



2018 - 2019
ANNUAL REPORT



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Acknowledgement of Country

We acknowledge the traditional custodians of this land and pay respects to Elders past and present.

We recognise Aboriginal people as the original custodians of the lands that comprise the Snowy Valleys Council area and pay our respects to the leaders of the traditional custodians of this land.

Together we acknowledge the contributions of Aboriginal Australians to this country we all live in and share together.

Snowy Valleys Council is committed to enhancing the knowledge and understanding of our communities about the history, heritage and cultures of Aboriginal Australians.

Mayor's Welcome

Council's vision for Snowy Valleys is to create a great place to live, work and play. A region where people are proud to live, where working and investing is a smart choice, and where there's always something for families to explore.

It is my pleasure to present Snowy Valleys Council's 2018-19 Annual Report, and share some of the year's highlights, achievements and challenges. As a councillor group, we are committed to advocating your community ambitions, and working closely with Council staff, and other partners to improve the liveability and opportunities for our community.

Listening to our Community

Most rewarding for Councillors has been the opportunity to meet with our community and hear your ideas and suggestions. Our Spring Councillor Roadshow took us to ten communities. Each forum was an opportunity to discuss upcoming projects, infrastructure upgrades and listen to community feedback.

Advocating for our Community

We set some clear goals in adopting our Advocacy Plan back in January with the 10 projects identified as critical to delivering on the community vision of supporting a thriving, inclusive region; and outlining project funding requirements, local and regional benefits, links to local, state and Federal priorities and the level of support required.

Recognising our Volunteers

Snowy Valleys Council appreciates the dedication of our community volunteers. This year more than 250 community minded people have volunteered their time to support

others. For example, our volunteers in Meals on Wheels who supported 289 clients with meals and social interaction and our Community Transport volunteers who drove over one million kilometres providing

transport to the aged, frail and transport disadvantaged in our community.

Renewing and Maintaining our Infrastructure

Council delivers a wide range of works and services, and the past year has been particularly focussed on delivery projects that communities have identified as their priorities. These priorities focus on our towns and villages, innovation, our natural environment, infrastructure and engagement.

Our Major Projects are particularly exciting and include a wide range of projects that will positively develop the environment, the economy, recreation and community services.

My thanks to my fellow councillors, the management team and staff at council; and of course, all members of the Snowy Valleys Community. I look forward to the year ahead, along with the many exciting projects on the horizon.

Councillor James Hayes OAM

Mayor



General Manager's Message

It has been a particularly busy year for Council as we work hard to make our Vision for the Snowy Valleys community a reality.

Our emphasis on developing strong and vibrant communities, was prominent in prioritising community-based projects and infrastructure. Pleasingly the momentum of our multi-year projects are showing positive outcomes, with the majority of Council's major projects on track or complete.

Our Community

It is also important to acknowledge the increasingly large portion of the community who work with us to provide feedback and ideas for programs, strategies, projects and development, in particular those who participated in the workshops and numerous other opportunities to help develop our new Community Strategic Plan.

Our aim is to work even more closely with the community over the next few years to ensure that the work we do is aligned with the aspirations of the people we serve.

Working Together and Partnerships

These projects, and others, ensure the Snowy Valleys are a great place, to live, work and visit. In addition to the delivery our budget and operational objectives, councillors, staff and members of the community have invested considerable time developing positive working partnerships with industry and government.

Effort in this area includes positive communications, building relationships, advocating for our community, supporting groups, and of course securing funding and grants that deliver on the communities aspirations.

Economic Development

An important objective for us is to steadily develop our economic potential in the Region, both supporting existing businesses and services, while strategically developing our municipality for future economic growth. Council has directed considerable resources on the delivery of infrastructure to both support existing industry, and attract new business to the region and continues to foster good relationships with key industry employers including Visy, Hyne Timber and Snowy Hydro (Snowy 2.0).

The Year In Review

The budget and Operational Plan outline what we plan to do each year.

Pleasingly, there has been an increase in the momentum of our projects with 96% of our projects due in 2018-19 delivered or well underway. Further detail on budget and project delivery is provided later in this report.

Finally, I would like to thank the Mayor, Councillors and staff for their energy and commitment through the challenging but rewarding previous twelve months.

Matthew Hyde

General Manager



Our vision and values

“Leading, engaging and supporting strong and vibrant communities”

Council's Values

In addition to our Code of Conduct, Council has adopted a set of Values that guide our behaviour both inside the workplace and with our customers, community and stakeholders. As an organisation, we strive to reflect these in our everyday interactions and work.

Integrity
Respect
Safety



BRUNGLE
POP. 112

ADELONG POP. 943 TUMUT POP. 6230

BATLOW
POP. 1313

TALBINGO
POP. 239

ROSEWOOD
POP. 214

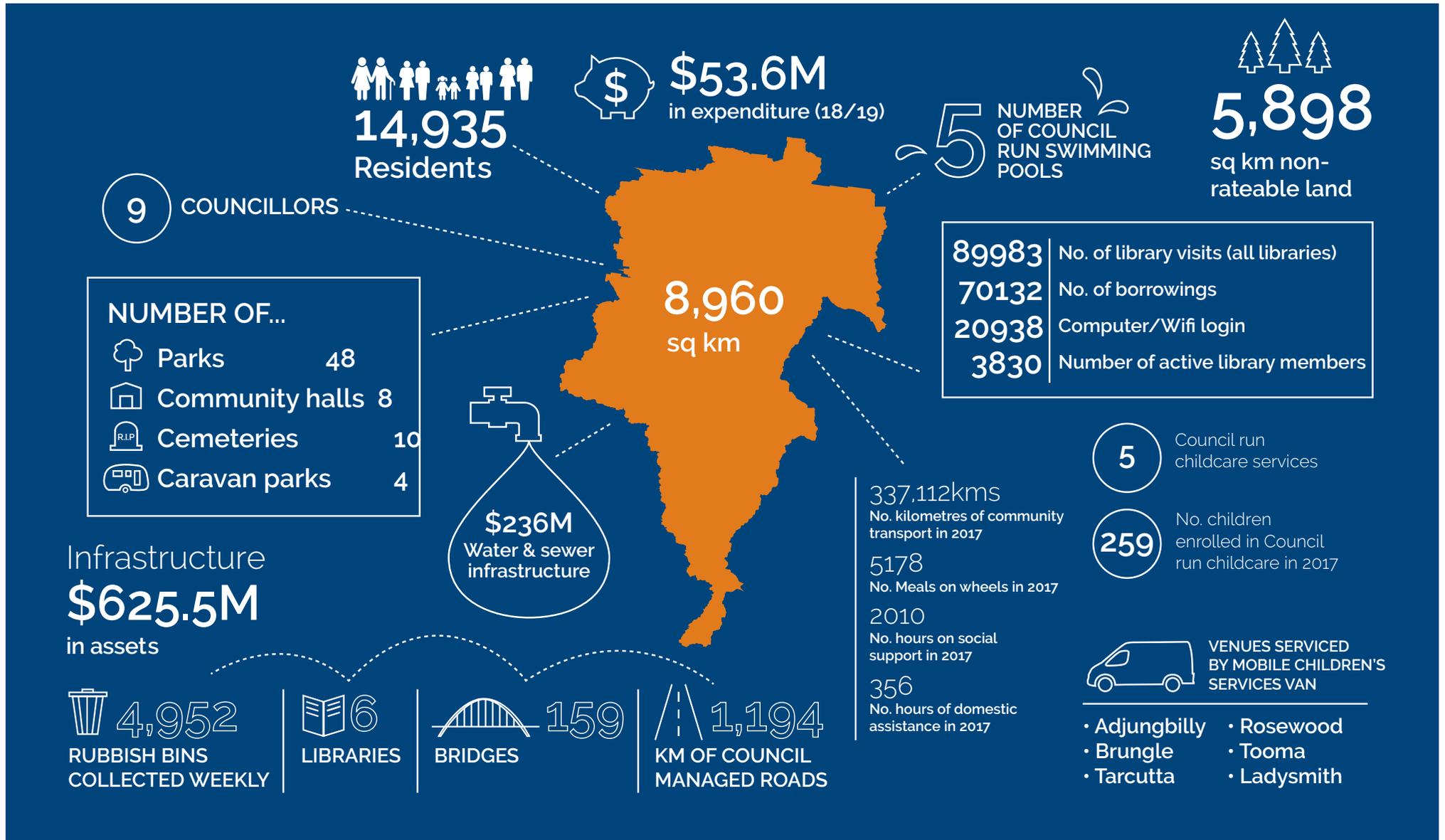
TUMBARUMBA
POP. 1862

JINGELIC
POP. 61

TOOMA
POP. 104

KHANCOBAN
POP. 304

Our Communities | Council Snapshot



2018-19 Financial Highlights

REVENUE **\$56.787M**

EXPENDITURE

\$53.578M

 **\$3.2M**
2018-19 Net result

Infrastructure spend included:



The following comments are made in respect of Council's operating result for the year:

- Rates and annual charges revenue was \$16.7 million (\$16.1 million for the year ended 30 June 2018). The increase of \$0.6 million (3.7%) is consistent with the increase in ordinary rates in line with the 2.3% rate peg and rise in the total number of rateable properties.
- User charges and fees revenue was \$15.1 million (\$16.0 million for the year ended 30 June 2018). The decrease of \$0.9 million (5.6%) is mainly attributable to the reduction in RMS income (\$0.7 million).
- Grants and contributions revenue was \$22.2 million (\$17.0 million for the year ended 30 June 2018). The increase of \$5.2 million (30.6%) was primarily due to the increase of community care operating and capital grants of \$5.6 million.
- Materials and contracts expenses were \$15.9 million (\$14.8 million for the year ended 30 June 2018). The increase of \$1.1 million (7.4%) is mainly due to an increase in raw materials and consumables of \$0.9 million from the prior year.
- Council's net operating result was a surplus of \$3.2 million (\$2.7 million deficit for the year ended 30 June 2018). The increase of \$5.9 million is mainly due to the increase in grants and contributions revenue noted above together with 2018 containing a non-recurring revaluation decrement of \$4 million.
- The net operating result before capital grants and contributions was a deficit of \$1.6 million (\$8.8 million deficit for the year ended 30 June 2018). The result indicates Council continues to maintain a level of reliance on funding for capital purposes.

