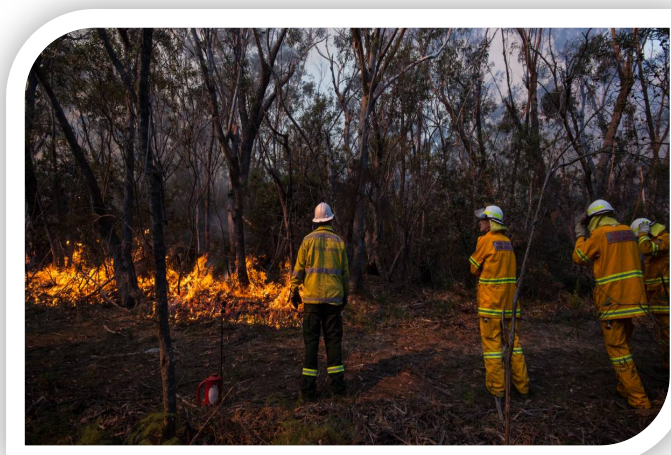
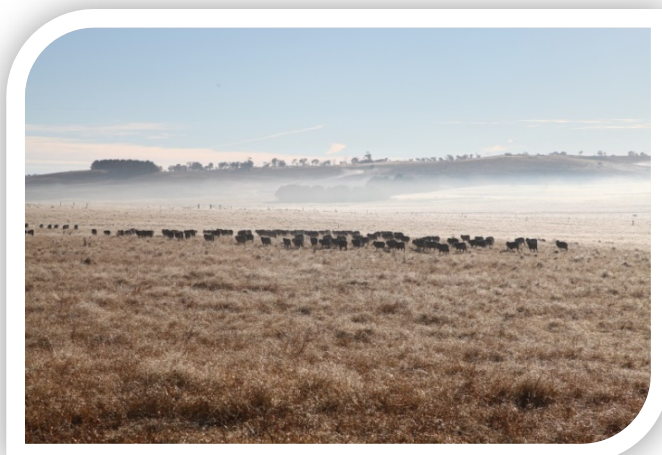




# New England Weeds Authority

## Annual Report 2019 – 2020



Adopted 20 October 2020



Our Environment  
Our Community  
Our Council  
Our Responsibility



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ABBREVIATIONS	
<b>BASP</b>	Business Activity Strategic Plan
<b>CAP</b>	Catchment Action Plan
<b>CLR</b>	Councillor
<b>DPI</b>	Department of Primary Industries
<b>EEO</b>	Equal Employment Opportunity
<b>GIPA</b>	Government Information (Public Access Act) 2009
<b>GM</b>	General Manager
<b>LLS</b>	Local Land Services
<b>NEWA</b>	New England Weeds Authority
<b>NIWAC</b>	Northern Inland Weeds Advisory Committee
<b>PO</b>	Project Officer
<b>SOE</b>	State of the Environment
<b>SBO</b>	Senior Biosecurity Officer Weeds
<b>UNE</b>	University of New England
<b>BO</b>	Biosecurity Officer Weeds

## 1. CHAIRMAN'S MESSAGE

It has been both a pleasure and an honour to have represented the New England Tablelands (Noxious Plants) County Council as Chairman during 2019/2020 and I am pleased to present Council's Annual Report for that period.

Our success is measured on how well Council achieves the objectives and operational tasks set out in the Business Activity Strategic Plan, Delivery Program and Annual Operational Plan, together with the importance of community engagement.



We have also managed to maintain our strong financial position with a positive operating result once more this year. These continued positive results maintains councils ability to address any incursions as they arise in the future.

In implementing the final year of our 4 Year Delivery Program and Annual Operational Plan I am pleased to report that our Council has preformed very well, being proactive in approaching and meeting the objectives of the programs for weed management and control in the New England region.

This year has seen drought, bushfires and the Covid 19 pandemic. We have continued to be proactive in our community, assisting landowners with some fodder deliveries, helping others during the bushfires and continuing weed management during the pandemic. Our staff has continued to work full time whilst many other organisations were struggling.

Our Council continues to be a leader in regard to weed management and control not only across the region but is also recognised State wide for its initiative, innovation and hard work. We continue to be a major innovator and participant in the north and north western regions and in State wide priority weed management.

In meeting the challenges of the past year I would like to thank Council's General Manager and our staff for their support of Council, and for their dedication and commitment to their work in delivering the outcomes in weed management and control services to Council's area.

Finally, I extend my sincere appreciation to the Deputy Chairman, Councillor Scott Kermode and the other Councillors for their support and hard work both within this and their constituent Councils, as well as in the community.

I consider it a privilege to introduce the New England Tablelands (Noxious Plants) County Council Annual Report for 2019 – 2020.

A handwritten signature in dark ink, appearing to read 'Mark Dusting', with a long horizontal flourish extending to the left.

Clr Mark Dusting  
**Chairperson**

## 2. GENERAL MANAGER'S MESSAGE

I am pleased to present the 2019-2020 Annual Report on behalf of the New England Tablelands (Noxious Plants) County Council trading as New England Weeds Authority (NEWA).

NEWA's Annual Operational Plan 2018-2019 identified the actions outlined in the 4 Year Delivery Program of Council's 10 Year Business Activity Strategic Plan 2013 – 2023. This Plan highlights Council's commitment to carrying out effective and efficient weed management programs on behalf of our constituent member Councils of Armidale Regional, Uralla Shire and Walcha, covering an area of some 18,255 km.<sup>2</sup>



The Plan highlights Council's commitment to the main priorities and aspirations of the community, by taking action to address weeds on behalf of our member Councils to improve agricultural sustainability, primary industry productivity and to deliver broad environmental outcomes for the New England region.

The reporting year has been a busy time and not without its challenges. The continued implementation of the new Biosecurity Act 2015 and Biosecurity Regulation 2017 has required new processes and procedures to be established and extensive consultation with the Department of Primary Industries to ensure compliance.

A further matter arose during the reporting period as a result of changes to the NSW Weeds Action Program 2015-2020 (WAP1520), Amended Guidelines May 2017, whereby Council as of 1 July 2017 is no longer the lead organisation for the North West Local Land Services WAP1520 program. However, Council has retained the lead organisation role on behalf of the Northern Tablelands Local Land Services.

Council has adopted a new Business Activity Strategic Plan 2017-2027 and Resourcing Strategy (incorporating the Long Term Financial Plan, Workforce Strategy and Asset Management Plan) together with the 4 Year Delivery Plan 2018-2022 and Annual Operational Plan. The plans reflect the communities' main priorities and aspirations for the future, by taking action to address scheduled priority and invasive weeds on behalf of its member Councils to improve agricultural sustainability, primary industry productivity and to deliver broad environmental outcomes for the New England region.

From an operational point of view the region has experienced lower than average rainfall during the reporting period, limiting seasonal growth of pastures and accompanying invasive weeds, resulting in a less active year for staff in weed control programs but a more active role in our inspection and extension programs. This result can be attributed to the professionalism and commitment of staff, which is one of the reasons why NEWA is so highly regarded throughout the region.

Concentrated efforts have continued in relation to a number of priority weeds found in our area with a focus on Tropical Soda Apple, particularly in the Macleay Valley and Serrated Tussock in the northern and southern regions of Council's area, as well as Blackberries and St Johns Wort. These invasive priority weeds pose a significant threat to the agricultural viability of the region. The extensive control program has been supplemented by planned extension and education programs through field days, attending local agricultural shows and workshops which have been well received by landholders and the wider community.

We have again taken an active approach to carrying out weed management and control programs outside our area for other local control authorities and agencies. This work has complimented our weed control programs particularly on the boundaries of adjoining Councils. These activities together with a proactive approach to seeking additional funding has seen for example the continuation of grant funds for the Tropical Soda Apple control program in the Upper Macleay Valley as well as new projects for Priority Weeds such as Serrated Tussock and Black Knapweed.



This approach together with a business like attitude to managing resources has resulted in a very sound financial outcome for the reporting year, as evidenced in the Financial Statements.

NEWA works closely with other like Authorities including the Local Land Services (LLS) authorities of the North West and Northern Tablelands as well as the National Parks and Wildlife Service and Landcare, covering our region. NEWA with a reputation for achieving targeted outcomes through good management, as well as getting the job done on time and within budget, has been able to secure further funds from these organisations.

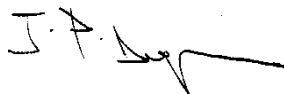
We are now entering into the fourth year of the Agreement with Glen Innes Severn Council to carry out their responsibilities for weed management and control under the provisions of the Noxious Weeds Act 1993. This has seen benefits for both our Authority and Glen Innes Severn Council through economies of scale, better utilisation of resources and the ability to enhance a regional strategic approach to weed management and control across our respective areas. Work has been undertaken during the year to formally incorporate Glen Innes into the Council.

As an organisation we continue to seek improvement in our administration and operational areas with further efforts in the past twelve months in regard to reviewing, updating and preparing new policies and procedures. In addition a review has been undertaken of our risk management action program that further enhances the co-ordination of activities in taking an enterprise wide approach to risk management.

The Authority's staff structure has remained stable over the reporting period with Weeds officers operating in each of the constituent Council areas. My appreciation is extended to Council's officers for their continued hard work, dedication and professional approach to their many duties.

The Authority continues to be recognized as a leader in the management and control of noxious and invasive weeds not only in the region in which it operates but throughout the State, and all looks well for the future viability of the organization.

In conclusion, I would like to express my gratitude to Councillors for their strategic direction and leadership as well as the staff for their professionalism, valued efforts and commitment that have made the 2018-2019 year achievements possible.

A handwritten signature in black ink, appearing to read 'J. Duggan', followed by a long, horizontal, slightly wavy line extending to the right.

John Duggan  
**Acting General Manager**

### 3. INTRODUCTION – ANNUAL REPORTING ON PROGRESS

Annual reporting to the community is an important part of transparent and accountable local government. Council is required under the legislation to prepare an Annual Report as one of the key points of accountability between Council, its member Councils and the community.

The Annual Report focuses on Council's implementation of the Delivery Program and Operational Plan. The report also includes information that is prescribed by the Local Government (General) Regulation 2005, including provisions relating to the content of Council's annual statement of revenue policy.

The Business Activity Strategic Plan must be reviewed every four years. From 2012, each newly elected Council must complete the review by 30 June in the year following the local government elections and roll the planning period forward by at least 4 years so that it is always a 10 year minimum plan.

A report on the progress on implementation of the Business Activity Strategic Plan must be presented at the final meeting of an outgoing Council, relating to the effectiveness of the Plan in achieving its environmental, economic, social and civic leadership/governance objectives over the past four years.



