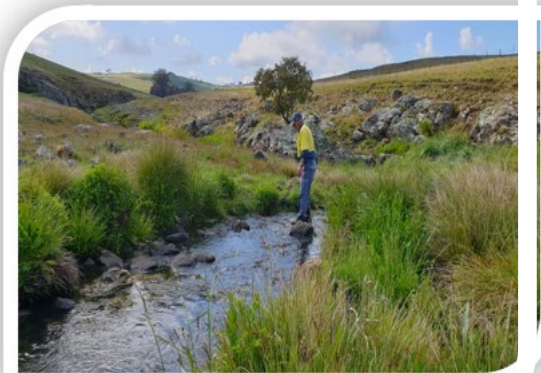


Annual Report 2021 - 2022



ARMIDALE
Regional Council



| | | |
|------------|---|-----------|
| 1. | CHAIRMAN’S MESSAGE | 3 |
| 2. | INTRODUCTION | 4 |
| 3. | ANNUAL REPORTING ON PROGRESS | 5 |
| 4. | NEW ENGLAND WEEDS AUTHORITY REGION – PROFILE | 6 |
| | a. Area | 6 |
| | b. Climate | 7 |
| | c. Population breakdown | 7 |
| | d. Land use patterns | 7 |
| 5. | COUNCIL’S VISION, MISSION AND VALUES | 8 |
| | a. Council’s Vision | 8 |
| | b. Council’s Mission | 8 |
| | c. Council’s Corporate Values | 8 |
| 6. | COUNCIL’S RESPONSIBILITIES | 9 |
| | MEMBERS OF COUNCIL 2020-2021 | 11 |
| | a. Facilities provided to Councillors | 11 |
| | b. Councillor attendance at Council Meetings 2020 – 2021 | 12 |
| 8. | OUR ORGANISATION | 13 |
| 9. | THE BUSINESS ACTIVITY STRATEGIC PLAN 2017 – 2027 OVERVIEW | 14 |
| 10. | THE DELIVERY PROGRAM REPORT 2017-2021 | 15 |
| 11. | PRINCIPAL ACTIVITIES | 18 |
| | a. PRINCIPAL ACTIVITY- P.A.1. CIVIC LEADERSHIP/GOVERNANCE/ADMIN/FINANCE/RISK | 18 |
| | b. PRINCIPAL ACTIVITY- P.A.2 ENVIRONMENT - PRIORITY WEED MANAGEMENT AND CONTROL | 18 |
| | c. PRINCIPAL ACTIVITY- P.A 3 ECONOMIC AFFAIRS – PRIVATE WORKS AND OTHER BUSINESS UNDERTAKINGS.... | 19 |
| | d. PRINCIPAL ACTIVITY- P. A 4 NSW WEEDS ACTION PROGRAM | |
| 12. | OTHER PROJECTS | 27 |
| 13. | EQUAL EMPLOYMENT OPPORTUNITY (EEO) | 28 |
| 14. | EMPLOYEE RELATIONS | 28 |

| | |
|---|-----------|
| 15. MISCELLANEOUS REPORTING REQUIREMENTS | 29 |
| a. Major Contracts and Tenders awarded by Council 2020 - 2021 | 29 |
| b. Legal costs incurred by Council..... | 29 |
| c. Work carried out on Private Land | 29 |
| d. External Bodies exercising functions delegated by Council | 29 |
| e. Partnerships, Corporations, Trusts or other Joint Ventures | 30 |
| f. Remuneration of General Manager | 30 |
| g. Requests made to Council under the Government Information (Public Access) Act 2009 | 30 |
| h. Public Interest Disclosures Report | 30 |
| i. Code of Conduct | 31 |
| 16. STATE OF THE ENVIRONMENT REPORT | 32 |
| 17. GENERAL PURPOSE FINANCIAL STATEMENTS – | 33 |

| ABBREVIATIONS | |
|---------------|---|
| BASP | Business Activity Strategic Plan |
| BO | Biosecurity Officer |
| CLR | Councillor |
| DPI | Department of Primary Industries |
| EEO | Equal Employment Opportunity |
| GIPA | Government Information (Public Access Act) 2009 |
| GM | General Manager |
| LLS | Local Land Services |
| MOU | Memorandum of Understanding |
| NEWA | New England Weeds Authority |
| NT | Northern Tablelands |
| RWC | Regional Weed Committee |
| SOE | State of the Environment |
| SBO | Senior Biosecurity Officer Weeds |
| UNE | University of New England |

1. CHAIRMAN'S MESSAGE

It has been both a pleasure and an honour to have represented the New England County Council as Chairman during 2020/2021 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 maintained our strong financial position even after an operating loss this year, due to unplanned consultant fees and termination payments.

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

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 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 County Council Annual Report for 2020 - 2021.



Clr Mark Dusting
Chairperson



2. INTRODUCTION

This year has been a time of challenge, change, renewal and growth.

A major highlight of the year was Glen Innes Severn Council (GISC) joining the County as a Constituent Council, after 4 years of participation under a Memorandum of Understanding. On 16 December 2020, GISC was proclaimed as a new constituent member of the County, increasing the size of our operational area to 23,742 square kilometres. This will see increased 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.

With changes in legislation from the Noxious Weeds Act 1993 to the Biosecurity Act 2015, the New England Tablelands (Noxious Plants) County Council has updated its legislated name to the New England County Council, after 73 years of operation.

With the change of name to the New England County Council it was time to update the logo for a fresh start. With this fresh start, NEWA will be purchasing land at the new Armidale Airside subdivision and building a customised depot and training centre in 2021.

From an operational point of view the year has been challenging. COVID19 pandemic restrictions had a significant impact on our operational and extension program, where property inspections were postponed, and many shows and field days, including Agquip were cancelled.

Additionally, NEWA suffered significant staff shortages and turnover of senior staff during the period. As an organisation we have prioritised improvement in our policies and procedures, workplace health and safety, and risk management. Through these challenges our staff demonstrated resilience and perseverance, and were instrumental in developing the new workplace structure and policy reviews.

The Northern Tablelands region has experienced greater than average rainfall during the reporting period. This increased seasonal growth of pastures and accompanying invasive weeds resulted in a significant workload for staff in weed control and project work during this period of significant challenges. The ability of the NEWA team to continue to provide high-quality service to our region can be attributed to the professionalism and commitment of staff; a core reason why NEWA is so highly regarded throughout the region.

Concentrated efforts have continued on a number of priority weeds found in our area with a focus on Tropical Soda Apple, particularly in the Macleay Valley, 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.

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

In conclusion, I would like to express my appreciation to Councillors for their guidance, and fellow NEWA staff for their professionalism and resilience during the year.

Heather Apps
Business Manager

3. 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 10year 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.

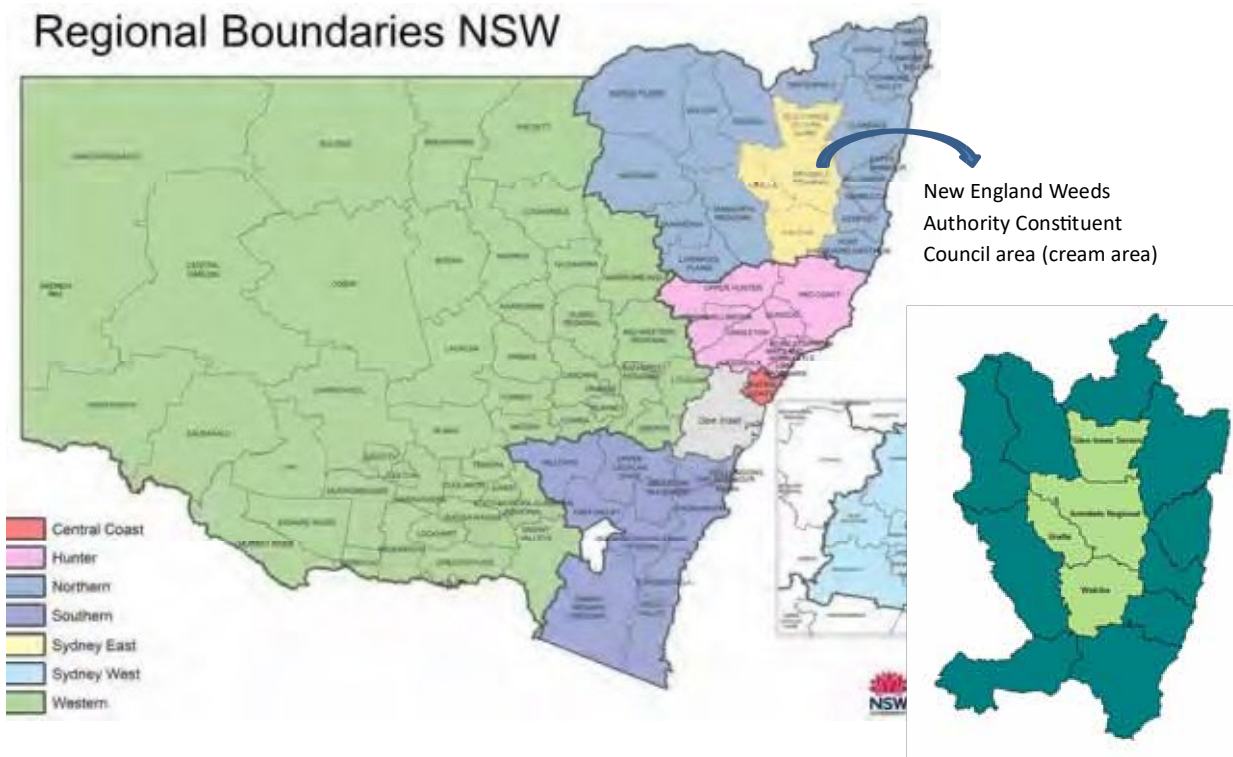


New England Gorge Country

4. NEW ENGLAND WEEDS AUTHORITY REGION – PROFILE

The New England 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 County Council

c. Area

The New England County Council covers some 18,255 km² (Armidale Regional 8,630km², Uralla 3,215 km², and Walcha 6,410 km²) 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.