Meet your Councillors



Mayor
James Hayes OAM



Deputy Mayor
John Larter



Cr Andrianna
Benjamin



Cr Cate Cross



Cr Julia Ham



Cr Margaret Isselmann



Cr Geoff Pritchard

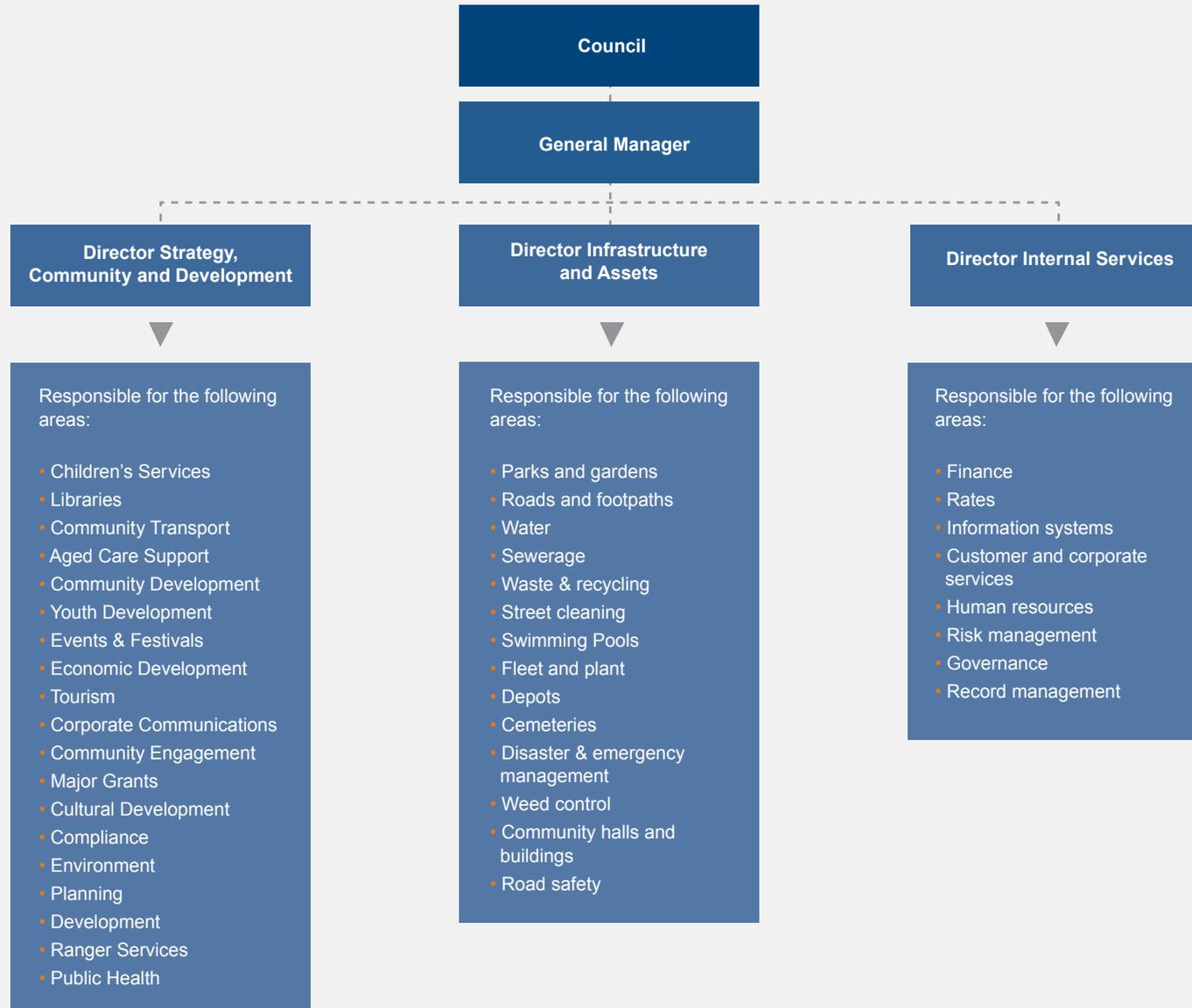


Cr Cor Smit



Cr Bruce Wright

Council's structure



2018-19 Highlights

Australia Day Awards

The Snowy Valleys Council Australia Day Awards celebrate those outstanding local achievers who have contributed to our community in an exceptional way. Australia Day is one of Council's largest family events, an occasion when the community comes together to celebrate what's great about Australia and being Australian.

- Tubmarumba Citizen of the Year - Rod Gollan
- Tumut Citizen of the Year - Keith Dawson and Hugh Packard

Community Engagement Portal

A new online community engagement platform, YourVoice.SVC was launched as a complement to Council's corporate website. The new site hosts opportunities for community participation in Council projects and plans through quick surveys, questioning tools, interactive question and answer sessions and even budget allocation tools.

The new Your Voice site is just another way Council is fostering transparent, inclusive and meaningful community engagement.

Council Confirms Community Sounding Board

A diverse and dynamic group of people from across the Snowy Valleys community signed on to be members of Snowy Valleys Council's Community Sounding Board.

The Sounding Board members shared with Council their perspectives on the appropriateness, effectiveness and efficiency of services currently being delivered, as well as providing feedback about future priorities and resourcing of services across the local government area.



Anniversary Roadshow

Providing first hand updates on progress with projects and future plans was high on the agenda as Snowy Valleys' Councillors travelled throughout the region sharing their experiences after 12 months in office.

The anniversary roadshow was an opportunity for Councillors to connect with people in their communities and have a face-to-face chat in a relaxed environment.

Lifestyle Magazine Shines Spotlight on Snowy Valleys

An exciting collaboration between Snowy Valleys Council and the popular premium magazine, Central West Lifestyle saw the Snowy Valleys region feature heavily in the magazine's new Autumn 2019 edition.

The glossy lifestyle magazine's Autumn edition contained 147 pages of content from the Snowy Valleys region and featured local businesses, attractions and characters from towns and villages across the area and was a boon for local tourism.

Snowy Valleys, Always in Season

A new destination tourism brand for the Snowy Valleys Council region, Snowy Valleys, Always in Season has been designed to help promote and showcase the Region as a tourist destination.

The new direction and brand was designed in consultation with local tourism operators and interested community members who provided significant input during the research phase of the brand development.

2018-19 Key Sponsored Events

Snowy Valleys Council is committed to its continued support of community events. This year Council was involved in supporting a range of fresh new festivals and events including:

NAIDOC Week Special Guest

The theme for 2018 was Because of Her, We Can – an acknowledgement of the role of Aboriginal and Torres Strait Islander women in communities around the country.

Former Senator, Olympic gold medalist and recipient of an Order of Australia Medal, Nova Peris was the special guest speaker at a celebratory event held at the Tumut Library during the NAIDOC week's celebrations.

Other activities included children's Indigenous art, craft, language and story time sessions at local libraries and flag raising ceremonies in both Tumut and Tumbarumba.

James Morrison & Youth Jazz Orchestra

The James Morrison Academy Jazz Orchestra is the premier performing ensemble of the internationally acclaimed James Morrison Academy program. James Morrison himself directs the Jazz Orchestra. The JMAJO, a 20 piece jazz big band tours Australia every year vesting major capital city venues.

Coordinated by Stuart & Sons Pianos and sponsored by Council and VISY, the inaugural James Morrison Jazz experience proved to be a popular concert experience and provided an opportunity for local school music students to play with one of Australia's most recognised and celebrated musicians.

Snowy Valleys Cycle Challenge

March 2019 saw the inaugural running of the Snowy Valleys Cycle Challenge. Rotary clubs from Batlow, Tumbarumba and Tumut organised the event which saw riders from near and far cycle through towns throughout the council area. Billed as a personal challenge rather than a race, participants could choose distances ranging from 26km for the social riders through to 144km for the more serious cyclists.

The event was deemed an overwhelming success and Council was proud to be associated with it.



Delores Theatrical Show

Coinciding with International Women's Day and brought to the community by Sam. Productions together with Council and supported by White Ribbon Australia, this theatrical show aimed to encourage conversation about domestic violence and raise awareness of the support available in local communities and across Australia.

Audiences at the Montreal Theatre were treated to an entertaining and powerful performance by real life sisters Edwina and Millie Samuels.

Tumut Colour Explosion Fun Run

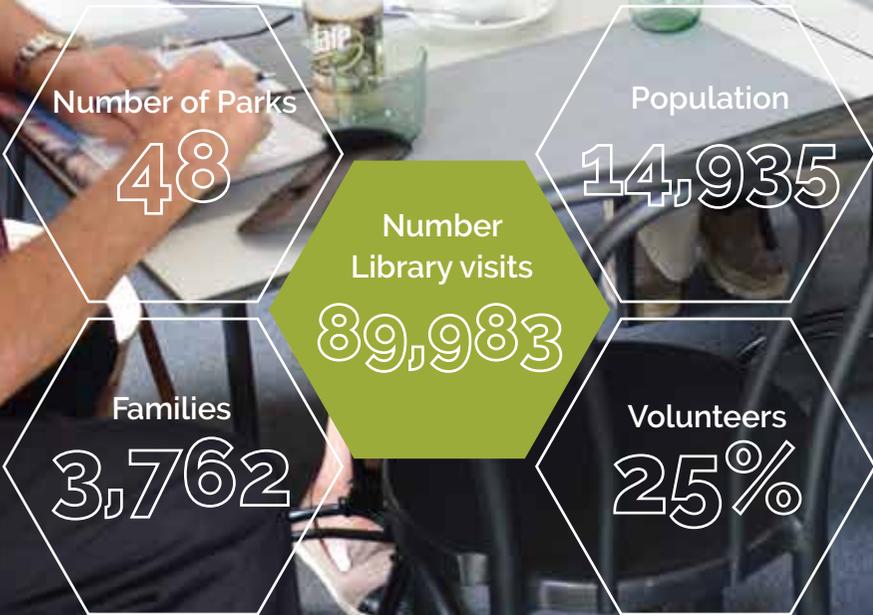
The 2019 Youth Week event of the year was the Tumut Colour Explosion Fun Run held along Tumut's Bull Paddock and River Walk. The 4km run was fun for the whole community with all proceeds raised being donated to not-for-profit organisation Gotcha4Life to assist in creating social awareness around suicide prevention, mental health and reducing associated stigmas.

Organised by Council with assistance from the Tumut Youth Council, the event attracted over 450 participants including youth, families, local businesses and social groups.

Snowy Valleys Council also provides in-kind and/or monetary support to a vast range of other community events and major town festivals held annually across the Snowy Valleys region.



Towns & Villages



- The first ever smoking ceremony took place in Tumbarumba during NAIDOC week, an important time of recognition of our indigenous community. We will keep working with our local indigenous communities to ensure this event and others like it promote further understanding and recognition of our regional heritage and character.
- Our commitment to supporting our elderly community was reflected in our work with our Life Long Learners group in Tumut and the work of our dedicated volunteers who assist in working with our residents in the aged care facilities in Tumbarumba.
- Seniors Week activities occurred across the region, with involvement from libraries and children's services.
- Montreal Theatre Company partnered with Council and stakeholders to host the James Morrison concert in September 2018.



