7	–	–
Floodplain mapping and land use	1058 (1)	97	73	–	–
Lake Talbot – boat ramp	1058 (1)	–	–	–	27
Crown Lands	1058 (1)	–	71	–	–
Stronger Country Communities - Council Projects	1058 (2)	–	–	601	563
Stronger Country Communities - Community Grants	15 (2)	582	584	–	–
Drought Communities - Council Projects	1058 (2)	–	–	20	949
Drought Communities - Community Projects	15 (2)	43	51	–	–
Truck Wash	1058 (1)	–	–	414	–
Playground on The Murrumbidgee	1058 (2)	–	–	21	–
Other	1058 (1)	4	–	–	–
<b>Total specific purpose</b>		<b>3,052</b>	<b>2,078</b>	<b>1,917</b>	<b>3,395</b>
<b>Total grants</b>		<b>8,022</b>	<b>7,003</b>	<b>1,917</b>	<b>3,395</b>
<b>Grant revenue is attributable to:</b>					
– Commonwealth funding		6,512	5,918	115	949
– State funding		1,464	1,038	1,802	2,428
– Other funding		46	47	–	18
		<b>8,022</b>	<b>7,003</b>	<b>1,917</b>	<b>3,395</b>

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

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continued on next page ...

Page 19 of 81



## Narrandera Shire Council

Financial Statements 2020

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

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

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(e) Contributions</b>						
<b>Developer contributions:</b> <b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.12 – fixed development consent levies	1058 (1)		–	–	22	35
S 64 – water supply contributions	1058 (1)		–	–	9	14
S 64 – sewerage service contributions	1058 (1)		–	–	9	5
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>40</b>	<b>54</b>
<b>Total developer contributions</b>	24		<b>–</b>	<b>–</b>	<b>40</b>	<b>54</b>
<b>Other contributions:</b>						
<b>Cash contributions</b>						
Recreation and culture	1058 (2)		–	–	3	338
Roads and bridges	1058 (1)		–	103	–	–
RMS contributions (regional roads, block grant)	1058 (1)		564	554	95	100
Other	15 (1)		–	–	10	–
Leeton Shire Council aerodrome contributions	15 (1)		48	30	4	17
<b>Total other contributions – cash</b>			<b>612</b>	<b>687</b>	<b>112</b>	<b>455</b>
<b>Non-cash contributions</b>						
Recreation and culture	15 (1)		–	–	–	10
<b>Total other contributions – non-cash</b>			<b>–</b>	<b>–</b>	<b>–</b>	<b>10</b>
<b>Total other contributions</b>			<b>612</b>	<b>687</b>	<b>112</b>	<b>465</b>
<b>Total contributions</b>			<b>612</b>	<b>687</b>	<b>152</b>	<b>519</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>			<b>8,634</b>	<b>7,690</b>	<b>2,069</b>	<b>3,914</b>

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

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

**Accounting policy for grants and contributions****Accounting policy from 1 July 2019****Grant income under AASB 15**

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

The performance obligations are varied based on the agreement but include performance obligations within AASB 15 grants such as completion of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

continued on next page ...

Page 20 of 81



## Narrandera Shire Council

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 3. Revenue from continuing operations (continued)**

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

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

**Grant income**

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. 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

**Capital grants**

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

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

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

**Contributions**

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

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules

**Accounting policy prior to 1 July 2019**

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

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

continued on next page ...

Page 21 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.</b>		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	771	785
<b>Add:</b> operating grants recognised as income in the current period but not yet spent	790	764
<b>Less:</b> operating grants recognised in a previous reporting period now spent	(629)	(778)
<b>Unexpended and held as externally restricted assets (operating grants)</b>	<b>932</b>	<b>771</b>
<b>Capital grants</b>		
Unexpended at the close of the previous reporting period	243	330
<b>Add:</b> capital grants recognised as income in the current period but not yet spent	–	163
<b>Less:</b> capital grants recognised in a previous reporting period now spent	(226)	(250)
<b>Unexpended and held as externally restricted assets (capital grants)</b>	<b>17</b>	<b>243</b>
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	646	707
<b>Add:</b> contributions recognised as income in the current period but not yet spent	63	167
<b>Less:</b> contributions recognised in a previous reporting period now spent	(23)	(228)
<b>Unexpended and held as externally restricted assets (contributions)</b>	<b>686</b>	<b>646</b>



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 4. Interest and investment income

\$ '000	2020	2019
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	58	46
– Cash and investments	448	647
Dividend income (other)	14	10
Finance income on the net investment in the lease	–	–
<b>Total Interest and investment income</b>	<b>520</b>	<b>703</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	32	26
General Council cash and investments	220	440
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	2	3
– Section 64	5	7
Water fund operations	162	209
Sewerage fund operations	28	18
Domestic waste management operations	71	–
<b>Total interest and investment revenue</b>	<b>520</b>	<b>703</b>

**Accounting policy for interest and investment revenue**

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

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations

\$ '000	2020	2019
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	6,543	6,490
Employee leave entitlements (ELE)	1,374	1,326
Superannuation	792	757
Workers' compensation insurance	465	421
Fringe benefit tax (FBT)	14	35
Sick leave insurance	10	10
Other	9	16
<b>Total employee costs</b>	<b>9,207</b>	<b>9,055</b>
Less: capitalised costs	(1,424)	(1,492)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>7,783</b>	<b>7,563</b>
Number of 'full-time equivalent' employees (FTE) at year end	107	110

**Accounting policy for employee benefits and on-costs**

Employee benefit expenses are recorded when the service has been provided by the employee.

*Retirement benefit obligations*

All employees of the council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

*Superannuation plans*

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 19 for more information.

continued on next page ...

Page 24 of 81



## Narrandera Shire Council

Financial Statements 2020

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

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

\$ '000	2020	2019
<b>(b) Materials and contracts</b>		
Raw materials and consumables	3,726	3,783
Contractor and consultancy costs	1,604	883
Auditors remuneration <sup>2</sup>	65	64
<b>Legal expenses:</b>		
– Legal expenses: planning and development	14	8
– Legal expenses: debt recovery	–	2
– Legal expenses: other	7	9
Expenses from leases of low value assets (2020 only)	13	–
Variable lease expense relating to usage (2020 only)	3	–
<b>Operating leases expense (2019 only):</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	–	16
<b>Total materials and contracts</b>	<b>5,432</b>	<b>4,765</b>
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>5,432</b>	<b>4,765</b>

**Accounting policy for materials and contracts**

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

**Operating leases (2019 only)**

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

**1. Operating lease payments are attributable to:**

Copiers	–	16
	<b>–</b>	<b>16</b>

**2. Auditor remuneration**

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

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

Audit and review of financial statements	41	40
<b>Remuneration for audit and other assurance services</b>	<b>41</b>	<b>40</b>
<b>Total Auditor-General remuneration</b>	<b>41</b>	<b>40</b>

**Non NSW Auditor-General audit firms****(i) Audit and other assurance services**

Internal Audit	24	24
<b>Remuneration for audit and other assurance services</b>	<b>24</b>	<b>24</b>
<b>Total Auditor remuneration</b>	<b>65</b>	<b>64</b>

continued on next page ...

Page 25 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Notes	2020	2019
<b>(c) Depreciation, amortisation and impairment of non-financial assets</b>			
<b>Depreciation and amortisation</b>			
Plant and equipment		573	562
Office equipment		138	113
Furniture and fittings		8	7
Land improvements (depreciable)		3	–
<b>Infrastructure:</b>	10		
– Buildings – non-specialised		507	418
– Buildings – specialised		312	237
– Other structures		338	332
– Roads		1,991	1,991
– Bridges		165	165
– Footpaths		21	20
– Stormwater drainage		99	99
– Water supply network		488	481
– Sewerage network		299	295
– Swimming pools		94	79
– Other open space/recreational assets		93	83
<b>Other assets:</b>			
– Library books		14	11
– Other		1	2
<b>Total gross depreciation and amortisation costs</b>		<b>5,144</b>	<b>4,895</b>
<b>Total depreciation and amortisation costs</b>		<b>5,144</b>	<b>4,895</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</b>		<b>5,144</b>	<b>4,895</b>

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

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

**Impairment of non-financial assets**

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

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

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

\$ '000	2020	2019
<b>(d) Other expenses</b>		
Advertising	9	9
Bad and doubtful debts	6	5
Bank charges	73	42

continued on next page ...

Page 26 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	251	204
– Western Riverina Library	32	32
Councillor expenses – mayoral fee	27	26
Councillor expenses – councillors' fees	99	107
Councillors' expenses (incl. mayor) – other (excluding fees above)	31	32
Donations, contributions and assistance to other organisations (Section 356)	35	19
Electricity and heating	492	466
Fire control expenses	70	92
Insurance	384	357
Postage	18	22
Printing and stationery	35	45
Street lighting	134	161
Subscriptions and publications	74	82
Telephone and communications	70	66
Valuation fees	26	31
Volunteer Services expense	460	–
Other	10	7
<b>Total other expenses</b>	<b>2,336</b>	<b>1,805</b>
<b>TOTAL OTHER EXPENSES</b>	<b>2,336</b>	<b>1,805</b>

## Accounting policy for other expenses

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



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
<b>Property (excl. investment property)</b>			
Proceeds from disposal – property		528	–
Less: carrying amount of property assets sold/written off		(252)	–
<b>Net gain/(loss) on disposal</b>		<b>276</b>	<b>–</b>
<b>Plant and equipment</b>			
	10		
Proceeds from disposal – plant and equipment		229	168
Less: carrying amount of plant and equipment assets sold/written off		(133)	(82)
<b>Net gain/(loss) on disposal</b>		<b>96</b>	<b>86</b>
<b>Infrastructure</b>			
	10		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(836)	(220)
<b>Net gain/(loss) on disposal</b>		<b>(836)</b>	<b>(220)</b>
<b>Investments</b>			
	7(b)		
Proceeds from disposal/redemptions/maturities – investments		30,133	25,845
Less: carrying amount of investments sold/redeemed/matured		(29,347)	(25,845)
<b>Net gain/(loss) on disposal</b>		<b>786</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>322</b>	<b>(134)</b>

**Accounting policy for disposal of assets**

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

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



## Narrandera Shire Council

Financial Statements 2020

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

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

\$ '000	2020	2019
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	585	147
Cash-equivalent assets		
– Deposits at call	1,969	2,173
<b>Total cash and cash equivalents</b>	<b>2,554</b>	<b>2,320</b>

**Accounting policy for cash and cash equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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.

## Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Investments</b>				
a. 'Financial assets at fair value through profit and loss'				
– 'Designated at fair value on initial recognition'	10	–	10	–
b. 'Financial assets at amortised cost'	26,600	–	22,597	–
<b>Total Investments</b>	<b>26,610</b>	<b>–</b>	<b>22,607</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>29,164</b>	<b>–</b>	<b>24,927</b>	<b>–</b>
<b>Financial assets at fair value through the profit and loss</b>				
Unlisted equity securities	10	–	10	–
<b>Total</b>	<b>10</b>	<b>–</b>	<b>10</b>	<b>–</b>
<b>Financial assets at amortised cost</b>				
Long term deposits	26,600	–	22,597	–
<b>Total</b>	<b>26,600</b>	<b>–</b>	<b>22,597</b>	<b>–</b>

**Accounting policy for investments**

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

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

**Financial assets**

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

**Classification**

Council classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost;

The classification depends on the purpose for which the investments were acquired.

continued on next page ...

Page 29 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

**Amortised cost**

Assets measured at amortised cost are financial assets where:

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

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

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

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

**Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

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

Council's financial assets measured at fair value through profit or loss comprise investments in Southern Phone Limited until sold in the 2020 financial year and Narrandera District Investments Ltd. (Bendigo Bank).



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2020	2019	2019
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	29,164	–	24,927	–
<b>attributable to:</b>				
External restrictions	14,960	–	12,985	–
Internal restrictions	14,089	–	11,787	–
Unrestricted	115	–	155	–
	29,164	–	24,927	–

\$ '000	2020	2019
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## Details of restrictions

## External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	1,303	–
Unexpended contributions - general fund (2020 only)	203	–

<b>External restrictions – included in liabilities</b>	<b>1,506</b>	<b>–</b>
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## External restrictions

Developer contributions – general	172	169
Developer contributions – water fund	320	306
Developer contributions – sewer fund	77	68
RMS contributions	117	101
Specific purpose unexpended grants (recognised as revenue) – general fund	949	1,014
Water supplies	7,327	6,818
Water supplies – carry over works	275	542
Sewerage services	399	307
Sewerage services – carry over works	419	179
Stormwater management	541	511
Crown lands	274	232
Other	–	2
Domestic waste management	2,584	2,736
<b>External restrictions</b>	<b>13,454</b>	<b>12,985</b>
<b>Total external restrictions</b>	<b>14,960</b>	<b>12,985</b>



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
<b>Internal restrictions</b>		
Plant and vehicle replacement	1,766	342
Employees leave entitlement	1,230	1,230
Carry over works revenue funded	1,189	729
Deposits, retentions and bonds	224	143
Financial assistance grant	2,557	2,507
Building maintenance and repair	96	155
Community activities	382	366
Construction of buildings	862	377
Lake Talbot pool reserve	–	1,807
Positive ageing strategy	666	773
Office equipment	531	514
Narrandera business centre	1,970	1,992
Property development	175	141
Gravel Pits	34	19
Sale of Water Allocation	1,191	–
Sale of Southern Phone	786	–
Other	430	692
<b>Total internal restrictions</b>	<b>14,089</b>	<b>11,787</b>
<b>TOTAL RESTRICTIONS</b>	<b>29,049</b>	<b>24,772</b>



## Narrandera Shire Council

Financial Statements 2020

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

## Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Purpose</b>				
Rates and annual charges	642	25	557	25
Interest and extra charges	66	–	66	–
User charges and fees	309	–	338	–
Accrued revenues				
– Interest on investments	143	–	306	–
– Other income accruals	187	–	185	–
Deferred debtors	1	1	1	2
Government grants and subsidies	467	–	2,017	–
Net GST receivable	76	–	196	–
RMS receivables	–	–	73	–
Other debtors	19	–	–	–
<b>Total</b>	<b>1,910</b>	<b>26</b>	<b>3,739</b>	<b>27</b>
<b>Less: provision of impairment</b>				
Rates and annual charges	(26)	–	(26)	–
Interest and extra charges	(2)	–	(2)	–
User charges and fees	(7)	–	(7)	–
<b>Total provision for impairment – receivables</b>	<b>(35)</b>	<b>–</b>	<b>(35)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>1,875</b>	<b>26</b>	<b>3,704</b>	<b>27</b>

## Accounting policy for receivables

## Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 8) in the Statement of Financial Position.