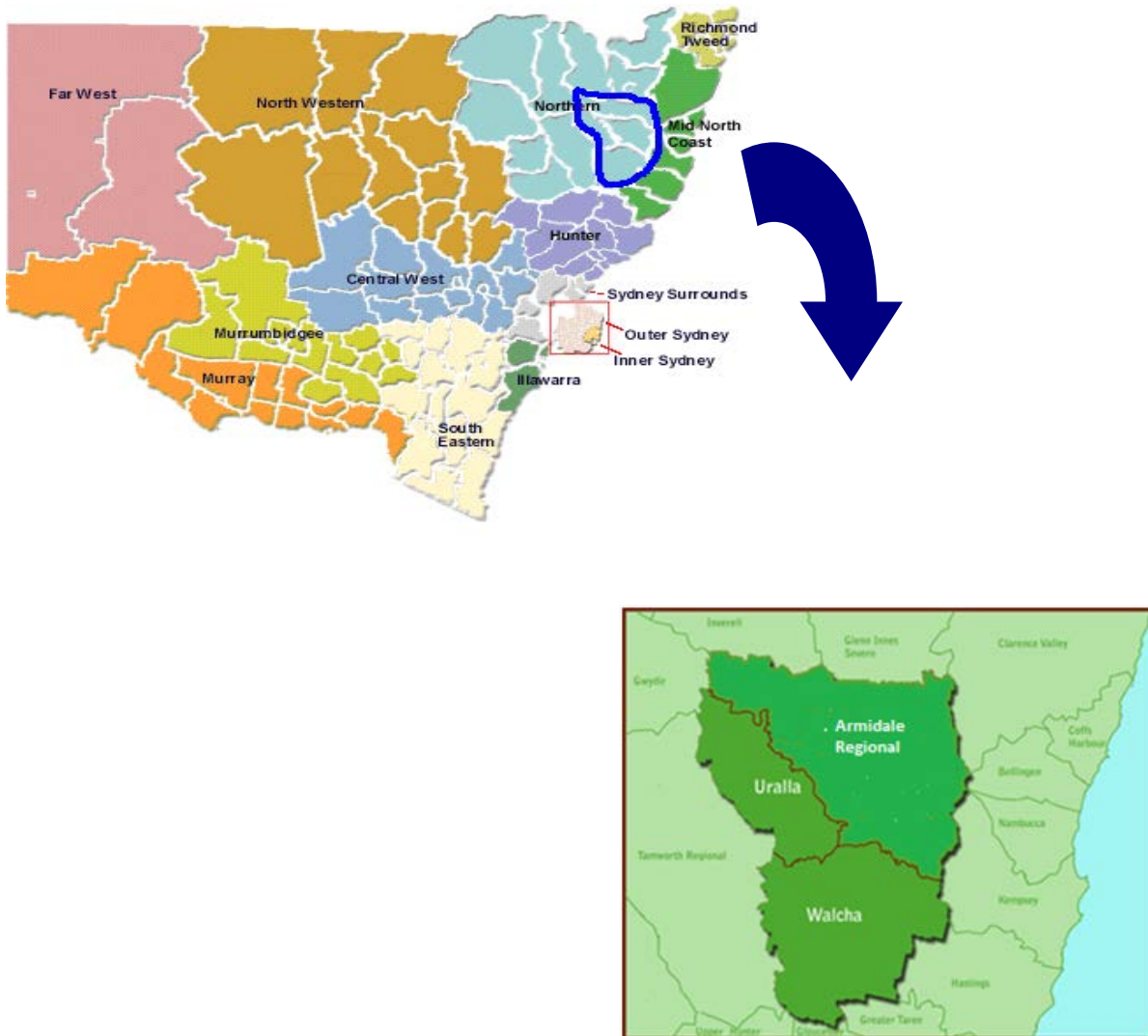
**Walcha township**



#### 4. NEW ENGLAND WEEDS AUTHORITY REGION – PROFILE

The New England Tablelands (Noxious Plants) County Council trading as the New England Weeds Authority area comprises the constituent member local government areas of Armidale Regional Council, Uralla Shire Council and Walcha Council which forms part of the Great Dividing Range and New England Plateau.

The following Map 1 indicates the County Council's member councils and adjoining council areas.



**Map 1: NSW Local Government regions and Member Councils of the New England Tablelands (Noxious Plants) County Council**

## **a. Area**

The New England Tablelands (Noxious Plants) County Council area covers some 18,255 km<sup>2</sup> (Armidale Regional 8,630km<sup>2</sup>, Uralla 3,215 km<sup>2</sup>, and Walcha 6,410 km<sup>2</sup> ) stretching from Ben Lomond in Armidale Regional Council in the north to Nowendoc in the Walcha Council in the south, west to Bundara in Uralla Shire and east to Ebor in the Armidale Regional Council area.

## **b. Climate**

Climatic conditions in the region range from sub humid temperate to cool temperate climates with snow falling on some occasions. Elevation ranges from just below 1,000m to just over 1,300m above sea level, with pleasant warm summers, extended spring and autumn seasons and a long cold winter period.

Rainfall in the region averages from 700mm to 1,200mm annually with approximately 60% falling in the summer and 40% falling in the winter, however the previous year has yielded much lower than average rainfalls.

## **c. Population breakdown**

The total population for the County Council's area is 38,589<sup>1</sup> which is broken down into member Council areas of Armidale Regional 29,449, Uralla 6,048 and Walcha 3,092.



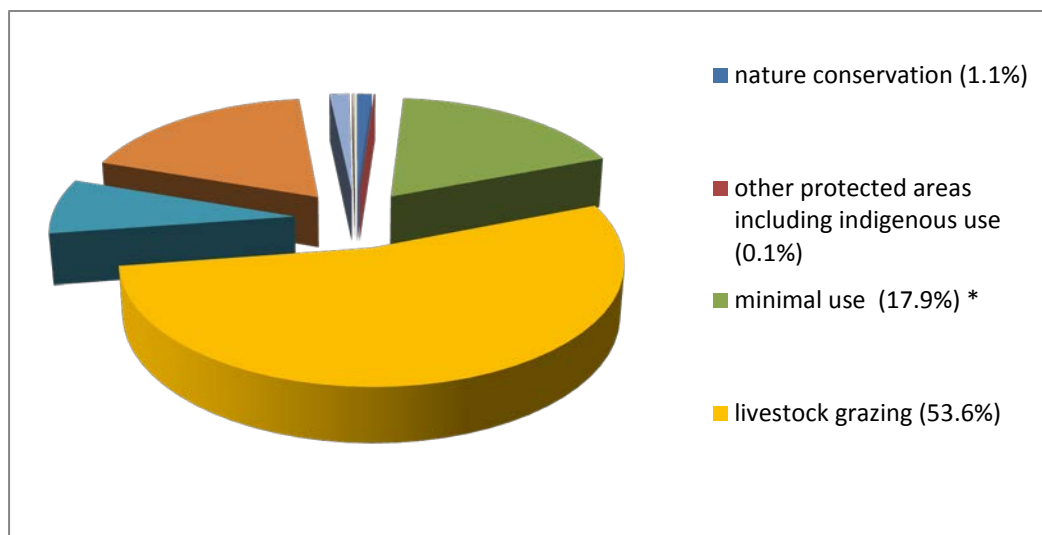
**Armidale in the autumn**

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<sup>1</sup> 2016 Census

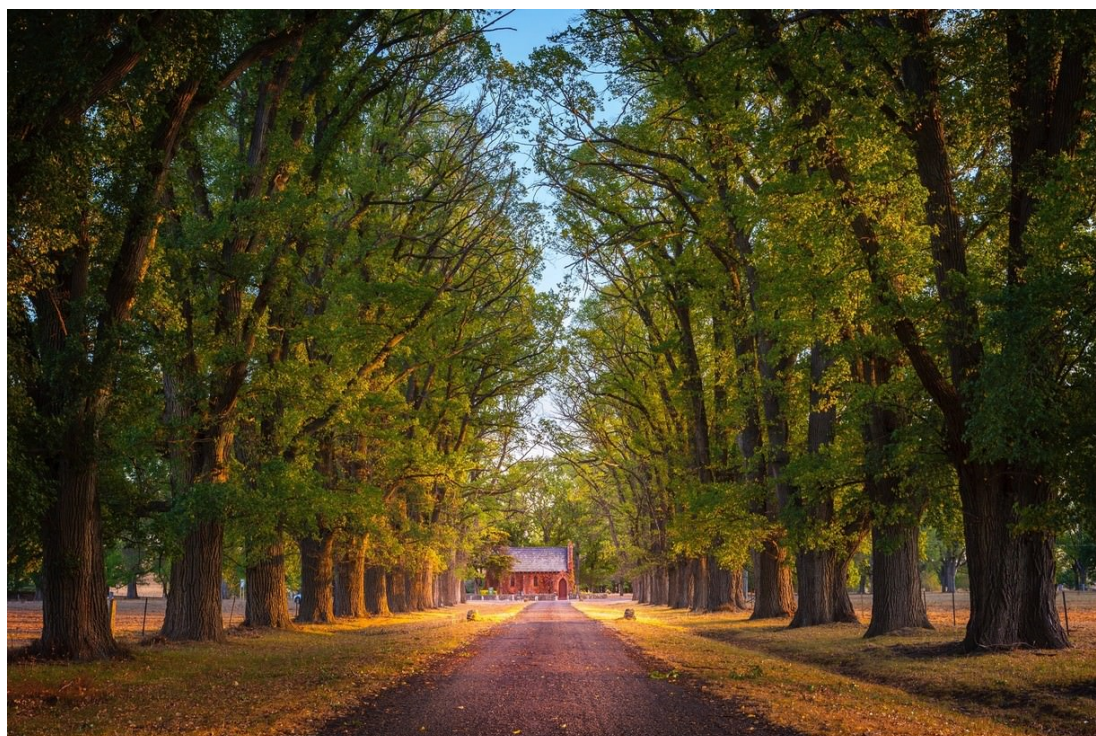
#### d. Landuse patterns

The following chart summarises the landuse patterns according to the Australian Natural Resources Atlas for the County Council region. The majority is devoted to livestock grazing (53.6%) and dryland agriculture (18%), reinforcing the significance of the regions economy being based on agricultural pursuits and highlighting the importance to the area of weed management and control. Only a small portion of this land area (0.1%) is devoted to urban and residential use.



*\*Minimal use: encompasses reserved crown land (stock routes, defence reserves and mine reserves) and vacant and institutional crown land. Also includes private land with open or closed native forest with unknown use (most likely remnant native cover).*

**Chart 1: Land use patterns in the New England Weeds Authority area.**



**Gostwyck Chapel, Uralla Shire**



## 5. COUNCIL'S VISION, MISSION AND VALUES

### a. Council's Vision

To protect the natural environment, agricultural activities, the economy and community from the impacts of priority and invasive weeds within the New England and Northern Tablelands region of NSW.

### b. Council's Mission

To be recognised as a leader in the weed management and control industry by our member Councils and the community.

### c. Council's Corporate Values

**Our Business & Partnerships** – managing all aspects of our business in a transparent and sustainable manner while providing best value for money to our member Councils, the community and partners.

**Our Community** – providing a weed management and control service in a way that is accountable to the community/stakeholders and supports our constituent Councils' regional community plans in natural resource management.

**Our Employees** – developing staff committed to quality, professional team work and safety, while striving for continuous improvement and accepting personal responsibility.

**Our Customers** – meeting the needs and expectations of our customers.

**Our Relationships** – being open, supportive and constructive in all our relationships.

**Our Environment** – conserving resources, protecting and enhancing our agricultural and natural environment.



A regional rapid response to Tropical Soda control work in the Macleay, 2016.

## 6. COUNCIL'S RESPONSIBILITIES

As an organisation the County Council is constituted under the Local Government Act 1993 and is specified as a local control authority under the *Biosecurity Act 2015*. It is a single purpose authority formed to administer and control declared priority and invasive weeds, and has been operating since 1947. The County Council is fundamentally responsible for weed control of gazetted or priority weeds including:

- Ensuring landholders/occupiers of private land fulfil their obligations under the *Biosecurity Act 2015*.
- inspection of land within their area in connection with priority and invasive weeds;
- enforcing the control of priority weeds as per the legislative requirements;
- weed management on land occupied by the council and on roads in their area;
- publicity about weeds declared in the area;
- proposing changes to priority weed declarations;
- developing, implementing and co-ordinating local strategies and policies;
- providing on-going approved training and professional development for weed staff and
- providing adequate resources to implement priority and invasive weed programs.



### NSW DPI Weed 2019 campaign

In addition, the County Council is the lead agency on behalf of the Northern Tablelands Regional Weed Committee for the implementation of the NSW Weeds Action Program 2015 – 2020 (WAP1520) funded by the State Government through the NSW Department of Primary Industries (NSW DPI), for the reporting period.