Employment
- Beef Farming

5.7%

Employment
- Timber & Paper

6.2%

Visitors
- Day

216,729

Visitors
- Overnight

199,624

Visitors
- International

5,697

Growth through innovation

- Advocacy for increased investment in softwood plantations and the opening up of new land for plantings.
- Commence redevelopment plans for the disused Batlow Cannery site.
- Investment in caravan parks across the region, to support growth in tourism and seasonal works.
- Support industry capability through “Employer Sponsored Skilled Migration” program.
- Active in cross regional partnerships, such as the Upper Murray 2030 programme of activities such as the Great River Road and Building Better Regions.
- Worked with Tumut Cycle Classic organisers and the Snowy Valleys Cycle Challenge to grow destination awareness, tourism and economic benefit.
- Advocating for improved telecommunications to support industry, tourism and residents.
- Continue to open up residential land development to facilitate planned growth.



Our Natural Environment

- Council takes action to minimize Snowy Valley's climate change risks and inform adaptation actions, reducing Council's energy and emission footprint and mitigating climate change risk to the community.
- Snowy Valleys Council hosted a free Climate Change Forum at the Batlow Literary Institute on 29 April 2019 to build on the community's understanding of key themes around climate change and to provide an opportunity for localised feedback on the impacts of climate change.
- Snowy Valleys Council in conjunction with the NSW Office of Environment and Heritage held a workshop on Energy Management Basics for Small Businesses.

Website
page views

188,594

Community
phone surveys

405

Facebook
followers

2729

Website
sessions

78,324

Anniversary
Roadshow locations

10

Communication and Engagement

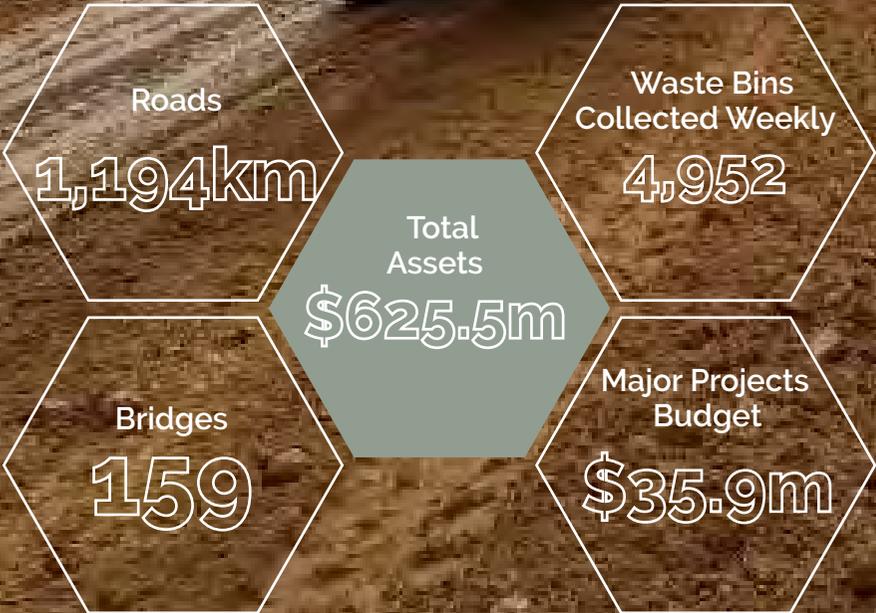


- Snowy Valleys Council launched a new online community engagement platform called Your Voice Snowy Valleys.
- Council works with Snowy Hydro on new community facility in Khancoban
- Snowy Valleys Council launched a new online community engagement platform called Your Voice Snowy Valleys. The new web portal sits side-by-side with Council's corporate website and will, over time, host many opportunities for community participation in Council projects.
- An Anniversary Roadshow for Councillors, provided first hand updates on progress with projects and future plans as they travelled throughout the region sharing their experiences at 10 locations after 12 months in office.



Our Infrastructure

- Passionate Batlow residents joined the Batlow Development League and Snowy Valleys Council staff at the Batlow RSL for an update on the town's \$3m of planned major infrastructure projects.
- Council secured funding of \$395,000 to enhance the amenity of the Khancoban shopping precinct and \$225,000 for a new playground and community area in the Talbingo shopping precinct through the NSW Government's Stronger Communities Fund.
- Tumut Chamber of Commerce partners with Council to secure \$1.76m for improvement to the main business district. This included upgrades to the streetscape, pedestrian accessibility, signage and vehicular access.



Major Projects & Capital Works

The construction works undertaken this year include a combination of essential infrastructure renewal works on assets that have reached the end of their useful life, along with the delivery of many significant community projects.

To ensure value for money is achieved and construction works are undertaken in an effective and timely manner a combination of both internal and contract labour and equipment is being utilised to complete this years program.

The programming of capital construction works is built around achieving the adopted delivery program and operational plan as part of the Community Strategic Plan.

The capital program for this year is valued in the order of \$19M, comprising of \$10.3M renewal works and \$8.7M in new capital works. This includes Stronger Community Infrastructure Fund Projects and the Tumbarumba to Rosewood Rail Trail Project.

RESURFACING OF THE TUMBARUMBA SPORTSFIELD

Scope of Works: Provision of quality playing surfaces

Budget: \$308,000



KHANCOBAN ROSE GARDEN REDEVELOPMENT

Scope of Works: Upgrade of the Khancoban Rose Garden including demolition of old garden beds, new irrigation system, lighting and both hard and soft landscaping

Budget: \$385,000



TUMBARUMBA PUMP TRACK

Scope of Works: Design and construct a bike pump track finished with an asphaltic concrete surface that is both interesting and challenging for riders of varying skills.

Budget: \$199,500

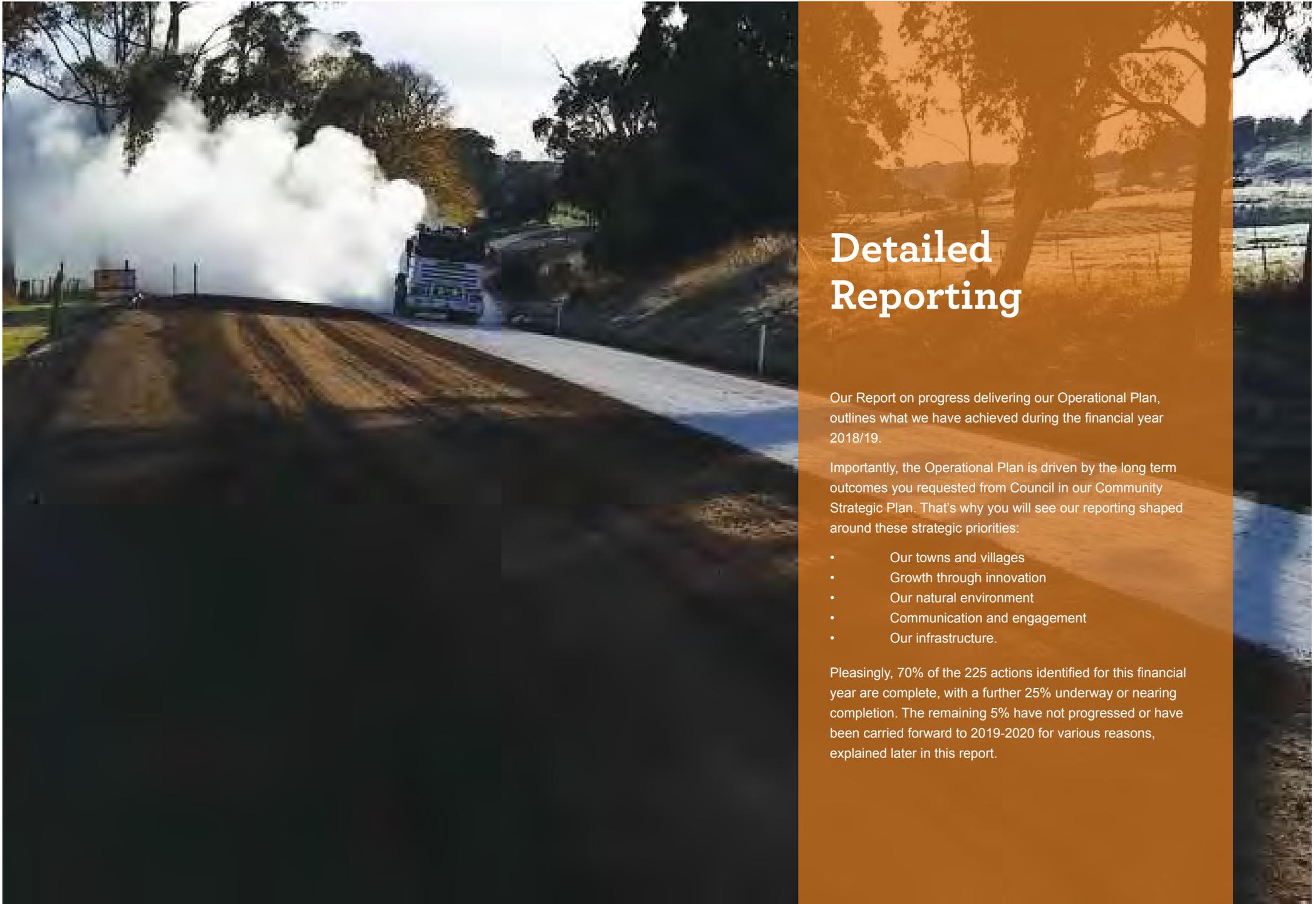


FOREST ROAD UPGRADE BATLOW

Scope of Works: Complete reconstruction of Forest Road subbase corrections, kerbing, two coat spray seal, line making and signage.

Budget: \$400,000





Detailed Reporting

Our Report on progress delivering our Operational Plan, outlines what we have achieved during the financial year 2018/19.

Importantly, the Operational Plan is driven by the long term outcomes you requested from Council in our Community Strategic Plan. That's why you will see our reporting shaped around these strategic priorities:

- Our towns and villages
- Growth through innovation
- Our natural environment
- Communication and engagement
- Our infrastructure.

Pleasingly, 70% of the 225 actions identified for this financial year are complete, with a further 25% underway or nearing completion. The remaining 5% have not progressed or have been carried forward to 2019-2020 for various reasons, explained later in this report.