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

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

## Impairment

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

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

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

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

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

continued on next page ...

Page 33 of 81



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**

for the year ended 30 June 2020

**Note 8. Receivables (continued)**

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

**Covid 19**

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



## Narrandera Shire Council

Financial Statements 2020

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

## Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Inventories</b>				
<b>(i) Inventories at cost</b>				
Real estate for resale	22	407	22	438
Stores and materials	562	–	650	–
Trading stock	19	–	19	–
<b>Total inventories at cost</b>	<b>603</b>	<b>407</b>	<b>691</b>	<b>438</b>
<b>TOTAL INVENTORIES</b>	<b>603</b>	<b>407</b>	<b>691</b>	<b>438</b>

**Externally restricted assets**

There are no restrictions applicable to the above assets.

**(i) Other disclosures**

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>(a) Details for real estate development</b>				
Industrial/commercial	22	407	22	438
<b>Total real estate for resale</b>	<b>22</b>	<b>407</b>	<b>22</b>	<b>438</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition costs	11	203	11	234
Development costs	11	204	11	204
<b>Total costs</b>	<b>22</b>	<b>407</b>	<b>22</b>	<b>438</b>
<b>Total real estate for resale</b>	<b>22</b>	<b>407</b>	<b>22</b>	<b>438</b>
<b>Movements:</b>				
Real estate assets at beginning of the year	22	438	22	438
– Transfers in from (out to) Note 10	(31)	–	–	–
– Transfer between current/non-current	31	(31)	–	–
<b>Total real estate for resale</b>	<b>22</b>	<b>407</b>	<b>22</b>	<b>438</b>

**(b) Current assets not anticipated to be settled within the next 12 months**

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2020	2019
Real estate for resale	22	22
	<b>22</b>	<b>22</b>

continued on next page ...

Page 35 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 9. Inventories and other assets (continued)

**Accounting policy for inventories and other assets****Raw materials and stores, work in progress and finished goods**

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

**Land held for resale/capitalisation of borrowing costs**

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

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10. Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period								as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>(1)</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Tfrs from/(to) real estate assets (Note 8)	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	4,785	–	4,785	3,196	1,112	–	–	(3,331)	–	–	–	5,762	–	5,762
Plant and equipment	7,841	(4,734)	3,107	–	977	(133)	(573)	46	–	–	–	8,352	(4,928)	3,424
Office equipment	1,380	(901)	479	–	157	–	(138)	–	–	–	–	1,537	(1,039)	498
Furniture and fittings	131	(121)	10	–	24	–	(8)	–	–	–	–	155	(129)	26
<b>Land:</b>														
– Operational land	3,577	–	3,577	–	61	(75)	–	–	31	–	–	3,594	–	3,594
– Community land	6,634	–	6,634	–	–	–	–	–	–	–	–	6,634	–	6,634
Land improvements – non-depreciable	99	–	99	–	–	–	–	–	–	–	–	99	–	99
Land improvements – depreciable	–	–	–	–	40	–	(3)	105	–	–	–	145	(3)	142
<b>Infrastructure:</b>														
– Buildings – non-specialised	22,810	(14,709)	8,101	23	95	(177)	(507)	447	–	–	–	22,833	(14,851)	7,982
– Buildings – specialised	11,740	(5,535)	6,205	–	438	–	(312)	664	–	–	–	12,754	(5,759)	6,995
– Other structures	11,170	(6,599)	4,571	–	1,428	(61)	(338)	483	–	–	–	12,799	(6,716)	6,083
– Roads	98,767	(18,081)	80,686	1,320	19	–	(1,991)	733	–	(31,662)	–	78,567	(29,462)	49,105
– Bridges	15,958	(6,350)	9,608	–	–	–	(165)	–	–	–	387	15,203	(5,373)	9,830
– Footpaths	1,524	(226)	1,298	–	20	–	(21)	32	–	(565)	–	1,240	(476)	764
– Bulk earthworks (non-depreciable)	54,645	–	54,645	–	–	–	–	–	–	–	3,776	58,421	–	58,421
– Stormwater drainage	9,918	(3,370)	6,548	–	–	–	(99)	–	–	–	452	10,612	(3,711)	6,901
– Water supply network	31,413	(14,043)	17,370	390	41	(67)	(488)	798	–	–	165	31,524	(13,315)	18,209
– Sewerage network	25,558	(7,040)	18,518	56	–	–	(299)	23	–	–	176	25,801	(7,327)	18,474
– Swimming pools	3,466	(2,332)	1,134	–	3	(708)	(94)	–	–	–	–	1,338	(1,003)	335
– Other open space/recreational assets	1,367	(634)	733	–	–	–	(93)	–	–	–	–	1,367	(727)	640
<b>Other assets:</b>														
– Library books	148	(24)	124	–	28	–	(14)	–	–	–	–	176	(38)	138
– Other	149	(3)	146	–	–	–	(1)	–	–	–	–	149	(4)	145
<b>Total Infrastructure, property, plant and equipment</b>	<b>313,080</b>	<b>(84,702)</b>	<b>228,378</b>	<b>4,985</b>	<b>4,443</b>	<b>(1,221)</b>	<b>(5,144)</b>	<b>–</b>	<b>31</b>	<b>(32,227)</b>	<b>4,956</b>	<b>299,062</b>	<b>(94,861)</b>	<b>204,201</b>

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

continued on next page ...

Page 37 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

	as at 30/06/18			Asset movements during the reporting period								as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Reinstatement costs for impaired assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	1,411	–	1,411	–	4,263	–	–	–	(889)	–	–	4,785	–	4,785
Plant and equipment	7,570	(4,381)	3,189	–	562	–	(82)	(562)	–	–	–	7,841	(4,734)	3,107
Office equipment	1,114	(788)	326	–	135	–	–	(113)	131	–	–	1,380	(901)	479
Furniture and fittings	131	(114)	17	–	–	–	–	(7)	–	–	–	131	(121)	10
<b>Land:</b>														
– Operational land	3,577	–	3,577	–	–	–	–	–	–	–	–	3,577	–	3,577
– Community land	6,634	–	6,634	–	–	–	–	–	–	–	–	6,634	–	6,634
Land improvements – non-depreciable	99	–	99	–	–	–	–	–	–	–	–	99	–	99
<b>Infrastructure:</b>														
– Buildings – non-specialised	22,770	(14,306)	8,464	58	33	–	–	(418)	–	(36)	–	22,810	(14,709)	8,101
– Buildings – specialised	11,890	(5,467)	6,423	–	56	–	(36)	(237)	8	(9)	–	11,740	(5,535)	6,205
– Other structures	10,948	(6,614)	4,334	177	400	–	(182)	(332)	90	84	–	11,170	(6,599)	4,571
– Roads	98,767	(19,946)	78,821	2,388	10	1,220	–	(1,991)	238	–	–	98,767	(18,081)	80,686
– Bridges	15,958	(6,185)	9,773	–	–	–	–	(165)	–	–	–	15,958	(6,350)	9,608
– Footpaths	1,508	(205)	1,303	–	15	–	–	(20)	–	–	–	1,524	(226)	1,298
– Bulk earthworks (non-depreciable)	54,645	–	54,645	–	–	–	–	–	–	–	–	54,645	–	54,645
– Stormwater drainage	9,918	(3,271)	6,647	–	–	–	–	(99)	–	–	–	9,918	(3,370)	6,548
– Water supply network	30,222	(13,343)	16,879	–	278	–	(2)	(481)	422	–	274	31,413	(14,043)	17,370
– Sewerage network	25,156	(6,635)	18,521	–	–	–	–	(295)	–	–	292	25,558	(7,040)	18,518
– Swimming pools	3,461	(2,253)	1,208	5	–	–	–	(79)	–	–	–	3,466	(2,332)	1,134
– Other open space/recreational assets	1,381	(571)	810	45	–	–	–	(83)	–	(39)	–	1,367	(634)	733
<b>Other assets:</b>														
– Library books	191	(104)	87	–	48	–	–	(11)	–	–	–	148	(24)	124
– Other	149	(1)	148	–	–	–	–	(2)	–	–	–	149	(3)	146
<b>Total Infrastructure, property, plant and equipment</b>	<b>307,500</b>	<b>(84,184)</b>	<b>223,316</b>	<b>2,673</b>	<b>5,800</b>	<b>1,220</b>	<b>(302)</b>	<b>(4,895)</b>	<b>–</b>	<b>–</b>	<b>566</b>	<b>313,080</b>	<b>(84,702)</b>	<b>228,378</b>

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

continued on next page ...

Page 38 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	10
Office furniture	5 to 20	Benches, seats etc.	15 to 40
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 15	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	135
Bores	20 to 80	Culverts	135
Reticulation pipes: PVC	80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 50		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	23	Swimming pools	25 to 40
Sealed roads: structures	40	Other open space/recreational assets	10 to 40
Sealed roads: pavement	100	Other infrastructure	10 to 80
Bridge: concrete	100		
Bridge: other	80		
Unsealed road pavements	30-40		
Kerb, gutter and footpaths	75		

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

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

**Land under roads**

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

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

continued on next page ...

Page 39 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment. Council has not acquired any land under roads after 1 July 2018.

**Crown reserves**

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

**Rural Fire Service assets**

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

Council recognises the RFS buildings on council controlled land however does not recognise the vehicles as it has no control of these assets.



## Narrandera Shire Council

Financial Statements 2020

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

## Note 11. Contract assets and liabilities

\$ '000	2020 Current	2020 Non-current
<b>(a) Contract assets</b>		
Construction of Roads	323	—
Construction of Sewer	54	—
Construction of Recreation Assets	21	—
<b>Total Contract assets</b>	<b>398</b>	<b>—</b>

\$ '000	Notes	2020 Current	2020 Non-current
<b>(b) Contract liabilities</b>			
<b>Grants and contributions received in advance:</b>			
Unexpended capital grants (to construct Council controlled assets)	(i)	1,188	—
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	115	—
Unexpended capital contributions (to construct Council controlled assets)	(i)	203	—
<b>Total grants received in advance:</b>		<b>1,506</b>	<b>—</b>
<b>Total contract liabilities</b>		<b>1,506</b>	<b>—</b>

**Notes**

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

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

\$ '000	2020
<b>(ii) Revenue recognised (during the financial year) from opening contract liability balances</b>	
<b>Grants and contributions received in advance:</b>	
Capital grants (to construct Council controlled assets)	198
Operating grants (received prior to performance obligation being satisfied)	58
<b>Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period</b>	<b>256</b>

**Significant changes in contract assets and liabilities**

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

continued on next page ...

Page 41 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

**Accounting policy for contract assets and liabilities**

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

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

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases

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

Council has leases for office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

## Terms and conditions of leases

## Office and IT equipment

Leases for photocopiers are considered low value assets. The leases are for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

<b>\$ '000</b>	<b>2020</b>
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## (a) Income Statement

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

Variable lease payments based on usage not included in the measurement of lease liabilities	3
Expenses relating to low-value leases	13
	<b>16</b>

## (b) Statement of Cash Flows

Total cash outflow for leases	16
	<b>16</b>

## Leases at significantly below market value – concessionary / peppercorn leases

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

- Council Works Depot
- Cemetery
- Lake Talbot Water Park
- Old Railway Station

The leases have varying terms and require payments of less than \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

## Accounting policy

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

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

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

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

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

continued on next page ...

Page 43 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

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

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

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

**Exceptions to lease accounting**

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

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

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

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

Refer to Note 5c and Note 18.

## (ii) Council as a lessor

## (c) Operating leases

Council leases out a number of properties for staff housing, health services, training providers, emergency services and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E. They have not been classified under AASB 140 Investment Property as they are either occupied by council employees or held for strategic purposes.

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

\$ '000	2020
<b>(i) Operating lease income</b>	
Tower Rental	42
Caravan Park	56
Staff Housing	32
Shops & Offices	59
Aerodrome Hangers	13
Other	5
<b>Total income relating to operating leases</b>	<b>207</b>

**(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	187
1-2 years	182
2-3 years	176
3-4 years	182
4-5 years	77
> 5 years	25
<b>Total undiscounted contractual lease income receivable</b>	<b>829</b>

continued on next page ...

Page 44 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

**Accounting policy**

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

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

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

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



Narrandera Shire Council

Financial Statements 2020

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

Note 13. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	1,017	–	1,062	–
Accrued expenses:				
– Salaries and wages	224	–	154	–
Security bonds, deposits and retentions	224	3	142	3
Other	3	–	20	–
Prepaid rates	244	–	207	–
<b>Total payables</b>	<b>1,712</b>	<b>3</b>	<b>1,585</b>	<b>3</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>1,712</b>	<b>3</b>	<b>1,585</b>	<b>3</b>

\$ '000	2020	2019
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Financing arrangements

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

Bank overdraft facilities <sup>1</sup>	350	350
Credit cards/purchase cards	45	45
<b>Total financing arrangements</b>	<b>395</b>	<b>395</b>

Drawn facilities as at balance date:

– Credit cards/purchase cards	7	9
<b>Total drawn financing arrangements</b>	<b>7</b>	<b>9</b>

Undrawn facilities as at balance date:

– Bank overdraft facilities	350	350
– Credit cards/purchase cards	38	36
<b>Total undrawn financing arrangements</b>	<b>388</b>	<b>386</b>

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

Accounting policy for payables and borrowings

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

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

Payables

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	786	–	824	–
Long service leave	1,733	72	1,672	52
Rostered days off	44	–	27	–
<b>Sub-total – aggregate employee benefits</b>	<b>2,563</b>	<b>72</b>	<b>2,523</b>	<b>52</b>
<b>TOTAL PROVISIONS</b>	<b>2,563</b>	<b>72</b>	<b>2,523</b>	<b>52</b>

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

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

Provisions – employees benefits	1,700	1,675
	<b>1,700</b>	<b>1,675</b>

**Nature and purpose of non-employee benefit provisions****Asset remediation**

Council has various landfill sites (tips) and gravel quarries situated throughout the shire. These all have useful lives, which on being reached will result in Council having to reinstate these areas through restoration and remediation works.

These future liabilities have however, not been brought to account due to;

- the remaining useful lives of these assets being estimated at beyond 20 years and accordingly the effects of discounting the future cash outflows to present values deems the amounts immaterial,
- preliminary estimates of the individual amounts required to undertake the future restoration works do not materially affect either Council's financial results or financial position as at 30/6/20.

Accordingly, no provision amounts have been brought to account in these financial statements for such future reinstatement and restoration costs.

**Accounting policy for provisions**

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

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

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

continued on next page ...