On 1st January 2021, Glen Innes Severn Council joined the New England County Council (previously under an MOU), increasing the area by a further 5,487 sq. km, increasing the northern region to include the areas of Glen Innes and villages of Deepwater, Emmaville, Glencoe and Red Range.

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.

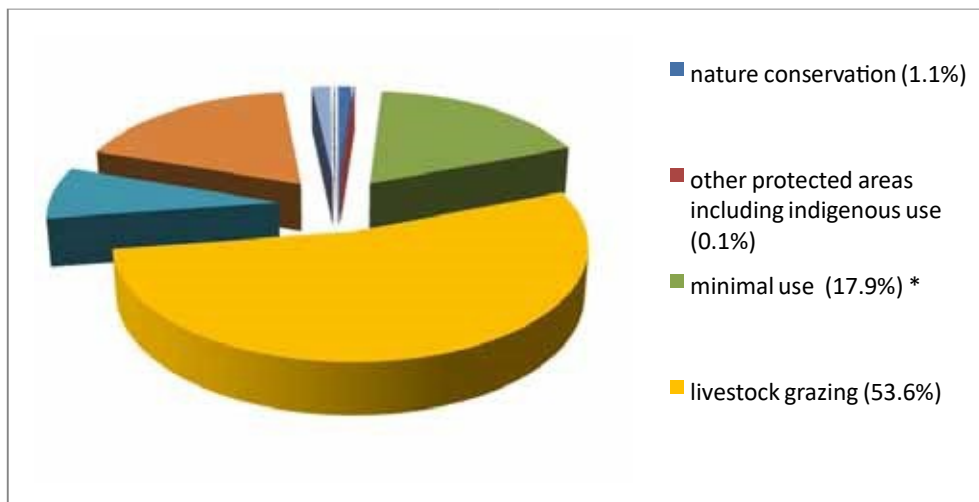
Rainfall in the region averages from 700mm to 1,200mm annually with approximately 60% falling in the summer and 40% falling in the winter, however the previous year has yielded much lower than average rainfalls.

c. Population breakdown

The total population for the County Council's area is 49,060¹ which is broken down into member Council areas of Armidale Regional 30,710, Uralla 6,310, Walcha 3,132 and Glen Innes Severn 8,908.

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.



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

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

¹ 2016
Census

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, 2020.

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.



Got weeeeds?
Get WeedWise.

NSW DPI Weed 2021 campaign

In addition, the County Council is the Co-ordinator on behalf of the Northern Tablelands Regional Weed Committee for the implementation of the NSW Weeds Action Program 2020 - 2025 (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 three (3) member local government areas of Tenterfield, Inverell and NEWA [Armidale Regional, Uralla Shire, Walcha and Glen Innes Severn Councils] in the Northern Tablelands (NT) region, comprising some 40,000 km² 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 Biosecurity 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.



Cats Claw Creeper control – Crown Lands private work

7. MEMBERS OF COUNCIL 2020-2021

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.

Councillor Representatives from 1 July 2020 to December 2020



Chairperson
Clr Mark Dusting
Uralla Shire Council
(to June 2021)



Deputy Chairperson
Clr Scott Kermode
Walcha Council
(to June 2021)



Viv May – Armidale Regional
Council Administrator
(to Nov 2020)

Councillor Representatives from January 2021 – June 2021



Clr Andrew Murat
Armidale Regional Council



Clr John Galletly
Armidale Regional Council



Clr Margaret O'Connor
Armidale Regional Council



Clr Carol Sparks
Glen Innes Severn Council

a. Facilities provided to Councillors

The following fees and expenses with regard to the Chairperson and Councillors were paid during 2020 -2021:

| Fees and Expenses | Amount |
|---|--------------------|
| Chairpersons Allowance | \$6,242.00 |
| Councillor Fees | \$12,979.27 |
| Miscellaneous expenses (conferences, accommodation & catering) | \$624.96 |
| Interstate and Overseas Travel | Nil |
| Total | \$19,846.23 |

Due to COVID19 restrictions, the NSW Local Government Conference was held on-line this year.

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 2020 – 2021

| Councillor | Ordinary Meetings (5 held) |
|------------------------|-------------------------------|
| Clr Mark Dusting | 5/5 |
| Clr Scott Kermode | 5/5 |
| Viv May | 2/2 |
| Clr John Galletly | 2/3 |
| Clr Andrew Murat | 2/3 |
| Clr Margaret O'Connor* | 3/3 |
| Clr Carol Sparkes** | 3/3 |

*from 14 December 2020

** from 1st January 2021



Tropical Soda Apple control – Upper Macleay Valley

8. OUR ORGANISATION

New England 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 2020 to 9 March 2021;

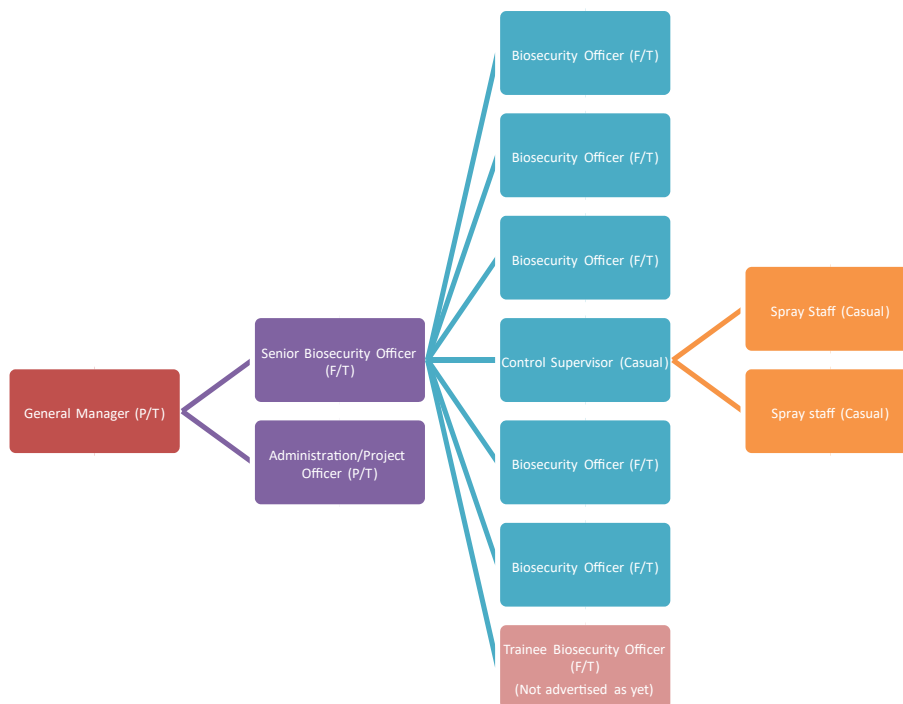


Chart 2: NEWA Organisational Structure

A review of this structure was required to diversify the operations, the responsibilities and the workloads. The staff workshopped a proposed structure at a meeting held on 15 February 2021, and formulated the following:

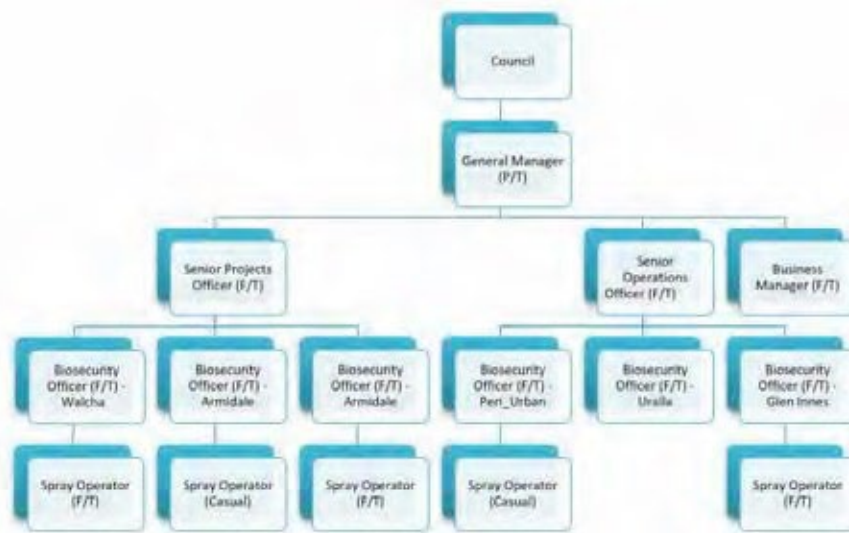


Chart 2: Updated NEWA Organisational Structure – Adopted by Council in March 2021

The new structure splits the supervision and management of other staff between the Senior Operations Officer and the Senior Projects Officer. This enables a more diversified approach to management and responsibilities and also provides the opportunity for the senior offices to cover both roles in times of leave. This also provides a co-ordinated approach to achieve organisation goals and responsibilities.

The new structure also adds an additional Biosecurity officer. We have noted over recent times that we cannot keep ahead of the current work commitments let alone supporting project work. The new officer will support the projects officer in current and future projects, generating sufficient income to cover position costs. We currently have projects totalling in excess of \$350,000 to be completed by June 2022.

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.

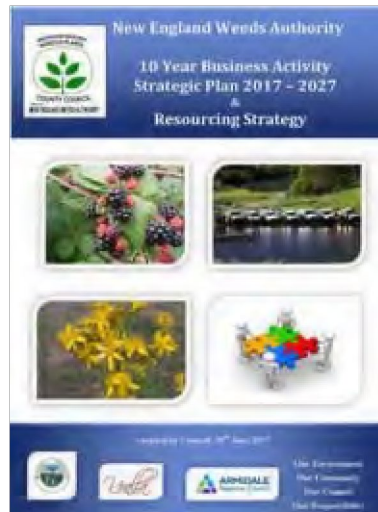
In meeting the outcomes of our Plan, Council has a long term focus that addresses issues about environmental, economic, social and civic leadership objectives as well as reflecting the community engagement processes that have been undertaken by our constituent Councils.