1. Towns and villages

We celebrate and nurture the unique character of our towns and villages

Strategy	1.1 Create welcoming towns and villages that are vibrant, accessible and foster a sense of community.				
2018/19	Operational Plan Action	Authorising Officer	Progress	Status	Comment
1.1.1	Maintain visual appearances of town and village approaches in accordance with the approved service levels	Director Assets and Infrastructure	100	Completed	The maintenance of the visual appearances of our towns and villages was achieved.
1.1.2	Assist community groups to prepare grant applications for community projects	Director Strategy, Community and Development	100	Completed	Assistance is provided throughout the year to community groups for the preparation and submission of grant applications.
1.1.3	Develop three Place Based Plans by June 2019	Director Strategy, Community and Development	25	Progressing	Funding has been received to develop place based plans in 2019/2020. Outcomes of engagement and consultation will be utilised to commence plans.
1.1.4	Seek funding for projects that improve the amenity of our towns and villages through the development of quality accessible streetscapes	Director Assets and Infrastructure	100	Completed	A wide range of projects have been completed for 2018/19 financial year, noting that projects such as the upgrade of the Batlow and Tumut main streets are scheduled for completion in the 2019/20 financial year.
1.1.5	Investigate opportunities for activating places for young people across the region	Director Strategy, Community and Development	100	Completed	Places for young people have been developed including Batlow Skate park re-development, Tumut Skate park upgrade, Tumut Pump Track
1.1.6	Deliver a program of skill building workshops for local community and event organisers	Director Strategy, Community and Development	100	Completed	Four skill building workshops for local event and community event organisers were coordinated and run successfully in Tumbarumba and Tumut.
1.1.7	Deliver Rural Transaction Centre services at Batlow Library as per the Service Level Agreement	Director Strategy, Community and Development	100	Completed	The RTC has been in operation at the Batlow Library since 2001 and was successfully delivered in 2018/19.
1.1.8	Review and implement Community Grants program	Director Strategy, Community and Development	90	Progressing	All but three projects delivered. Those three had unavoidable delays and were carried forward.
1.1.9	Implement CBD Parking Strategy across Snowy Valleys Council	Director Strategy, Community and Development	25	Progressing	This project scope was varied and the revised Tumut CBD strategy was carried forward to 2019/20

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.2 Provide accessible services and initiatives which support and contribute to wellbeing across all stages of life				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.2.1	Transition to new Jobs for Families package for children's services	Director Strategy, Community and Development	100	Completed	Successfully delivered transition from Child Care Benefit to the Jobs for Families package.
1.2.2	Investigate funding options for improvement of Carcoola long day care centre	Director Strategy, Community and Development	100	Completed	Proceeds from the annual art show purchased new prams, cubby houses and retainer walls for the centre. With extra operational funding the centre has new hard wearing flooring in the preschool and toddler rooms.
1.2.3	Council operated children's services meet National Childcare Quality Standards	Director Strategy, Community and Development	100	Completed	Children's services delivered. Puggles Mobile Children's Services Van transitioned to national regulations.
1.2.4	Maintain or increase utilisation rates for Council child care services	Director Strategy, Community and Development	100	Completed	Overall utilisation rates maintained. Khancoban preschool had a significant increase in the last six months of the financial year.
1.2.5	Review purpose and composition of Youth Councils by June 2019	Director Strategy, Community and Development	100	Completed	All strategies and plans reviewed and adopted.
1.2.6	Develop and implement youth capacity building program by September 2018	Director Strategy, Community and Development	100	Completed	Program delivered, including 'Gotcha for Life' men's & youth mental health and Tomorrow Man community mentors projects. Capacity building workshops including alternative employment pathways embedded in Boys Club project proposal.
1.2.7	Coordinate and deliver programs for seniors	Director Strategy, Community and Development	100	Completed	Various programs delivered including Seniors Week & Life Long Learners.
1.2.8	Facilitate and deliver a program of youth events and activities	Director Strategy, Community and Development	100	Completed	Each holiday period the Youth Development Officer has facilitated and delivered a program of youth events and activities across SVC. Youth led events include 2019 Tumut Colour Explosion Fun Run, Outdoor cinema, Pool parties, community BBQ's and skate competitions.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.2 Provide accessible services and initiatives which support and contribute to wellbeing across all stages of life				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.2.9	Deliver program of children and youth events by library services	Director Strategy, Community and Development	100	Completed	Storytime sessions continue to be popular and with numbers growing with the commencement of the 2019 program. School visits have been undertaken at all libraries, introducing students to the library environment and showcasing other benefits of libraries
1.2.10	Deliver new library programs for skills, technology and life long learning for the community	Director Strategy, Community and Development	100	Completed	Tumut Library hosted Legal Issues for Older People including a panel of lawyers and seniors rights experts to explore issues that older people and their families experience when planning for the future.
1.2.11	Maintain/Increase utilisation of Council's library services	Director Strategy, Community and Development	100	Completed	SVC Libraries, including Tumut, Tumberumba, Batlow, Adelong and Talbingo, utilisation statistics are consistent with 2017-18.
1.2.12	Develop and implement a Library Strategic Plan	Director Strategy, Community and Development	0	Not yet started	Work on the Library Strategy will commence as part of the 2019-20 Operational Plan.
1.2.13	Transition library services to new Batlow library	Director Strategy, Community and Development	0	Not yet started	Transition will commence when construction complete. Design complete. Out to tender third quarter of 2019.
1.2.14	Provide a range of community services through Tumberumba MSO that meets the community need	Director Strategy, Community and Development	100	Completed	Multi Service Outlet has provided a range of community services in 2018-19
1.2.15	Meet Australian Aged Care Quality Agency standards	Director Strategy, Community and Development	100	Completed	Services delivered in accordance with agency standards.
1.2.16	Meet National Disability Insurance Scheme quality standards	Director Strategy, Community and Development	100	Completed	Services delivered in accordance with agency standards.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.2 Provide accessible services and initiatives which support and contribute to wellbeing across all stages of life				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.2.17	Increase number of people participating in Seniors weeks activities	Director Strategy, Community and Development	100	Completed	Seniors Week activities occurred across SVC Community Services Division. Libraries, Multi Service Outlet and Children's Services all held events for Seniors Week. Participation increased by 50 participants overall.
1.2.18	Implement actions from the Disability Inclusion Action Plan	Director Strategy, Community and Development	100	Completed	26 DIAP actions complete.
1.2.19	Prioritise actions from newly developed Multi Service Outlet Business Plan	Director Strategy, Community and Development	100	Completed	The MSO provides services that are accessible and meet community needs. With the development of the aged care strategy, there will be further initiatives to implement in future.
1.2.20	Seek funding to provide additional programs to support the aging community	Director Strategy, Community and Development	100	Completed	Funding has been identified to develop an aged care strategy which will inform current status and future status.
1.2.21	Lobby for the provision of additional respite care for people with disabilities	Director Strategy, Community and Development	100	Completed	The formation of the Disability Inclusion Action Reference Group will provide an advocacy voice for people with disability in SVC.
1.2.22	Investigate funding opportunities to support the expansion of youth related programs	Director Strategy, Community and Development	100	Completed	Four grants applied for. Tumut Pump Track & Rural and Regional Youth Participation were successful. Stronger Country Communities Fund Round 3 (Batlow Youth Precinct) & Youth Opportunities Program 2019/20 Round 8 are pending.
1.2.23	Implement actions from Tumut District Community Transport Strategic Plan 2017 - 2020	Director Strategy, Community and Development	100	Completed	Action completed.
1.2.24	Increase client numbers for the Tumut District Community Transport service	Director Strategy, Community and Development	100	Completed	Action completed.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.3 Protect and preserve local history and heritage				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.3.1	Increase participation in NAIDOC week activities across the Council area	Director Strategy, Community and Development	100	Completed	NAIDOC flag raising ceremony attendances increased in Tumbarumba and Tumut. Significant effort was made in working with the Tumbarumba Community on their NAIDOC celebration activities which were cancelled due to bad weather. Promotion of local land Council NAIDOC week program was developed by SVC.
1.3.2	Review Memorandum of Understanding with the Aboriginal community by September 2018	Director Strategy, Community and Development	100	Completed	A Memorandum of Understanding was provided to the Aboriginal Community through the Aboriginal Liaison Committee for comment. Feedback was reviewed at the November Aboriginal Liaison Committee and then put forward to Council for adoption. The MoU was adopted at December Council meeting.
1.3.3	Work with the Aboriginal communities to develop an Acknowledgement of Country for SVC by December 2018	Director Strategy, Community and Development	100	Completed	Acknowledgment of Country was provided to the Aboriginal Community for comment through the Aboriginal Liaison Committee. The Acknowledgment of Country incorporated in the MoU as well as the Aboriginal Cultural Practices and Protocols Policy. Both were adopted at the December Council meeting.
1.3.4	Work in partnership with Aboriginal community to develop and deliver program of Aboriginal Cultural recognition activities	Director Strategy, Community and Development	100	Completed	Supported NAIDOC art exhibition. Working with National Parks and Wildlife Service regarding Cultural activities in Spring. Liaised with Indigenous artists regarding local cultural events and projects to be worked on in October / November period in the region
1.3.5	Support Indigenous cultural activities and projects	Director Strategy, Community and Development	100	Completed	Supported NAIDOC art exhibition. Working with National Parks and Wildlife Service regarding Cultural activities in Spring. Liaised with Indigenous artists regarding local cultural events and projects to be worked on in October / November period in the region
1.3.6	Develop interpretive signage for the Adelong Falls	Director Assets and Infrastructure	10	Progressing	Grant funding has been secured for the development and installation of the interpretive signage. The works are being delivered by the community.
1.3.7	Work in partnership with the Talbingo community to seek funding to rebuild the Miles Franklin Memorial	Director Assets and Infrastructure	40	Progressing	Working with Talbingo community to secure grants. No funding opportunities in this period.
1.3.8	Implement actions in the Adelong Falls Management Plan, Conservation Strategy	Director Assets and Infrastructure	30	Progressing	Implementation commenced. Many actions will carry forward to 2019-20 and 2020 -21 subject to funding.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.3 Protect and preserve local history and heritage				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.3.9	Implement Local Heritage Grants Program	Director Strategy, Community and Development	100	Completed	Local Heritage grant recipients have been selected and notified.
1.3.10	Seek funding for an Aboriginal Liaison Officer	Director Strategy, Community and Development	100	Completed	SVC continues to seek funding. Waiting on Department to release grant details.
1.3.11	Prepare an Aboriginal cultural heritage impact assessment tool for development proposals by March 2019	Director Strategy, Community and Development	0	Not Progressing	The Aboriginal Cultural Heritage Bill has not been passed in Parliament. Therefore the matter cannot be acted upon.
1.3.12	Provide support to local historical societies	Director Strategy, Community and Development	100	Completed	Working closely with local historical societies.
1.3.13	Investigate establishment of a significant tree register for the LGA	Director Assets and Infrastructure	30	Progressing	New Street Tree policy is under development and will include provisions for identifying significant trees within the community and the development of a significant tree register. It is intended that this would be carried out over multiple years subject to the availability of funding.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.4 Expand, support and encourage arts and cultural events, activities and creative opportunities				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.4.1	Increase participation in children's services community services	Director Strategy, Community and Development	100	Completed	Active promotion has increased children's services participation. Most services increased by 2 children daily. Khancoban Preschool had the most significant increase from an average of 8 children to 15 children daily.
1.4.2	Review Council event sponsorship policy, procedure and process by September 2018	Director Strategy, Community and Development	100	Completed	Event Sponsorship Policy, Procedure and Application form were adopted at the November Council meeting.
1.4.3	Facilitate and deliver program of Council led creative and cultural activities and events	Director Strategy, Community and Development	100	Completed	Numerous activities planned and delivered including Snowy Ensembles concert series in the LGA in towns Khancoban, Tumberumba, Batlow and Adelong.
1.4.4	Review and implement the public arts program including policy and grants	Director Strategy, Community and Development	100	Completed	The Public Art Grants program and policy have been reviewed and adopted.
1.4.5	Maintain an active Eastern Riverina Arts membership	Director Strategy, Community and Development	100	Completed	Council is an active member of Eastern Riverina Arts. Council is represented on the ERA Board and ERA Regional Advisory Committee.
1.4.6	Review and implement Cultural Plan	Director Strategy, Community and Development	100	Completed	Cultural activities are conducted throughout the year as part of the events program. This has included a suite of concert performances through the SVC and providing support to the James Morrison Concert.
1.4.7	Partner with Montreal Community Theatre to develop an MOU to deliver cultural events and programs	Director Strategy, Community and Development	100	Completed	An MoU was deemed unnecessary as the Events officer partners with the Montreal Theatre on concerts and events that are being held at the Montreal.
1.4.8	Investigate feasibility of establishing a writers retreat at Talbingo	Director Strategy, Community and Development	100	Completed	Fully investigated, however grant funding was not available for this event.
1.4.9	Investigate projection mapping technology to transform objects into a display for projection onto industrial landscapes	Director Strategy, Community and Development	100	Completed	Fully investigated, however grant funding was not available for this event.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.4.10	Deliver program of library based cultural and community events	Director Strategy, Community and Development	100	Completed	Numerous activities and events delivered. For example, Adelong Library had a wonderful display at the Adelong Show displaying what the libraries have to offer the community.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.5 Support and promote community and tourism events and festivals				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.5.1	Identify opportunities for new tourism events and support the development of these events across the region	Director Strategy, Community and Development	100	Completed	Targeted events identified in the regional marketing strategy and will be developed in 2019/21.
1.5.2	Provide event support to community and tourism events	Director Strategy, Community and Development	100	Completed	Many events supported including Tumut Cycle Classic, Altogether Adelong, Rock the Turf, Festival of the Falling leaf, Seniors Week, Life Long Learners day trips and Cider Fest.
1.5.3	Seek funding to assist the region's key festivals with strategic planning, including succession planning	Director Strategy, Community and Development	100	Completed	Assisted key festival events in applying for FRRR funding to increase capacity in committees and outcomes. Promoted multiple grant funding rounds to events.
1.5.4	Develop and implement an event framework including policy, grant program, strategy and organisers toolkit	Director Strategy, Community and Development	100	Completed	Event Sponsorship Policy, Procedure and Application form have been adopted by Council and have been sent to event organisers.
1.5.5	Provide in-kind sponsorship for events as per event sponsorship policy	Director Strategy, Community and Development	100	Completed	In kind support has been provided for several events in the community.
1.5.6	Seek funding to expand the program of community events	Director Strategy, Community and Development	100	Completed	Seniors Festival and NAIDOC week funding were submitted on behalf of SVC. Both funding rounds are there to assist in funding more cultural programs for the community.
1.5.7	Develop a seasonal cultural calendar of events by December 2018	Director Strategy, Community and Development	100	Completed	Dolores Theatre Production March 2019, Festival of Small Halls April 2019, Snowy Valleys Ensembles June - September 2019.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.6 Support and partner with other agencies to ensure community safety				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.6.1	Maintain active partnerships with Emergency Service agencies	Director Assets and Infrastructure	100	Completed	Council has continued its involvement in facilitating the Local Risk Committee and the Local Emergency Management Committee as required under the State Emergency and Rescue Management Act. Council has also provided significant input into the review of documentation aligned with the Snowy 2.0 emergency management plans.
1.6.2	Review and implement Councils Companion Animal Plan	Director Strategy, Community and Development	100	Completed	A review of Development and Environment procedures was carried out with Ranger/ Biosecurity personnel. All procedures are considered appropriate.
1.6.3	Identify opportunities to apply for grant funding to support community safety	Director Strategy, Community and Development	100	Completed	Police Liaison Officer has been recruited and working with Council and organisations to develop strategies to increase safety in towns and villages. A review of policies and procedures across Community Services has been undertaken.
1.6.4	Work in partnership with Murrumbidgee Local Health District to ensure sustainability of services now and into the future	Director Strategy, Community and Development	100	Completed	Council has an agreement with MLHD for their use of the Community Room in Tumbarumba. The relationship is mutually sustainable for MLHD and Council.
1.6.5	Partner with other agencies to develop Crime Prevention Plan	Director Strategy, Community and Development	75	Progressing	Working actively with partner agencies in the development of this plan. Community consultation is being undertaken.
1.6.6	Seek funding to support the appointment of a Crime Prevention Officer	Director Strategy, Community and Development	100	Completed	Grant funding was secured to employ a short term project officer to develop a Crime Prevention Plan.
1.6.7	Investigate feasibility of installing CCTV as part of a broader crime reduction strategy	Director Strategy, Community and Development	75	Progressing	CCTV will be investigated as part of the development of the Crime Prevention Plan.
1.6.8	Support the NSW Police community policing strategy	Director Strategy, Community and Development	100	Completed	Support provided as needed. Further detail outlining Councils support will be included as part of the development of the crime prevention plan.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.7 Manage Council's resources in a manner which is equitable and ensures organisational sustainability				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.7.1	Maintain Council's Rate collections to a minimum percentage of at least 90%	Director Internal Services	100	Completed	Rate collections to the end of June greater than 90%
1.7.2	Develop a framework to review lease arrangements for community assets	Director Assets and Infrastructure	0	Not Progressing	Funding was not available to progress this project and will be reconsidered as part of the budget process for the 2020/21 financial year.
1.7.3	Finalise unqualified financial statements by 31 October	Director Internal Services	100	Completed	Financial Statements were presented to Council in December after being granted a months extension due to IT issues with merging the former councils financials.
1.7.4	Advocate to political leaders to financially cover unfunded costs of amalgamation.	General Manager	100	Completed	Second round of New Council Implementation Funding and Stronger Communities Funding received