Page 47 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Provisions (continued)

**Employee benefits****Short-term obligations**

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

**Other long-term employee benefit obligations**

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

**On-costs**

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

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

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

## (a) Nature and purpose of reserves

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

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

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

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

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

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

## (ii) AASB 15 and AASB 1058

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

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

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

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

**Principal v agent**

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

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

**Prepaid rates**

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

**Grants – operating**

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

**Grants – capital**

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

continued on next page ...

Page 49 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

**Changes in presentation**

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- An additional line item for contract liabilities has been created.

	Balance at 1 July 2019
<b>\$ '000</b>	
<b>Opening contract balances at 1 July 2019</b>	
<b>Contract liabilities</b>	
– Under AASB 15	58
– Under AASB 1058	198
<b>Total Contract liabilities</b>	<u>256</u>

continued on next page ...

Page 50 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards
<b>Current assets</b>				
Cash and cash equivalents	2,554	–	–	2,554
Investments	26,610	–	–	26,610
Receivables	1,875	398	–	2,273
Inventories	603	–	–	603
Contract assets	398	(398)	–	–
<b>Total current assets</b>	<b>32,040</b>	<b>–</b>	<b>–</b>	<b>32,040</b>
<b>Current liabilities</b>				
Payables	1,712	–	–	1,712
Contract liabilities	1,506	–	(1,506)	–
Provisions	2,563	–	–	2,563
<b>Total current liabilities</b>	<b>5,781</b>	<b>–</b>	<b>(1,506)</b>	<b>4,275</b>
<b>Non-current assets</b>				
Receivables	26	–	–	26
Inventories	407	–	–	407
Infrastructure, property, plant and equipment	204,201	–	–	204,201
<b>Total non-current assets</b>	<b>204,634</b>	<b>–</b>	<b>–</b>	<b>204,634</b>
<b>Non-current liabilities</b>				
Payables	3	–	–	3
Provisions	72	–	–	72
<b>Total Non-current liabilities</b>	<b>75</b>	<b>–</b>	<b>–</b>	<b>75</b>
<b>Net assets</b>	<b>230,818</b>	<b>–</b>	<b>1,506</b>	<b>232,324</b>
<b>Equity</b>				
Accumulated surplus	147,374	–	1,506	148,880
Revaluation reserves	83,444	–	–	83,444
<b>Total Equity</b>	<b>230,818</b>	<b>–</b>	<b>1,506</b>	<b>232,324</b>

Funds under AASB 15 and AASB 1058 which have been received prior to the satisfaction of the performance obligation.

continued on next page ...

Page 51 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

Income Statement

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards
<u>Income from continuing operations</u>				
Rates and annual charges	7,839	—	—	7,839
User charges and fees	3,193	—	—	3,193
Other revenues	2,254	—	—	2,254
Grants and contributions provided for operating purposes	8,634	—	115	8,749
Grants and contributions provided for capital purposes	2,069	—	1,391	3,460
Interest and investment income	520	—	—	520
Net gains from the disposal of assets	322	—	—	322
Rental income	207	—	—	207
<b>Total Income from continuing operations</b>	<b>25,038</b>	<b>—</b>	<b>1,506</b>	<b>26,544</b>
<u>Expenses from continuing operations</u>				
Employee benefits and on-costs	7,783	—	—	7,783
Materials and contracts	5,432	—	—	5,432
Depreciation and amortisation	5,144	—	—	5,144
Other expenses	2,336	—	—	2,336
<b>Total Expenses from continuing operations</b>	<b>20,695</b>	<b>—</b>	<b>—</b>	<b>20,695</b>
<b>Total Operating result from continuing operations</b>	<b>4,343</b>	<b>—</b>	<b>1,506</b>	<b>5,849</b>
<b>Net operating result for the year</b>	<b>4,343</b>	<b>—</b>	<b>1,506</b>	<b>5,849</b>
<b>Total comprehensive income</b>	<b>(22,928)</b>	<b>—</b>	<b>1,506</b>	<b>(21,422)</b>

Difference in revenue between recognition on receipt under the old standards and as/when performance obligations are met under the new standards.

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
<b>Total assets</b>	<b>258,165</b>	<b>—</b>	<b>258,165</b>
Contract liabilities	—	256	256
<b>Total liabilities</b>	<b>4,163</b>	<b>256</b>	<b>4,419</b>
Accumulated surplus	143,287	(256)	143,031
<b>Total equity</b>	<b>254,002</b>	<b>(256)</b>	<b>253,746</b>

continued on next page ...

Page 52 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

**Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)****(iii) AASB 16 Leases****Council as a lessee**

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

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

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

Council has made no adjustment for leases as at 1 July 2019 as the commitments are for copiers which are all low value assets.

**Operating lease commitments at 30 June 2019 per Council financial statements**

14 —

**Council as a lessor**

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

	Balance at 1 July 2019
<b>\$ '000</b>	
<b>Operating lease commitments discounted using the incremental borrowing rate at 1 July 2019</b>	<b>14</b>
<b>Less:</b>	
Leases for low-value assets included in commitments note	(14)
<b>Lease liabilities recognised at 1 July 2019</b>	<b>—</b>



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	2,554	2,320
<b>Balance as per the Statement of Cash Flows</b>		<b>2,554</b>	<b>2,320</b>

## (b) Reconciliation of net operating result to cash provided from operating activities

<b>Net operating result from Income Statement</b>	4,343	4,919
<b>Adjust for non-cash items:</b>		
Depreciation and amortisation	5,144	4,895
Net losses/(gains) on disposal of assets	(322)	134
Adoption of AASB 15/1058	(256)	–
<b>+/- Movement in operating assets and liabilities and other cash items:</b>		
Decrease/(increase) in receivables	1,829	(935)
Decrease/(increase) in inventories	88	(263)
Decrease/(increase) in contract assets	(398)	–
Increase/(decrease) in payables	(45)	325
Increase/(decrease) in other accrued expenses payable	70	–
Increase/(decrease) in other liabilities	102	15
Increase/(decrease) in contract liabilities	1,506	–
Increase/(decrease) in provision for employee benefits	60	2
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>12,121</b>	<b>9,092</b>

## Note 17. Interests in other entities

## Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2020 <sup>1</sup>	2020 <sup>1</sup>
		Net profit	Net assets
<b>Western Riverina Library Services</b>	Provision of library services to member local government areas	(8,455)	542,253

## Reasons for non-recognition

Council holds 7.22% equity share in Western Riverina Library Service, and has assessed this as not material, hence not recognised. The information provided above is for 2019 as this is the latest information available at the time of Council preparing the Financial Statements.

(1) This year represents 2019 year for the Western Riverina Library Services



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Commitments

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

## (a) Capital commitments (exclusive of GST)

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

**Property, plant and equipment**

Buildings	1,911	420
Lake Talbot Water Park	4,808	–
Lake Talbot Water Slides	–	1,011
<b>Total commitments</b>	<b>6,719</b>	<b>1,431</b>

**These expenditures are payable as follows:**

Within the next year	6,719	1,431
<b>Total payable</b>	<b>6,719</b>	<b>1,431</b>

**Sources for funding of capital commitments:**

Future grants and contributions	3,245	419
Unexpended grants	623	124
Unexpended Contributions	100	–
Internally restricted reserves	751	888
New loans (to be raised)	2,000	–
<b>Total sources of funding</b>	<b>6,719</b>	<b>1,431</b>

**Details of capital commitments**

Narrandera Sportsground new changerooms and clubrooms \$1,911,000  
Lake Talbot Water Park redevelopment \$4,808,000

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

## (b) Non-cancellable operating lease commitments (2019 only)

**Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	–	14
<b>Total non-cancellable operating lease commitments</b>	<b>–</b>	<b>14</b>

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



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 19. Contingencies

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

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

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

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

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

*Description of the funding arrangements.*

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

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

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

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

continued on next page ...

Page 56 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 19. Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$ 104,551.63. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2019.

The amount of additional contributions included in the total employer contribution advised above is \$58,286. Council's expected contribution to the plan for the next annual reporting period is \$102,830.92

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

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

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

Based on a Past Service Liabilities methodology, Council's share of the deficit that can be attributed is 0.14%.

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

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

\* Plus promotional increases

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

**(ii) Statewide Limited**

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

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

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

**(iii) StateCover Limited**

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

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

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

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

**(iv) Other guarantees**

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

continued on next page ...

Page 57 of 81



## Narrandera Shire Council

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 19. Contingencies (continued)****2. Other liabilities****(i) Third party claims**

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

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

**(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.

**(iii) Tips and quarries**

Council operates a number of landfill sites and gravel quarries and will have to rehabilitate the sites at some time in the future. As at 30 June 2020 Council is unable to reliably estimate the financial cost of such work.

**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.

**(iii) Rural Fire Service (RFS) – Plant and Equipment ("Red Fleet")**

As disclosed in Note 10, assets of the RFS, vest in Council, under Section 119 of the Rural Fires Act 1997

As Council does not have control over these assets Council does not recognise these as assets in our financial statements.

Should this be resolved in the future, that Council has to recognise them as assets, it means that Council has a potential contingent asset, at this stage.



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management

## Risk management

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

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

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

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

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

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2020</b>				
Possible impact of a 1% movement in interest rates	291	291	(291)	(291)
<b>2019</b>				
Possible impact of a 1% movement in interest rates	249	249	(249)	(249)

continued on next page ...

Page 59 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

## (b) Credit risk

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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

## Credit risk profile

## Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2020</b>						
Gross carrying amount	–	390	189	53	35	667
<b>2019</b>						
Gross carrying amount	–	383	135	38	26	582

## Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2020</b>						
Gross carrying amount	1,232	5	4	28	–	1,269
Expected loss rate (%)	0.00%	0.00%	0.00%	32.14%	0.00%	0.71%
<b>ECL provision</b>	–	–	–	9	–	9
<b>2019</b>						
Gross carrying amount	3,089	20	40	35	–	3,184
Expected loss rate (%)	0.00%	0.00%	0.00%	25.70%	0.00%	0.28%
<b>ECL provision</b>	–	–	–	9	–	9

continued on next page ...

Page 60 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2020</b>							
Trade/other payables	0.00%	230	1,241	–	–	1,471	1,471
<b>Total financial liabilities</b>		<b>230</b>	<b>1,241</b>	<b>–</b>	<b>–</b>	<b>1,471</b>	<b>1,471</b>
<b>2019</b>							
Trade/other payables	0.00%	145	1,236	–	–	1,381	1,381
<b>Total financial liabilities</b>		<b>145</b>	<b>1,236</b>	<b>–</b>	<b>–</b>	<b>1,381</b>	<b>1,381</b>



## Narrandera Shire Council

Financial Statements 2020

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

## Note 21. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 21/05/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----		
<b>REVENUES</b>					
Rates and annual charges	7,715	7,839	124	2%	<b>F</b>
User charges and fees	3,346	3,193	(153)	(5)%	<b>U</b>
Other revenues	477	2,254	1,777	373%	<b>F</b>

Council sold part of the water allocation on a temporary basis for \$1,360,000.

Volunteer services revenue of \$460,000 was also accounted for as required under new accounting standards.

Operating grants and contributions	7,481	8,634	1,153	15%	<b>F</b>
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Council received grants for the following projects which were not in the original budget;

Emergency Services \$37,000  
Library \$36,000  
Roads to Recovery additional \$498,000  
Stronger Country Communities, Community Projects \$582,000

Capital grants and contributions	2,120	2,069	(51)	(2)%	<b>U</b>
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There were an number of variations to capital grants;

Budgeted but not received;

Barellan Sewer \$720,000 (project only in design stage)  
Narrandera West Sewer \$25,000  
Narrandera Water Filtration Plant \$750,000

Additional capital grants were received for;

Stronger Country Communities \$601,000  
Drought Communities \$20,000  
Colinroobie Road \$524,000  
Truck Wash \$424,000

Interest and investment revenue	626	520	(106)	(17)%	<b>U</b>
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Interest on investments was down due to the drop in interest rates.

continued on next page ...

Page 62 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
Net gains from disposal of assets	92	322	230	250% F

Council sold its shares in Southern Phone Limited, which had a fair value of \$2, for a profit of \$786,000. Tywnam Street shops were also sold for a profit of \$278,000. Assets demolished for the redevelopement of Lake Talbot Water Park had a carrying value of \$768,000 and water mains replaced had a carrying value of \$67,000.

Rental income	182	207	25	14% F
---------------	-----	-----	----	-------

Council provided rent relief of \$28,000 to the lessee of Lake Talbot Tourist Park during the Covid 19 lockdown. Rent from the Twynam Street shops was also down \$12,000 following the sale of the property.

## EXPENSES

Employee benefits and on-costs	7,542	7,783	(241)	(3)% U
Materials and contracts	4,168	5,432	(1,264)	(30)% U

Materials and contract expenses increased due to;

Stronger Country Communities, Community Projects, \$675,000  
Joint project Colinroobie/ Koonadan Road, works carried out by Leeton Shire Council within their council area.

Depreciation and amortisation	4,917	5,144	(227)	(5)% U
Other expenses	1,783	2,336	(553)	(31)% U

Volunteer services contra expenses of \$460,000 was also accounted for as required under new accounting standards.

## STATEMENT OF CASH FLOWS

Cash flows from operating activities	8,300	12,121	3,821	46% F
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Cash flows from operating activities increased due to additional grants being received.

Cash flows from investing activities	(8,080)	(11,887)	(3,807)	47% U
--------------------------------------	---------	----------	---------	-------

Cash flows from investing activities was higher than budget due to the purchase of additional investments which was partially offset by some of the capital works not being completed.

Cash flows from financing activities	1,620	–	(1,620)	100% U
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Council did not borrow the funds due to a delay in commencement of capital projects.



## Narrandera Shire Council

Financial Statements 2020

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

## Note 22. Fair Value Measurement

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

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

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

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

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

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

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

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

	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>2020</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
– 'Designated at fair value on initial recognition'	30/06/20	–	–	10	10
<b>Total financial assets</b>		–	–	10	10
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/20	–	–	3,424	3,424
Office equipment	30/06/20	–	–	498	498
Furniture and fittings	30/06/20	–	–	26	26
Operational land	30/06/18	–	3,594	–	3,594
Community land	30/06/16	–	–	6,634	6,634
Land Improvements – non-depreciable	30/06/16	–	–	99	99
Land Improvements - depreciable	30/06/20	–	–	142	142
Buildings – non-specialised	30/06/16	–	–	7,982	7,982
Buildings – specialised	30/06/16	–	–	6,995	6,995
Other structures	30/06/16	–	–	6,083	6,083
Roads, bridges, footpaths, bulk earthworks	30/06/20	–	–	118,120	118,120
Stormwater drainage	30/06/20	–	–	6,901	6,901
Sewerage network	30/06/17	–	–	18,474	18,474
Water supply network	01/07/17	–	–	18,209	18,209
Library books	30/06/18	–	–	138	138
Swimming pools	30/06/16	–	–	335	335
Other open space/recreational assets	30/06/16	–	–	640	640
Other	30/06/16	–	–	145	145
<b>Total infrastructure, property, plant and equipment</b>		–	3,594	194,845	198,439

continued on next page ...