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 2017-2021

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 2020 - 2025 and regional Management Plans developed for specific weeds.

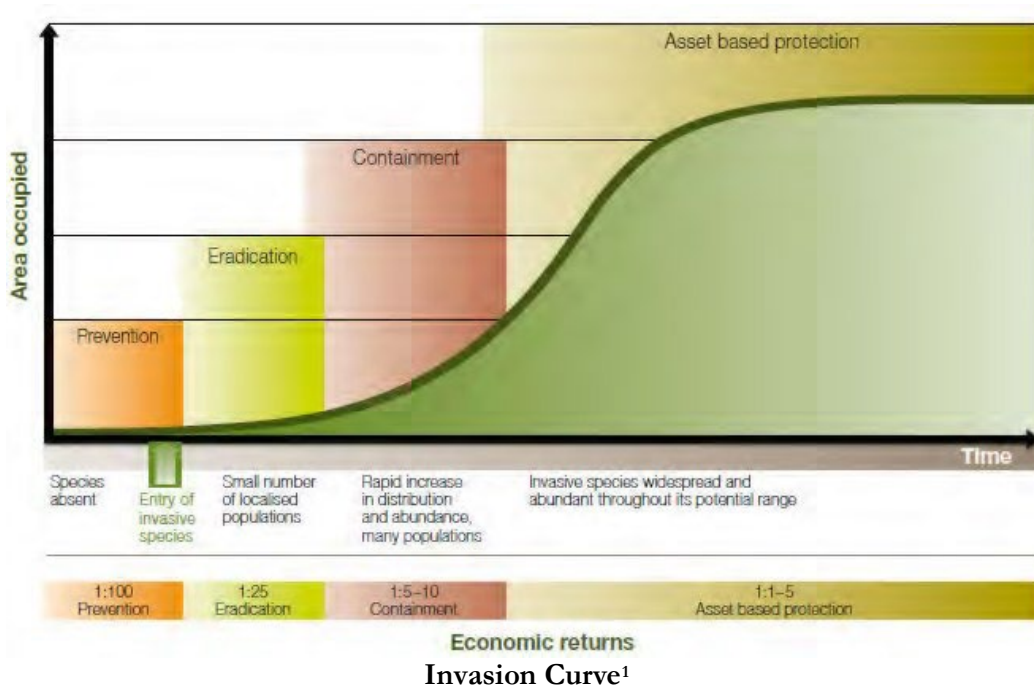
Through negotiations with the respective LLS's, an agreement was reached whereby NEWA remained the Lead Organisation for the Northern Tablelands Local Land Services region for funding under the NSW DPI NSW Weeds Action Program 2020 - 2025 (WAP 2025).

Our Council acted as the co-ordinator 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
Weed

3:



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 in action.

¹ NSW DPI



Serrated Tussock



St John's 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 2017 – 2027.

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).



Spray season at NEWA is a busy time.

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 2020 - 2021

- 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 2020 - 2021

- 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 2020 - 2021

- 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.

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 2020 - 2021

- Corporate Training Plan reviewed, updated and implemented.
- Staff meetings held as required.
- 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 2020 - 2021 □ 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 2020 -2025 □ 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 2020 - 2021 □ 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.

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 2020 - 2021

- 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 2020 - 2021

- 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 382 Compliance requests issued during the reporting period; o Glen Innes Privet – 141
o ARC Privet – 236, Blackberry – 4, St Johns Wort – 1 Total ARC – 241
o Uralla Privet – 2
- 46 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 2020 - 2021

- 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 2020 - 2021

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

- 4 agricultural shows in the area (Uralla cancelled due to COVID19) □ 6 field days;
- 17 Landcare events; □ Agquip was cancelled due to COVID19

There were 160 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 2020 - 2021

- 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: (Priority 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 2020 - 2021

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

- The inspection of 112 High Risk Sites;
- 2,140 Private Property Inspections completed covering 287,393 hectares;
- 22,986 kms of High Risk pathway inspections (roadside and waterways) completed covering 45,972 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.

- All known Nodding Thistle sites treated in November;
- All known Chilean Needle Grass roadways treated in November;
- All known St John's Wort roadways treated in November/ December;
- Priority Blackberry roadways were treated in December/March
- The Macleay Valley, Tropical Soda Apple roadways treated as required;

Wet weather, staff shortages and the ongoing Covid 19 Pandemic meant roadsides were controlled on a priority basis.
Staff involved worked exceptionally well to complete the majority of the control program

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 2020 - 2021

- During 2020 – 2021 the Authority was successful in funding applications to the Northern Tablelands Local Land Services amounting to a total of \$61,660 and \$410,654 from the Federal Government.
- Private works were carried out on behalf of Constituent member Councils, other Councils, Crown Lands and smaller property owners who are not otherwise equipped to carry out the spray control programs. The total of private works for 2020 – 2021 period amounted to \$117,614.

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 2020 - 2021

- 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 2020 - 2025 as it relates to Council's responsibility.

Summary of Measurable Outcomes achieved 2020 - 2021

- Three meetings with Northern Tablelands Local Land Services (NTLLS) as regional coordinator for the NSW Weeds Action Program 2020 – 2025 (WAP 2025)
- 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 2020 - 2025 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 2020 - 2025 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 Northern Tablelands area:

- The inspection of 244 High Risk Sites;
- 2809 Private Property Inspections completed covering 518,712 hectares;
- 29,148 kms of High Risk pathway inspections (roadside and waterways) completed covering 77,087 hectares;

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 2020 – 2021 the following projects were carried out to the value of \$472,314;

- Northern Tablelands LLS Gondwana Grasses variation - \$61,660
- 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



Gondwana grasses project in action.

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 2020 so as to allow staff to continue to develop to a highly competent and professional standard.

Staff training included 5 staff members enrolled in Cert IV courses, 6 staff Remote Pilot License (RPL), 2 staff sub 25kg RPL, together with all mandatory training updates.

Photo:



Northern Tablelands Biosecurity Officers received their Remote Pilot Licenses during the year.

15. MISCELLANEOUS REPORTING REQUIREMENTS

a. Major Contracts and Tenders awarded by Council 2020 - 2021

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 2020 - 2021.

c. Work carried out on Private Land

Council undertook various private works in relation to weed control on private land in 2020 – 2021, 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

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.

LOCAL GOVERNMENT ACT 1993 – PROCLAMATION

On 16th December 2020, The Honourable Margaret Beasley AC QC, Governor of New South Wales, with the advice of the Executive Council, and in pursuance of sections 397(1) and (2) of the Local Government Act 1993, hereby declared that on and from the beginning of 1 January 2021 the Proclamations in force constituting or varying the constitution of New England Tablelands (Noxious Plants) County Council are amended in the manner described in Schedule A below and in line with the provisions in Schedule B below. Amendments to the constitution of New England Tablelands (Noxious Plants) County Council The constitution is amended by:

- (a) changing the name of the County Council to New England County Council; and
- (b) varying the County Council's area of operations by increasing that area to include the whole of the local government area of Glen Innes Severn Shire; and
- (c) varying the number of persons who comprise the County Council's governing body by adding thereto one person to be elected from among the councillors of Glen Innes Severn Shire Council.

Facilitating provisions

1. First election

Glen Innes Severn Shire Council shall hold its first election to elect its member of the New England County Council's governing body within two months after this Proclamation comes into force.

2. Activities of Glen Innes Severn Shire Council in relation to weeds

- (1) Anything done or omitted to be done by Glen Innes Severn Shire Council in exercising its functions as local control authority for weeds under the Biosecurity Act 2015 and having any force or effect immediately before the date this Proclamation comes into force, continues to have effect as if it had been done or omitted to be done by the New England County Council.
- (2) Without limiting subclause (1):
 - (a) any approval order or notice given or made by Glen Innes Severn Shire Council in exercising its functions as local control authority for weeds under the Biosecurity Act 2015, and that had effect immediately before this Proclamation comes into force, continues to have effect as if had been given or made by the New England County Council, and
 - (b) anything commenced but not completed by Glen Innes Severn Shire Council in exercising its functions as local control authority for weeds under the Biosecurity Act 2015 may be completed or discontinued by the New England County Council.

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 to 12 March 2021 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.

An Acting General Manager was contracted full time from 15 March 2021 to 30 June 2021 for \$60,760 (inc GST).

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 2020 – 2021 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 2020 - 2021.

i. Code of Conduct

Council adopted a new Model Code of Conduct and Procedures in March 2021 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 2020 - 2021.



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

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021



New England Weeds Authority

General Purpose Financial Statements

for the year ended 30 June 2021

Contents

Page

3

4

Understanding Council's Financial Statements

Statement by Councillors and Management

5

6

Primary Financial Statements:

7

Income Statement

8

Statement of Comprehensive Income

9

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

10

Notes to the Financial Statements

Independent Auditor's Reports:

46

On the Financial Statements (Sect 417 [2])

On the Financial Statements (Sect 417 [3])

49

Page 2 of 54

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

New England Weeds Authority

General Purpose Financial Statements

for the year ended 30 June 2021

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.

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 01 September 2021.