Strategy	1.8 Advocate for and support the provision of affordable housing in our towns and villages				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.8.1	Develop concept plan for Stage 3 of Snowview Estate	Director Assets and Infrastructure	100	Completed	The development of concept plans for Stage 3 of the Snowview Estate will be finalised subject to demand to expand the development.
1.8.2	Lobby the NSW Government to prioritise social and affordable housing	Director Assets and Infrastructure	10	Progressing	Assessing the demand and opportunities for affordable housing is ongoing. This including assessing the demand to proceed with the next stage of the Snow View Estate and a review of housing needs in Batlow.

1. Towns and villages (continued)

We celebrate and nurture the unique character of our towns and villages

Strategy	1.9 Provide a planning and development framework which protects the local amenity while supporting sustainable growth and an appropriate balance of land use				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
1.9.1	Provide strategic advice in relation to land use as required	Director Strategy, Community and Development	100	Completed	Strategic advice provided when required or requested
1.9.2	Development Applications are approved within 30 days	Director Strategy, Community and Development	100	Completed	Development applications were approved within 30 days
1.9.3	Develop new draft Development Control Plan by June 2019	Director Strategy, Community and Development	100	Completed	Draft Version 6 has been completed. To be presented for adoption 2019/20
1.9.4	Develop new draft Local Environment Plan by June 2019	Director Strategy, Community and Development	50	Progressing	LEP commenced. Required to be paused while the Local Strategic Planning Statement is progressed in 2019-2020
1.9.5	Finalise current stage of Independent Living Units in Tumbarumba	Director Assets and Infrastructure	100	Completed	The current stage of the independent living units in Tumbarumba is complete. Draft designs for the next stage of the development are also complete. Construction of the next stage is subject to demand and the availability of funding, this will be considered as part of the 2020/21 budget process.

2. Growth through innovation

We have economic development activities which provide community longevity, vibrancy and a sustainable future

Strategy	2.1 Create welcoming towns and villages that are vibrant, accessible and foster a sense of community.				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.1.1	Support local tourism operators and businesses by providing resources and information	Director Strategy, Community and Development	100	Completed	Ongoing. Promoting organisations such as Destination NSW, Destination Riverina Murray, Riverina Regional Tourism, Murray Regional Tourism, & private operators.
2.1.2	Implement priority actions from the Economic Development Strategy	Director Strategy, Community and Development	100	Completed	The Brindabella Road Business Case is completed. The industrial land study is set to occur as part of spatial planning and growth work in 2019/20.
2.1.3	Liaise with government agencies, educational institutions and other organisations to target identified skills gaps in the labour force	Director Strategy, Community and Development	100	Completed	Liaised with RDA, Softwoods working group, DP&C, Snowy Hydro, TAFE and Canberra JO. A Cooperative Research Committee is proposed for development in 2019/20.
2.1.4	Liaise with horticultural associations and peak bodies to promote the Shire's suitability for horticultural enterprises	Director Strategy, Community and Development	100	Completed	Broad conversations were held in the context of climate change adaptation, attracting conferences and industry development.
2.1.5	Work with local champions to assist in building momentum and participation in value added food and wine enterprises	Director Strategy, Community and Development	100	Completed	Day to day economic development activities involve regular interaction and support of value-added food and wine enterprises.
2.1.6	Support the establishment of businesses that provide essential services for visitors, such as camping, caravans and luxury accommodation	Director Strategy, Community and Development	100	Completed	SVC actively supports accommodation services (current and new). An accommodation prospectus for the region is currently under development and it will include this type of product.
2.1.7	Advocate for increased investment in softwood plantations and the opening up of new land for plantings	Director Strategy, Community and Development	20	Completed	Council has been actively involved in the Softwoods Working Group through the year and supplied data and assistance when needed to support their ongoing advocacy.
2.1.8	Seek funding and partners to deliver capacity building opportunities to local businesses	Director Strategy, Community and Development	100	Completed	Recently SVC has been successful in attracting local business training for grant writing, energy management and shortly the first of many snowy 2.0 opportunities workshops will be held.
2.1.9	Support the expansion of the Mannus Correctional Centre	Director Strategy, Community and Development	100	Completed	Council provided ongoing support for this proposal.