Page 64 of 81



## Financial Statements 2020

## for the year ended 30 June 2020

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
– ‘Designated at fair value on initial recognition’	30/06/19	–	–	10	10
<b>Total financial assets</b>		–	–	10	10
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/19	–	–	3,107	3,107
Office equipment	30/06/19	–	–	479	479
Furniture and fittings	30/06/19	–	–	10	10
Operational land	30/06/18	–	3,577	–	3,577
Community land	30/06/16	–	–	6,634	6,634
Land Improvements – non-depreciable	30/06/16	–	–	99	99
Land Improvements - depreciable		–	–	–	–
Buildings – non-specialised	30/06/16	–	–	8,101	8,101
Buildings – specialised	30/06/16	–	–	6,205	6,205
Other structures	30/06/16	–	–	4,571	4,571
Roads, bridges, footpaths, bulk earthworks	30/06/15	–	–	146,237	146,237
Stormwater drainage	30/06/15	–	–	6,548	6,548
Sewerage network	30/06/17	–	–	18,518	18,518
Water supply network	01/07/17	–	–	17,370	17,370
Library books	30/06/18	–	–	124	124
Swimming pools	30/06/16	–	–	1,134	1,134
Other open space/recreational assets	30/06/16	–	–	733	733
Other	30/06/16	–	–	146	146
<b>Total infrastructure, property, plant and equipment</b>		–	3,577	220,016	223,593

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

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

## Plant &amp; Equipment, Office Equipment, Furniture &amp; Fittings, Land Improvements and Library Books

- Plant & Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computer, photocopiers, tablets etc.
- Furniture & Fittings - Chairs, desks, cupboards etc.
- Land Improvements - Formation of land.
- Library Books - Books and audio visual.

Page 65 of 81



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 22. Fair Value Measurement (continued)**

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

**Operational & Community Land**

Community land values are based on either the Land Value provided by the Valuer-General or an external valuation service where the Valuer-General did not provide a land value.

Council obtains its fair values for operational land from an external valuer every 5 years (last valuation being 2018 by Nicholas Lucas, Valuation Services) using level 3 inputs.

The valuation is the valuer's opinion of the Market Value of the property as at the date of inspection having regard to the supply and demand conditions for this category of property.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

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

**Buildings – Non-Specialised & Specialised**

Non-Specialised & Specialised Buildings are valued by an external valuer, AssetVal Pty Ltd (last valuation 2016). The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

**Other Structures**

Other Structures comprise of lighting, irrigation systems, fencing, shade structures etc.

The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

**Roads**

Roads include bulk earthworks, carriageway, roadside shoulders & kerb & gutter. The cost approach using level 3 inputs was used to value this asset class. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

**Bridges**

Bridges were valued under the cost approach using level 3 inputs. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

**Footpaths**

Footpaths were revalued in-house by Council's Technical Services Department as at 30 June 2020 and were based on actual cost per square meter of works carried out during the year.

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

**Stormwater Drainage**

continued on next page ...

Page 66 of 81



**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 22. Fair Value Measurement (continued)**

Assets within this class comprise of pits and pipes.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

A revaluation was undertaken as at 30 June 2020 in-house by council technical services staff and there has been no change to the valuation process during the reporting period.

**Water Supply Network**

Assets within this class comprise of bores, water treatment plant, reservoirs, pumping stations and water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were subject to a validation process and then a revaluation of each component, and there has been a subsequent upward movement in the Fair Value of these assets.

**Sewerage Network**

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

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were subject to a validation process and then a revaluation of each component, and there has been a subsequent upward movement in the Fair Value of these assets.

**Swimming Pools**

Swimming pools were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

**Other Open Space/Recreational Assets**

Assets within this class comprise of BBQ's and outdoor play equipment.

Other Open Space/Recreational Assets were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

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

continued on next page ...

Page 67 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

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

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>			
Plant and Equipment	3,424	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Office Equipment	498	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Furniture and Fittings	26	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Community Land	6,634	Level 3 Based on Valuer-General valuation	<ul style="list-style-type: none"> <li>Land value (price per square metre)</li> </ul>
Land Improvements-Non-dep	99	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> </ul>
Land Improvements - depreciable	142	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> </ul>
Buildings Non-Specialised	7,982	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Buildings Specialised	6,995	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Other Structures	6,083	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Roads, bridges, footpaths, bulk earthworks	118,120	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Stormwater Drainage	6,901	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Water Supply Network	18,209	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Sewerage Network	18,474	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Swimming Pools	335	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Open Space and Recreational	640	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> </ul>
Library Books	138	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>

continued on next page ...

Page 68 of 81



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

\$ '000	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
Other Assets	145	Level 3 Valued at cost	<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> </ul>
Financial Assets	10	Level 3 Valued at cost	

## (4) Highest and best use

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



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related party disclosures

(a) Key management personnel

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

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

\$ '000	2020	2019
<b>Compensation:</b>		
Short-term benefits	755	780
Post-employment benefits	14	29
Other long-term benefits	27	22
<b>Total</b>	<b>796</b>	<b>831</b>

(b) Other transactions with KMP and their related parties

Nature of the transaction	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
<b>2020</b>					
Employee expenses relating to close family members of KMP	173	–	Council staff award	–	–
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	27	–	Contracts, purchase orders or tenders	–	–
<b>2019</b>					
Employee expenses relating to close family members of KMP	160	–	Council staff award	–	–
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	44	–	Contracts, purchase orders or tenders	–	–



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/06/19						as at 30/06/20	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
<b>S7.12 levies – under a plan</b>	169	22	–	2	(21)	–	172	–
<b>Total S7.11 and S7.12 revenue under plans</b>	169	22	–	2	(21)	–	172	–
S64 contributions	374	18	–	5	–	–	397	–
<b>Total contributions</b>	<b>543</b>	<b>40</b>	<b>–</b>	<b>7</b>	<b>(21)</b>	<b>–</b>	<b>569</b>	<b>–</b>

S7.12 Levies – under a plan

CONTRIBUTION PLAN - Pine Hill

Community facilities	169	22	–	2	(21)	–	172	–
<b>Total</b>	<b>169</b>	<b>22</b>	<b>–</b>	<b>2</b>	<b>(21)</b>	<b>–</b>	<b>172</b>	<b>–</b>



Narrandera Shire Council

Financial Statements 2020

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

Note 25. Result by fund

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
<b>Income Statement by fund</b>			
<b>Income from continuing operations</b>			
Rates and annual charges	5,824	758	1,257
User charges and fees	1,565	1,471	157
Interest and investment revenue	332	166	29
Other revenues	2,254	–	–
Grants and contributions provided for operating purposes	8,634	–	–
Grants and contributions provided for capital purposes	1,997	9	63
Net gains from disposal of assets	389	–	–
Rental income	207	–	–
<b>Total income from continuing operations</b>	<b>21,202</b>	<b>2,404</b>	<b>1,506</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	7,168	354	261
Borrowing costs	7	–	–
Materials and contracts	4,060	902	470
Depreciation and amortisation	4,340	499	305
Other expenses	1,912	208	216
Net losses from the disposal of assets	–	67	–
<b>Total expenses from continuing operations</b>	<b>17,487</b>	<b>2,030</b>	<b>1,252</b>
<b>Operating result from continuing operations</b>	<b>3,715</b>	<b>374</b>	<b>254</b>
<b>Net operating result for the year</b>	<b>3,715</b>	<b>374</b>	<b>254</b>
<b>Net operating result attributable to each council fund</b>	<b>3,715</b>	<b>374</b>	<b>254</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>1,718</b>	<b>365</b>	<b>191</b>

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

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

continued on next page ...

Page 72 of 81



## Narrandera Shire Council

Financial Statements 2020

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

## Note 25. Result by fund (continued)

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
Statement of Financial Position by fund			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,737	722	95
Investments	18,610	7,200	800
Receivables	1,398	373	138
Inventories	603	–	–
Contract assets	344	–	54
<b>Total current assets</b>	<b>22,692</b>	<b>8,295</b>	<b>1,087</b>
<b>Non-current assets</b>			
Receivables	26	237	–
Inventories	407	–	–
Infrastructure, property, plant and equipment	166,203	19,102	18,896
<b>Total non-current assets</b>	<b>166,636</b>	<b>19,339</b>	<b>18,896</b>
<b>TOTAL ASSETS</b>	<b>189,328</b>	<b>27,634</b>	<b>19,983</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1,651	61	–
Contract liabilities	1,506	–	–
Borrowings	34	–	–
Provisions	2,563	–	–
<b>Total current liabilities</b>	<b>5,754</b>	<b>61</b>	<b>–</b>
<b>Non-current liabilities</b>			
Payables	3	–	–
Borrowings	237	–	–
Provisions	72	–	–
<b>Total non-current liabilities</b>	<b>312</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>6,066</b>	<b>61</b>	<b>–</b>
<b>Net assets</b>	<b>183,262</b>	<b>27,573</b>	<b>19,983</b>
<b>EQUITY</b>			
Accumulated surplus	117,054	18,555	11,765
Revaluation reserves	66,208	9,018	8,218
<b>Council equity interest</b>	<b>183,262</b>	<b>27,573</b>	<b>19,983</b>
<b>Total equity</b>	<b>183,262</b>	<b>27,573</b>	<b>19,983</b>

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

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

continued on next page ...

Page 73 of 81



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Result by fund (continued)

Details of individual internal loans for the year ended 30 June 2020

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	Council ID / Ref	Council ID / Ref	Council ID / Ref
Borrower (by purpose)	Coaches Box	Aerodrome Lighting	Festoon Lighting
Lender (by purpose)	Water Fund	Water Fund	Water Fund
Date of minister's approval	28/06/2017	28/06/2017	26/10/2017
Date raised	30/06/2017	30/06/2017	30/06/2018
Term (years)	10	10	10
Dates of maturity	30/06/2027	30/06/2027	30/06/2028
Rate of interest	2.47%	2.47%	2.47%
Amount originally raised	\$150,000	\$100,000	\$60,000
Total repaid during year (principal and interest)	\$16,975	\$11,316	\$6,790
<b>Principal outstanding at end of year</b>	<b>\$108,810</b>	<b>\$72,540</b>	<b>\$49,152</b>

Details of individual internal loans	Council ID / Ref
Borrower (by purpose)	Barellan Change Room
Lender (by purpose)	Water Fund
Date of minister's approval	26/10/2017
Date raised	30/06/2018
Term (years)	10
Dates of maturity	30/06/2028
Rate of interest	2.47%
Amount originally raised	\$50,000
Total repaid during year (principal and interest)	\$5,658
<b>Principal outstanding at end of year</b>	<b>\$40,960</b>

Note: Amounts displayed here are in full dollars



## Narrandera Shire Council

Financial Statements 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	1,952	8.62%	5.65%	3.74%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	22,647				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	14,013	56.70%	51.81%	54.80%	>60.00%
Total continuing operating revenue <sup>1</sup>	24,716				
3. Unrestricted current ratio					
Current assets less all external restrictions	16,493	6.07x	6.63x	7.85x	>1.50x
Current liabilities less specific purpose liabilities	2,717				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	7,096	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	—				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	705	8.28%	7.70%	5.69%	<10.00%
Rates, annual and extra charges collectible	8,516				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	29,154	20.77 mths	19.34 mths	20.09 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	1,404				

(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



Narrandera Shire Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	7.09%	2.02%	17.55%	23.46%	13.24%	18.43%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	48.74%	43.02%	99.64%	99.41%	95.82%	99.63%	>60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	6.07x	6.64x	135.98x	146.64x	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	138.27x	108.29x	∞	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	7.89%	7.45%	9.16%	8.72%	9.51%	8.31%	<10.00%
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	16.90 mths	15.04 mths	65.20 mths	69.22 mths	11.34 mths	8.22 mths	>3.00 mths
Payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 31a above.

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



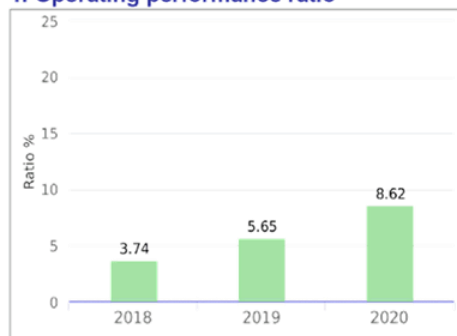
# Narrandera Shire Council

Financial Statements 2020

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

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

#### 1. Operating performance ratio



Benchmark: — > 0.00%

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

#### Purpose of operating performance ratio

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

#### Commentary on 2019/20 result

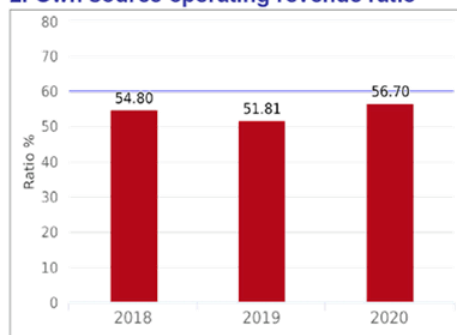
2019/20 ratio 8.62%

Council's operating performance ratio has again improved and remains well above the benchmark for all funds.

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



Benchmark: — > 60.00%

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

#### Purpose of own source operating revenue ratio

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

#### Commentary on 2019/20 result

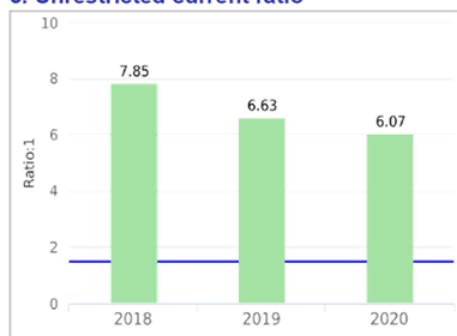
2019/20 ratio 56.70%

Own source revenue has again been impacted by additional grant funds for Stronger Country Communities and roads programs.

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



Benchmark: — > 1.50x

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

#### Purpose of unrestricted current ratio

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

#### Commentary on 2019/20 result

2019/20 ratio 6.07x

Council's ratio remains well above the benchmark with more than adequate funds to satisfy its short term obligations.