New England Weeds Authority

General Purpose Financial Statements

for the year ended 30 June 2021



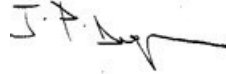
ClrMarkDusting
Chairperson
01 September 2021



Tim Weeks
General Manager
01 September 2021



ClrScottKermode
Deputy Chairperson
01 September 2021



John Duggan
Responsible Accounting Officer
01 September 2021

Page 4 of 54

Income Statement

for the year ended 30 June 2021

| Original unaudited budget | | | Actual | Actual |
|---------------------------------|--|-------|--------------|--------|
| 2021 | \$ '000 | Notes | 2021 | 2020 |
| | Income from continuing operations | | | |
| 100 | User charges and fees | B2-1 | 300 | 278 |
| 1 | Other revenue | B2-2 | 7 | 20 |
| 1,177 | Grants and contributions provided for operating purposes | B2-4 | 903 | 912 |
| 29 | Interest and investment income | B2-4 | 7 | 27 |
| 5 | Net gains from the disposal of assets | B4-1 | 38 | 29 |
| 1,312 | Total income from continuing operations | | 1,255 | 1,266 |
| | Expenses from continuing operations | | | |
| 636 | Employee benefits and on-costs | B3-1 | 771 | 733 |
| 406 | Materials and services | B3-2 | 449 | 336 |
| 97 | Depreciation, amortisation and impairment for non-financial assets | B3-3 | 100 | 102 |
| 172 | Other expenses | B3-4 | 8 | 1 |
| 1,311 | Total expenses from continuing operations | | 1,328 | 1,172 |
| 1 | Operating result from continuing operations | | (73) | 94 |
| 1 | Net operating result for the year attributable to Council | | (73) | 94 |
| – | Net operating result for the year before grants and contributions provided for capital purposes | | (73) | 94 |

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

Statement of Comprehensive Income
for the year ended 30 June 2021

| \$ '000 | 2021 | 2020 |
|--|-------------|-------------|
| Net operating result for the year – from Income Statement | (73) | 94 |
| Total comprehensive income for the year attributable to Council | (73) | 94 |

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

Statement of Financial Position

as at 30 June 2021

| \$ '000 | Note s | 2021 | 2020 |
|---|-----------|--------------|--------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | C1-1 | 70 1 | 774 |
| Investments | C1-2 | 1,301 | 1,000 |
| Receivables | C1-4 | 5 | 22 |
| Inventories | C1-5 | 1 9 | 47 |
| Total current assets | | 2,026 | 1,843 |
| Non-current assets | | | |
| Infrastructure, property, plant and equipment | C1-6 | 394 | 387 |
| Total non-current assets | | 394 | 387 |
| Total assets | | 2,420 | 2,230 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Payables | C3-1 | 181 | 213 |
| Contract liabilities | C3-2 | 372 | 53 |
| Employee benefit provisions | C3-4 | 116 | 140 |
| Total current liabilities | | 669 | 406 |
| Total liabilities | | 1,751 | 1,824 |
| Net assets | | | |
| EQUITY | | | |
| Accumulated surplus | | 1,751 | 1,824 |
| Council equity interest | | 1,751 | 1,824 |
| Total equity | | 1,751 | 1,824 |

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 2021

| | as at 30/06/21 | | as at 30/06/20 | |
|---|---------------------|--------------|----------------------------|----------------------|
| | Accumulated surplus | Total equity | Accumulated surplus equity | Total surplus equity |
| \$ '000 | | | | |
| Opening balance at 1 July | 1,824 | 1,824 | 1,924 | 1,924 |
| Changes due to AASB 1058 and AASB 15 adoption | - | - | (194) | (194) |
| Net operating result for the year | (73) | (73) | 94 | 94 |
| Restated net operating result for the period | (73) | (73) | 94 | 94 |
| Total comprehensive income | (73) | (73) | 94 | 94 |
| Closing balance at 30 June | 1,751 | 1,751 | 1,824 | 1,824 |

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 2021

| Original unaudited budget | | | | Actual | Actual |
|---|---------|---|-------------------|--------------|----------------|
| 2021 | \$ '000 | | Notes | 2021 | 2020 |
| Cash flows from operating activities | | | | | |
| <i>Receipts:</i> | | | | | |
| 100 | | User charges and fees | | 300 | 279 |
| 29 | | Investment and interest revenue received | | 7 | 31 |
| 1,177 | | Grants and contributions | | 1,222 | 771 |
| 1 | | Other | | 16 | 48 |
| <i>Payments:</i> | | | | | |
| (636) | | Employee benefits and on-costs | (791) (750) (406) | (411) | (245) |
| (172) | | Other | | (46) | (86) |
| Net cash flows from operating activities | | | | 297 | 48 |
| Cash flows from investing activities | | | | | |
| <i>Receipts:</i> | | | | | |
| 107 | | Sale of investment securities | | - | - |
| 45 | | Sale of infrastructure, property, plant and equipment | | 50 | 47 |
| <i>Payments:</i> | | | | | |
| (135) | | Purchase of investment securities | | (301) | (1,000) |
| (107) | | Purchase of infrastructure, property, plant and equipment | | (119) | (153) |
| | | | | (90) | |
| Net cash flows from investing activities | | | | (73) | (1,058) |
| Net change in cash and cash equivalents | | | | 774 | 1,832 |
| Cash and cash equivalents at beginning of year | | | | 701 | 774 |
| Cash and cash equivalents at end of year | | | | | |
| – plus: Investments on hand at end of year | | | | 1,301 | 1,000 |
| Total cash, cash equivalents and investments | | | | 2,002 | 1,774 |

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

New England Weeds Authority

Page 9 of 54

Contents for the notes to the Financial Statements for the year ended 30 June 2021

| | |
|---|-----------|
| A About Council and these financial statements | 12 |
| A1-1 Basis of preparation | |
| B Financial Performance | 12 |
| B1 Functions or activities | |
| B1-1 Functions or activities – income, expenses and assets | 14 |
| B1-2 Components of functions or activities | |
| B2 Sources of income | 14 |
| B2-1 User charges and fees | |
| B2-2 Other revenue | 14 |
| B2-3 Grants and contributions | |
| B2-4 Interest and investment income | 15 |
| B3 Costs of providing services | |
| B3-1 Employee benefits and on-costs | 16 |
| B3-2 Materials and services | |
| B3-3 Depreciation, amortisation and impairment of non-financial assets | 16 |
| B3-4 Other expenses | 16 |
| B4 Gains or losses | |
| B4-1 Gain or loss from the disposal, replacement and de-recognition of assets | 17 |
| B5 Performance against budget | |
| B5-1 Material budget variations | 19 |
| C Financial position | 20 |
| C1 Assets we manage | |
| C1-1 Cash and cash equivalents | 20 |
| C1-2 Financial Investments | |
| C1-3 Restricted cash, cash equivalents and investments | 20 |
| C1-4 Receivables | |
| C1-5 Inventories | 21 |
| C1-6 Infrastructure, property, plant and equipment | 21 |
| C2 Leasing activities | |
| C2-1 Council as a lessee | 22 |
| C3 Liabilities of Council | |
| C3-1 Payables | 22 |
| C3-2 Contract Liabilities | |
| C3-3 Borrowings | 23 |
| C3-4 Employee benefit provisions | 23 |
| D Risks and accounting uncertainties | |
| D1-1 Risks relating to financial instruments held | 24 |
| E People and relationships | |
| E1 Related party disclosures | 24 |
| E1 Key management personnel (KMP) | 24 |
| | 24 |
| | 24 |

New England Weeds Authority

25

26

26

27

30

30

31

31

31

32

33

34

34

37

37

37

New England Weeds Authority

| | |
|--|-----------|
| E1-2 Councillor and Mayoral fees and associated expenses | 38 |
| E2 Other relationships | 38 |
| E2-1 Audit fees | 39 |
| F Other matters | |
| F1-1 Statement of Cash Flows information | 39 |
| F2-1 Commitments | |
| F3 Statement of performance measures | 40 |
| F3-1 Statement of performance measures – consolidated results | 40 |
| G Additional Council disclosures (unaudited) | |
| G1-1 Statement of performance measures – consolidated results (graphs) | 41 |
| G1-2 Council information and contact details | 42 |
| | 42 |
| | 43 |
| | 43 |
| | 45 |

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 12 October 2021. 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 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 B5-1 – Material budget variations and are clearly marked.

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6 (ii)
- employee benefit provisions – refer Note C3-4.

Goods and Services Tax (GST)

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

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

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

A1-1 Basis of preparation (continued)

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 2021. Staff continued to be fully employed and spraying and other works continued as normal. Some minor changes occurred during the year:

- Inspection programs were altered to adhere to social distancing requirements.
- The Council office was closed to the public for a period approximating 2 months.
- Some Council meetings were conducted on-line.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

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

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

B Financial Performance

B1 Functions or activities

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

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

| \$ '000 | Income | | Expenses | | Operating result | | Grants and contributions | | Carrying amount of assets | |
|---------------------------------------|--------------|--------------|--------------|--------------|------------------|-------|--------------------------|------------|---------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Functions or activities | | | | | | | | | | |
| Civic Leadership | 50 | 61 | 439 | 444 | (389) | (383) | – | – | 1,409 | 1,402 |
| Environment | 743 | 748 | 526 | 451 | 217 | 297 | 747 | 737 | 394 | 387 |
| Economic Affairs | 330 | 282 | 314 | 226 | 16 | 56 | – | – | 15 | 23 |
| NSW Weeds Action Program | | | | | | | 156 | 175 | | |
| | <u>1,255</u> | <u>1,266</u> | <u>1,328</u> | <u>1,172</u> | <u>(73)</u> | | <u>903</u> | <u>912</u> | <u>2,420</u> | <u>2,230</u> |
| | 132 | 175 | 49 | 51 | 83 | 124 | | | 602 | 418 |
| Total functions and activities | | | | | | 94 | | | | |

B1-2 Components of functions or activities

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

B2 Sources of income

B2-1 User charges and fees

| | | <u>300</u> | <u>278</u> |
|--|--------|-------------|-------------|
| \$ '000 | Timing | <u>300</u> | <u>278</u> |
| | | <u>2021</u> | <u>2020</u> |
| Other user charges and fees | | | |
| (i) Fees and charges – statutory and regulatory functions (per s.608) | | | |
| Private works | 1 | 296 | 275 |
| Regulatory fees | 2 | 4 | 3 |
| Total fees and charges – statutory/regulatory | | | |
| Total user charges and fees | | | |
| Timing of revenue recognition for user charges and fees | | | |
| User charges and fees recognised over time (1) | | 296 | 275 |
| User charges and fees recognised at a point in time (2) | | 4 | 3 |
| Total user charges and fees | | <u>300</u> | <u>278</u> |

Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service.