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

Strategy	2.1 Create welcoming towns and villages that are vibrant, accessible and foster a sense of community.				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.1.10	Support the local horticulture industry in the development of strategies that help address the issues of the seasonal workforce	Director Strategy, Community and Development	100	Completed	Following the development of the lodge at the caravan park, the future configuration of the Tumbarumba and Batlow Caravan parks will need to take this into consideration. This is being progressed through a targeted business case.
2.1.11	Investigate the feasibility of developing a refugee resettlement strategy for Snowy Valleys	Director Strategy, Community and Development	100	Completed	Information has been obtained about the requirements for establishing a refugee resettlement area. A forum was held in Batlow In June 2019. The economic development officer is progressing the matter further.
2.1.12	Work with local employers to develop an Employer Sponsored Skilled Migration Program	Director Strategy, Community and Development	100	Completed	The Refugee Welcome Forum provided the platform to discuss this. After successful delivery of the forum, further conversations can be held with various agencies to establish the need for migrant workers and how they might be attracted.
2.1.13	Advocate for the relocation of the Forestry Corporation Headquarters to Tumut	Director Strategy, Community and Development	50	Progressing	Advocacy for a Softwoods Centre of Excellence was adopted by Council. This piece of advocacy has broadened the scope of this action and enhances our commitment to the overall timber and forestry industry in the region.
2.1.14	Deliver construction and development industry briefing session	Director Strategy, Community and Development	0	Not Progressing	This industry briefing session did not proceed.
2.1.15	Partner with Snowy Hydro to ensure sustainable outcomes for the region as a result of Snowy 2.0	General Manager	100	Completed	Variety of meetings with Snowy hydro, and FutureGen. Snowy 2.0 Regional Co-ordination Group is now meeting monthly. The Ernst & Young Futures Strategy is now in the final draft.
2.1.16	Implement priority actions from the Visitor Services Strategy	Director Strategy, Community and Development	80	Progressing	Priority actions have been delivered. Actions to be delivered on an ongoing basis.
2.1.17	Maintain a close working relationship with major industry employers	Director Strategy, Community and Development	100	Completed	SVC has worked closely with larger players through regional launches, events and briefings with Snowy Hydro, Visy, Forestry leaders and Hyne Mill.
2.1.18	Partner with Towong Shire Council and the Upper Murray 2030 Steering Committee to deliver Upper Murray 2030 projects	Director Strategy, Community and Development	100	Completed	All programmed projects have been delivered for this period, including great river road and installation of associated UM2030 signage.
2.1.19	Advocate for increased feral animal control to better support the agricultural industry	Director Strategy, Community and Development	100	Completed	Advocacy undertaken

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

Strategy	2.2 Encourage sustainable tourism initiatives which create employment and boost the local economy				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.2.1	Implement priority actions from the Destination Management Plan	Director Strategy, Community and Development	100	Completed	Many projects formed priority actions from the DMP, but did not have funding or resources available. The tourism team has delivered where possible, with many actions remaining ongoing.
2.2.2	Investigate funding programs that increase opportunities to take advantage of the natural landscape for recreation	Director Strategy, Community and Development	100	Completed	Multiple discussions have been held with National Parks to increase nature based experiences. Funding was sought from Building Better Region Funding stream for continued planning for a Hume and Hovell Mountain Bike Trail, but this was unsuccessful.
2.2.3	Support funding applications and private sector investment in tourism experiences that capitalise on the natural beauty of the area	Director Strategy, Community and Development	100	Completed	Ongoing. Recent support has included new accommodation developments near Tooma and Batlow, aiding expansion plans for businesses and helping new food and beverage operations to get moving.
2.2.4	Partner with cycling groups to investigate the development of road cycling opportunities	Director Strategy, Community and Development	100	Completed	Worked with Tumut Cycle Classic and Snowy Valleys Cycle Challenge with their events in promotion and marketing, general event support, post ride entertainment program, assistance with submission of special event applications
2.2.5	Investigate feasibility of establishing a standalone Visitor Centre in Tumut with industry partners	Director Strategy, Community and Development	100	Completed	Standalone Visitor Centre in Tumut investigated and not recommended for both practical and financial reasons. MOU renegotiated and re-signed with NPWS for the provision of Visitor Centre services in Tumut.
2.2.6	Support local community organisations to encourage a return of the Warby team to Blowering Dam	Director Strategy, Community and Development	100	Completed	The Warby Team have had several visits to Tumut and have had a number of trials of the boat on Blowering Dam. All going well the team will set a date for the World Water Speed record in 2020.
2.2.7	Finalise destination marketing plan by October 2018	Director Strategy, Community and Development	100	Completed	This was completed and endorsed in March 2019.
2.2.8	Develop and implement Tourism Branding Strategy	Director Strategy, Community and Development	100	Completed	The strategy has been developed and is now in delivery through the release of the new website, photography brief and collateral.
2.2.9	Seek grant funding to implement Hume and Hovell MTB Masterplan	Director Strategy, Community and Development	100	Completed	Grant opportunities have been assessed and multiple approaches were made ahead of the state election. 2 applications were submitted and were unfortunately unsuccessful. Discussions continue with Crown Lands and local/state members.
2.2.10	Update photography & videography gallery for entire region, including development of project brief - completed by December 2018	Director Strategy, Community and Development	100	Completed	New photography/videography shoot will take place in Spring, directed by For the People. Destination NSW have also completed new shots of the region (to which we have access).

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

Strategy	2.2 Encourage sustainable tourism initiatives which create employment and boost the local economy				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.2.11	Development of new tourism website by February 2019	Director Strategy, Community and Development	95	Progressing	Stage 1 of the website delivered. Completion due August 2019.
2.2.12	Increase visitation at tourism events across the region	Director Strategy, Community and Development	100	Completed	SVC is supporting new & emerging events that have tourism potential (such as Snowy Valleys Cycle Challenge). Accommodation challenges are being actively addressed.
2.2.13	Implement the RV friendly program for Batlow	Director Strategy, Community and Development	100	Completed	Completed by the Economic Development Liaison Officer in 2018.
2.2.14	Provide and support visitor servicing through the operation of visitor centres	Director Strategy, Community and Development	100	Completed	Visitor centres continue to deliver valuable services throughout the region. Partnerships in messaging actively supported by Council.

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

2Strategy	2.3 Promote, support and attract local small businesses				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.3.1	Partner with the Chambers of Commerce to support local businesses	Director Strategy, Community and Development	100	Completed	Ongoing. Partnering with Tumut and Tumbarumba Chambers of Commerce to deliver events and support. Snowy 2.0 presentations were also a feature of our partnership activities.

Strategy	2.4 Lobby for better telecommunications services				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.4.1	Advocate for better telecommunication services	Director Strategy, Community and Development	100	Completed	Multiple representations were made on this through the advocacy plan in the lead up to state and federal elections. Includes working through Telstra blackspot funding.

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

2Strategy		2.5 Partner with local education institutions to facilitate opportunities for locals to access education, training and employment to strengthen the local economy			
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.5.1	Advocate for Country University campus	General Manager	100	Completed	Council have been active in pursuing opportunities with the NSW Government to fund the establishment of a Country University Centre for the Snowy Valleys. A business case is being developed.
2.5.2	Investigate opportunity to provide satellite conferencing facilities locally	Director Strategy, Community and Development	100	Completed	Community education around the ability to use free online software to videoconference will be shared via social media by June 2019.
2.5.3	Explore opportunities to partner with TAFE, local business and industry to develop educational opportunities that support local industry	Director Strategy, Community and Development	100	Completed	Ongoing discussions have been held with senior TAFE officials, business representative groups and country university centre leaders. This will continue in the future and leverage on Snowy 2 requirements.
2.5.4	Facilitate training, skills and education opportunities for residents	Director Internal Services	100	Completed	SVC is working closely with TAFE on developing new offerings that can support increased local capability and retained talent
2.5.5	Lobby for the establishment of a joint use education and business facility incorporating a Country University Centre, business hub and auditorium suitable for conferences	General Manager	100	Completed	Mayor and Councillors met with the Deputy Premier to advocate for a Country University. Council has evaluated a number of locations that might be suitable. The Country University continues to be listed for inclusion various strategies.

2. Growth through innovation (continued)

We have economic development activities which provide community longevity, vibrancy and a sustainable future

Strategy	2.6 Explore new and innovative approaches to economic development to enhance skills and provide broader employment opportunities for future generations				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
2.6.1	Promote Snowy Valleys Council as a location to invest in	Director Strategy, Community and Development	100	Completed	We have been actively promoting the region and fielding multiple interests from varied stakeholders. The regional website is now live, a regional prospectus is being developed in late 2019.
2.6.2	Provide information on value adding to interested producers and link operators with available help and resources	Director Strategy, Community and Development	100	Completed	Ongoing, including regular liaison with industry bodies and individuals to link operators with available help and resources.
2.6.3	Progress the development of Industrial Estate areas	Director Strategy, Community and Development	100	Completed	Necessary planning and building approvals undertaken.
2.6.4	Investigate the development of knowledge and other beneficial exchanges with our Sister City Morris, Illinois USA	General Manager	0	Not Progressing	Currently an unfunded proposal that has not been able to be advanced due to concentration of efforts in priority areas.
2.6.5	Investigate recycling processing opportunities	Director Strategy, Community and Development	100	Completed	Opportunities for processing recycling was integrated through the climate change forum and will be progressed through the new Zero Waste Strategy.

3. Our natural environment

We care and protect our natural environment to ensure future generations can experience and enjoy its beauty

Strategy	3.1 Demonstrate leadership in environmental sustainability by reducing Council's carbon footprint and supporting the use of clean energy				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
3.1.1	Develop and implement strategy to reduce Council's carbon footprint	Director Assets and Infrastructure	30	Progressing	Council is developing its Zero Waste Management Strategy. Additionally, Council continues to review and develop programs to increase energy efficiency and solar power utilisation.
3.1.2	Investigate opportunities to utilise clean energy in Council's operations	Director Assets and Infrastructure	100	Completed	Council is continually assessing opportunities to utilise clean energy in its operations. This includes utilising solar power across its facilities including pools, depots, etc.
3.1.3	Investigate feasibility of establishing fast electric car charging stations	Director Strategy, Community and Development	100	Completed	NRMA has confirmed that Tumut will be included if the proposal to do a second phase of installations is approved through TfNSW (submissions due 10 April). Failing this, it will be included in phase 3.
3.1.4	Promote the small scale Renewable Energy Scheme to the community	Director Assets and Infrastructure	5	Progressing	Preliminary investigations commenced. This is a multiyear program.