Ratio achieves benchmark

Ratio is outside benchmark

#### 4. Debt service cover ratio

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Page 77 of 81

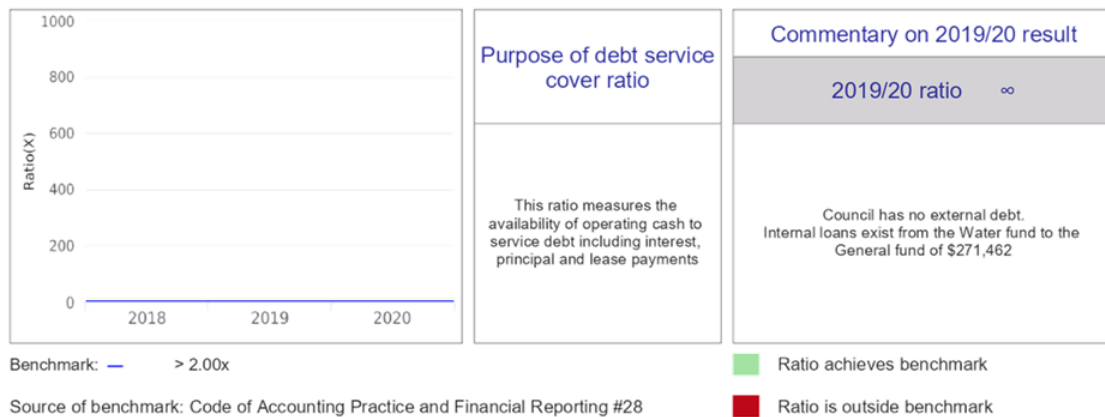


# Narrandera Shire Council

Financial Statements 2020

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

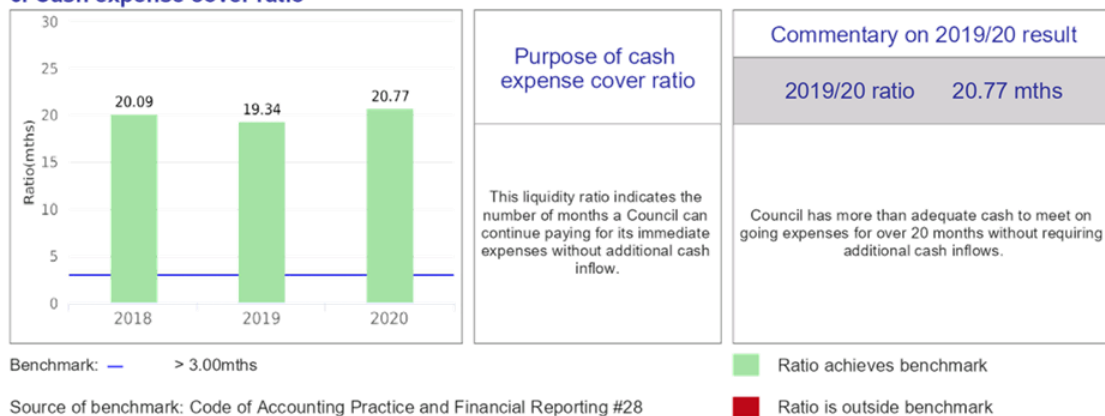
### Note 26(c). Statement of performance measures – consolidated results (graphs)



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



### 6. Cash expense cover ratio





**Narrandera Shire Council**

Financial Statements 2020

**Notes to the Financial Statements**  
for the year ended 30 June 2020**Note 27. Council information and contact details**

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**Principal place of business:**  
141 East St  
Narrandera NSW 2700

**Contact details**

**Mailing Address:**  
141 East St  
Narrandera NSW 2700

**Opening hours:**  
Office Hours  
Monday to Friday  
8:30am - 4:30pm

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**Internet:** [www.narrandera.nsw.gov.au](http://www.narrandera.nsw.gov.au)  
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**Officers**

**General Manager**  
Mr George Cowan

**Responsible Accounting Officer**  
Mr Martin Hiscox

**Public Officer**  
Mr Martin Hiscox

**Auditors**  
NSW Audit Office  
Level 15  
1 Margaret Street  
Sydney NSW 2001

GPO Box 12  
Sydney NSW 2001

**Elected members**

**Mayor**  
Cr Neville Kschenka

**Councillors**  
Cr David Fahey  
Cr Jenny Clarke  
Cr Tammy Galvin  
Cr Tracey Lewis  
Cr Kevin Morris  
Cr Barbara Bryon  
CR Narelle Payne

**Other information**

**ABN:** 96 547 765 569



Narrandera Shire Council

Financial Statements 2020

General Purpose Financial Statements  
for the year ended 30 June 2020

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Narrandera Shire Council

Financial Statements 2020

General Purpose Financial Statements  
for the year ended 30 June 2020

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# Narrandera Shire Council Special Purpose Financial Statements

**YEAR ENDING  
JUNE 2020**





## Narrandera Shire Council

Special Purpose Financial Statements 2020

## Special Purpose Financial Statements

for the year ended 30 June 2020

Contents	Page
<b>Statement by Councillors &amp; Management</b>	<b>3</b>
<b>Special Purpose Financial Statements</b>	
Income Statement – Water Supply Business Activity	4
Income Statement – Sewerage Business Activity	5
Statement of Financial Position – Water Supply Business Activity	6
Statement of Financial Position – Sewerage Business Activity	7
<b>Note 1 – Significant Accounting Policies</b>	<b>8</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>11</b>

### 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).



## Narrandera Shire Council

Special Purpose Financial Statements 2020

**Special Purpose Financial Statements**  
for the year ended 30 June 2020**Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting****The attached Special Purpose Financial Statements have been prepared in accordance with:**

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, 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 18 August 2020.**

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Cr Neville Kschenka  
Mayor  
18 August 2020

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Cr David Fahey  
Councillor  
18 August 2020

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Mr George Cowan  
General Manager  
18 August 2020

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Mr Martin Hiscox  
Responsible Accounting Officer  
18 August 2020



Narrandera Shire Council

Special Purpose Financial Statements 2020

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

\$ '000	2020	2019
<b>Income from continuing operations</b>		
Access charges	758	712
User charges	1,448	1,409
Fees	23	34
Interest	166	215
<b>Total income from continuing operations</b>	<b>2,395</b>	<b>2,370</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	354	330
Materials and contracts	902	745
Depreciation, amortisation and impairment	499	487
Loss on sale of assets	67	2
Other expenses	208	252
<b>Total expenses from continuing operations</b>	<b>2,030</b>	<b>1,816</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>365</b>	<b>554</b>
Grants and contributions provided for capital purposes	9	14
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>374</b>	<b>568</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>374</b>	<b>568</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(100)	(152)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>274</b>	<b>416</b>
<b>Plus accumulated surplus</b>	<b>18,181</b>	<b>17,613</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	100	152
<b>Closing accumulated surplus</b>	<b>18,555</b>	<b>18,181</b>
<b>Return on capital %</b>	<b>1.9%</b>	<b>3.0%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	274	416
Less: capital grants and contributions (excluding developer contributions)	(9)	–
<b>Surplus for dividend calculation purposes</b>	<b>265</b>	<b>416</b>
<b>Potential dividend calculated from surplus</b>	<b>132</b>	<b>208</b>



## Narrandera Shire Council

Special Purpose Financial Statements 2020

# Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Income from continuing operations</b>		
Access charges	1,257	1,160
User charges	157	183
Interest	29	19
<b>Total income from continuing operations</b>	<b>1,443</b>	<b>1,362</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	261	248
Materials and contracts	470	414
Depreciation, amortisation and impairment	305	302
Other expenses	216	147
<b>Total expenses from continuing operations</b>	<b>1,252</b>	<b>1,111</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>191</b>	<b>251</b>
Grants and contributions provided for capital purposes	63	5
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>254</b>	<b>256</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>254</b>	<b>256</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(53)	(69)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>201</b>	<b>187</b>
<b>Plus accumulated surplus</b>	<b>11,511</b>	<b>11,255</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	53	69
<b>Closing accumulated surplus</b>	<b>11,765</b>	<b>11,511</b>
<b>Return on capital %</b>	<b>1.0%</b>	<b>1.3%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	201	187
Less: capital grants and contributions (excluding developer contributions)	(63)	–
<b>Surplus for dividend calculation purposes</b>	<b>138</b>	<b>187</b>
<b>Potential dividend calculated from surplus</b>	<b>69</b>	<b>93</b>



## Narrandera Shire Council

Special Purpose Financial Statements 2020

## Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	722	166
Investments	7,200	7,500
Receivables	373	412
<b>Total current assets</b>	<b>8,295</b>	<b>8,078</b>
<b>Non-current assets</b>		
Receivables	237	271
Infrastructure, property, plant and equipment	19,102	18,738
<b>Total non-current assets</b>	<b>19,339</b>	<b>19,009</b>
<b>TOTAL ASSETS</b>	<b>27,634</b>	<b>27,087</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	61	53
<b>Total current liabilities</b>	<b>61</b>	<b>53</b>
<b>TOTAL LIABILITIES</b>	<b>61</b>	<b>53</b>
<b>NET ASSETS</b>	<b>27,573</b>	<b>27,034</b>
<b>EQUITY</b>		
Accumulated surplus	18,555	18,181
Revaluation reserves	9,018	8,853
<b>TOTAL EQUITY</b>	<b>27,573</b>	<b>27,034</b>



## Narrandera Shire Council

Special Purpose Financial Statements 2020

## Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	95	54
Investments	800	500
Receivables	138	126
Contract assets	54	–
<b>Total current assets</b>	<b>1,087</b>	<b>680</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	18,896	18,873
<b>Total non-current assets</b>	<b>18,896</b>	<b>18,873</b>
<b>TOTAL ASSETS</b>	<b>19,983</b>	<b>19,553</b>
<b>NET ASSETS</b>	<b>19,983</b>	<b>19,553</b>
<b>EQUITY</b>		
Accumulated surplus	11,765	11,511
Revaluation reserves	8,218	8,042
<b>TOTAL EQUITY</b>	<b>19,983</b>	<b>19,553</b>



## Narrandera Shire Council

Special Purpose Financial Statements 2020

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

#### Note 1. Significant Accounting Policies

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

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

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

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

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

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

#### National Competition Policy

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

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

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

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

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

#### Declared business activities

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

##### Category 1

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

##### a. Narrandera Council Water Supply

Council's water supply activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

##### Category 2

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

##### a. Narrandera Sewerage Service

Council's sewerage reticulation & treatment activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

#### Monetary amounts

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

continued on next page ...

Page 8 of 11



## Narrandera Shire Council

Special Purpose Financial Statements 2020

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

#### Note 1. Significant Accounting Policies (continued)

##### (i) Taxation equivalent charges

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

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

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

##### Notional rate applied (%)

Corporate income tax rate – 27.5%

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

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

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

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

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

##### Income tax

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

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

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

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

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

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

##### Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

continued on next page ...

Page 9 of 11



## Narrandera Shire Council

Special Purpose Financial Statements 2020

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

### Note 1. Significant Accounting Policies (continued)

#### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

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

#### (ii) Subsidies

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

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

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

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

#### (iii) Return on investments (rate of return)

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

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

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

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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

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

#### (iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer 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.



**Narrandera Shire Council**

Special Purpose Financial Statements 2020

**Special Purpose Financial Statements**  
for the year ended 30 June 2020

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# Narrandera Shire Council Special Schedules

**YEAR ENDING  
JUNE 2020**





**Narrandera Shire Council**

Special Schedules 2020

**Special Schedules**  
for the year ended 30 June 2020

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Contents	Page
<b>Special Schedules</b>	
Permissible income for general rates	3
Report on Infrastructure Assets - Values	4



## Narrandera Shire Council

Special Schedules 2020

## Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	4,950	4,856
Plus or minus adjustments <sup>2</sup>	b	1	3
<b>Notional general income</b>	$c = a + b$	<b>4,951</b>	<b>4,859</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>3</sup>	d	0.00%	0.00%
Or rate peg percentage	e	2.60%	2.70%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	$h = d \times (c + g)$	—	—
Or plus rate peg amount	$i = e \times (c + g)$	129	131
Or plus Crown land adjustment and rate peg amount	$j = f \times (c + g)$	—	—
<b>Sub-total</b>	$k = (c + g + h + i + j)$	<b>5,080</b>	<b>4,990</b>
Plus (or minus) last year's carry forward total	l	22	(18)
Less valuation objections claimed in the previous year	m	—	—
<b>Sub-total</b>	$n = (l + m)$	<b>22</b>	<b>(18)</b>
<b>Total permissible income</b>	$o = k + n$	<b>5,102</b>	<b>4,972</b>
Less notional general income yield	p	5,104	4,950
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>(2)</b>	<b>22</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	r	—	—
Less unused catch-up <sup>5</sup>	s	—	—
<b>Carry forward to next year <sup>6</sup></b>	$t = q + r + s$	<b>(2)</b>	<b>22</b>

## Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable 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) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Narrandera Shire Council

Special Schedules 2020

Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2019/20 Required maintenance <sup>a</sup>	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	573	–	344	–	7,982	22,833	5.0%	12.0%	44.0%	35.0%	4.0%
	Buildings – specialised	46	–	109	–	6,995	12,754	31.0%	22.0%	23.0%	23.0%	1.0%
	Sub-total	619	–	453	–	14,977	35,587	14.3%	15.6%	36.5%	30.7%	2.9%
Other structures	Other structures	114	–	165	–	6,083	12,799	29.0%	17.0%	14.0%	38.0%	2.0%
	Sub-total	114	–	165	–	6,083	12,799	29.0%	17.0%	14.0%	38.0%	2.0%
Water supply network	Water supply network	189	–	315	–	18,209	31,524	16.0%	24.0%	34.0%	25.0%	1.0%
	Sub-total	189	–	315	–	18,209	31,524	16.0%	24.0%	34.0%	25.0%	1.0%
Roads	Sealed roads pavement	6,063	–	170	–	20,366	32,093	8.0%	1.0%	90.0%	0.0%	1.0%
	Sealed roads surface	5,452	–	391	–	6,482	15,755	7.0%	4.0%	18.0%	58.0%	13.0%
	Unsealed roads pavement	3,150	–	235	–	16,937	22,772	62.0%	7.0%	10.0%	4.0%	17.0%
	Bridges	1,462	–	43	–	9,830	15,203	7.0%	45.0%	48.0%	0.0%	0.0%
	Footpaths	177	–	7	–	764	1,240	6.0%	30.0%	56.0%	8.0%	0.0%
	Bulk earthworks	–	–	–	–	58,421	58,421	100.0%	0.0%	0.0%	0.0%	0.0%
	Flood-ways	–	–	–	–	769	769	100.0%	0.0%	0.0%	0.0%	0.0%
	Guardrail	44	–	2	–	197	341	3.0%	38.0%	56.0%	0.0%	3.0%
	Kerb and guttering	746	–	34	–	3,692	6,068	3.0%	46.0%	42.0%	7.0%	2.0%
	Traffic devices	35	–	1	–	662	769	77.0%	0.0%	23.0%	0.0%	0.0%
	Sub-total	17,129	–	883	–	118,120	153,431	51.4%	8.3%	29.3%	6.9%	4.2%
Sewerage network	Sewerage network	1,858	–	249	–	18,474	25,801	27.0%	25.0%	27.0%	9.0%	12.0%
	Sub-total	1,858	–	249	–	18,474	25,801	27.0%	25.0%	27.0%	9.0%	12.0%
Stormwater drainage	Stormwater drainage	–	–	9	–	6,901	10,612	0.0%	13.0%	87.0%	0.0%	0.0%
	Sub-total	–	–	9	–	6,901	10,612	0.0%	13.0%	87.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	26	–	335	1,338	0.0%	0.0%	41.0%	59.0%	0.0%
	Open Space & Recreational	51	–	8	–	640	1,367	61.0%	29.0%	0.0%	5.0%	5.0%
	Sub-total	51	–	34	–	975	2,705	30.8%	14.7%	20.3%	31.7%	2.5%
TOTAL - ALL ASSETS		19,960	–	2,108	–	183,739	272,459	36.9%	13.3%	32.0%	13.7%	4.1%

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

continued on next page ...