The Regional Weed Committee covers the four (4) member local government areas of Tenterfield, Glen Innes Severn, Inverell and NEWA [Armidale Regional Council, Uralla Shire and Walcha Council] in the Northern Tablelands (NT) region, comprising some 40,000 km<sup>2</sup> of the New England region of NSW, as detailed in the NT Weed Action Business Plan 2015 -2020, these duties have been extended within the region to build a capacity to:

- identify and manage high risk weed species and entry pathways;
- develop and implement early weed detection capabilities;
- assist in the timely detection of new weed incursions;



- affect a quick response to eradicate or contain new weeds;
- identify and prioritise weed management programs to where benefits are greatest;
- provide effective and targeted on-ground weed control;
- increase community acceptance of, and involvement in effective weed management;
- integrate weed management into education programs;
- improve the knowledge base for weed management Officers by providing current educational material and opportunities and by setting a public example;
- monitor progress of the NSW Invasive Species Plan's implementation and
- encourage the use of cost-sharing arrangements.

Central to meeting the abovementioned duties and responsibilities is the implementation of a consistent, co-ordinated and co-operative approach to regional weed inspection and control programs.



**Seasonal conditions improved in the last quarter of the year.**

## 7. MEMBERS OF COUNCIL 2019-2020

The New England community is represented by five (5) Councillors from the constituent Councils of Armidale Regional (3 members), Uralla Shire (1 member) and Walcha Council (1 member), under the leadership of an annually elected Chairperson.

The Councillors have provided strong leadership in the advancement of the County Council's Business Activity Strategic Plan 2017 - 2027 as part of their commitment towards achieving the strategic objectives contained within the Plan.

On 12 June 2020 the Hon. Shelley Hancock MP, Minister for Local Government suspended Armidale Regional Council for a period of three months and appointed Interim Administrator Mr Viv May.

### **Councillor Representatives from 1 July 2019 to 12 June 2020**



**Chairperson**  
**Cnr Mark Dusting**  
Uralla Shire Council



**Deputy Chairperson**  
**Cnr Scott Kermode**  
Walcha Council



**Cnr Andrew Murat**  
Armidale Regional Council



**Cnr Libby Martin**  
Armidale Regional Council



**Cnr John Galletly**  
Armidale Regional Council



**Viv May – Armidale Regional Council**  
**Administrator from 12 June 2020**

### **a. Facilities provided to Councillors**

The following fees and expenses with regard to the Chairperson and Councillors were paid during 2019 -2020:

Fees and Expenses	Amount
<b>Chairpersons Allowance</b>	<b>\$6,242</b>
<b>Councillor Fees</b>	<b>\$12,930.05</b>
<b>Miscellaneous expenses (conferences, accommodation &amp; catering)</b>	<b>\$4,208.79</b>
<b>Interstate and Overseas Travel</b>	<b>Nil</b>
<b>Total</b>	<b>\$23,380.84</b>

All costs associated with attendance at conferences and seminars were in accordance with Council's adopted Payment of Expenses Policy.

No vehicle, equipment or communication expenses were incurred by the Chairperson or Councillors during the reporting period.

## **b. Councillor attendance at Council Meetings 2019-2020**

Councillor	Ordinary Meetings (6 held)
Clr Mark Dusting	6/6
Clr Scott Kermode	5/6
John Galletly	5/5
Libby Martin	5/5
Andrew Murat	4/5
Viv May	1/1



Parthenium has entered NSW in fodder during the drought.

## 8. OUR ORGANISATION

New England Tablelands (Noxious Plants) County Council trades as the New England Weeds Authority (NEWA). The General Manager, whose position is part-time, is the most senior employee of Council. The General Manager is selected and appointed by Councillors on a renewable fixed-term performance based contract for a maximum of five years.

The following chart shows the organisational structure from 1 July 2019 to 30 June 2020.



**Chart 2: NEWA Organisational Structure**

## 9. THE BUSINESS ACTIVITY STRATEGIC PLAN 2017 – 2027 OVERVIEW

The Business Activity Strategic Plan (the Plan) identifies Council's and the communities main priorities and aspirations for the future, addressing strategies for achieving the objectives in relation to priority and invasive weeds management and control across our constituent member Council areas, so as to improve agricultural sustainability, primary industry productivity and to deliver broad environmental outcomes for the New England region for the next ten years.

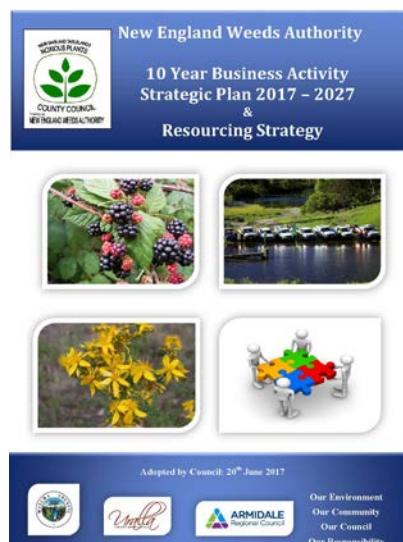
The Plan is the foundation for the Annual Operational Plan, Four Year Delivery Program and Resourcing Strategy comprising the Ten Year Financial Plan, Workforce Strategy and the Asset Management Plan.

In meeting the outcomes of our Plan, Council has a long term focus that addresses issues about environmental, economic, social and civic leadership objectives as well as reflecting the community engagement processes that have been undertaken by our constituent Councils.

Early on in their processes, formal approaches were made to each Council to be involved in their respective community engagement activities and appropriate input to the environment sections in the development of their Community Strategic Plans. This partnering in the community engagement process has been most helpful in developing Council's Business Activity Strategic Plan.

Council, as a small single purpose organisation has been mindful of its resource capacity and has acted prudently to deliver the outcomes identified in the current year of its plan.

Annual reporting to the community is an important part of transparent and accountable Local Government. Council is required under the legislation to prepare an Annual Report as one of the key points of accountability between Council, its member Councils and the community.



### **New England Weeds Authority 10 Year Business Activity Strategic Plan 2017 - 2027**



## 10. THE DELIVERY PROGRAM REPORT 2018-2022

The dynamic nature of priority and invasive weed species means that Council's approach to weed management and control is constantly evolving. Through its strategic objectives and principal activities, Council will continue to improve the services it provides to the community in a range of ways including effective governance, strategic planning, environmental management and economic sustainability.

Council's approach to weed management and control also reflects the objectives of the NSW Invasive Species Plan 2015 – 2022 and NSW Weed Action Program 2015 -2020. As a result, the Business Activity Strategic Plan provides the following direction as to how our resources will be employed to achieve the following four strategic objectives:

### **STRATEGIC OBJECTIVE S.O.1**

**PREVENTING THE ESTABLISHMENT OF NEW WEED SPECIES IN OUR REGION - EXCLUDE**

### **STRATEGIC OBJECTIVE S.O.2**

**ELIMINATE OR PREVENT THE SPREAD OF EXISTING AND NEW WEED SPECIES IN OUR REGION – ERADICATE OR CONTAIN**

### **STRATEGIC OBJECTIVE S.O.3**

**REDUCE THE IMPACTS OF WIDESPREAD INVASIVE WEED SPECIES – EFFECTIVELY MANAGE**

### **STRATEGIC OBJECTIVE S.O.4**

**ENSURE COMMUNITY, INDUSTRY AND GOVERNMENT STAKEHOLDERS HAVE THE ABILITY AND LONG-TERM COMMITMENT TO MANAGE INVASIVE SPECIES – BUILD CAPACITY**

To achieve these strategic objectives our actions are centered on the following strategies:

- identification and management of high-risk weed species and the pathways they utilize within our region;
- formulation of weed detection systems to improve our capacity to find new weeds early;
- ensuring we have the resources and procedures in place to undertake strategic weed control measures and rapid response against new weed incursions;
- continual analysis of our weed management programs to ensure we are directing resources to where benefits will be the greatest and
- increasing the community commitment and involvement in proactive weed management and control approaches.

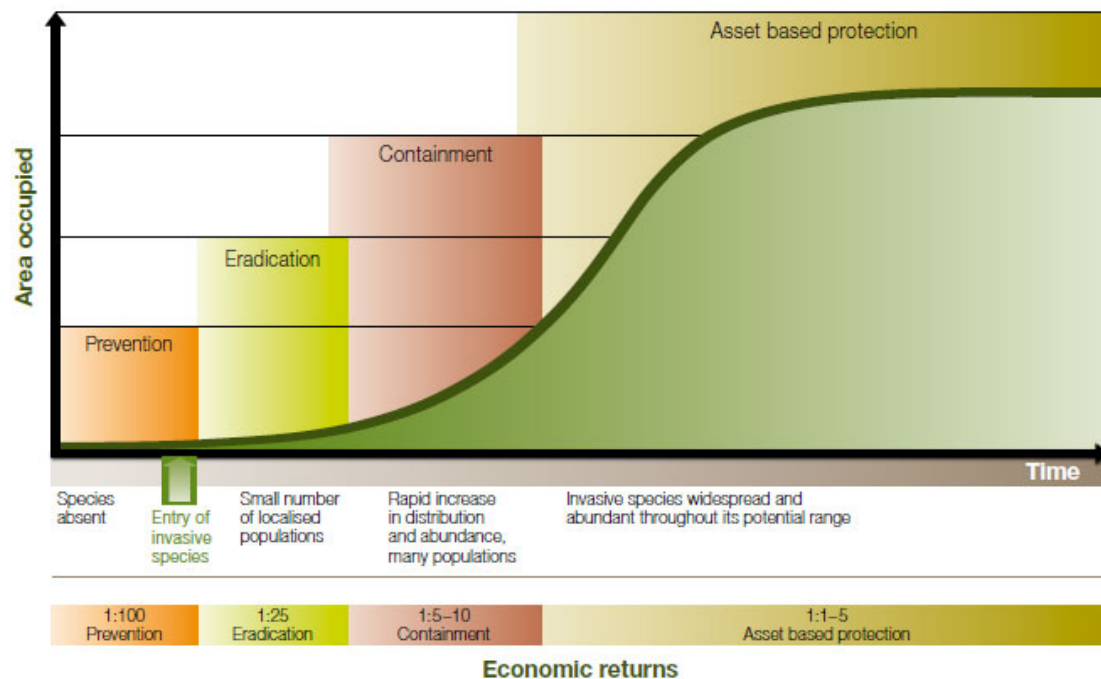
Our approach to weed management and control has strong linkages with the Australian Weeds Strategy, the NSW Biodiversity Strategy, NSW Invasive Species Strategy and the NSW Weeds Action Program.

At a regional level our Business Activity Strategic Plan is interconnected with the Northern Tablelands Local Land Services Regional Weed Committee Business Plan 2015 – 2020 and regional Management Plans developed for specific weeds.

Through negotiations with the respective LLS's, an agreement was reached whereby NEWA remained the Lead Organisation for the Northern Tablelands Local Land Services region for funding under the NSW DPI NSW Weeds Action Program 2015 – 2020 (WAP 1520).

Our Council acted as the lead agency for the Northern Tablelands Regional Weed Committee in the implementation of the NSW Weed Action Program for the reporting period.

Successful weed management relies on co-ordinated effort, strong partnerships and pro-active approaches. Our Council is working in unison with other organisations to ensure our limited resources are utilized more efficiently and effectively. Leading this approach are our staff who are committed towards achieving success in a wide range of integrated weed management and control programs.