Strategy	3.2 Promote programs and initiatives which encourage more sustainable living				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
3.2.1	Develop waste and recycling education program	Director Assets and Infrastructure	60	Progressing	Council is working with Tumut High School students to develop a waste program.
3.2.2	Deliver waste weekends for the community	Director Assets and Infrastructure	10	Progressing	Project currently being scoped.
3.2.3	Facilitate waste recycling program at community events	Director Assets and Infrastructure	100	Completed	Working on agreement for incorporating a container deposit scheme in Tumbarumba
3.2.4	Increase number of participants in schools recycling education program	Director Assets and Infrastructure	100	Completed	Council Officers actively participated in the Waste Management Group meetings and activities.

3. Our natural environment (continued)

We care and protect our natural environment to ensure future generations can experience and enjoy its beauty

Strategy	3.3 We sustainability manage waste through a commitment to resource recovery and best practice waste management				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
3.3.1	Develop and implement a Waste and Recycling Strategy	Director Assets and Infrastructure	95	Progressing	Draft strategy to be adopted by Council in August 2019
3.3.2	Develop an environmental risk profile for landfill sites	Director Assets and Infrastructure	5	Progressing	Endeavouring to attract suitable consultants. Continuing.
3.3.3	Advocate for a manual container deposit system in Tumbarumba	Director Assets and Infrastructure	50	Progressing	Working on MOU for incorporating a CDS in Tumbarumba
3.3.4	Maintain active membership in Regional Waste Forums (REROC and South West Regional Waste Management Group)	Director Assets and Infrastructure	100	Completed	Membership and active involvement continues.

Strategy	3.4 Protect and manage the local environment including air quality, waterways, rivers and streams				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
3.4.1	Collect samples and test public water supply as required by legislation	Director Assets and Infrastructure	100	Completed	Ongoing. Services delivered.
3.4.2	Conduct waste water inspections in accordance with onsite sewerage management policy	Director Strategy, Community and Development	100	Completed	Ongoing. Services delivered.

3. Our natural environment (continued)

We care and protect our natural environment to ensure future generations can experience and enjoy its beauty

Strategy	3.5 Partner and support other agencies to protect local fauna and biodiversity ecosystems				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
3.5.1	Implement actions from Council's Weed Action Plan	Director Strategy, Community and Development	100	Completed	Actions from the Weed Action Plan implemented.
3.5.2	Provide environmental weed educational materials	Director Strategy, Community and Development	100	Completed	Weed management educational materials provided.
3.5.3	Implement Roadside Vegetation Management Plan actions	Director Strategy, Community and Development	100	Completed	Roadside Vegetation Management Plan actions implemented.
3.5.4	Seek funding to support weed control activities	Director Strategy, Community and Development	100	Completed	Funding sought and successful.
3.5.5	Participate in Eastern Regional Weeds Advisory Group	Director Strategy, Community and Development	100	Completed	SVC is actively involved in the Regional Weeds Advisory Group.
3.5.6	Work to rehome impounded animals	Director Strategy, Community and Development	100	Completed	Rehoming of impounded animals is actively pursued through a range of programs and activities.
3.5.7	Establish a relationship with the National Arboretum in Canberra to investigate a specimen tree planting program	General Manager	10	Progressing	A new policy for the Management of Street Trees is under development. The new policy will include provisions for the development of a Tree Management Strategy outlining approved species list ensuring appropriate planting suitable for the area. It is intended that the National Arboretum in Canberra will be consulted in development of the strategy and the selection of species best suited to the region.

4. Communication and engagement

We have engaged communities that actively participates in local decision making

Strategy	4.1 Partner with local communities to create an ongoing culture of engagement to aid Council decision making				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.1.1	Develop a program of advertised visits to each community for Councillors	Director Strategy, Community and Development	100	Completed	Town Ambassador program has been scoped out and will launch in the 2019-2020 year. Councillor roadshows undertaken.
4.1.2	Promote and build capacity of the community to access Council's 'Have your Say' online engagement platform	General Manager	100	Completed	Major project pages and web are updated regularly. Also social media, live communications and the media.
4.1.3	Implement actions from the community engagement action plan	Director Strategy, Community and Development	100	Completed	Community Sounding Board reconvened to review Draft Plans for 2019 - 2020 year. Ongoing implementation of the engagement plan has taken place throughout the year.
4.1.4	Undertake Community engagement for placemaking initiatives	Director Strategy, Community and Development	50	Progressing	Community engagement undertaken in the development of a number of community strategies, and also at frequent community meetings. Further consultation will take place once Place Based Plans are developed.
4.1.5	Establish strategic reference groups (SRG)	Director Strategy, Community and Development	100	Completed	Complete. "Strategic Reference Groups have changed to become Community Sounding Board.
4.1.6	Deliver themed Mayoral Summits	General Manager	100	Completed	A highly successful Climate Change Forum was hosted by SVC in Batlow in April 2019; bringing together community, Council and champions for the climate change movement.

4. Communication and engagement

We have engaged communities that actively participates in local decision making

Strategy	4.1 Partner with local communities to create an ongoing culture of engagement to aid Council decision making				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.2.1	Implement media policy and procedures	General Manager	100	Completed	Media policy adopted and rolled out throughout organisation. Media procedure in draft.
4.2.2	Maintain a website that is relevant, current and a frontline information source	General Manager	100	Completed	Website is updated regularly to reflect current council business and news. Website links pushed out through social media and promoted in other platforms such as radio and press.
4.2.3	Develop and implement Corporate Communications Strategy	General Manager	100	Completed	Draft Corporate Communications Strategy received, to be workshopped with the Executive and final report to Council September 2019.
4.2.4	Develop suite of visual communications to promote council services, projects and events	General Manager	100	Completed	Monthly Council update compiled and published in local papers. Special features compiled as required. Major Project updates are published where applicable.
4.2.5	Promote community participation in Council's digital media platforms	General Manager	100	Completed	Regular utilisation of Council's social media channels to promote council relevant information, news and events and YouTube is utilised to livestream Council meetings.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy	4.3 Council has sound organisational health and has a culture which promotes action, innovation, accountability and transparency				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.3.1	Complete the actions in the ICT Amalgamation Strategy	Director Internal Services	75	Progressing	Capital Works, Road Asset Register and Road Assets Mapping to be implemented by 30 June. HRP module development to commence in April and finalised by December 2019. All Records and Cemetery database are currently being consolidated and tested. The Domain Consolidation Projects, Voice System Renewal continue, scheduled for completion August 2019. CRM health check completed and program of works currently being developed. Scheduled for completion December 2019.
4.3.2	Investigate feasibility and application of emerging technologies	Director Internal Services	100	Completed	Council's ICT team are constantly exploring opportunities to improve efficiency through the application of technology. Efforts this year have focused on the use of cloud and file sharing solutions, webcasting and improved usability of the Technology One enterprise platform.
4.3.3	Develop and implement ICT Strategy	Director Internal Services	40	Progressing	Deferred to second half of 2019 to be completed as part of the Service Level Review and Improvement Project.
4.3.4	Develop and implement strategic human resources plan	Director Internal Services	100	Completed	A strategic human resources plan has been developed within Councils Resourcing Strategy
4.3.5	Implement incident management and safety software module	Director Internal Services	80	Progressing	Injury management system is in place. Safety Software module will be implemented in the 2019-20 year within the Tech1 project.
4.3.6	Implement priority actions from Workforce Management Plan	Director Internal Services	100	Completed	All priority actions completed.
4.3.7	Develop and implement a WHS framework	Director Internal Services	100	Completed	All actions have been completed to develop and implement the WHS framework for this year.
4.3.8	Increase participation in staff health and well being activities and initiatives	Director Internal Services	100	Completed	Relevant actions identified for this year have been completed.
4.3.9	Provide University scholarships and TAFE awards	Director Internal Services	100	Completed	Completed
4.3.10	Implement the Culture Change program	Director Internal Services	100	Completed	The relevant program actions have been completed.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy	4.3 Council has sound organisational health and has a culture which promotes action, innovation, accountability and transparency				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.3.11	Develop and implement a training plan across organisation	Director Internal Services	100	Completed	Actions required for the year complete.
4.3.12	Integrate IMS accreditation system across the Infrastructure Works Division	Director Assets and Infrastructure	100	Completed	Action completed in second quarter.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy	4.4 Provide a high level of customer service to the community				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.4.1	Develop complaint management framework by February 2019	Director Internal Services	95	Progressing	Complaints Management Policy was adopted at the November Council meeting 22/11/18 and communicated to all staff in December. The policy, procedure and customer feedback form need to be communicated further and training provided to customer service staff and other key personnel.
4.4.2	Develop and implement a Customer Service Framework	Director Internal Services	90	Progressing	Customer Service Policy adopted and charter being reviewed for appropriateness. CRM project review underway.
4.4.3	Undertake a training program of training for front of house customer service team	Director Internal Services	100	Completed	A number of training programs have been delivered to customer service staff this financial year, including Service NSW training to customer Service staff have participated in customer service training. Further regular training planned. Sure business continuity and backup for the Tumbarumba service centre. The Customer Service Work Improvement Team commissioned a Certificate III in customer service for a number of key front facing staff across the organisation.
4.4.4	Develop a mechanism to capture customer feedback	Director Internal Services	100	Completed	Feedback from customers is captured and distributed to key staff through council's website, Facebook page, info@svc.nsw.gov.au and at the front counter at both service centres and at our libraries.
4.4.5	Conduct a community satisfaction survey annually	General Manager	100	Completed	Community Satisfaction survey to be completed as part of the Service Level Review project in October. Community Satisfaction survey completed and reported to Council at 11 December 2018 Council Meeting as part of Service Level Review progress report.
4.4.6	Develop an internal communications strategy	General Manager	80	Progressing	This project has been scoped and costed and will be rolled out to the organisation in the first half of 19/20.
4.4.7	Implement telephony data capture to support improved customer service	Director Internal Services	0	Not Progressing	This project has been scoped and costed and will be rolled out to the organisation in the first half of 19/20.
4.4.8	Develop an internal knowledge base for use across by customer service team	Director Internal Services	70	Progressing	Work has commenced on establishing a knowledge base to enable more customer resolutions at the first point of contact with the customer service team. This project is a component of the upgrade of our Customer Request Management system and will be completed over a two year period ending 20/21.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy	4.5 Provide a high level of customer service to the community				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.5.1	Develop and implement an Enterprise Risk Management Framework	Director Internal Services	90	Progressing	The ERMF has been developed and will be implemented further throughout 19/20. All strategic, operational and project risks are being assessed and the risk register is a live continuously updated document.
4.5.2	Develop and implement a fraud and corruption framework	Director Internal Services	95	Progressing	The Fraud and Corruption Control Policy and communicated to all staff. Fraud prevention training to be delivered by ICAC.
4.5.3	Develop and implement a business continuity plan	Director Internal Services	90	Progressing	The BCP is in draft and due for implementation late 2019.
4.5.4	Undertake 3 internal audits annually	Director Internal Services	100	Completed	Three internal audits were undertaken for 2018-2019 being Information Technology Security Controls, Fraud and Corruption Control and Cost Allocation. Recommendations being implemented.
4.5.5	Implement actions from the Internal Audit and Improvement plan	Director Internal Services	100	Completed	Actions are implemented and reported quarterly through the Audit Risk and Improvement Committee.
4.5.6	Convene Internal Audit Committee meetings quarterly	Director Internal Services	100	Completed	Audit , Risk and Improvement Committee meetings were held as scheduled
4.5.7	Convene meetings for the Safety, Risk and Quality committee quarterly	Director Internal Services	100	Completed	Quarterly meetings convened.
4.5.8	Develop and implement a Volunteer Management Framework	Director Internal Services	70	Progressing	The development of Volunteer Management framework is scheduled for endorsement in August 2019 and adoption in November 2019. The Volunteer Management framework along with the S355 management framework will be implemented throughout 2020.
4.5.9	Provide support to volunteer groups and section 355 committees to manage risks	Director Internal Services	70	Progressing	The development of S355 Management framework is scheduled for endorsement in August 2019. The Management framework will be implemented throughout 2020.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy 4.6 Council builds strong relationships with other organisations to advocate for our communities					
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.6.1	Advocate for funding for children's services	Director Strategy, Community and Development	100	Completed	Ongoing and continued advocacy for further funding occurs throughout the year.
4.6.2	Review and update Advocacy Plan	General Manager	100	Completed	Review and update of the Councillor's Advocacy Plan will commence in October-November. The revised 2019 SVC Advocacy Plan was adopted by Council on 11 December 2018.
4.6.3	Advocate to expediate the construction of the new Tumut hospital	General Manager	100	Completed	Active advocacy occurred through out the year.
4.6.4	Lobby for the installation of overtaking lanes on the Snowy Mountains Highway to improve road safety	General Manager	100	Completed	Lobbying for funding will be ongoing. Council has included overtaking lanes on Snowy Mountains Highway west of Adelong within it's Advocacy Plan, and also included within Canberra Region Joint Organisations Roads Funding Prospectus.
4.6.5	Lobby to seek funding to improve timber haulage roads	General Manager	100	Completed	Lobbying for this funding will be ongoing. Requests for funding to improve timber haulage roads is incorporated into Councils Advocacy Plan and the Canberra Joint Organisation Integrated Road Register. Softwoods Working Group actively undertaking advocacy for Broadleaf Park and Bombowlee Creek Roads.
4.6.6	Lobby to obtain grant funding to upgrade Brindabella Road	General Manager	100	Completed	Lobbying for funding is ongoing. Brindabella Road has been included within Council's Advocacy Plan and within the Canberra Region Joint Organisation. Project has been forward to South East Australia Transport Strategy Inc for inclusion within the group's advocacy documentation. Business case supporting the development of the road has been completed. Further work on this project has been carried over to 2019 - 2020 Operational Plan.
4.6.7	Support actions to develop greater educational choice within Snowy Valleys Council	Director Strategy, Community and Development	100	Completed	Ongoing. These include, Transition to School programs, liaison with schools, involvement with the Community School Nurse initiative and sharing and participating in initiatives which support providing greater educational choice.
4.6.8	Maintain an active Regional Organisation membership	General Manager	100	Completed	Mayor, Councillors, GM and staff are active leading and participating in regional memberships.
4.6.9	Maintain active involvement with RDA Riverina and RDA Murray	Director Strategy, Community and Development	100	Completed	SVC has worked closely with both RDA's and will now look to become more involved with the southern inland RDA in line with the Canberra JO.