Page 4 of 11



Narrandera Shire Council

Special Schedules 2020

Report on Infrastructure Assets - Values (continued)  
as at 30 June 2020

Infrastructure asset condition assessment 'key'

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

continued on next page ...

Page 5 of 11



## Narrandera Shire Council

Special Schedules 2020

## Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio <sup>1</sup>					
Asset renewals <sup>2</sup>	4,985	113.12%	66.81%	111.76%	>=100.00%
Depreciation, amortisation and impairment	4,407				
Infrastructure backlog ratio <sup>1</sup>					
Estimated cost to bring assets to a satisfactory standard	19,960	10.86%	1.27%	0.84%	<2.00%
Net carrying amount of infrastructure assets	183,739				
Asset maintenance ratio					
Actual asset maintenance	—	—	208.37%	221.75%	>100.00%
Required asset maintenance	2,108				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	—	—	—	
Gross replacement cost	272,459				

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

(1) Excludes Work In Progress (WIP)

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

continued on next page ...

Page 6 of 11



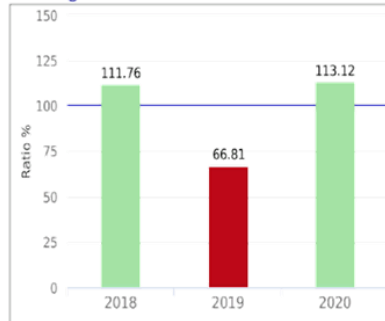
Narrandera Shire Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

19/20 ratio 113.12%

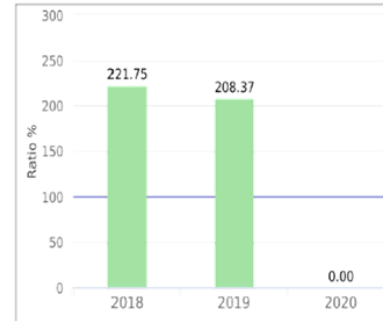
Benchmark: —  $\geq 100.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

19/20 ratio 0.00%

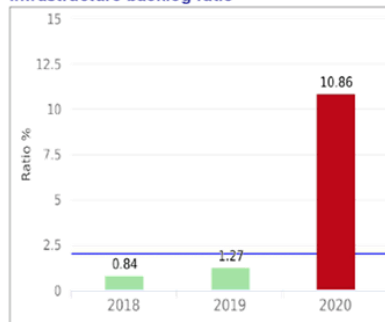
Benchmark: —  $> 100.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

19/20 ratio 10.86%

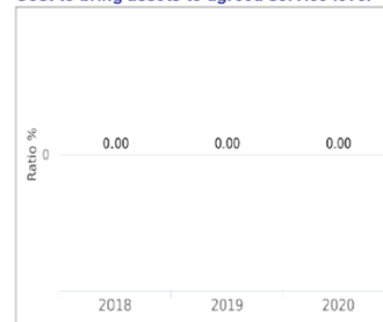
Benchmark: —  $< 2.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

19/20 ratio 0.00%

continued on next page ...

Page 7 of 11



Narrandera Shire Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2020	2019	2020	2019	2020	2019	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio <sup>1</sup>							
Asset renewals	117.93%	78.39%	130.94%	27.20%	25.75%	—	>=100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio <sup>1</sup>							
Estimated cost to bring assets to a satisfactory standard	12.18%	0.45%	1.04%	0.45%	10.06%	9.67%	<2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	—	273.95%	—	112.34%	—	105.06%	>100.00%
Required asset maintenance							
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) Excludes Work In Progress (WIP)





Special Schedules 2020

## INDEPENDENT AUDITOR'S REPORT

### Special Schedule - Permissible income for general rates

#### Narrandera Shire Council

To the Councillors of Narrandera Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Narrandera Shire Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (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' (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 2019 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 2019'.

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, unless it is not appropriate to do so.

### Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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



Special Schedules 2020

My opinion does not 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 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo  
Delegate of the Auditor-General for New South Wales, Financial Audit Services

5 September 2019  
SYDNEY



General Fund	Type	19/20 Budget	19/20 Exp	0/21 Carry Over	Grant				Contrib	Ext Reserve	Int Reserve	Total
					Revenue	/Contribution	Future Grant					
Internal Audit	Op	45,259	27,028	18,231	18,231							18,231
Branding Strategy	Op	2,350	-		-							-
Independent Living Village	Op	40,000	9,940	30,060	30,060							30,060
Aust Airline Airport Academy	Op	10,000	42	9,958	9,958							9,958
CCTV Review	Op	5,000	-	5,000						5,000		5,000
BrIn Flood Levee Options	Op	124,101	122,889	1,212			1,212					1,212
POM Crown Land Grant	Op	70,615	588	70,027		70,027						70,027
Pound Grant	Op	4,000		4,000		4,000						4,000
Youth Week Grant	Op	1,887	300	1,587		1,587						1,587
Library Local Special Grant	Op	19,000	11,470	7,530		7,530						7,530
Collaboration Incentive Payment	Op	6,035	2,635	3,400		3,400						3,400
Parkside Museum Advisor	Op	8,400	5,600	2,800		2,800						2,800
Parkside Museum Advisor Travel	Op	13,788	4,928	8,860		8,860						8,860
Museum Project Development	Op	6,686		6,686		6,686						6,686
Grong Grong Earth Park - RMS	Op	27,111	10,000	17,111		17,111						17,111
Newell Hwy Contribution Grong Grong Reseal	Op	93,050	-	93,050		93,050						93,050
Newell Hwy Contribution Grong Grong town entrance signs	Op	8,000	-	8,000		8,000						8,000
Regional Roads Block Grants	Cap	457,000	441,198	15,802		15,802						15,802
Email Archiving, MS Office & Exchange Replacement	Cap	\$ 79,595.00	\$ 71,042.11		-							-
Network Penetration Testing	Cap	\$ 10,000.00	\$ -	10,000	10,000							10,000
IT Review	Cap	\$ 5,000.00	\$ -	5,000	5,000							5,000
CCTV Combined	Cap	\$ 18,000.00		15,000	15,000							15,000
Barellan RFS Station Amenities	Cap	\$ 97,750.00	\$ 9,799.66	87,950					87,950			87,950
Narrandera Waste Facility -External fence & improved public access	Cap	\$ 9,297.00	\$ -	9,297						9,297		9,297
Ndra Landfill Masterplan improvement works - possibility of grant funding in future	Cap	\$ 330,000.00	\$ 3,021.42	326,979			165,000			161,979		326,979
Ndra Landfill Operational control room (transportable, dust-free - replace carriage)	Cap	\$ 20,000.00	\$ -	20,000						20,000		20,000
Larmer St Flood Mitigation Works - Stage 2	Cap	\$ 41,639.00	\$ 19,828.54	21,810						21,810		21,810
Narrandera West Drainage Improvements	Cap	\$ 41,753.00	\$ 11,785.85	29,967						29,967		29,967
Drainage Improvement Driscoll Rd	Cap	\$ 75,000.00	\$ 8,823.00	66,177						66,177		66,177
Barellan Cemetery Entrance gate	Cap	\$ 8,000.00	\$ -	8,000	8,000							8,000
GG Cemetery Furniture	Cap	\$ 5,000.00	\$ 1,166.00	3,834	3,834							3,834
Book & Resources annual replacement	Cap	\$ 29,696.00	\$ 16,850.22	12,846	12,846							12,846
Lake Talbot Pool - Detailed Design of Master Plan Works - Filtration & Splash Park Works	Cap	\$ 2,278,507.00	\$ 1,041,615.12	1,236,892			770,500				466,392	1,236,892
BrIn Pool Upgrade Filtration system / Waste water irrigation	Cap	\$ 155,000.00	\$ 100,046.32	54,954	54,954							54,954
Ndra Sportsground drainages and soak	Cap	\$ 160,000.00	\$ -	100,000	100,000							100,000
Ndra Sportsground Building upgrades (old Kiosk etc)	Cap	\$ 10,000.00	\$ -	-	-							-
HM Oval Level and Resurface	Cap	\$ 25,000.00	\$ -	25,000	25,000							25,000
Ndra Sportsground Clubrooms	Cap	\$ 1,988,360.00	\$ 77,083.31	1,911,277		722,917	700,000	173,360			315,000	1,911,277
Flag Poles for Festive Flags	Cap	\$ 1,906.00	\$ 684.17	1,222	1,222							1,222
Completion of Wiradjuri wall	Cap	\$ 20,000.00	\$ 36.27	19,964	19,964							19,964
MBP Up Lighting adventure playground	Cap	\$ 15,000.00	\$ -	15,000	15,000							15,000
MBP Drinking fountains/ bottle fillers	Cap	\$ 8,000.00	\$ -	8,000	8,000							8,000
MBP Pocket park upgrades	Cap	\$ 50,000.00	\$ 21,879.17	28,121	28,121							28,121
Victoria Ave stage 2 - level, irrigate, formalise driveways, curb	Cap	\$ 80,000.00	\$ 5,457.82	74,542	74,542							74,542
Brewery Flats landscaping, furniture replacement, painting etc.	Cap	\$ 5,000.00	\$ -	5,000	5,000							5,000
DCF - Adverse Event Plan	Op	\$ 50,000.00	\$ 450.00	49,550		24,550	25,000					49,550
DCF - Rural Assistance Program - Grong Grong Community Project	Cap	\$ 50,000.00	\$ 1,676.24	48,324		23,324	25,000					48,324
DCF - Rural Assistance Program - Sandigo Community Project	Cap	\$ 50,000.00	\$ 2,450.35	47,550		22,550	25,000					47,550
DCF - Rural Assistance Program - Barellan Community Project	Cap	\$ 50,000.00	\$ 1,597.75	48,402		23,402	25,000					48,402
DCF - Road beautification Project - Lake Talbot Water Park.	Cap	\$ 150,000.00	\$ -	150,000		75,000	75,000					150,000
DCF - Sunsafe playgrounds	Cap	\$ 80,000.00	\$ -	80,000		40,000	40,000					80,000
DCF - Barellan Improvements Project	Cap	\$ 70,000.00	\$ 769.36	69,231		34,231	35,000					69,231
DCF - Grong Grong Improvement Project	Cap	\$ 10,000.00	\$ 3,532.43	6,468		1,468	5,000					6,468
DCF - Village Halls Improvement Project - Grong Grong Town Hall	Cap	\$ 30,000.00	\$ 11,768.28	18,232		3,232	15,000					18,232



General Fund	Type	19/20 Budget	19/20 Exp	0/21 Carry Over	Grant			Contrib	Ext Reserve	Int Reserve	Total
					Revenue	/Contribution	Future Grant				
DCF - Village Halls Improvement Project - Sandigo Hall	Op	\$ 30,000.00	\$ 24,308.62	5,691		- 9,309	15,000				5,691
DCF - Village Halls Improvement Project - Barellan Hall	Cap	\$ 30,000.00	\$ 981.59	29,018		14,018	15,000				29,018
DCF - Village Halls Improvement Project - Binya Hall	Op	\$ 30,000.00	\$ 12,639.27	17,361		2,361	15,000				17,361
DCF - Village Halls Improvement Project - Kamarah Hall	Op	\$ 30,000.00	\$ 1,325.22	28,675		13,675	15,000				28,675
DCF - Narrandera Stadium Upgrade	Cap	\$ 40,000.00	\$ -	40,000		20,000	20,000				40,000
DCF - Henry Mathieson Oval facilities Improvement Project	Cap	\$ 300,000.00	\$ 1,000.00	299,000		149,000	150,000				299,000
SCCF - Barellan Footpath Project	Cap	\$ 120,000.00	\$ -	120,000		96,000	24,000				120,000
SCCF - Youth Food Van Project	Cap	\$ 50,000.00	\$ -	50,000		40,000	10,000				50,000
SCCF - Parkside Cottage Museum	Cap	\$ 50,000.00	\$ 1,818.18	48,182		38,182	10,000				48,182
SCCF - Grong Grong Hall	Cap	\$ 20,000.00	\$ 716.61	19,283		15,283	4,000				19,283
SCCF - Barellan Hall	Cap	\$ 20,000.00	\$ 638.82	19,361		15,361	4,000				19,361
SCCF - Sandigo Hall	Op	\$ 20,000.00	\$ 797.15	19,203		15,203	4,000				19,203
SCCF - Binya Hall	Op	\$ 20,000.00	\$ 929.79	19,070		15,070	4,000				19,070
SCCF - Kamarah Hall	Op	\$ 20,000.00	\$ 8,971.34	11,029		7,029	4,000				11,029
Barellan Netball Courts	Cap	\$ 103,500.00	\$ -	103,500		103,500					103,500
Aquatic weed Harvester	Cap	\$ 130,000.00	\$ -	-							-
LT Rec Seating and Shelter Revamp	Cap	\$ 10,000.00	\$ -	10,000	10,000						10,000
NBCMP	Cap	\$ 168,696.02	\$ 2,244.99	166,451						166,451	166,451
Barellan Stormwater Design	Cap	\$ 3,761.00	\$ 373.19	3,388	3,388						3,388
Urban Roads Construction - Laneways	Cap	\$ 38,950.00	\$ 4,845.00	34,105	34,105						34,105
<b>Urban Roads Construction</b>											-
Intersections Upgrade Local & Reg. Rds	Cap	\$ 90,000.00	\$ -	90,000	90,000						90,000
Culvert/bridge assessment works	Cap	\$ 35,050.00	\$ -	35,050	35,050						35,050
Urban Reseals	Cap	\$ 114,800.00	\$ 4,697.71	-	-						-
<b>Urban Pavement Rehabilitation</b>											-
Urban Laneways Upgrade-additional	Cap	\$ 50,000.00	\$ 3,047.31	46,953	46,953						46,953
Improvement of water haulage	Cap	\$ 15,000.00	\$ -	15,000	15,000						15,000
Innovation for Rural infrastructure Mgmt	Cap	\$ 16,075.00	\$ 4,080.00	11,995	11,995						11,995
Urban K&G Replacement	Cap	\$ 45,000.00	\$ 1,491.50	43,509	43,509						43,509
Urban Footpath Replacement	Cap	\$ 10,000.00	\$ 7,308.64	2,691	2,691						2,691
<b>Rural Sealed Roads Construction</b>											-
Cove Road 1.1-3.3 km	Cap	\$ 38,500.00	\$ 30,723.29	-	-						-
Culvert Manderlay Road 9.27 km	Cap	\$ 7,022.00	\$ 1,346.44	5,676	5,676						5,676
Culvert Manderlay Road 7.78 km	Cap	\$ 6,500.00	\$ 3,736.50	2,764	2,764						2,764
Culvert Brookong St 0.0 km	Cap	\$ 6,500.00	\$ 245.41	6,255	6,255						6,255
Centenary Road 4.16 km- 9.11 km	Cap	\$ 86,625.00	\$ 64,308.74	-	-						-
Culvert Yalgogorin Road 0.262	Cap	\$ 12,000.00	\$ 1,759.50	10,241	10,241						10,241
Devilins Bridge Road 3.03-5.5 km	Cap	\$ 110,903.00	\$ 81,399.83	-	-						-
FCR - Colinroobie Leeton Road	Cap	1,173,462	1,169,011	4,451			4,451				4,451
<b>Roads Resheeting</b>											-
Dows Road 4.08-5.6 km	Cap	19,970	-	-							-
Erigolia Road Widening 0-11.95 km	Cap	97,793	485	-	-						-
Brewarrina Bridge Retrofitting	Cap	80,000	-	80,000	80,000						80,000
HVSPP Kamarah Road	Cap	100,000	11,806	88,194	88,194						88,194
Rural Road Reseals	Cap	146,575	102,663	-	-						-
Roads to Recovery	Cap	1,495,985	1,416,761	79,224		79,224					79,224
FCR -Canola Way Culvert	Cap	375,218		375,218			375,218				375,218
PAMP - (Active Transport - 100% RMS Funding) - Cadell Street	Cap	119,432	84,652	34,780			34,780				34,780
Banner Poles Leeton Road	Cap	15,000	6,420	8,580	8,580						8,580
Drone Purchase for Survey / Inspection	Cap	7,899	-	7,899	3,949				3,950		7,899
Red Hill Signage	Cap	3,800	100	3,700	3,700						3,700
Arts Centre Building Works	Cap	4,614	-	4,614	4,614						4,614
Lake Talbot Tourist Park fire service upgrades details required	Cap	18,209	2,685	15,524					15,524		15,524
Building renewal and upgrades	Cap	24,000	10,898	13,102	13,102						13,102