**Chart 3: Weed Invasion Curve<sup>2</sup>**

The diagram above shows the application of these goals to a stylised weed invasion curve, demonstrating that return for investment is highest in the early stages of weed invasion when management is focussed on prevention and eradication. For example, there is an estimated return on investment of \$100 for every \$1 spent in the prevention stage of management.



**NEWA Staff ready to map weed infestations using Intramaps.**

<sup>2</sup> NSW DPI





**Serrated Tussock**



**St Johns Wort**



**Nodding Thistle**



**Blackberry**



**Chilean Needle Grass**



**Tropical Soda Apple**



**Salvinia**



**Bridal Creeper**

**Some of the priority weeds in the NEWA region**

## 11. PRINCIPAL ACTIVITIES

The Business Activity Strategic Plan principal activities provide a framework for the co-ordinated and co-operative management and control of priority and invasive weeds across our County Council area for the ten year period of the Plan 2018 – 2028.

The Strategic Objectives are translated into actions through the principal activities to be undertaken by the Council to implement the strategies established by the Plan within the resources available under the Resourcing Strategy.

A summary of principle activities undertaken by Council and the objective/s under each are detailed as follows.

### PRINCIPAL ACTIVITY - P.A.1. CIVIC LEADERSHIP/GOVERNANCE / ADMINISTRATION / FINANCE / RISK MANAGEMENT

#### **Civic Leadership/Governance**

To provide effective, relevant civic leadership and local governance through community consultation, availability of information to the public and Council, public access to Councillors and liaison with member Councils and relevant government agencies.

#### **Administration**

To implement financial and administrative policies and procedures to allow the management of all Council activities in a manner that ensures the economic sustainability of the Council and protects Council and community assets.

#### **Finance**

To provide the framework for Council to undertake its activities in a financially responsible and economically sustainable manner that protects Council and community assets.

#### **Risk Management**

To minimise Council's exposure to risk and provide a safe working environment for staff, contractors and for county landholders.

### PRINCIPAL ACTIVITY- P.A.2 ENVIRONMENT - PRIORITY WEED MANAGEMENT AND CONTROL

#### **Priority Weed Management and Control**

To act in a regulatory and advisory role to stakeholders and landholders to improve the agricultural and natural environment through a reduction in priority and invasive weeds species.



## **PRINCIPAL ACTIVITY- P.A 3 ECONOMIC AFFAIRS – PRIVATE WORKS AND OTHER BUSINESS UNDERTAKINGS**

### **Private Works**

To provide a contract spraying and inspectorial service to generate revenue and to assist landholders and government agencies to control priority and invasive weeds.

### **Other Business Undertakings**

To promote the interests of County Council stakeholders through active interaction and participation with other authorities (such as the Northern Tablelands Regional Weed Committee, North West Regional Weed Committee, Local Government NSW and Local Land Services) through advocacy and political pursuits.

## **PRINCIPAL ACTIVITY- P. A 4 NSW WEEDS ACTION PROGRAM**

To act as the lead agency for the implementation of the NSW Weeds Action Program for the member Councils of the Northern Tablelands Regional Weed Committee (including NEWA).



**A cold winter morning in the New England.**



## DELIVERY PROGRAM 2017 - 2021

### Principal Activity - P.A.1. Civic Leadership/Governance / Administration / Finance / Risk Management

#### Functional Objective: (Civic Leadership/Governance)

To provide Council with the knowledge, skills, information and opportunity to make informed, relevant and timely decisions.

**Strategic Tasks:** To assist and inform the Chair and Councillors so that they can be proactive spokespeople on priority and invasive weed issues affecting the Council and community.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Reports for Council's consideration prepared in a concise and timely manner with recommendations.
- All statutory financial plans and returns completed and lodged by due date.
- Councillors informed of legislative changes in a timely manner.
- Media releases and invitations to public events circulated to Councillors.

#### Functional Objective: (Administration)

To promote and improve public awareness of Council's activities and operations.

**Strategic Tasks:** To increase the public use of Council's office in Armidale and contact with property owners/ stakeholders.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Target contact with new property owners achieved.
- Attendance at field days, agricultural shows, Landcare and regional events achieved.
- Council office in Armidale manned during business hours.
- Media release targets exceeded.
- Staff directly involved in implementing regional Local Land Services and Landcare projects with the community.

#### Functional Objective: (Administration)

To work with elected members and staff to ensure the development and effective implementation of Council's Business Activity Strategic Plan, policies and decision making.

**Strategic Tasks:** To provide well informed Councillors, Council staff and community in relation to Council's business activities, policies and strategic directions.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Review of Council's policies undertaken and reaffirmed by Council.
- Annual Operational Plan, Four Year Delivery Program and Long Term Resourcing Strategy reviewed and updated.
- New Business Activity Strategic Plan 2018 – 2028 and Resourcing Strategy , Four Delivery Plan 2018 - 2022 and 10 year Financial Plan adopted by Council.
- Public notification of new Business Activity Strategic Plan, Four Delivery Plan, Annual Operational Plan and relevant policies.

**Functional Objective: (Administration)**

To maintain a stable, secure administrative structure with supporting internal controls, reporting systems, training plans, record keeping and documentation to ensure that human and physical resources needed to deliver Council's services are available and accountable.

**Strategic Tasks:** To provide ongoing training for Council staff to raise the standard of service provided to the community and to enhance their working experience.

**Summary of Measurable Outcomes achieved 2019 - 2020**

- Corporate Training Plan reviewed, updated and implemented.
- Monthly staff meetings held.
- Work Health and Safety Procedures and systems reviewed and updated.
- Work Health and Safety Management Policy and handbook reviewed and updated.
- Council's Workforce Strategy reviewed and updated.

**Functional Objectives: (Finance)**

To ensure finance, accounting and administration requirements are performed in a professional and timely manner.  
To ensure the provision of finances to the Council are received from relevant sources.

**Strategic Tasks:** Accounting practices carried out to meet statutory requirements and relevant accounting standards.  
Ongoing financial support is provided from member Councils and other appropriate agencies.

**Summary of Measurable Outcomes achieved 2019 - 2020**

- Statutory Financial Plans and returns completed and lodged by due date in accordance with accounting standards and Code of Accounting Practice.
- Constituent member Councils provided with Annual Report and Financial Statements - audit undertaken by Audit Office of NSW.
- Constituent member Councils provided with Annual Operational Plan.
- Annual grant funding secured from NSW Department of Primary Industries (DPI) under the NSW Weeds Action Program 2015 -2020.
- Annual Financial Statement and Acquittal documents provided to NSW DPI within set time frame.

**Functional Objectives: (Risk Management)**

To minimise the risk associated with all functions of Council.

**Strategic Tasks:** Management of Council's risks in order to control, minimise or eliminate all forms of potential loss.

**Summary of Measurable Outcomes achieved 2019 - 2020**

- Enterprise Risk Management Policy and Strategy reaffirmed by Council and Enterprise Risk Management Matrix reviewed and updated.
- Council's Investment and Long Term Financial Strategies reviewed and updated.
- Risk Management Action Plan reviewed in consultation with Council's insurer's Statewide Mutual.

## DELIVERY PROGRAM 2017 – 2021

### Principal Activity- P.A.2 Environment - Priority Weed Management and Control

#### Functional Objective: Priority Weed Management & Control

To inspect private properties for priority and invasive weeds and support property owners and managers to encourage them to work with Council to identify and control priority weeds.

**Strategic Tasks:** To improve natural resource management within the region relating to priority and invasive weeds and maintain the viability of agricultural and high conservation value land.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Annual inspection figures were not reached this year due to the ongoing drought conditions. Privet inspections in urban areas were targeted during this incredibly dry period. The weed control program targets were however achieved.
- As part of the Authority's three year rolling inspection program inspections of high risk sites, high risk pathways and high risk areas were carried out over one third of the Authority's area. As a result no new weed incursions were found, however, new infestations of high risk species already present within the Authority's area were the subject of ongoing control programs (eg Tropical Soda Apple in the Macleay Valley).
- Chairman's Annual tour postponed due to drought conditions.

#### Functional Objective: (Priority Weed Management & Control)

To ensure that property owners appreciate the importance of weed control and reinforce Council's resolve to achieve property owner support for weed control.

**Strategic Tasks:** Through compliance with the provisions of the Biosecurity Act 2015 be proactive in reducing the threat of priority weeds to agricultural land and high conservation areas.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Council again adopted a policy of engagement, education and co-operation with landholders and land managers to have work carried out on their land to manage weeds, this has resulted in there being no requirement to issue Biosecurity Directions, on the spot fines or instigate legal proceeding. During the period Council legislative requirements transferred from the Noxious Weeds Act 1993 to the Biosecurity Act 2015
- There were 7 Compliance requests issued during the reporting period and 28 Section 64 Certificates were issued.

#### Functional Objective: (Priority Weed Management & Control)

To use efficient record keeping and reporting techniques that support Council's weed inspection and control operations and fulfill Council's grant performance-target obligations.

**Strategic Tasks:** To maximise the use of current and new software and IT hardware to record and map weed inspections.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Council continued to use Intramap software to record electronically weed management, inspections and control data, which is compliant with NSW DPI Biosecurity Information System reporting requirements.

**Functional Objective: (Priority Weed Management & Control)**

To raise the skill & knowledge base of land owners so that they understand the importance of weed control and are more competent in the identification and control of priority weeds.

To find effective ways to manage and control priority weeds.

To investigate and develop better ways to manage and control priority weeds.

**Strategic Tasks:** To increase landowner knowledge and awareness of priority weed issues in the region through extension based activities.

**Summary of Measurable Outcomes achieved 2019 - 2020**

NEWA staff carried out landholder capacity building and extension activities at:

- 5 agricultural shows in the area;
- 5 field days;
- 5 Landcare events;
- Agquip.

There were 240 contacts made with Landholders to give advice and information in relation to weed management and control matters.

**Functional Objective: (Priority Weed Management & Control)**

To develop plans, policies, procedures and guidelines for priority weed management and control that are in keeping with industry best practice, meet State Government requirements and provide staff with a standard and consistent process for weed management.

**Strategic Tasks:** To identify areas of Council's operation and processes that need to be reviewed or where documentation needs to be written.

**Summary of Measurable Outcomes achieved 2019 - 2020**

- A review of Council's weed management plans, policies and procedures manual was undertaken, with updating of safety data sheets, engagement of contractors and safe workplace method statements.
- Compliance with pesticide notification plan obligations under the NSW Pesticides Regulation 2009 was met.

**Functional Objective: (Noxious Weed Management & Control)**

**To treat weeds on Council controlled or managed land in a programmed manner.**

**Strategic Tasks:** To improve the natural environment and agricultural viability of land through a reduction in noxious weeds.

**Summary of Measurable Outcomes achieved 2019 - 2020**

The following activities were carried out within the Authority's area:

- The inspection of 62 High Risk Sites;
- 373 High Risk Private Property Inspections completed covering 28,203 hectares;
- 340 Private Property Inspections completed covering 86,715 hectares;
- 4080 kms of High Risk Roadside inspections completed covering 10,100 hectares;
- 8 High Risk Waterway inspections completed covering 7012 hectares;
- 4,840 kms of Roadside inspections completed covering 9,680 hectares and
- 25 inspections of National Parks, Railways, Travelling Stock Routes, Recreational areas were carried out covering 953 hectares.

The Authority's regional inspection program fully supported the NSW Weeds Action Program to eradicate or contain high risk species within the Authority's area.

The following highlights the ongoing weed control activities carried out within the Authority's area during the period that were in some cases scaled down due to the drought conditions:

- All known Nodding Thistle sites treated in November;
- All known Chilean Needle Grass roadways treated in November;
- All known St Johns Wort roadways treated in November/ December;
- 4,000 kms of roadways treated for Blackberries;
- The Macleay Valley, Tropical Soda Apple roadways treated as required;

Very dry weather conditions during the reporting period had a significant influence on the lack of growth, density and germinations of priority weeds.