B2-2 Other revenue

| \$ '000 | Timing | <u>2021</u> | <u>2020</u> |
|--|----------|-------------|-------------|
| Fines | 2 | – | 1 |
| Commissions and agency fees | 2 | 6 | 11 |
| Other | 2 | 1 | 8 |
| Total other revenue | | | <u>20.7</u> |
| Timing of revenue recognition for other revenue | | | |
| Other revenue recognised over time (1) | | – | – |
| Other revenue recognised at a point in time (2) | 7 | | 20 |
| Total other revenue | 7 | | <u>20</u> |

Accounting policy for other revenue

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

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

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

B2-3 Grants and contributions

| <u>\$ '000</u> | Timing | <u>903</u> Operating <u>2021</u> | <u>912</u> Operating <u>2020</u> | <u>-</u> Capital <u>2021</u> | <u>-</u> Capital <u>2020</u> |
|--|--------|---|--|---|------------------------------------|
| General purpose grants and non-developer contributions (untied) | | | | | |
| Special purpose grants and non-developer contributions (tied) | | | | | |
| Cash contributions | | | | | |
| Previously specific grants: | | | | | |
| Pensioners' rates subsidies: | | | | | |
| Priority weeds | 2 | 436 | 453 | - | - |
| Previously contributions: | | | | | |
| Other councils – joint works/services | 2 | 467 | 459 | - | - |
| Total special purpose grants and non-developer contributions – cash | | | | | |
| Total special purpose grants and non-developer contributions (tied) | | 903 | 912 | - | - |
| Total grants and non-developer contributions | | 903 | 912 | - | - |
| Comprising: | | | | | |
| – State funding | | 436 | 453 | - | - |
| – Other funding | | 467 | 459 | - | - |
| | | 903 | 912 | - | - |

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

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

continued on next page ...

B2-3 Grants and contributions (continued)

Unspent grants and contributions

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

| <u>\$ '000</u> | <u>Operating</u> <u>2021</u> | Operating <u>2020</u> | <u>Capital</u> <u>2021</u> | Capital <u>2020</u> |
|---|---------------------------------|--------------------------|-------------------------------|------------------------|
| Unspent grants and contributions | | | | |
| Unspent funds at 1 July | 418 | 454 | - | - |
| Add: Funds received and not recognised as revenue in the current year | 494 | 197 | - | - |
| Less: Funds recognised as revenue in previous years that have been spent during the reporting year | (135) | - | - | - |
| Less: Funds received in prior year but revenue recognised and funds spent in current year | (175) | | - | - |
| (233) | 602 | 418 | - | - |
| Unspent funds at 30 June | 602 | 418 | | |

Council is completing a project to assist landholders with their obligations for Tropical Soda Apple under the Biosecurity Act (2015)

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include requirements to provide 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.

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

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

B2-4 Interest and investment income

| \$ '000 | 2021 | 2020 |
|--|-----------------|------------------|
| Interest on financial assets measured at amortised cost | | |
| – Cash and investments | <u>7</u> | <u>27</u> |
| Total interest and investment income (losses) | <u>7</u> | <u>27</u> |
| Interest and investment income is attributable to: | | |
| Unrestricted investments/financial assets: | | |
| General Council cash and investments | <u>7</u> | <u>27</u> |
| Total interest and investment income | <u>7</u> | <u>27</u> |

Accounting policy

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Salaries and wages | 701 | 664 |
| Travel expenses | 1 | 2 |
| Employee leave entitlements (ELE) | (24) | (17) |
| Superannuation | 63 | 64 |
| Workers' compensation insurance | 17 | 14 |
| Other | 6 13 | |
| Total employee costs | 771 | 733 |
| Total employee costs expensed | 771 | 733 |
| Number of 'full-time equivalent' employees (FTE) at year end | | 8 9 |
| Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies) | | 1 9 |
| | | 0 |

Accounting policy

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

B3-2 Materials and services

| <u>\$ '000</u> | Note | <u>2021</u> | <u>2020</u> |
|---|------|-------------|-------------|
| Raw materials and consumables | s 1 | 14 | 0 |
| Contractor and consultancy costs | | 7 178 | 10 8 |
| Audit Fees | E2-1 | 9 3 | 11 |
| Previously other expenses: | | | |
| Councillor and Mayoral fees and associated expenses | E1-2 | 1 6 | 22 |
| Advertising | | 4 3 | |
| Electricity and heating | | 2 2 | |
| Insurance | | 2 25 | |
| Office expenses (including computer expenses) | | 4 1 | 13 |
| Postage | | 2 1 | 1 |
| Printing and stationery | | 1 1 | 2 |
| Subscriptions and publications | | 1 17 | |
| Telephone and communications | | 9 1 | 10 |
| Training costs (other than salaries and wages) | | 2 2 | 23 |
| Other expenses | | 6 2 | |
| Aircraft hire | | 5 2 | 5 |
| Rebate to member councils for 2020/21 year | | 3 9 | - |
| Rent | | 1 1 | 14 |
| Legal expenses: | | 4 2 | |
| – Legal expenses: other | | 2 - | |

| | | |
|-------------------------------------|------------|------------|
| Total materials and services | <u>449</u> | <u>336</u> |
| Total materials and services | <u>449</u> | <u>336</u> |

Accounting policy

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

B3-3 Depreciation, amortisation and impairment of non-financial assets

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Depreciation and amortisation | | |
| Plant and equipment | 91 | 93 |
| Office equipment | 9 | 9 |
| Total depreciation and amortisation costs | <u>100</u> | <u>102</u> |
| Total depreciation, amortisation and impairment for non-financial assets | <u>100</u> | <u>102</u> |

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets.

B3-4 Other expenses

| <u>\$ '000</u> | Notes | <u>2021</u> | <u>2020</u> |
|----------------------------------|-------|-------------|-------------|
| Impairment of receivables | | | |
| Other | | <u>8</u> | <u>1</u> |
| Total impairment of receivables | C1-4 | <u>8</u> | <u>1</u> |
| Total other expenses | | <u>8</u> | <u>1</u> |

Accounting policy

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

Impairment expenses are recognised when identified.

B4 Gains or losses

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

| \$ '000 | Notes | 38 <u>2021</u> | 29 <u>2020</u> |
|--|-------|--------------------------|--------------------------|
| Gain (or loss) on disposal of plant and equipment | C1-6 | | |
| Proceeds from disposal – plant and equipment | | 50 | 47 |
| Less: carrying amount of plant and equipment assets sold/written off | | (12) | (18) |
| Gain (or loss) on disposal | | 38 | 29 |

Net gain (or loss) on disposal of assets

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 16/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

| \$ '000 | 2021 Budget | 2021 Actual | 2021 ----- Variance ----- | | |
|---|----------------|----------------|------------------------------|-------|----------|
| REVENUES | | | | | |
| User charges and fees | 100 | 300 | 200 | 200% | F |
| Council was successful in accessing funds for a Tropical soda apple project improving the budget by about 160k. Other projects totalling approximately 80k were also accessed. These funds were budgeted as grant income. | | | | | |
| Other revenues | 1 | 7 | 6 | 600% | F |
| Council received a contribution for organisation development of 5k | | | | | |
| Operating grants and contributions | 1,177 | 903 | (274) | (23)% | U |
| Council originally budgeted for the Tropical Soda Apple and other projects as grant income. | | | | | |
| Interest and investment revenue | 29 | 7 | (22) | (76)% | U |
| Investment returns were much lower than budgeted with interest rates remaining very low. | | | | | |
| Net gains from disposal of assets | 5 | 38 | 33 | 660% | F |
| Council obtained better resale values on its trade in vehicles than budgeted. | | | | | |
| EXPENSES | | | | | |
| Employee benefits and on-costs | 636 | 771 | (135) | (21)% | U |
| Council budgeted for project costs in other expenses. Approx 100k of the these costs are employee costs. These costs are offset by a reduction in other expenses. | | | | | |
| Materials and services | 406 | 449 | (43) | (11)% | U |
| These costs are offset by the reduction in other expenses. | | | | | |
| Other expenses | 172 | 8 | 164 | 95% | F |
| Project expenses were budgeted here, however actuals now appear in employee costs and materials and contracts under the new Code of Accounting Practice. | | | | | |
| STATEMENT OF CASH FLOWS | | | | | |
| Cash flows from operating activities | 93 | 297 | 204 | 219% | F |
| The recognition of additional project revenues of approximately 200k have improved the operating activities result. | | | | | |
| Cash flows from investing activities | (90) | (370) | (280) | 311% | U |
| Council invested its additional project revenues reducing cash flows from investing activities. | | | | | |

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| Cash and cash equivalents | | |
| Cash on hand and at bank | 57 | 48 |
| Cash-equivalent assets | | |
| – Deposits at call | 644 | 726 |
| Total cash and cash equivalents | 701 | 774 |

Reconciliation of cash and cash equivalents

| | | |
|---|------------|------------|
| Total cash and cash equivalents per Statement of Financial Position | 701 | 774 |
| Balance as per the Statement of Cash Flows | 701 | 774 |

Accounting policy

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

C1-2 Financial Investments

| <u>\$ '000</u> | <u>2021</u> | <u>2021</u> | <u>2020</u> | <u>2020</u> |
|--|----------------|--------------------|----------------|--------------------|
| | <u>Current</u> | <u>Non-current</u> | <u>Current</u> | <u>Non-current</u> |
| Debt securities at amortised cost | | | | |
| Term deposits | 1,301 | – | 1,000 | – |
| Total | 1,301 | – | 1,000 | – |
| Total financial investments | 1,301 | – | 1,000 | – |
| Total cash assets, cash equivalents and investments | 2,002 | – | 1,774 | – |

Accounting policy

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity) Financial assets are not

reclassified subsequent to their initial recognition.