General Fund	Type	19/20 Budget	19/20 Exp	0/21 Carry Over	Grant						Total
					Revenue	/Contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	
16 Kiesling Drive Building Works	Cap	8,156	2,906	5,250	5,250						5,250
Council Chambers Upgrade of Storage Facility	Cap	21,000	12,831	8,169	8,169						8,169
Provision of off street staff/fleet parking for Chambers	Cap	70,000	-	20,000	20,000						20,000
Museum - Ext. paint, disabled ramp, public toilets	Cap	57,000	6,596	50,404	50,404						50,404
Council Chambers Building Upgrades	Cap	21,000	880	20,120	20,120						20,120
4 Victoria Square	Cap	16,000	12,904	3,096	3,096						3,096
				-							-
		12,803,780	5,155,313	7,053,675	1,071,534	1,824,122	2,615,162	261,310	333,704	947,843	7,053,675
			Op		58,250						
			Cap		1,013,284						
			Total		1,071,534						
Water Fund					Unspent Grant						
					Revenue	/contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	
Flow meters on all inlet and outlets Reservoirs	Cap	58,422	17,332	41,090					41,090		41,090
Reservoir cleaning and structural assessment	Cap	16,128	-	16,128					16,128		16,128
Aerator gas scrubbing	Cap	20,000	1,038	18,962					18,962		18,962
WTP filter/Upgrade design	Cap	76,625	27,007	49,618					49,618		49,618
North Zone Pressure Pump - low pressure issues	Cap	43,924	1,265	42,659					42,659		42,659
Water Main Replacements	Cap	250,000	208,836	41,164					41,164		41,164
Pine Hill Reservoir Upgrade	Cap	80,000	14,809	65,191					65,191		65,191
				-					-		-
Total		545,099	270,287	274,812	-	-	-	-	274,812	-	274,812
Sewer Fund					Unspent Grant						
					Revenue	/contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	
Primary filter - EPA	Cap	120,000	1,760	118,240					118,240		118,240
Manhole Replacements	Cap	61,911	4,621	57,290					57,290		57,290
Flow meters for Pump Stations 2, 3, 4	Cap	36,194	541	35,653					35,653		35,653
SPS3 Replacement	Cap	200,000	-	200,000					200,000		200,000
Narrandera West Sewer Extension	Cap	64,000	30,795	33,205			24,903		8,301		33,204
				-					-		-
Total		482,105	37,717	444,388	-	-	24,903	-	419,484	-	444,388
All Funds Total		13,830,984	5,463,318	7,772,874	1,071,534	1,824,122	2,640,065	261,310	1,028,000	947,843	7,772,874



			Opening Balances 1-Jul-19					ANNUAL MOVEMENTS							Closing Balances 30/06/2020		
			Unspent Grants/Cont	Internal Restriction	Adjustments	Transfer from Grant Liability	Grant Debtors(*)	Receipts for Yr GST Excl. Amt	GST (if applic)	Funds Available	Expenditure during year	Grant Debtors	Unspent Liability	Income for Year	Unspent Grants/Cont.	Contract Asset	Grant Debtors/ Accrued(*)
GRANT TYPE - C=C/w S=State O=Other	Expenditure GL		(i)	(ii)	(iii)			(v)	(vi)	(vii)	(viii)	(ix)	(xii)	(x)	(xi)		(xiii)
										(i + v - iii)	(from G/L)			(viii+ix+xi-i)	(vii - viii, if vii > viii)		(x-vii+i, if viii+ix>vii)
Govt Grants - Operating																	
Trainee Incentive Payment Revenue	C	0213-2006-0000	0.00				0.00	3,715.00		3,715.00	3,715.00			3,715.00	0.00		0.00
POM Crown Land Grant	S	5030-0007-0000	70,615.00				0.00			70,615.00	588.00			0.00	70,027.00		0.00
Pound Grant	S							4,000.00		4,000.00				4,000.00	4,000.00		0.00
ESL Grant	S							37,429.00		37,429.00	37,429.00			37,429.00	0.00		0.00
ERNWAG/WRNWAG Regional Weeds Grant Rev	O	0511-2100-0000	0.00				0.00	43,666.19		43,666.19	108,373.09			43,666.19	0.00		0.00
Flood Study	S	0513-4002-0001,0003	0.00				0.00	61,813.97		61,813.97	122,332.24	34,814.14		96,628.11	0.00		34,814.14
Domestic & Family Violence Grant	S	6200-0111-0002	160.00				0.00	160.00		160.00	931.80			0.00	0.00		0.00
Youth Week Grant Revenue	S	6300-0111	0.00				0.00	1,887.00	188.70	1,887.00	300.00			1,887.00	1,587.00		0.00
Graffiti Grant	S							0.00	0.00	0.00				0.00	0.00		0.00
Rural & Regional Youth Participation	S	6300-113-0	1,500.00				0.00		0.00	1,500.00	1,700.00			0.00	0.00		0.00
Traffic Lighting (Subsidy) Revenue	S	0712-2118-0000	0.00				0.00			0.00		33,000.00		33,000.00	0.00		33,000.00
DI&I Heritage Advisor Grant rev	S	0714-2002-0000	0.00				0.00			0.00	8,850.00	6,000.00		6,000.00	0.00		6,000.00
Heritage Fund (Grant) Revenues	S	0714-2002-0000	0.00				0.00			0.00	7,920.00	5,500.00		5,500.00	0.00		5,500.00
Library Local Special (Grant) Revenue	S	7700-0124	0.00				0.00	19,000.00		19,000.00	11,470.00			19,000.00	7,530.00		0.00
Tech Savy Seniors	S	7700-0156	659.89				0.00	659.89		659.89	659.89			0.00	0.00		0.00
Library Per Capita Subsidy	S	untied	0.00				0.00	58,518.00		58,518.00	58,518.00			58,518.00	0.00		0.00
Collaboration Incentive Payment	S	7700-0073-3	6,035.00				0.00	6,035.00		6,035.00	2,635.00			0.00	3,400.00		0.00
Drought Communities Round 2	C							120,000.00		120,000.00	42,771.21		77,228.79	42,771.21			0.00
Adverse Event Plan	C	300-113-0									450.00			0.00			
Village Halls Improvement Project - Sandigo	C	300-110-0									24,308.62			0.00			
Village Halls Improvement Project - Binya	C	300-111-0									12,639.27			0.00			
Village Halls Improvement Project - Kamarah	C	300-112-0									1,325.22			0.00			
Rural Assistance Program - Sandigo Community Project	C	300-1045-2									2,450.35						
Rural Assistance Program - Barellan Community Project	C	300-1045-3									1,597.75						
														0.00			
SCC2 - 0389- Barellan Aged Care Extension	S	300-100	0.00				115,879.00	235,271.00		119,392.00	162,452.70			119,392.00	0.00		0.00
SCC2 - 0413- Narrandera Golf Club Irrigation	S	300-101	0.00				44,986.00	318,355.00		273,369.00	274,365.00			273,369.00	0.00		0.00
SCC2 - 0563- Narrandera Bowling Club Lights	S	300-102	0.00				42,987.00	46,887.50		3,900.50	3,900.50			3,900.50	0.00		0.00
SCC2 - 0588 - CRC Church - Disabled Toilet	S	300-103	33,000.00			33,000.00	0.00	67,000.00		100,000.00	104,557.94			100,000.00	0.00		0.00
SCC2 - 0649 - Grong Grong Sports and Golf Club	S	300-104	24,750.00			24,750.00	0.00	50,250.00		75,000.00	75,000.00			75,000.00	0.00		0.00
SCC2 - 0640 - St John's Church	S	300-105	0.00				8,984.00	8,984.00		0.00	0.00			0.00	0.00		0.00
SCCF3 - 0638 - Sandigo Hall	S	300-107						16,000.00		16,000.00	797.15		15,202.85	797.15			0.00
SCCF3 - 0638 - Binya Hall	S	300-108						16,000.00		16,000.00	929.79		15,070.21	929.79			0.00
SCCF3 - 0638 - Kamarah Hall	S	300-109						16,000.00		16,000.00	8,971.34		7,028.66	8,971.34			0.00
Parkside Museum Advisor	S	8300-0098	1,400.00				0.00	7,000.00	700.00	8,400.00	5,600.00			7,000.00	2,800.00		0.00
Parkside Museum Advisor Travel	S	8300-0098	7,287.50				0.00	6,500.00	650.00	13,787.50	4,927.50			6,500.00	8,860.00		0.00
Museum Project Development	S	8300-0124	536.00				0.00	6,150.00	615.00	6,686.00		3,000.00		9,150.00	6,686.00		3,000.00
CASP Cottage Museum - Now and Then - Re-Writing History	S	8307-0124	300.00				0.00		0.00	300.00	300.00			0.00	0.00		0.00
FCR Colinroobie/Leeton RD	S	0012-1023						540,085.00		540,085.00	593,500.00			540,085.00	0.00		0.00
Roadside Reserve Grant	O	0003-0002	0.00				2,434.27			-2,434.27	2,727.27	5,161.00		2,726.73	0.00		5,161.00
Roads to Recovery Grant Revenues	C	0919-4200	0.00				0.00	1,495,985.00		1,495,985.00	1,416,761.00			1,495,985.00	79,224.00		0.00
RSD Wages Contributions	S		0.00				1,985.00	28,094.00		26,109.00	55,160.00	3,255.00		29,364.00	0.00		3,255.00
RSD Projects	S		0.00				320.00	22,853.59		22,533.59	23,260.11	2,497.00		25,030.59	0.00		2,497.00
NSW Bike Week Revenue	S	0920-2100-0001	0.00				0.00	2,283.40		2,283.40	2,283.40			2,283.40	0.00		0.00
RSD Workshops	S	0920-2100-0005	0.00				0.00			0.00				0.00	0.00		0.00
Safety Around Schools - Binya Remove	S		0.00				1,195.00	1,195.00		0.00				0.00	0.00		0.00
Safety Around Schools - Binya Instal	S		0.00				1,500.00	1,500.00		0.00				0.00	0.00		0.00
Country Arts Support - Little Music for Big Instrument	S	8750-0128	2,890.00				0.00		0.00	2,890.00	2,890.00			0.00	0.00		0.00
Financial Assistance Grant	C		0.00				0.00	2,412,509.00		2,412,509.00	2,412,509.00			2,412,509.00	0.00		0.00
Financial Assistance Grant advance	C		0.00	2,507,426.00	-2,507,426.00		0.00	2,557,207.00		2,557,207.00	2,557,207.00			2,557,207.00	0.00		0.00
sub total - Op. Grants			149,133.39	2,507,426.00	-2,507,426.00	57,750.00	220,270.27	8,206,138.65	2,153.70	8,135,001.77	8,159,064.14	93,227.14	114,530.51	8,022,315.01	184,114.00	0.00	93,227.14