## DELIVERY PROGRAM 2017 - 2022

### Principal Activity - P.A 3 Economic Affairs – Private Works and Other Business Undertakings

#### Functional Objectives: (Private Works)

- To generate additional revenue.
- To maximise the use of Council's resources when not required for core business activity.
- To provide owners of small holdings with an affordable option for noxious weed control.

#### **Strategic Tasks:**

To carry out control works that reduces priority and invasive weeds on private property.

To investigate and develop ways to increase the revenue of Council from sources other than the annual State Government Grants.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- During 2019 – 2020 the Authority was successful in funding applications to the Northern Tablelands Local Land Services amounting to a total of \$136,155. (refer Other Projects page 29 for a detailed breakdown).
- Private works were carried out on behalf of Constituent member Councils, National Parks and Wildlife Service and smaller property owners who are not otherwise equipped to carry out the spray control programs. The total of private works for 2019 – 2020 period amounted to \$128,563.10

#### Functional Objective: (Other Business Activities)

To facilitate inter-governmental relations to ensure maximum cooperation between the County Council, Federal, State and Local Governments and their agencies.

**Strategic Tasks:** Promote and develop relationships with constituent Councils, Federal, State and other agencies and comply with statutory requirements.

#### **Summary of Measurable Outcomes achieved 2019 - 2020**

- Constituent member Councillors provided with Council Business Papers, Agendas and Minutes.
- General Manager's of each constituent Council provided with minutes of Council meetings.
- Constituent Councils provided with draft Annual Operational Plan for comment.
- Constituent Councils provided with Annual Report.
- Constituent member Councillors provided with Business Activity Strategic Plan 2017-2027, and Four Year Delivery Plan 2017 -2021.
- Applications to Local Land Services Authorities for natural resource management projects.
- Letters to State and Federal Members on weed management and control issues.
- Input to Constituent member Councils State of Environment reports.
- Participated in joint staff training activities with Constituent Councils where appropriate.

## DELIVERY PROGRAM 2017 - 2021

### Principal Activity- P. A 4 NSW Weeds Action Program – Northern Tablelands Regional Weed Committee (NTRWC)

#### Functional Objectives: (NSW WAP)

To work with inter and intra regional organisations that are involved in weed management and control to minimise the impact of priority and invasive weeds within the region.

**Strategic Tasks:** Implement the NTRWC Business Plan and Participant Agreement, NSW Weeds Action Program 2015 – 2020 as it relates to Council's responsibility.

#### Summary of Measurable Outcomes achieved 2019 - 2020

- Three meetings with Northern Tablelands Local Land Services (NTLLS) as regional coordinator for the NSW Weeds Action Program 2015 – 2020 (WAP 1520).
- All functional activities and objectives of the Weeds Action Program and responsibilities of the Regional Weed Coordinator were completed in accordance with the outcomes set during the reporting period.
- Active participation in the NTRWC.

#### Functional Objectives: NSW WAP 1520

To act as WAP regional coordinator in the implementation of the NSW Weeds Action Program 2015 – 2020 for member councils for the NTRWC Region

**Strategic Tasks:** Oversee the operation and implementation of the NSW Weeds Action Program in the NTRWC region.

- **As part of the NTRWC Weeds Action Program 2015 – 2020 all high risk weeds species and high risk pathways have been documented and inspected within the New England Weeds Authority area.**

The following activities were carried out within the NT LLS region:

- 555 High Risk Private Property Inspections completed covering 203,500 hectares;
- 735 Private Property Inspections completed covering 175,608 hectares;
- 10,293 kms of High Risk Roadside inspections completed covering 37,665 hectares;
- 133 High Risk Waterway inspections completed covering 12,951 hectares;
- 6,721 kms roadside inspections completed covering 19,183 hectares;
- 189 inspections of high risk sites including nurseries, pet shops, gravel quarries, machinery dealers, wash down bays, roadside truck stops and
- 406 inspections of other priority sites including National Parks, Railways, Travelling Stock Routes and Recreational areas.

## 12. OTHER PROJECTS

The New England Weeds Authority continues to work closely with the NSW Department of Primary Industries, local Landcare and Local Land Services Authorities in regards to weed control projects within the region.

During 2019 – 2020 the following projects were carried out to the value of \$194,890;

- Northern Tablelands LLS widespread weeds project no. 2 - \$23,530
- Northern Tablelands LLS Gondwana shield Lantana variation - \$40,000
- Northern Tablelands LLS Gondwana Grasses variation - \$6,155
- Northern Tablelands LLS Containment of Tropical Soda Apple within the Upper Macleay Valley \$90,000
- Communities Combating Pest and Weed Impacts During Drought Program - Biosecurity Management of Pests and Weeds – Round 2 - Combating the State Priority Weed Tropical Soda Apple in the Macleay Valley during prolonged Drought conditions (MOU between NEWA and Armidale Regional Council) - \$410,654



**Privet was targeted for control in NEWA townships during the drought season**

### 13. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

Council is committed to the principles of equal opportunity for all of its employees and this is reflected in its Equal Employment Opportunity Policy (EEO Policy).

The EEO Policy recognises the right of employees to be treated fairly and without discrimination in the workplace. This includes situations such as applying for a position, selection for a position, training, promotion, transfers and dismissal. It provides that people should be selected on merit, regardless of race sex, marital status, disability or sexual preference.

### 14. EMPLOYEE RELATIONS

New England Weeds Authority seeks to encourage a co-operative and harmonious working environment for its staff. Interactive staff meetings deal with a wide cross section of issues relating to work and management practices, risk management, education and extension programs, and matters arising from the implementation of the Local Government State Award and the Work Health and Safety Act.

The Corporate Training Program was reviewed in 2019 so as to allow staff to continue to develop to a highly competent and professional standard.

Staff training included Compliance and Regulatory Training for our 3 new Biosecurity Officers, together with 4 wheel drive off road, advanced quad bike training, control, Chemcert refresher course, senior first aid and traffic control programs.

All staff received training on Intramaps by Chartis Technology, the mapping software program NEWA uses to be compliant with the NSW Biosecurity Information System (BIS).

All Biosecurity Officers, the General Manager, and Chairman attended the 20<sup>th</sup> NSW Weeds Conference in Newcastle in August 2019.



**Staff member with local graziers and landholders**



## 15. MISCELLANEOUS REPORTING REQUIREMENTS

### a. Major Contracts and Tenders awarded by Council 2019 - 2020

There were no contracts of service or contracts awarded by Council during the reporting year.

### b. Legal costs incurred by Council

There were no legal proceedings either taken by or against the Council in 2019 – 2020.

### c. Work carried out on Private Land

Council undertook various private works in relation to weed control on private land in 2019 – 2020, with all costs being borne by the property owner.

Council sets out separate charges for private works that are outlined in Council's fees and charges schedules. These rates are generally similar to contractor rates as Council does not wish to unfairly compete with private enterprise.

### d. External Bodies exercising functions delegated by Council

Council did not delegate the exercise of functions to any external body during the reporting year.

#### **NOTE**

#### **Glen Innes Severn Council - Delegation of Weed Functions to New England Weeds Authority Memorandum of Understanding.**

Following a request from Glen Innes Severn Council in February 2015 to carry out their responsibilities for weed management and control under the provisions of the *Biosecurity Act 2015*, a Memorandum of Understanding has been entered into whereby NEWA has assumed these responsibilities from 1 July 2015. This continues to see benefits for both Glen Innes Severn Council and NEWA through economies of scale, better utilisation of resources and the ability to enhance a regional strategic approach to weed management and control in the region.

### e. Partnerships, Corporations, Trusts or other Joint Ventures

Council did not participate in or hold any controlling interests during the year in any Corporation, Partnerships, Trust or Joint Venture.

### f. Remuneration of General Manager

The General Manager, whose position is part-time, is the only senior staff member and remuneration for the period 2019 – 2020 was \$52,901.08

The General Manager's responsibilities include:

- Efficient and effective operation of the Council organisation and day to day management. This includes ensuring Council's decisions and policies are implemented;
- Appointing, directing and dismissing staff in accordance with the organisation structure and resources approved by the Council;
- Exercising other functions as delegated by the Council and
- The General Manager may, in turn, delegate functions to other staff.

#### **g. Requests made to Council under the Government Information (Public Access) Act 2009**

Council received no requests for the release of information under the Government Information (Public Access) Act 2009 (GIPA) during the 2019 – 2020 reporting period.

#### **h. Public Interest Disclosures Report**

The six monthly and annual reports were provided to the NSW Ombudsman in accordance with the Public Interest Disclosures Act 1994.

There were no public interest disclosures either made or received during the reporting period 2019 – 2020.

#### **i. Code of Conduct**

Council adopted a new Model Code of Conduct and Procedures in October 2016 based on the Division of Local Government's new Model Code of Conduct.

There were no Code of Conduct complaints made about Councillors or the General Manager during the reporting period 2019 – 2020.



**Fireweed is moving up from the coast into the New England.**



## 16. STATE OF THE ENVIRONMENT REPORT

State of the Environment (SoE) reporting is a key mechanism for assessing progress towards sustainability and implementing Ecologically Sustainable Development Principles, as Councils play an important role in environmental management.

Our Council in its 10 Year Business Activity Strategic Plan has recognised the importance of ecologically sustainable development principles in its principle activities relating to the management and control of priority and invasive weed species.

As required by legislation, each of our constituent Councils has prepared a comprehensive SoE report addressing the eight environmental sectors of land, air, water, biodiversity, waste, noise, Aboriginal heritage and non-Aboriginal heritage on a four year basis with supplementary SoE reports in intervening years.

Whilst our Council does not prepare a comprehensive SoE report, it does however, have direct connections with each of our constituent member Council's SoE reports and provides information on an annual basis for their reporting requirements in relation to the management of priority and invasive weed species.



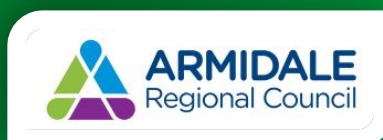
**Macleay Valley, Armidale Regional Council**





# New England Weeds Authority

## Annual Financial Statements 2019 – 2020



Our Environment  
Our Community  
Our Council  
Our Responsibility



## General Purpose Financial Statements

for the year ended 30 June 2020

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## General Purpose Financial Statements

for the year ended 30 June 2020

## 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.

## New England Weeds Authority

### 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 25 August 2020.



Cllr Mark Dusting

Chairperson

25 August 2020



Cllr Scott Kermode

Deputy Chairperson

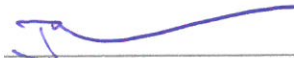
25 August 2020



John Duggan

General Manager

25 August 2020



John Duggan

Responsible Accounting Officer

25 August 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>			
102	User charges and fees	3a	278	230
2	Other revenues	3b	20	15
901	Grants and contributions provided for operating purposes	3c,3d	912	1,043
29	Interest and investment income	4	27	33
5	Net gains from the disposal of assets	6	29	26
1,039	<b>Total income from continuing operations</b>		<b>1,266</b>	<b>1,347</b>
	<b>Expenses from continuing operations</b>			
629	Employee benefits and on-costs	5a	733	750
172	Materials and contracts	5b	197	183
96	Depreciation and amortisation	5c	102	96
142	Other expenses	5d	140	179
1,039	<b>Total expenses from continuing operations</b>		<b>1,172</b>	<b>1,208</b>
–	<b>Operating result from continuing operations</b>		<b>94</b>	<b>139</b>
–	<b>Net operating result for the year</b>		<b>94</b>	<b>139</b>
–	Net operating result attributable to council		94	139
–	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>94</b>	<b>139</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.



## Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Net operating result for the year (as per Income Statement)</b>	<b>94</b>	<b>139</b>
<b>Total comprehensive income for the year</b>	<b>94</b>	<b>139</b>
Total comprehensive income attributable to Council	94	139

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.

# 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)	774	1,832
Investments	7(b)	1,000	–
Receivables	8	22	55
Inventories	9	47	10
<b>Total current assets</b>		<b>1,843</b>	<b>1,897</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	10	387	354
<b>Total non-current assets</b>		<b>387</b>	<b>354</b>
<b>Total assets</b>		<b>2,230</b>	<b>2,251</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	213	170
Contract liabilities	11	53	–
Provisions	14	140	157
<b>Total current liabilities</b>		<b>406</b>	<b>327</b>
<b>Total liabilities</b>		<b>406</b>	<b>327</b>
<b>Net assets</b>		<b>1,824</b>	<b>1,924</b>
<b>EQUITY</b>			
Accumulated surplus	15	1,824	1,924
<b>Council equity interest</b>		<b>1,824</b>	<b>1,924</b>
<b>Total equity</b>		<b>1,824</b>	<b>1,924</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.

# Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20		as at 30/06/19	
		Accumulated surplus	Total equity	Accumulated surplus	Total equity
Opening balance		1,924	1,924	1,785	1,785
Changes due to AASB 1058 and AASB 15 adoption	15b	(194)	(194)	—	—
Net operating result for the year		94	94	139	139
<b>Restated net operating result for the period</b>		<b>94</b>	<b>94</b>	<b>139</b>	<b>139</b>
<b>Total comprehensive income</b>		<b>94</b>	<b>94</b>	<b>139</b>	<b>139</b>
<b>Equity – balance at end of the reporting period</b>		<b>1,824</b>	<b>1,824</b>	<b>1,924</b>	<b>1,924</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.

## 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>				
<b>Receipts:</b>				
102	User charges and fees		279	230
29	Investment and interest revenue received		31	37
901	Grants and contributions		771	1,043
2	Other		48	27
<b>Payments:</b>				
(630)	Employee benefits and on-costs		(750)	(815)
(172)	Materials and contracts		(245)	(174)
(142)	Other		(86)	(32)
90	<b>Net cash provided (or used in) operating activities</b>	16b	48	316
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
107	Sale of investment securities		–	–
45	Sale of infrastructure, property, plant and equipment		47	53
<b>Payments:</b>				
(135)	Purchase of investment securities		(1,000)	–
(107)	Purchase of infrastructure, property, plant and equipment		(153)	(148)
(90)	<b>Net cash provided (or used in) investing activities</b>		(1,106)	(95)
–	<b>Net increase/(decrease) in cash and cash equivalents</b>		(1,058)	221
1,611	Plus: cash and cash equivalents – beginning of year	16a	1,832	1,611
1,611	<b>Cash and cash equivalents – end of the year</b>	16a	774	1,832
–	plus: Investments on hand – end of year	7(b)	1,000	–
1,611	<b>Total cash, cash equivalents and investments</b>		1,774	1,832

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.



## Notes to the Financial Statements

for the year ended 30 June 2020

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## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation

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These financial statements were authorised for issue by Council on 25 August 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these 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.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 19 – Material budget variations

and are clearly marked.

#### (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.

#### 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation (continued)

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

#### Volunteer services

Council has a limited reliance on volunteer services and any contributions would not be material.

#### Covid-19 Impacts

Covid-19 has not materially affected Council's financial results for the year ending 30 June 2020. Staff continued to be fully employed and spraying and other works continued as normal. Some minor changes occurred during the year:

- Inspection programs were reduced to adhere to social distancing requirements.
- The Council office was closed to the public for a period approximating 2 months.
- Vehicles were allocated to single staff members and extensive disinfecting practices were introduced.
- Council meetings were conducted on-line.

#### New accounting standards and interpretations issued not yet effective

##### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are mandatory for the 30 June 2020 reporting period.

Council notes that the standards and interpretations listed below have an impact upon the published financial statements ranging from additional and/or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

##### Effective for annual reporting periods beginning on or after July 1 2019.

- *AASB 15 Revenue from contracts with customers, AASB 1058 Income of Not-for-profit entities and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-profit Entities.*

AASB15 replaces AASB118 Revenue, AASB 111 Construction Contracts and a number of interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15 and AASB 1058 will replace AASB 1004 Contributions.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

AASB15 applies where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations which will result in income being recognised when (or as) the performance obligations are satisfied under AASB15, as opposed to immediate income recognition under AASB1058.

Following our review of the Statements for the Year ended 30 June 2019, unspent grants of \$20,000 as at 30 June 2019 were identified which required recognition of unsettled performance obligations on transition (1 July 2019). All other grants fall under requirements of AASB 1058 with income recognised when control over cash/funds is obtained.

Furthermore, we performed analysis of the liability recognised as at 30 June 2019 in amount of \$110,000 related to "NSW DPI Weeds Capacity Building & Engagement – WAP 1920". Council is acting as an agent here. Considering agency substance of the arrangement, council correctly recognised the outstanding amount as a financial liability. Council also considered the unspent grant of \$174,000 for the DPI Parthenium Fund and recognised that Council is also acting as an agent here. These funds were recognised as a financial liability on transition (1 July 2019). The same accounting treatment will follow in subsequent years.

#### AASB 16 Leases

Council is currently a party to a property lease that is not recognised in the Statement of Financial Position.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation (continued)

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Given current terms of the property lease and the strategic decisions being made by the lessor, Council does not consider the lease has a material impact on the financial statements for the year ended 30 June 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>										
Civic Leadership	61	66	444	507	(383)	(441)	–	–	1,402	1,279
Environment	748	732	451	432	297	300	278	278	387	354
Economic Affairs	282	343	226	230	56	113	–	–	23	55
NSW Weeds Action Program	175	206	51	39	124	167	175	306	418	563
<b>Total functions and activities</b>	<b>1,266</b>	<b>1,347</b>	<b>1,172</b>	<b>1,208</b>	<b>94</b>	<b>139</b>	<b>453</b>	<b>584</b>	<b>2,230</b>	<b>2,251</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

#### **Civic Leadership**

Covers Key Civic Leadership activities including governance, administration, finance and risk management.

#### **Environment**

Includes activities regarding priority weeds management and control.

#### **Economic Affairs**

Includes activities of a private works nature.

#### **NSW Weeds Action Program**

Supports NSW wide programs specifically through the Northern Tablelands Regional Weed Committee.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) User charges and fees			
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Private works	15 (2)	275	227
Regulatory fees	15 (1)	3	3
<b>Total fees and charges – statutory/regulatory</b>		<b>278</b>	<b>230</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>278</b>	<b>230</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”,

**Accounting policy for user charges and fees**

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

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

**2019 accounting policy**

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

\$ '000	AASB	2020	2019
(b) Other revenues			
Fines	1058 (1)	1	—
Commissions and agency fees	15 (1)	11	—
Other	15 (1)	8	15
<b>TOTAL OTHER REVENUE</b>		<b>20</b>	<b>15</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”,

**1058 (1)** indicates income recognised under AASB 1058 “at a point in 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(c) Grants</b>					
<b>Specific purpose</b>					
Priority weeds	1058 (1)	453	584	—	—
<b>Total specific purpose</b>		<b>453</b>	<b>584</b>	—	—
<b>Total grants</b>		<b>453</b>	<b>584</b>	—	—
<b>Grant revenue is attributable to:</b>					
— State funding		453	494	—	—
— Other funding		—	90	—	—
		<b>453</b>	<b>584</b>	—	—

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

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

## 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) Contributions</b>					
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Other councils – joint works/services	1058 (1)	459	450	–	–
Other		–	9	–	–
<b>Total other contributions – cash</b>		<b>459</b>	<b>459</b>	<b>–</b>	<b>–</b>
<b>Total other contributions</b>		<b>459</b>	<b>459</b>	<b>–</b>	<b>–</b>
<b>Total contributions</b>		<b>459</b>	<b>459</b>	<b>–</b>	<b>–</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>912</b>	<b>1,043</b>	<b>–</b>	<b>–</b>

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

**1058 (1)** indicates income recognised under AASB 1058 “at a point in 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 the provision of assets or services. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

**Grant income**

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

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

**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.



## Notes to the Financial Statements

for the year ended 30 June 2020

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

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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.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
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## (e) Unspent grants and contributions – external restrictions

**Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.**

**Operating grants**

Unexpended at the close of the previous reporting period	454	807
<b>Add:</b> operating grants received for the provision of goods and services in a future period	197	126
<b>Less:</b> operating grants recognised in a previous reporting period now spent (2019 only)	–	(479)
<b>Less:</b> operating grants received in a previous reporting period now spent and recognised as income	(233)	–
<b>Unexpended and held as externally restricted assets (operating grants)</b>	<b>418</b>	<b>454</b>

\$ '000	AASB 15 2020	AASB 1058 2020
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## (f) Disaggregation of material revenue streams

The following shows the revenue recognition pattern for the material revenue streams of Council.

**Revenue recognition at a point in time**

Rates and annual charges	–	–
Financial assistance grants	–	–
User charges and fees	–	2
Grant revenue and non-developer contributions	–	912
Developer contributions	–	–
Fines	–	1
Sale of goods	–	–
Other	19	–
	<b>19</b>	<b>915</b>

**Revenue recognised over time**

Grant revenue	–	–
Grants to acquire or construct Council controlled assets	–	–
User charges and fees	275	–
	<b>275</b>	<b>–</b>

# 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>		
– Cash and investments	27	33
<b>Total Interest and investment income</b>	<b>27</b>	<b>33</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
General Council cash and investments	27	33
<b>Total interest and investment revenue</b>	<b>27</b>	<b>33</b>

### Accounting policy for interest and investment revenue

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

## 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	664	685
Travel expenses	2	2
Employee leave entitlements (ELE)	(17)	(31)
Superannuation	64	64
Workers' compensation insurance	14	16
Other	6	14
<b>Total employee costs</b>	<b>733</b>	<b>750</b>
<b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>	<b><u>733</u></b>	<b><u>750</u></b>
Number of 'full-time equivalent' employees (FTE) at year end	9	9
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	9	9

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

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

\$ '000	2020	2019
<b>(b) Materials and contracts</b>		
Raw materials and consumables	178	171
Contractor and consultancy costs	8	2
Auditors remuneration <sup>1</sup>	11	10
<b>Total materials and contracts</b>	<b>197</b>	<b>183</b>
<b><u>TOTAL MATERIALS AND CONTRACTS</u></b>	<b><u>197</u></b>	<b><u>183</u></b>

**1. Auditor remuneration**

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

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

Audit and review of financial statements	11	10
<b>Remuneration for audit and other assurance services</b>	<b>11</b>	<b>10</b>
<b>Total Auditor-General remuneration</b>	<b>11</b>	<b>10</b>
<b>Total Auditor remuneration</b>	<b>11</b>	<b>10</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Notes	2020	2019
(c) Depreciation, amortisation and impairment of non-financial assets			
<b>Depreciation and amortisation</b>			
Plant and equipment		93	89
Office equipment		9	7
Total depreciation and amortisation costs		<u>102</u>	<u>96</u>
<b><u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</u></b>		<u>102</u>	<u>96</u>

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

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

\$ '000	2020	2019
(d) Other expenses		
Advertising	3	7
Training costs (other than salaries and wages)	23	10
Aircraft hire	5	—
Bad and doubtful debts	1	—
Councillor expenses – Chairpersons fee	6	6
Councillor expenses – councillors' fees	12	6
Councillors' expenses (incl. mayor) – other (excluding fees above)	4	1
Electricity and heating	2	2
Insurance	25	22
Office expenses (including computer expenses)	13	6
Postage	1	3
Printing and stationery	2	3
Rent	14	13
Subscriptions and publications	17	4
Telephone and communications	10	8
Other	2	88
<b>Total other expenses</b>	<u>140</u>	<u>179</u>
<b><u>TOTAL OTHER EXPENSES</u></b>	<u>140</u>	<u>179</u>

**Accounting policy for other expenses**

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



## 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
Plant and equipment	10		
Proceeds from disposal – plant and equipment		47	53
Less: carrying amount of plant and equipment assets sold/written off		(18)	(27)
<b>Net gain/(loss) on disposal</b>		<b>29</b>	<b>26</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>29</b>	<b>26</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.