C1-3 Restricted cash, cash equivalents and investments

| \$ '000 | 2021 | | 2020 | |
|--|--------------|-------------|--------------|---------------|
| | Current | Non-current | Current | Non-current |
| Total cash, cash equivalents and investments | 2,002 | – | 1,774 | – |
| attributable to: | | | | |
| External restrictions | | | 602 | - 41 8 |
| Internal restrictions | | | 340 | - 32 4 |
| Unrestricted | | | 1,060 | -1,03 2 |
| | | | 2,002 | -1,774 |

| \$ '000 | 2021 | 2020 |
|---------|------------|----------|
| | 202 | 1 |

Details of restrictions

External restrictions – included in liabilities

| | | |
|------------------------------------|------------|-----|
| Specific purpose unexpended grants | 487 | 223 |
|------------------------------------|------------|-----|

| | | |
|--|------------|------------|
| External restrictions – included in liabilities | 487 | 223 |
|--|------------|------------|

External restrictions – other

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

| | | |
|--|------------|-----|
| Specific purpose unexpended grants (recognised as revenue) | 115 | 195 |
|--|------------|-----|

| | | |
|--------------------------------------|------------|------------|
| External restrictions – other | 115 | 195 |
|--------------------------------------|------------|------------|

| | | |
|------------------------------------|------------|------------|
| Total external restrictions | 602 | 418 |
|------------------------------------|------------|------------|

Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

| | | | | | | |
|-------------------------------|------------|-----|-----------------------------|------------|-----|------------------------------------|
| Plant and vehicle replacement | 224 | 184 | Employees leave entitlement | 116 | 140 | Total internal restrictions |
|-------------------------------|------------|-----|-----------------------------|------------|-----|------------------------------------|

340 324

| | | |
|---------------------------|------------|------------|
| Total restrictions | 942 | 742 |
|---------------------------|------------|------------|

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

| <u>\$ '000</u> | <u>2021</u> <u>Current</u> | <u>2021</u> <u>Non-current</u> | <u>2020</u> <u>Current</u> | <u>2020</u> <u>Non-current</u> |
|---|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| Purpose | | | | |
| Accrued revenues | | | | |
| – Interest on investments | 1 | – | 1 | – |
| Other debtors | | | 22 | |
| | <u>5</u> | <u>–</u> | <u>23</u> | <u>–</u> |
| Total | 6 | – | | – |
| | <u>(1)</u> | <u>–</u> | <u>(1)</u> | <u>–</u> |
| Less: provision of impairment | 5 | – | 22 | – |
| User charges and fees | (1) | – | (1) | – |
| Total provision for impairment – receivables | | | | |

Total net receivables

Accounting policy

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.

C1-5 Inventories

| <u>\$ '000</u> | <u>2021</u> <u>Current</u> | <u>2021</u> <u>Non-current</u> | <u>2020</u> <u>Current</u> | <u>2020</u> <u>Non-current</u> |
|----------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| (i) Inventories at cost | | | | |
| Stores and materials | 19 | – | 47 | – |
| Total inventories at cost | 19 | – | 47 | – |
| Total inventories | 19 | – | 47 | – |

Accounting policy

Raw materials and stores, work in progress and finished goods

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

C1-6 Infrastructure, property, plant and equipment

New England Weeds Authority | Notes to the Financial Statements 30 June 2021

| By aggregated asset class | At 1 July 2020 | | | Asset movements during the reporting period | | | | At 30 June 2021 |
|--|-----------------------------|---|---------------------------|---|-------------------------|---------------------------------------|-------------------------|-----------------|
| | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals ¹ | Additions new assets | Carrying value of new disposals | Depreciation expense | |
| \$ '000 | | | | | | | | |
| Capital work in progress | – | – | – | – | 20 | – | – | – |
| Plant and equipment | 669 | (302) | 367 | 97 | – | (9) | (91) | |
| Office equipment | 87 | (67) | 20 | 2 | – | (3) | (9) | |
| Total infrastructure, property, plant and equipment | 756 | (369) | 387 | 99 | 20 | (12) | (100) | |

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

C1-6 Infrastructure, property, plant and equipment

Page 59 of 86

continued on next page ...

Accumulated

Page 27 of 54

Gross depreciation carrying and amount impairment

| | |
|-----|-------|
| 20 | - |
| 681 | (317) |
| 86 | (76) |
| 787 | (393) |

Net carrying amount

| |
|-----|
| 20 |
| 364 |
| 10 |
| 394 |

C1-6 Infrastructure, property, plant and equipment

New England Weeds Authority | Notes to the Financial Statements 30 June 2021

(continued)

By aggregated asset class

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

| | At 1 July 2019 | Asset movements during the reporting period | | At 30 June 2020 | | |
|--|----------------|---|---|---------------------|---------------------------------|------------------|
| | | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals ¹ | Carr value dispo |
| \$ '000 | | | | | | |
| Plant and equipment | | 628 | (293) | 335 | 143 | |
| Office equipment | | 77 | (58) | 19 | 10 | |
| Total infrastructure, property, plant and equipment | | 705 | (351) | 354 | 153 | |

C1-6 Infrastructure, property, plant and equipment

(continued)

Accounting policy

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 |

Page 29 of 54

C2 Leasing activities

C2-1 Council as a lessee

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 terminated on 30 June 2020. Council has not entered into a further leasing arrangement but the rental has 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.

C3 Liabilities of Council

C3-1 Payables

| \$ '000 | 2021 | | 2020 | |
|--|----------------|--------------------|----------------|--------------------|
| | <u>Current</u> | <u>Non-current</u> | <u>Current</u> | <u>Non-current</u> |
| Payables | | | | |
| Goods and services – operating expenditure | 10 | – | – | – |
| Accrued expenses: | | | | |
| – Salaries and wages | 9 | – | 5 | – |
| – Other expenditure accruals | 33 | – | 28 | – |
| GST payable | 14 | – | 10 | – |
| DPI Weeds Capacity Building | 67 | – | 107 | – |
| DPI Parthenium Fund | 48 | – | 63 | – |
| Total payables | 181 | – | 213 | – |

Comment re: DPI Liabilities

Council has received monies from the NSW Department of Primary Industries (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.

| | | | | |
|--|------------|----------|------------|----------|
| | – | – | – | – |
| | 181 | – | 213 | – |

Total payables

Accounting policy

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

The financial liabilities of the Council comprise trade payables.

Payables

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

C3-2 Contract Liabilities

| \$ '000 | Notes | 2021 | | 2020 | |
|--|-------|----------------|--------------------|----------------|--------------------|
| | | <u>Current</u> | <u>Non-current</u> | <u>Current</u> | <u>Non-current</u> |
| Grants and contributions received in advance: | | | | | |
| Unexpended operating grants (received prior to performance obligation being satisfied) | | | | | |
| | (i) | 372 | – | 53 | – |

| | | | | |
|----------------------------------|------------|----------|-----------|----------|
| Total grants received in advance | | | | |
| | <u>372</u> | <u>—</u> | <u>53</u> | <u>—</u> |
| Total contract liabilities | | | | |
| | <u>372</u> | <u>—</u> | <u>53</u> | <u>—</u> |

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.

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Grants and contributions received in advance: | | |
| Operating grants (received prior to performance obligation being satisfied) | 14 | 11 |

continued on next page ...

Page 31 of 54

C3-2 Contract Liabilities (continued)

| | | |
|---|-----------|-----------|
| Total revenue recognised that was included in the contract liability balance at the beginning of the period | <u>14</u> | <u>11</u> |
|---|-----------|-----------|

C3-3 Borrowings**Financing arrangements**

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|---|-------------|-------------|
| Total facilities | | |
| Credit cards/purchase cards | <u>10</u> | <u>5</u> |
| Total financing arrangements | <u>10</u> | <u>5</u> |
| Undrawn facilities | | |
| Credit cards/purchase cards | <u>10</u> | <u>10</u> |
| Total undrawn financing arrangements | <u>10</u> | <u>10</u> |

C3-4 Employee benefit provisions

| \$ '000 | 2021 | 2021 | 2020 | 2020 |
|--|------------|-------------|------------|-------------|
| | Current | Non-current | Current | Non-current |
| Annual leave | 26 | – | 38 | – |
| Long service leave | 76 | – | 85 | – |
| ELE on-costs | 14 | – | 17 | – |
| Total employee benefit provisions | 116 | | 140 | – |

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

| \$ '000 | 2021 | 2020 |
|--|-----------|-----------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. | | |
| | 65 | 85 |
| Provisions – employees benefits | 65 | 85 |

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if 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 and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

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.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by Council's General Manager under policies approved by the Council.

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

| <u>\$ '000</u> | Carrying value <u>2021</u> | Carrying value <u>2020</u> | Fair value <u>2021</u> | Fair value <u>2020</u> |
|-------------------------------------|--------------------------------------|-------------------------------|----------------------------------|---------------------------|
| Financial assets | | | | |
| Measured at amortised cost | | | | |
| Cash and cash equivalents | 701 | 774 | 701 | 774 |
| Receivables | 5 | 22 | 5 | 22 |
| Investments | | | | |
| – Debt securities at amortised cost | <u>1,301</u> | 1,000 | <u>1,301</u> | 1,000 |
| Total financial assets | <u>2,007</u> | <u>1,796</u> | <u>2,007</u> | <u>1,796</u> |
| Financial liabilities | | | | |
| Payables | <u>181</u> | 213 | <u>181</u> | 213 |
| Total financial liabilities | <u>181</u> | <u>213</u> | <u>181</u> | <u>213</u> |

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 its 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.

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

| \$ '000 | 2021 | 2020 |
|--|-------------|-------------|
| 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. | | |
| Impact of a 1% movement in interest rates | | |
| – Equity / Income Statement | 20 | 17 |
| Impact of a 10% movement in price of investments | | |
| – Equity / Income Statement | – | – |

(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 and contract assets

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 |
|------------------------|----------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------|--------------|
| 2021 | | | | | | |
| Gross carrying amount | 3 | 3 | – | – | – | 6 |
| Expected loss rate (%) | 0.00% | 33.00% | 0.00% | 0.00% | 10.00% | 16.50% |
| ECL provision | – | 1 | – | – | – | 1 |
| 2020 | | | | | | |
| Gross carrying amount | – | 6 | 7 | 10 | – | 23 |
| Expected loss rate (%) | 0.00% | 0.00% | 0.00% | 10.00% | 0.00% | 4.35% |
| ECL provision | – | – | – | 1 | – | 1 |

continued on next page ...