		Opening Balances 1-Jul-19					ANNUAL MOVEMENTS							Closing Balances 30/06/2020		
		Unspent Grants/Cont	Internal Restriction	Adjustments	Transfer from Grant Liability	Grant Debtors(*)	Receipts for Yr GST Excl. Amt	GST (if applic)	Funds Available	Expenditure during year	Grant Debtors	Unspent Liability	Income for Year	Unspent Grants/Cont.	Contract Asset	Grant Debtors/ Accrued(*)
		(i)			(ii)	(iii)	(v)	(vi)	(vii)	(viii)	(ix)	(xii)	(x)	(xi)		(xiii)
GRANT TYPE - C=C/w S=State O=Other		Expenditure GL														
Govt Grants - Capital																
Library - Youth Space	S	7700-1003	55,129.00		55,129.00	-			55,129.00	87,502.00			55,129.00	0.00		0.00
Library - Youth Space - Regional Cultural - Activiting the Spac	S		0.00	25,000.00		25,000.00	53,650.00		53,650.00	56,260.00			28,650.00			0.00
Narrandera AFL Clubrooms - DOH	C	200-1022					700,000.00		700,000.00	77,083.00		622,917.00	77,083.00			0.00
Narrandera Sportsground Playground NIFNC	O	200-1016	17,600.00			-			17,600.00	31,956.00			0.00	0.00		0.00
SCC1 - Barellan changeroom	S	200-1014	0.00			91,460.00	91,460.00		0.00				0.00	0.00		0.00
SCC1 - Marie Bashir Park stage	S	300-1009	0.00			62,650.00	137,360.00		74,710.00	105,828.00			74,710.00	0.00		0.00
SCC2 - LT Pool changeroom	S	7800-1012	88,846.00		88,846.00	-	201,000.00		289,846.00	435,235.00			289,846.00	0.00		0.00
SCC2 - LT Pool Slide	S	7800-1010	34,650.00		34,650.00	-	111,962.00		146,612.00	1,120,138.00			146,612.00	0.00		0.00
SCC2 - Hankinson Park	S	300-1025	3,180.00		3,180.00	-	33,500.00		36,680.00	56,910.00			36,680.00	0.00		0.00
SCC2 - Grong Grong Earth Park	S	300-0106	16,500.00		16,500.00	-			16,500.00	50,000.00	33,500.00		50,000.00	0.00		33,500.00
Grong Grong Earth Park - RMS	S	300-0106	27,111.00			-			27,111.00	10,000.00			0.00	17,111.00		0.00
SCG3 - Barellan Footpath	S	300-1054					96,000.00		96,000.00			96,000.00	0.00			0.00
SCG3 - Youth Food Van	S	300-1055					40,000.00		40,000.00			40,000.00	0.00			0.00
SCG3 - Parkside Cottage Museum	S	300-1056					40,000.00		40,000.00	1,818.18			38,181.82	0.00		0.00
SCG3 - Grong Grong Hall	S	300-1057					16,000.00		16,000.00	716.61			15,283.39	0.00		0.00
SCG3 - Barellan Hall	S	300-1058					16,000.00		16,000.00	638.82			15,361.18	0.00		0.00
Drought Comm - Projects Round 1	C	816-4205	0.00			100,000.00	100,000.00		0.00		0.00		0.00	0.00		0.00
Drought Comm - Projects Round 2	C						380,000.00		380,000.00	19,727.90		360,272.10	19,727.90			0.00
Rural Assistance Program - Grong Grong Community Project	C	300-1045-1								1,676.24						0.00
Road beautification Project - Lake Talbot Water Park.	C	300-1046-0														0.00
Sunsaft playgrounds	C	300-1047-0														0.00
Barellan Improvements Project	C	300-1048-0								769.36						0.00
Grong Grong Improvement Project	C	300-1049-0								3,532.43						0.00
Village Halls Improvement Project - Grong Grong	C	300-1050-1								11,768.28						0.00
Village Halls Improvement Project - Barellan	C	300-1050-3								981.59						0.00
Narrandera Stadium Upgrade	C	300-1051-0														0.00
Henry Mathieson Oval facilities Improvement Project	C	300-1052-0								1,000.00						0.00
Toilet Facilities Rocky Waterhole RMS Boating	S	600-1005	0.00			26,992.48	26,992.48		0.00							0.00
FCR Canola Way - Cowabbie Creek	S	0013-1243	0.00			4,782.00			-4,782.00		4,782.00		0.00	0.00	4,782.00	0.00
FCR Colinroobie/Leeton RD	S	0012-1023	0.00			114,764.00	74,091.77		-40,672.23	575,510.61	564,771.95		524,099.72	0.00	318,294.00	246,477.95
CPTIGS Bus Shelter 100%	S	0911-4028-0000	0.00			43,756.71	43,756.71		0.00				0.00	0.00		0.00
HVSPP Kamarah RD	S	12-1028							0.00	11,806.00	11,806.00		11,806.00	0.00		11,806.00
Natural Disaster	S	0916-2100-0002,0003	0.00			1,102,777.00	1,102,777.00		0.00				0.00	0.00		0.00
Regional Roads Flood	S		0.00			138,000.00	138,000.00		0.00				0.00	0.00		0.00
Playground on the Murrumbidgee - see POMP for details	S								0.00	22,511.90	20,695.00		20,695.00	0.00	20,695.00	0.00
Cycleway Grant Revenues	S	0920-4002-0005	0.00			0.00			0.00				0.00	0.00		0.00
WC Partnership - PAMP 50%	S	30-1012	0.00			2,428.00	8,570.00		6,142.00	7,423.00	1,456.00		7,598.00	0.00		1,456.00
WC Partnership - PAMP fully funded	S	30-1013					4,079.00		4,079.00	84,412.00	80,333.00		84,412.00	0.00		80,333.00
Narrandera Truck Wash - Crown Finance	S	30-1009	0.00			0.00	276,000.00		276,000.00	416,918.00			276,000.00	0.00		0.00
Narrandera Truck Wash - RMS	S	30-1009					138,000.00		138,000.00	138,000.00			138,000.00	0.00		0.00
Driver Reviver Upgrade	C	30-1021					18,012.96		18,012.96	18,012.96			18,012.96	0.00		0.00
Barellan Sewer	S	3900-1032							0.00	41,580.00	31,185.00		31,185.00	0.00	31,185.00	0.00
Narrandera West Study	S	3900-1033							0.00	30,795.00	23,096.00		23,096.00	0.00	23,096.00	0.00
sub total - Cap. Grants			243,016.00	0.00	25,000.00	198,305.00	3,847,211.92	0.00	2,402,617.73	3,420,510.88	771,624.95	1,188,015.49	1,916,516.19	17,111.00	398,052.00	373,572.95
sub total - All Grants			392,149.39	2,507,426.00	-2,482,426.00	256,055.00	12,053,350.57	2,153.70	10,537,619.50	11,579,575.02	864,852.09	1,302,546.00	9,938,831.20	201,225.00	398,052.00	466,800.09
Agrees to Note 6 (incl. in Revenues)							Agrees to Note 3 Grants							Agrees to Note 6 (incl. in Revenues)		
							Note 3 Funding							Note 2a Function		
							C						Operating	Comm		1,660,599
							S						1,463,734.88	Enviro		151,794
							O						46,392.92	Econ		-
													8,022,315.01	Infra		3,153,006
														Civic		4,973,431
													Capital			9,938,831
							C						114,823.86			
							S				check		1,801,692.33			-
							O						-			
													1,916,516.19			
Contributions			(vii - viii, if vii > viii)				(i + v - iv)						(viii + ix + xi - i)	(vii - viii, if vii > viii)		
RFS Reimb Contribution Revenue		0312-2130-0000	0.00			0.00	0.00		0.00				0.00	0.00		0.00
Barellan Pool - Shade Structure - Swimming Club		7900-1006	1,950.00			0.00	1,950.00		4,176.00				0.00	0.00		0.00
Narrandera AFL Clubrooms AFL Contribution		200-1022					100,000.00	10,000.00				100,000.00	0.00			0.00
Barellan Changerooms - Barellan Football		200-1014	0.00			18,500.00	18,500.00		0.00				0.00	0.00		0.00
Barellan Netball Courts - Barellan Football							103,500.00					103,500.00	0.00			0.00
Grong Grong Progress Association Earth Park		300-106					0.00						0.00	0.00		0.00
Hankinson Park Seats							1,310.00			2,620.00	1,310.00		2,620.00	0.00		1,310.00
Newell Hwy Contribution Grong Grong Reseal		1-5-0	93,050.00			0.00			93,050.00				0.00	93,050.00		0.00
Newell Hwy Contribution Grong Grong town entrance signs		1-6-0	8,000.00			0.00			8,000.00				0.00	8,000.00		0.00
Regional Roads Block Grants		0915-2100,4002	0.00			0.00	457,000.00		457,000.00	441,198.32			457,000.00	0.00		0.00
Regional Roads Supplementary			0.00			0.00	107,000.00		107,000.00	107,000.00			107,000.00	0.00		0.00
RRRP 2019/20 - Lockhart Road							95,568.00		95,568.00	95,568.00			95,568.00	0.00		0.00
Regional Roads Repair Grant 2018/19		Job 0015-7608	0.00			83,818.00	83,818.00		0.00				0.00	0.00		0.00
Roadworks Contribution			0.00			0.00							0.00			0.00
Truck Wash Contribution							10,000.00		10,000.00	10,000.00			10,000.00	0.00		0.00
K&G Contributions			0.00			0.00			0.00				0.00	0.00		0.00
Leeton Shire Operating Contribution Revenues			0.00			29,911.00	29,911.00		0.00		47,470.00		47,470.00	0.00		47,470.00



		Opening Balances 1-Jul-19					ANNUAL MOVEMENTS										Closing Balances 30/06/2020		
		Unspent Grants/Cont	Internal Restriction	Adjustments	Transfer from Grant Liability	Grant Debtors(*)	Receipts for Yr		Funds Available	Expenditure during year	Grant Debtors	Unspent Liability	Income for Year				Unspent Grants/Cont.	Contract Asset	Grant Debtors/ Accrued(*)
		(i)			(ii)	(iii)	GST Excl. Amt	GST (if applic)	(vii)	(viii)	(ix)	(xii)	(x)				(xi)		(xiii)
Leeton Shire Capital Contribution Revenues	GRANT TYPE - C=C/w S=State O=Other	0.00				16,935.25	16,935.25		0.00		4,037.00		4,037.00				0.00		4,037.00
sub total	Expenditure GL	103,000.00	0.00	0.00	0.00	149,164.25	1,023,542.25	10,000.00	977,378.00	660,562.32	52,817.00	203,500.00	723,695.00				116,851.68	0.00	52,817.00
Subsidy & Incentives																			
Section 7.12 Contributions Revenue		168,698.47				0.00	24,660.61		193,359.08	21,000.00			24,660.61				172,359.08		0.00
Section 64 Water		306,833.26					13,075.57		319,908.83				13,075.57				319,908.83		0.00
Section 64 Sewer		67,889.18				0.00	9,495.80		77,384.98				9,495.80				77,384.98		0.00
						0.00							0.00						0.00
sub total		543,420.91	0.00	0.00	0.00	0.00	47,231.98	0.00	590,652.89	21,000.00	-	0.00	47,231.98				569,652.89	0.00	0.00
Developer Contributions		Agrees to 0.00 (incl. in Revenues)										Agrees to Note 3 Contributions					Agrees to 0.00 (incl. in Revenues)		
Grand Total		1,038,570.30	2,507,426.00	-2,482,426.00	256,055.00	2,082,044.71	13,124,124.80	12,153.70	12,105,650.39	12,261,137.34	917,669.09	1,506,046.00	10,709,758.18				887,729.57	398,052.00	519,617.09
Total Inc Developer Contributions		Agrees to Note 6					Agrees to Note 6 & Note 10					Agrees to Note 6 (incl. in Liabs) & Note 10		10,442,908.00 -266,850.18			Agrees to Note 6 887,729.57		Agrees to Note 7
		1,038,570.30	2,507,426.00																



		Opening Balances 1-Jul-19					ANNUAL MOVEMENTS							Closing Balances 30/06/2020		
GRANT TYPE - C=C/w S=State O=Other	Expenditure GL	Unspent Grants/Cont	Internal Restriction	Adjustments	Transfer from Grant Liability	Grant Debtors(*)	Receipts for Yr		Funds Available	Expenditure during year	Grant Debtors	Unspent Liability	Income for Year	Unspent Grants/Cont.	Contract Asset	Grant Debtors/ Accrued(*)
		(i)			(ii)	(iii)	GST Excl. Amt	GST (if applic)	(vii)	(viii)	(ix)	(xii)	(x)	(xi)		(xiii)
							(v)	(vi)								
Community Transport		0.00					6,346.68		6,346.68	6,346.68			6,346.68	0.00		0.00
Respite DOHA Grant		0.00							0.00	0.00			0.00	0.00		0.00
Respite Client Contributions							24,883.10		24,883.10	24,883.10			24,883.10	0.00		0.00
Vehicle Sales							43,969.59		43,969.59	43,969.59			43,969.59	0.00		0.00
Social Support DoHA Grant	0611-2100-0000	0.00							0.00	0.00			0.00	0.00		0.00
Social Support ADHC Grant		0.00					7,281.21		7,281.21	7,281.21			7,281.21	0.00		0.00
Client Contributions		0.00					1,704.89		1,704.89	1,704.89			1,704.89	0.00		0.00
Social Support GST Contributions		0.00					18,680.56		18,680.56	18,680.56			18,680.56	0.00		0.00
HMMS Grant DoHARevenue		0.00					0.00		0.00	0.00			0.00	0.00		0.00
HMMS Grant ADHC Revenue		0.00					13,227.19		13,227.19	13,227.19			13,227.19	0.00		0.00
Client Contributions		0.00					3,747.28		3,747.28	3,747.28			3,747.28	0.00		0.00
Other Contributions		0.00					17,491.52		17,491.52	17,491.52			17,491.52	0.00		0.00
HMMS DOHA Grant		0.00					6,757.50		6,757.50	6,757.50			6,757.50	0.00		0.00
HMMS Client Contribution		0.00					1,536.35		1,536.35	1,536.35			1,536.35	0.00		0.00
HMMS GST Client Contribution		0.00					10,437.34		10,437.34	10,437.34			10,437.34	0.00		0.00
NDIS Services		0.00					45,665.46		45,665.46	45,665.46			45,665.46	0.00		0.00
CT Fees & Charges		0.00					194,021.00		194,021.00	194,021.00			194,021.00	0.00		0.00
Dept. Transport CTP Grant		0.00					57,519.34		57,519.34	57,519.34			57,519.34	0.00		0.00
Health Related Transport		0.00					0.00		0.00	0.00			0.00	0.00		0.00
Transport NSW CCSP Grant		0.00					53,808.00		53,808.00	53,808.00			53,808.00	0.00		0.00
Community Transport Contribution		0.00					0.00		0.00	0.00			0.00	0.00		0.00
COPS ADHC Grant		0.00					174,174.06		796,467.41	48,989.00			174,174.06	747,478.41		0.00
Dept. Transport CHSP Grant		622,293.35											0.00			
		622,293.35	0.00	0.00	0.00	0.00	681,251.07	0.00	1,303,544.42	556,066.01	-	0.00	681,251.07	747,478.41	0.00	0.00
		1,660,863.65	2,507,426.00	-2,482,426.00	256,055.00	2,082,044.71	13,805,375.87	12,153.70	13,409,194.81	12,817,203.35	917,669.09	1,506,046.00	11,391,009.25	1,635,207.98	398,052.00	519,617.09
		771,426.74												931,592.41		
		1,014,442.74												948,703.41		