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

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	48	19
Cash-equivalent assets		
– Deposits at call	726	856
– Short-term deposits	–	957
<b>Total cash and cash equivalents</b>	<b>774</b>	<b>1,832</b>

**Accounting policy for cash and cash equivalents**

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

## Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Financial assets at amortised cost'	1,000	–	–	–
<b>Total Investments</b>	<b>1,000</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>1,774</b>	<b>–</b>	<b>1,832</b>	<b>–</b>
<b>Financial assets at amortised cost</b>				
Term deposits	1,000	–	–	–
<b>Total</b>	<b>1,000</b>	<b>–</b>	<b>–</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.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

#### Financial assets

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

#### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

#### Amortised cost

Assets measured at amortised cost are financial assets where:

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

Council's financial assets measured at amortised cost comprise 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.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Total cash, cash equivalents and investments	1,774	—	1,832	—
<b>attributable to:</b>				
External restrictions	418	—	454	—
Internal restrictions	324	—	352	—
Unrestricted	1,032	—	1,026	—
	1,774	—	1,832	—

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

## Details of restrictions

## External restrictions – included in liabilities

Specific purpose unexpended grants (2020 only)	223	—
--	-----	---

## External restrictions – included in liabilities

	223	—
--	-----	---

## External restrictions – other

Specific purpose unexpended grants (recognised as revenue)	195	454
--	-----	-----

## External restrictions – other

	195	454
--	-----	-----

## Total external restrictions

	418	454
--	-----	-----

## Internal restrictions

Plant and vehicle replacement	184	195
-------------------------------	-----	-----

Employees leave entitlement	140	157
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## Total internal restrictions

	324	352
--	-----	-----

## TOTAL RESTRICTIONS

	742	806
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## 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>				
Accrued revenues				
– Interest on investments	1	–	5	–
Other debtors	22	–	50	–
<b>Total</b>	<b>23</b>	<b>–</b>	<b>55</b>	<b>–</b>
<b>Less: provision of impairment</b>				
User charges and fees	(1)	–	–	–
<b>Total provision for impairment – receivables</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>22</b>	<b>–</b>	<b>55</b>	<b>–</b>

## Accounting policy for receivables

## Recognition and measurement

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. 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.

## 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>				
Stores and materials	47	–	10	–
<b>Total inventories at cost</b>	<b>47</b>	<b>–</b>	<b>10</b>	<b>–</b>
<b>TOTAL INVENTORIES</b>	<b>47</b>	<b>–</b>	<b>10</b>	<b>–</b>

## Accounting policy

## Raw materials and stores, work in progress and finished goods

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

## 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>	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>									
Plant and equipment	628	(293)	335	143	(18)	(93)	669	(302)	367
Office equipment	77	(58)	19	10	—	(9)	87	(67)	20
<b>Total Infrastructure, property, plant and equipment</b>	<b>705</b>	<b>(351)</b>	<b>354</b>	<b>153</b>	<b>(18)</b>	<b>(102)</b>	<b>756</b>	<b>(369)</b>	<b>387</b>

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



## 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>	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>									
Plant and equipment	589	(277)	312	139	(27)	(89)	628	(293)	335
Office equipment	69	(52)	17	9	–	(7)	77	(58)	19
<b>Total Infrastructure, property, plant and equipment</b>	<b>658</b>	<b>(329)</b>	<b>329</b>	<b>148</b>	<b>(27)</b>	<b>(96)</b>	<b>705</b>	<b>(351)</b>	<b>354</b>

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

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

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

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Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at cost.

Depreciation for assets is calculated using the straight line method to allocate their cost, net of their residual value, over their estimated useful lives as follows:

Plant and equipment	Years
Office equipment	5 to 10
Office furniture	10 to 20
Computer equipment	4
Vehicles	5 to 8

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 11. Contract assets and liabilities

\$ '000	Notes	2020 Current	2020 Non-current
<b>Contract liabilities</b>			
<b>Grants and contributions received in advance:</b>			
Unexpended operating grants (received prior to performance obligation being satisfied)	(i)	53	—
<b>Total grants received in advance:</b>		<b>53</b>	<b>—</b>
<b>Total contract liabilities</b>		<b>53</b>	<b>—</b>

**Notes**

(i) 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 Current	2020 Non-current
<b>(i) Contract liabilities relating to restricted assets</b>		
<b>Externally restricted assets</b>		
Unspent grants held as contract liabilities	53	—
<b>Contract liabilities relating to externally restricted assets</b>	<b>53</b>	<b>—</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>53</b>	<b>—</b>
<b>Total contract liabilities relating to unrestricted assets</b>	<b>—</b>	<b>—</b>
<b>Total contract liabilities</b>	<b>53</b>	<b>—</b>

\$ '000	2020
<b>Grants and contributions received in advance:</b>	
Operating grants (received prior to performance obligation being satisfied)	11
<b>Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period</b>	<b>11</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Leases

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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 over land and buildings. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

Council leases office space and depot land and buildings. The lease for both of these terminates on 30 June 2020. Council has not entered into a further leasing arrangement but is expecting the arrangement to become a month to month payment as at 1 July 2020. Council is planning to construct its own office and depot space within the next twelve months. Given the above, Council has not recognised any lease transactions.

## 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	–	–	11	–
Accrued expenses:				
– Salaries and wages	5	–	5	–
– Other expenditure accruals	28	–	7	–
GST payable	10	–	37	–
DPI Weeds Capacity Building	107	–	110	–
DPI Parthenium Fund	63	–	–	–
<b>Total payables</b>	<b>213</b>	<b>–</b>	<b>170</b>	<b>–</b>
<b>Comment re: DPI Liabilities</b>				
Council has received monies from DPI related to a weed capacity building project and a parthenium management project. These funds have not been included as revenue nor any monies transferred to other entities as expenses.				
The Council has acted merely as an agent.	–	–	–	–
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>213</b>	<b>–</b>	<b>170</b>	<b>–</b>

## (a) Payables and borrowings relating to restricted assets

There are no restricted assets (external or internal) applicable to the above payables and borrowings

\$ '000	2020	2019
<b>(b) Financing arrangements</b>		
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>		
Credit cards/purchase cards	5	5
<b>Total financing arrangements</b>	<b>5</b>	<b>5</b>
<b>Undrawn facilities as at balance date:</b>		
– Credit cards/purchase cards	10	10
<b>Total undrawn financing arrangements</b>	<b>10</b>	<b>10</b>

## 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.

## 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.



## 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	38	–	46	–
Long service leave	85	–	92	–
ELE on-costs	17	–	19	–
<b>Sub-total – aggregate employee benefits</b>	<b>140</b>	<b>–</b>	<b>157</b>	<b>–</b>
<b><u>TOTAL PROVISIONS</u></b>	<b><u>140</u></b>	<b><u>–</u></b>	<b><u>157</u></b>	<b><u>–</u></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	85	89
	<u>85</u>	<u>89</u>

**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.

## 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**

Council has no revaluation reserves.

**(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:

Council recognised a contract liability of \$20,000 and a financial liability of \$174,000, both of which were previously held as an unexpended grant.

**Statement of Financial Position**

<b>\$ '000</b>	<b>Original Balance 1 July, 2019</b>	<b>Impact Increase/ (decrease)</b>	<b>Restated Balance 1 July, 2019</b>
Contract Liabilities	–	20	20
Payables	–	174	174
<b>Total liabilities</b>	<b>–</b>	<b>194</b>	<b>194</b>
Accumulated Surplus	1,924	(194)	1,730
<b>Total equity</b>	<b>–</b>	<b>(194)</b>	<b>(194)</b>

**(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.

**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.

## 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)

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#### 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.

#### 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:

Presentation changes resulting from the adoption of AASB 15 are:

- Additional line item of contract liabilities has been created.

## 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	Notes
<b>Current assets</b>					
Cash and cash equivalents	774	—	—	774	
Investments	1,000	—	—	1,000	
Receivables	22	—	—	22	
Inventories	47	—	—	47	
<b>Total current assets</b>	<b>1,843</b>	<b>—</b>	<b>—</b>	<b>1,843</b>	
<b>Current liabilities</b>					
Payables	213	(63)	—	150	
Contract liabilities	53	(53)	—	—	
Provisions	140	—	—	140	
<b>Total current liabilities</b>	<b>406</b>	<b>(116)</b>	<b>—</b>	<b>290</b>	
<b>Non-current assets</b>					
Infrastructure, property, plant and equipment	387	—	—	387	
<b>Total non-current assets</b>	<b>387</b>	<b>—</b>	<b>—</b>	<b>387</b>	
<b>Net assets</b>	<b>1,824</b>	<b>116</b>	<b>—</b>	<b>1,940</b>	
<b>Equity</b>					
Accumulated surplus	1,824	116	—	1,940	
<b>Total Equity</b>	<b>1,824</b>	<b>116</b>	<b>—</b>	<b>1,940</b>	

Under previous standards, Council would recognise grant income on receipt of the cash and maintain the unspent proportion as a restricted asset.

## 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**

<b>\$ '000</b>	<b>Income Statement and comprehensive income under AASB 15 and AASB 1058</b>	<b>Reclassification</b>	<b>Remeasurement</b>	<b>Income Statement and comprehensive income under previous revenue standards</b>	<b>Notes</b>
<u>Income from continuing operations</u>					
User charges and fees	278	–	–	278	
Other revenues	20	(11)	–	9	
Grants and contributions provided for operating purposes	912	45	–	957	
Interest and investment income	27	–	–	27	
Net gains from the disposal of assets	29	–	–	29	
<b>Total Income from continuing operations</b>	<b>1,266</b>	<b>34</b>	<b>–</b>	<b>1,300</b>	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	733	–	–	733	
Materials and contracts	197	111	–	308	
Depreciation and amortisation	102	–	–	102	
Other expenses	140	–	–	140	
<b>Total Expenses from continuing operations</b>	<b>1,172</b>	<b>111</b>	<b>–</b>	<b>1,283</b>	
<b>Total Operating result from continuing operations</b>	<b>94</b>	<b>(77)</b>	<b>–</b>	<b>17</b>	
<b>Net operating result for the year</b>	<b>94</b>	<b>(77)</b>	<b>–</b>	<b>17</b>	
<b>Total comprehensive income</b>	<b>94</b>	<b>(77)</b>	<b>–</b>	<b>17</b>	

The additional grant income would be recognised on receipt and additional expenditure would be incurred in forwarding payments from unexpended grants.