Page 35 of 54

D1-1 Risks relating to financial instruments held (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:

| <u>\$ '000</u> | <u>Weighted average interest rate</u> | <u>Subject to no maturity</u> | <u>1 Year</u> | <u>payable in:</u> <u>1 - 5 ≤</u> | | <u>Total cash outflows</u> | <u>Actual carrying values</u> |
|------------------------------------|---|---------------------------------------|---------------|--------------------------------------|---------------------|--------------------------------|---------------------------------------|
| | | | | <u>Years</u> | <u>> 5 Years</u> | | |
| 2021 | | | | | | | |
| Trade/other payables | 0.00% | 62 | 119 | – | – | 181 | 181 |
| Total financial liabilities | | 62 | 119 | – | – | 181 | 181 |
| | | | | | | | |
| 2020 | | | | | | | |
| Trade/other payables | 0.00% | 33 | 180 | – | – | 213 | 213 |
| | | 33 | 180 | – | – | 213 | 213 |

Total financial liabilities

E People and relationships

E1 Related party disclosures

E1 Key management personnel (KMP)

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

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

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|--------------------------|-------------|-------------|
| Compensation: | | |
| Short-term benefits | 191 | 168 |
| Post-employment benefits | 72 | 14 |
| Total | 263 | 182 |

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.

| <u>Nature of the transaction</u> | <u>Transactions during the year</u> | <u>Outstanding balances including commitments</u> | <u>Terms and conditions</u> |
|----------------------------------|-------------------------------------|---|-----------------------------|
| \$ '000 | | | |
| 2021 | | | |
| Financial Management Contract | 2 | - | 14 days |
| 2020 | | | |
| Financial Management Contract | 1 | - | 14 days |

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

| Impairment provision on outstanding balances | Impairment expense |
|---|-------------------------------|
|---|-------------------------------|

| | |
|---|---|
| - | - |
|---|---|

| | |
|---|---|
| - | - |
|---|---|

E1-2 Councillor and Mayoral fees and associated expenses

| <u>\$ '000</u> | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are: | | |
| Councillor expenses – Chairpersons fee | 5 | 6 |
| Councillors' fees | 10 | 12 |
| Other Councillors' expenses (including Mayor) | 1 | 4 |
| Total | 16 | 22 |

E2 Other relationships

E2-1 Audit fees

| \$ '000 | 2021 | 2020 |
|---------|------|------|
|---------|------|------|

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

| | | |
|--|----|----|
| | 13 | 11 |
|--|----|----|

| | | |
|--|-----------|-----------|
| Remuneration for audit and other assurance services | 13 | 11 |
|--|-----------|-----------|

| | | |
|---|-----------|-----------|
| Total Auditor-General remuneration | 13 | 11 |
|---|-----------|-----------|

| | | |
|-------------------------|-----------|-----------|
| Total audit fees | 13 | 11 |
|-------------------------|-----------|-----------|

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

| <u>\$ '000</u> | <u>297</u> | <u>48</u> |
|---|-------------|-------------|
| | <u>2021</u> | <u>2020</u> |
| Net operating result from Income Statement Adjust for non-cash items: | (73) | 94 |
| Depreciation and amortisation | 100 | 102 |
| Net losses/(gains) on disposal of assets | (38) | (29) |
| +/- Movement in operating assets and liabilities and other cash items: | | |
| Decrease/(increase) in receivables | 17 | 32 |
| Increase/(decrease) in provision for impairment of receivables | - | 1 |
| Decrease/(increase) in inventories | 28 | (37) |
| Increase/(decrease) in payables | 10 | (11) |
| Increase/(decrease) in other accrued expenses payable | 9 | 21 |
| Increase/(decrease) in other liabilities | (51) | (141) |
| Increase/(decrease) in contract liabilities | 319 | 33 |
| Increase/(decrease) in provision for employee benefits | (24) | (17) |
| Net cash provided from/(used in) operating activities from the Statement of Cash Flows | | |

F2-1 Commitments

Capital commitments (exclusive of GST)

| \$ '000 | 2021 | 2020 |
|---------|------|------|
|---------|------|------|

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

Property, plant and equipment

| | | |
|-------|-----|---|
| Other | 180 | — |
|-------|-----|---|

| | | |
|--------------------------|------------|----------|
| Total commitments | 180 | — |
|--------------------------|------------|----------|

These expenditures are payable as follows:

| | | |
|---|-----|---|
| Within the next year Total payable | 180 | — |
|---|-----|---|

| | | |
|--|------------|----------|
| | 180 | — |
|--|------------|----------|

Sources for funding of capital commitments:

| | | |
|--------------------------|-----|---|
| New loans (to be raised) | 180 | — |
|--------------------------|-----|---|

| | | |
|---------------------------------|------------|----------|
| Total sources of funding | 180 | — |
|---------------------------------|------------|----------|

Details of capital commitments

Council has paid a deposit on land and has exchanged contracts. The land will be used for a new depot and admin building.

F3 Statement of performance measures

F3-1 Statement of performance measures – consolidated results

| \$ '000 | Amounts 2021 | Indicat or 2021 | Prior periods 2020 | 2019 | Benchm ark |
|--|-----------------|-----------------------|--------------------------|-----------------------|-----------------------|
| 1. Operating performance ratio | | | | | |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2} | (103) | (8.46) % | 5.34 % | 8.55 % | >0.00 % |
| Total continuing operating revenue excluding capital grants and contributions ¹ | 1,217 | | | | |
| 2. Own source operating revenue ratio | | | | | |
| Total continuing operating revenue excluding all grants and contributions ¹ | 314 | 25.80 % | 26.27 % | 21.04 % | >60.00 % |
| Total continuing operating revenue ¹ | 1,217 | | | | |
| 3. Unrestricted current ratio | | | | | |
| Current assets less all external restrictions | 1,424 | 6.14 x | 5.32 x | 6.06x | >1.50x |
| Current liabilities less specific purpose liabilities | 232 | | | | |
| 4. Cash expense cover ratio | | | | | |
| Current year's cash and cash equivalents plus all term deposits | 2,002 | 19.2 5 mth s | 19. 69 mt hs | 21. 53 mt hs | >3.0 0 mth s |
| Monthly payments from cash flow of operating and financing activities | 104 | | | | |

(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

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio (8.46)%

A position above or equal to break even is considered to be optimal. This result is expected to be a one-off occurrence.

Benchmark: — > 0.00% Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue

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

Commentary on 2020/21 result

2020/21 ratio 25.80%

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

Benchmark: — >60.00 %

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting Ratio is outside benchmark

| | |
|--|---|
| Purpose of current | Commentary on 2020/21 result |
| | 2020/21 ratio 6.14x |
| To assess the working capital satisfy obligations term for the unit of C | A benchmark above 1.5 is recommended. The Council is above benchmark. |

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Cash expense cover ratio

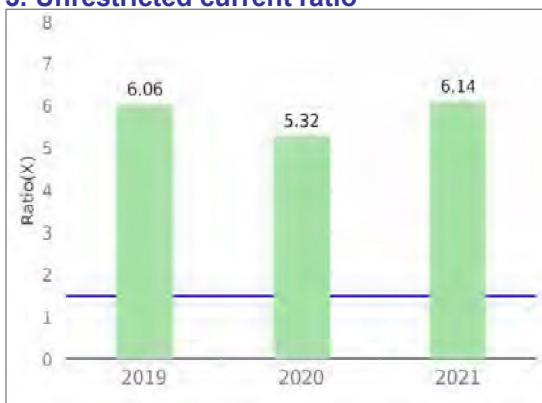


Purpose of cash expense cover ratio

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

| | |
|---|------------|
| Commentary on 2020/21 result | |
| 2020/21 ratio | 19.25 mths |
| A benchmark figure of greater than 3 has been established. The Council exceeds the benchmark. | |

3. Unrestricted current ratio



Purpose of unrestricted current ratio

This ratio indicates the number of times a Council's current assets exceed its current liabilities. A benchmark of 1.50x is recommended. The Council is well above the benchmark.

Commentary on 2020/21 result

2020/21 ratio 6.14x

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

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting Ratio achieves benchmark

Ratio is outside benchmark

Benchmark: — >1.50 x
Source of benchmark: Code of Accounting Practice and Financial Reporting

continued on next page ...

Ratio achieves benchmark

Ratio is outside benchmark

G1-2 Council information and contact details

Principal place of business:

2/129 Rusden Street
ARMIDALE NSW 2350

Contact details

Mailing Address:

129 Rusden Street
ARMIDALE NSW 2350

Telephone: 02 6770 3602

Facsimile: 02 6771 1893

Opening hours:

7.30am to 4.30pm
Monday to Friday
Except Public Holidays

Internet: www.newa.com.au

Email: newa@newa.nsw.gov.au

Officers

General Manager

Tim Weeks

Responsible Accounting Officer

John Duggan

Public Officer

Tim Weeks

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
Andrew Murat
Margaret O'Connor
Carol Sparks

Other information

ABN: 35 514 070 354



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
New England Weeds Authority

To the Councillors of New England Weeds Authority

Opinion

I have audited the accompanying financial statements of New England Weeds Authority (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error

- issue an Independent Auditor's Report including my opinion.

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

Page 47 of 54

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 September 2021
SYDNEY



Mr Mark Dusting
Chairperson
New England Weeds Authority
PO Box 881
ARMIDALE NSW 2350

Contact: Chris Harper
Phone no: 02 9275 7374
Our ref: D2118528/1675

7 September 2021

Dear Councillor Dusting

**Report on the Conduct of the Audit for
the year ended 30 June 2021
New England Weeds Authority**





I have audited the general purpose financial statements (GPFS) of the New England Weeds Authority (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

| | 2021 | 2020 | Variance |
|--|------|------|---|
| | \$m | \$m | % |
| User charges and fees | 300 | 278 | 8  |
| Grants and contributions revenue | 903 | 912 | 1  |
| Operating result from continuing operations | (73) | 94 | 178  |
| Net operating result before capital grants and contributions | (73) | 94 | 178  |

The Council's operating result from continuing operations (negative \$73,000) including depreciation and amortisation expense of \$100,000 was \$167,000 lower than the 2019–20 result. This is primarily due to:

- a net increase in contractor and consultancy costs of \$101,000 •
- employee termination pay benefits of \$60,000.

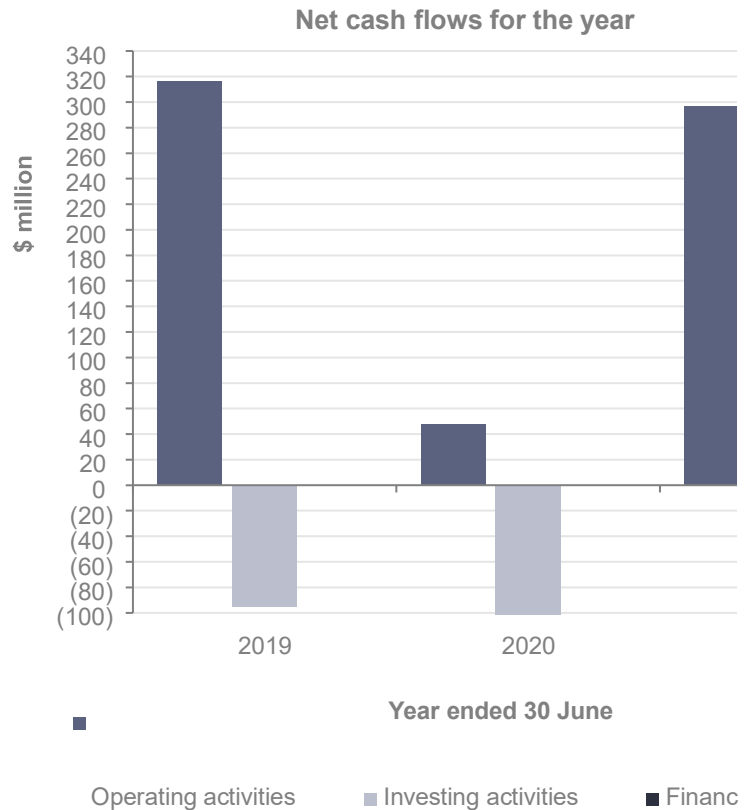
STATEMENT OF CASH FLOWS

FINANCIAL POSITION

Cash flows from operating activities increased by \$249,000 and was primarily due to increased grants and contributions. Council received \$410,000 in relation to the Priority Weed Tropical Soda Apple project. This was offset by increases in outflow mainly due to:

- employee termination costs of \$60,000
- consultancy and contractor costs of \$101,000.

Cash and investments



| Cash and investments | 2021 | 2020 | Commentary |
|---|--------------|--------------|---|
| | \$000 | \$000 | |
| Total cash, cash equivalents and investments | 2,002 | 1,774 | Cash and cash equivalents increased mainly due to and unexpended grant funds on: |

Restricted cash and investments:

- External restrictions 602
- Internal restrictions 340

- Priority Weed Tropical Soda Apple (\$272,000)
 - Gondwana Shield Project (\$62,000). 418
- This increase was mainly offset by net outflows relating to contractor and consultancy costs of \$101,000. External restrictions include specific purpose unexpended grants at the end of the reporting period.

PERFORMANCE

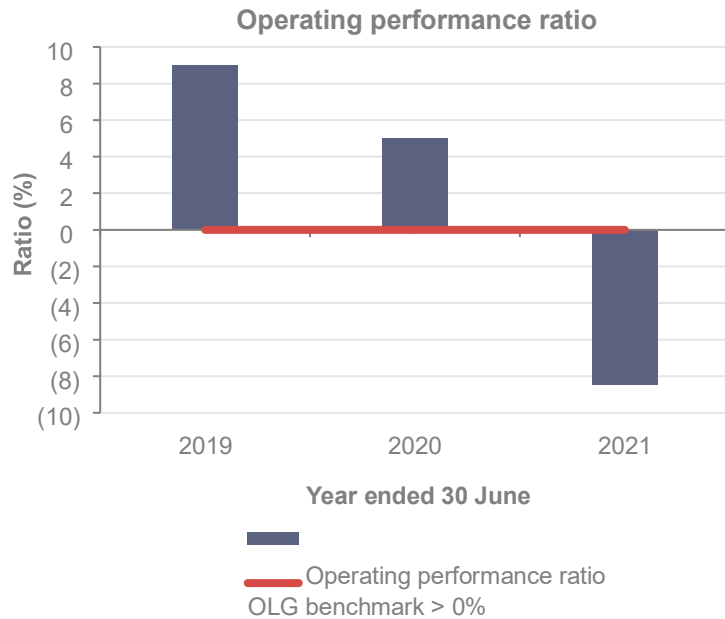
Performance measures

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

Operating performance ratio

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

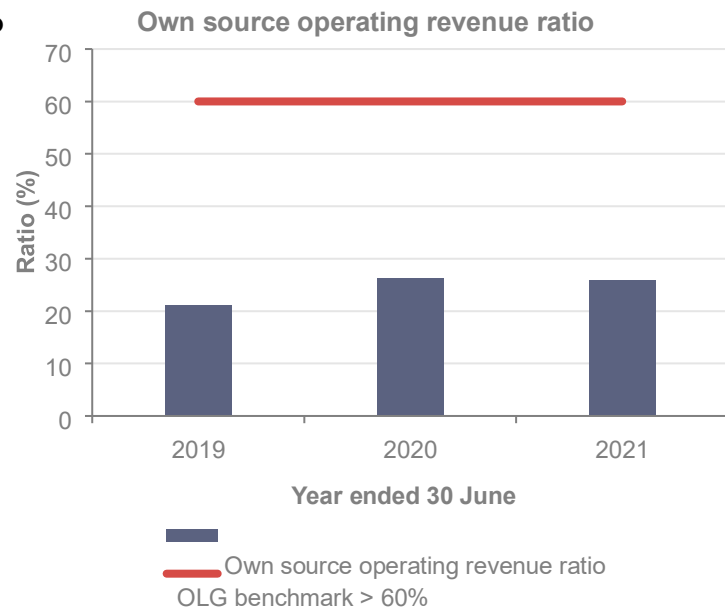
The Council did not meet the OLG benchmark for the current reporting period predominately due to increases in consultancy and termination benefits costs.



Own source operating revenue ratio

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

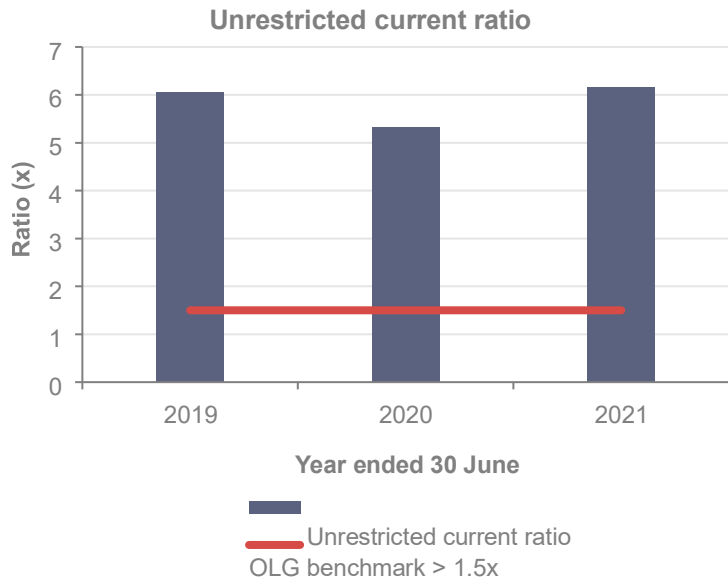
The Council did not meet the benchmark because it does not receive any rates revenue. Most of its revenue comprises of annual external grants and contributions provided to control weeds in the northern tablelands.



Unrestricted current ratio

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

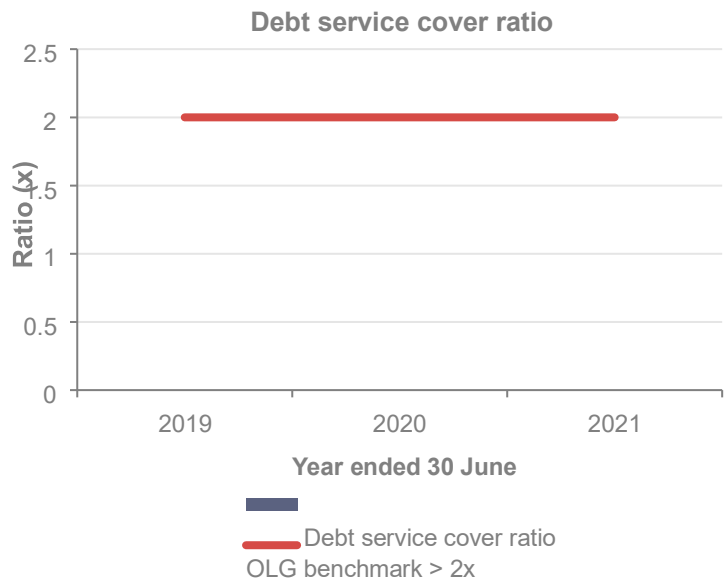
The Council exceeded the OLG benchmark for the current reporting period.



Debt service cover ratio

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

The Council does not have any borrowings and therefore the debt service cover ratio is not relevant.



Cash expense cover ratio

This liquidity ratio indicates the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

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

Cash expense cover ratio number of months the



OTHER MATTERS

Legislative compliance

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

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

Chris Harper
 Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Mr Tim Weeks, General Manager
 Mr Phil Thomas, Chair of Audit, Risk and Improvement Committee
 Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment