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
<b>(a) Reconciliation of cash and cash equivalents</b>			
Total cash and cash equivalents per Statement of Financial Position	7(a)	774	1,832
<b>Balance as per the Statement of Cash Flows</b>		<b>774</b>	<b>1,832</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		94	139
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		102	96
Net losses/(gains) on disposal of assets		(29)	(26)
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		32	16
Increase/(decrease) in provision for impairment of receivables		1	—
Decrease/(increase) in inventories		(37)	4
Increase/(decrease) in payables		(11)	5
Increase/(decrease) in other accrued expenses payable		21	(24)
Increase/(decrease) in other liabilities		(141)	137
Increase/(decrease) in contract liabilities		33	—
Increase/(decrease) in provision for employee benefits		(17)	(31)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>48</b>	<b>316</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 17. Commitments

\$ '000	2020	2019
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## Non-cancellable operating lease commitments (2019 only)

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

Within the next year	–	14
Later than one year and not later than 5 years	–	14
<b>Total non-cancellable operating lease commitments</b>	<b>–</b>	<b>28</b>

**b. Non-cancellable operating leases include the following assets:**

Rental of office and depot from Armidale Regional Council

Contingent rentals may be payable depending on the condition of items or usage during the lease term.

Refer to Note 15 for information relating to leases for 2020.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. 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 General Manager under policies approved by the Council.

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

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	774	1,832	774	1,832
Receivables	22	55	22	55
Investments				
– 'Financial assets at amortised cost'	1,000	–	1,000	–
<b>Total financial assets</b>	<b>1,796</b>	<b>1,887</b>	<b>1,796</b>	<b>1,887</b>
<b>Financial liabilities</b>				
Payables	213	170	213	55
<b>Total financial liabilities</b>	<b>213</b>	<b>170</b>	<b>213</b>	<b>55</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.

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

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

The risks associated with the investments held are:

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Financial risk management (continued)

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

The impact on result for the year and equity of a reasonably possible movement in 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	17	17	(17)	(17)
<b>2019</b>				
Possible impact of a 1% movement in interest rates	18	18	(18)	(18)

## (b) Credit risk

Council's major receivables comprise user charges and fees.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

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

A profile of Council's receivables credit risk at balance date follows:

**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 as follows.

Council does not believe there is sufficient risk of losses at reporting date.

\$ '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	–	6	7	10	–	23
Expected loss rate (%)	0.00%	0.00%	0.00%	10.00%	0.00%	4.35%
<b>ECL provision</b>	–	–	–	1	–	1
<b>2019</b>						
Gross carrying amount	–	23	7	20	5	55
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. 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 contractual undiscounted cash outflows of Council's payables are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2020</b>							
Trade/other payables	0.00%	33	180	–	–	213	213
<b>Total financial liabilities</b>		<b>33</b>	<b>180</b>	<b>–</b>	<b>–</b>	<b>213</b>	<b>213</b>
<b>2019</b>							
Trade/other payables	0.00%	55	115	–	–	170	170
<b>Total financial liabilities</b>		<b>55</b>	<b>115</b>	<b>–</b>	<b>–</b>	<b>170</b>	<b>170</b>



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 19. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 18/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
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## REVENUES

<b>User charges and fees</b>	<b>102</b>	<b>278</b>	<b>176</b>	<b>173%</b>	<b>F</b>
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Council was funded for many projects that were not in the original budget. Additionally, Council was fortunate to provide increased private works meaning a significant increase in user charges.

<b>Other revenues</b>	<b>2</b>	<b>20</b>	<b>18</b>	<b>900%</b>	<b>F</b>
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Additional rebates were received from Council's insurers and Council received additional commissions on funds held for DPI activities

<b>Net gains from disposal of assets</b>	<b>5</b>	<b>29</b>	<b>24</b>	<b>480%</b>	<b>F</b>
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Council is obtaining better than expected returns on its vehicle sales. Council has reviewed its depreciation rates going forward.

## EXPENSES

<b>Employee benefits and on-costs</b>	<b>629</b>	<b>733</b>	<b>(104)</b>	<b>(17)%</b>	<b>U</b>
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Council's original budget included an incorrect split between employee costs and materials and contracts. A \$100,000 adjustment was recognised in Council's 2nd quarter review.

<b>Materials and contracts</b>	<b>172</b>	<b>197</b>	<b>(25)</b>	<b>(15)%</b>	<b>U</b>
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The additional project costs and private works increases have also increased materials and contracts costs.

## STATEMENT OF CASH FLOWS

<b>Cash flows from operating activities</b>	<b>90</b>	<b>48</b>	<b>(42)</b>	<b>(47)%</b>	<b>U</b>
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Council reduced its total unexpended grants by over \$100,000 which impacted its cash flows from operating activities.

<b>Cash flows from investing activities</b>	<b>(90)</b>	<b>(1,106)</b>	<b>(1,016)</b>	<b>1,129%</b>	<b>U</b>
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Council invested \$1,000,000 in longer term securities seeking a better return, effectively increasing Council's cash from investing activities.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 20. 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	168	166
Post-employment benefits	14	15
Termination benefits	–	11
<b>Total</b>	<b>182</b>	<b>192</b>

#### (b) Other transactions with KMP and their related parties

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

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>\$ '000</b>					
<b>2020</b>					
Financial Management Contract	1	–	14 days	–	–
<b>2019</b>					
Financial Management Contract	2	–	14 days	–	–

Council contracted a business to assist in financial matters. A KMP is an associate of that Business.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019      2018		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	65	5.25%	8.55%	10.34%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	1,237				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	325	26.27%	21.04%	30.53%	>60.00%
Total continuing operating revenue <sup>1</sup>	1,237				
3. Unrestricted current ratio					
Current assets less all external restrictions	1,425	5.32x	6.06x	5.85x	>1.50x
Current liabilities less specific purpose liabilities	268				
4. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	1,774	19.69 mths	21.53 mths	17.21 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	90				

(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

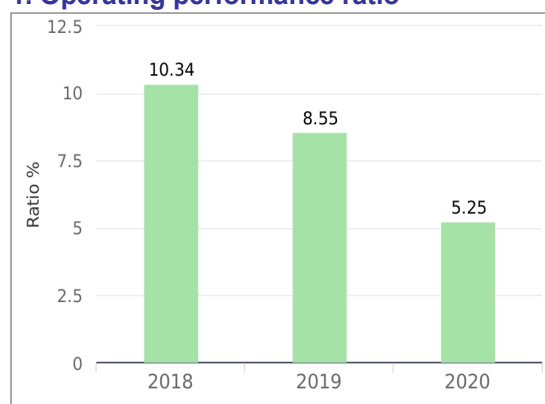
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

# Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21(b). Statement of performance measures – consolidated results (graphs)

### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2019/20 result

2019/20 ratio 5.25%

A position above or equal to break even is considered to be optimal. This result reflects the reduction of unexpended grants which is included in operating expenditure.

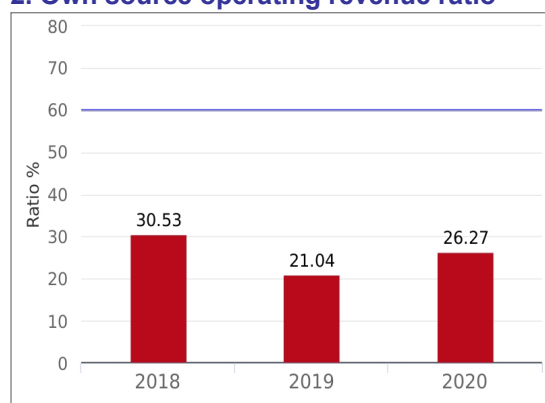
Benchmark: — > 0.00%

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

Ratio achieves benchmark

Ratio is outside benchmark

### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2019/20 result

2019/20 ratio 26.27%

A benchmark of 60% has been established. The authority receives most of its revenue from grants and contributions.

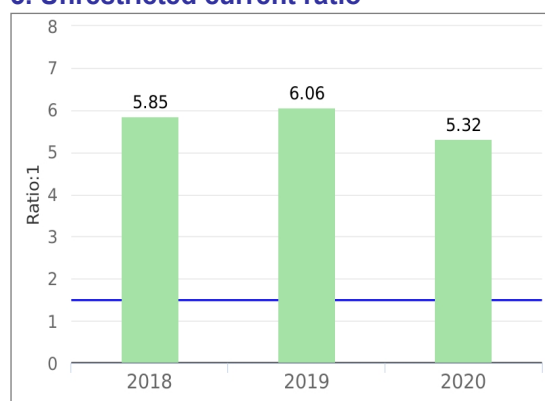
Benchmark: — > 60.00%

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

Ratio achieves benchmark

Ratio is outside benchmark

### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2019/20 result

2019/20 ratio 5.32x

A benchmark above 1.5 is recommended. The Authority is above benchmark

Benchmark: — > 1.50x

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

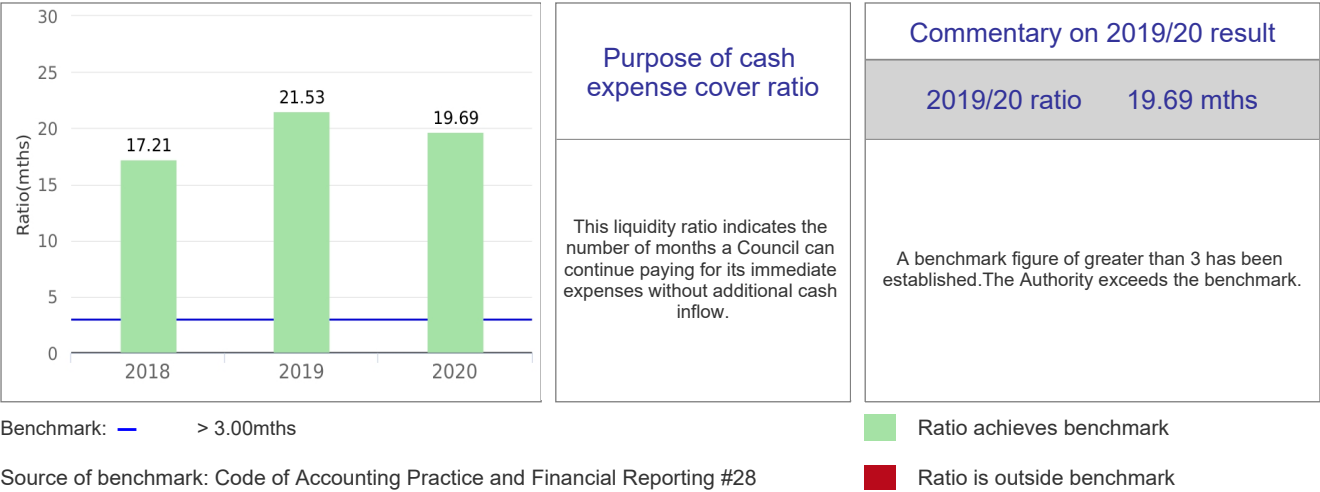
Ratio achieves benchmark

Ratio is outside benchmark

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

Note 21(b). Statement of performance measures – consolidated results (graphs)

4. Cash expense cover ratio



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Council information and contact details

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**Principal place of business:**

2/129 Rusden Street  
ARMIDALE NSW 2350

#### Contact details

**Mailing Address:**

129 Rusden Street  
ARMIDALE NSW 2350

**Opening hours:**

7.30am to 4.30pm  
Monday to Friday  
Except Public Holidays

**Telephone:** 02 6770 3602

**Facsimile:** 02 6771 1893

**Internet:** [www.newa.com.au](http://www.newa.com.au)

**Email:** [newa@newa.nsw.gov.au](mailto:newa@newa.nsw.gov.au)

#### Officers

**General Manager**

John Duggan

**Responsible Accounting Officer**

John Duggan

**Public Officer**

John Duggan

**Auditors**

Audit Office of New South Wales  
Level 19, Darling Park Tower 2,  
201 Sussex Street  
SYDNEY NSW 2000.

#### Elected members

**Chairperson**

Clr Mark Dusting

**Councillors**

Mark Dusting  
Jon Galletly  
Scott Kermode  
Libby Martin  
Andrew Murat

#### Other information

**ABN:** 35 514 070 354





**Our Environment**  
**Our Community**  
**Our Council**  
**Our Responsibility**