4. Communication and engagement (continued)

We have engaged communities that actively participates in local decision making

Strategy	4.6 Council builds strong relationships with other organisations to advocate for our communities				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
4.6.10	Advocate for a natural gas pipeline to Tumbarumba	Director Strategy, Community and Development	100	Completed	Council has actively advocated for a natural gas pipeline. This is not currently supported and advocacy will continue.
4.6.11	Advocate for a softwood 'centre of excellence'	Director Strategy, Community and Development	100	Completed	The government has announced support for this and delivery will commence via the softwoods working group in 2019/20.

5. Our infrastructure

We strive to continually improve our local infrastructure

Strategy 5.1 Provide a program to improve local roads					
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.1.1	Complete the 2017/2018 infrastructure maintenance and construction program	Director Assets and Infrastructure	100	Completed	Delivery of the annual maintenance and construction program included reconstruction works on Grahamstown Road, Brindabella Road, Forest Road, Yaven Creek Road, Wondolga Road, Cemetery Road, Wee Jasper Road, Coppabella Road and Courabyra Road. Other construction projects completed this year included the Khancoban Rose Garden , Tumbarumba Bike Pump Track and the new shared pathway along Adelong Creek.

Strategy 5.2 Provide well maintained safe, vibrant and accessible community spaces and facilities					
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.2.1	Maintain and improve public facilities, buildings, amenities within budget	Director Assets and Infrastructure	100	Completed	The completion of the annual program for the maintenance of public facilities including buildings and amenities included replacement of the Tumut Bull Paddock and the Tumbarumba Sportsfield playing surfaces along with the upgrade of the amenity buildings at Batlow, Adelong and Wynyard Street in Tumut. A new amenity building was also completed in Rosewood.
5.2.2	Manage Swimming Pools in accordance with NSW Government Practice Note 15 and Royal Lifesaving Society of Australia Guidelines.	Director Assets and Infrastructure	100	Completed	The Tumut, Adelong, Tumbarumba, Batlow and Khancoban community pools were open and fully operational for the full swim season. These pools are now be closed for the winter and are being readied for the next swim season.
5.2.3	Undertake a study to determine infrastucture improvements needed to support large scale event attraction, sporting and other	Director Assets and Infrastructure	100	Completed	Council has reviewed funding programs in line with Council resolution for the facilitation of the development of the next stage of the Regional Sporting Facility.

5. Our infrastructure (continued)

We strive to continually improve our local infrastructure

Strategy	5.3 Provide and partner with other agencies to deliver an effective, safe local transport network				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.3.1	Apply for Federal and State road safety/blackspot grants	General Manager	100	Completed	Successful in gaining funding for identified Black Spot on Brungle Road. Project scope to widen road and address road geometry issues
5.3.2	Implement actions from the Road Safety action plan	Director Assets and Infrastructure	100	Completed	Completed in the second quarter
5.3.3	Liaise with neighbouring councils and ACT Minister to lobby State and Federal Government for additional road funding	General Manager	100	Completed	The General Manager, Mayor and Councillors have been actively lobbying all levels of Government for funding to improve the local transport network. This lobbying is ongoing.
5.3.4	Advocate for funding to improve local transport network including rail links, heavy haulage roads and the Tumut Aerodrome	General Manager	100	Completed	The General Manager, Mayor and Councillors have been actively lobbying all levels of Government for funding to improve the local transport network. This lobbying is ongoing.
5.3.5	Advocate for upgrades to the Talbingo to Batlow road link to better accommodate the Snowy 2.0 project	General Manager	100	Completed	Lobbying for funding of works is ongoing. Upgrades of the Talbingo and The upgrade of Brindabella Road has been incorporated into Councils Advocacy Plan.
5.3.6	Continue lobbying efforts for funding for urgent safety improvements to the Brindabella Road	General Manager	100	Completed	Design plans have been completed between section of Goodradigbee Bridge to Picadilly Circus. Work has been included within Council's Advocacy Plan and has been forwarded to the South East Australia Transport Strategy Inc for inclusion as a priority project.

5. Our infrastructure (continued)

We strive to continually improve our local infrastructure

Strategy	5.4 Provide a program to deliver and improve public amenities and infrastructure which meets an acceptable community standard				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.4.1	Implement adopted Asset Management Framework	Director Assets and Infrastructure	100	Completed	The adopted Asset Management Strategy and associated policies have guided Council's implementation of capital works programs and maintenance works.
5.4.2	Develop portfolio Asset Management Plans for Transport, Water, Sewer, Stormwater, Buildings, Open Spaces, Plan and Fleet and Waste Services	Director Assets and Infrastructure	80	Progressing	The portfolio of plans are being aligned with the service review plans that are currently being developed.
5.4.3	Develop and implement Management Plans for public parks, gardens and reserves	Director Assets and Infrastructure	80	Progressing	The management plans for public parks, gardens and reserves are nearing finalisation
5.4.4	Operate airfields in compliance with CASA regulations	Director Assets and Infrastructure	100	Completed	Airfields operated in accordance with regulations.
5.4.5	Advocate for the establishment of a main water connection from Mannus Lake to Tumbarumba	General Manager	80	Progressing	Ongoing opportunities to seek funding for this project are actively being pursued.

5. Our infrastructure (continued)

We strive to continually improve our local infrastructure

Strategy 5.5 Provide infrastructure which encourages the use of sustainable transport such as cycleways and rail trails					
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.5.1	Manage footpaths and cycleways in accordance with Asset Management Plans	Director Assets and Infrastructure	100	Completed	Ongoing. Paths and cycle ways inspected and managed.
5.5.2	Develop concept plans for walkways and cycle way extensions across town and villages	Director Assets and Infrastructure	10	Progressing	The concept plans will be informed by the service management plans which are currently being finalised.
5.5.3	Seek funding opportunities to enhance cycleways and railtrails	Director Assets and Infrastructure	100	Completed	\$40,000 funding for Boundary Street cycleway from Active Communities received for 2019/20
5.5.4	Partner with local organisations to lobby for the formalisation of recreational motorcycling tracks	Director Strategy, Community and Development	50	Progressing	Ongoing - Work in progress to formalise recreational motorcycle tracks.

5. Our infrastructure (continued)

We strive to continually improve our local infrastructure

Strategy	5.6 Provide high quality, safe and accessible open spaces and places for active and passive recreation				
2018/19	Operational Plan Activity	Authorising Officer	Progress	Status	Comment
5.6.1	Review and implement the Capital Sports Grants Program	Director Strategy, Community and Development	100	Completed	All projects were completed as part of the 2018/2019 sports grants.
5.6.2	Seek funding opportunities to enhance active and passive recreation opportunities	Director Assets and Infrastructure	100	Completed	SCCIF Projects drafted for round \$2.4m.
5.6.3	Review off leash designated areas across the Council areas	Director Assets and Infrastructure	10	Progressing	Review commenced. Dependent on Open Space Maintenance Plan
5.6.4	Develop service level agreements for open spaces	Director Assets and Infrastructure	80	Progressing	Service plans nearing finalisation
5.6.5	Develop Plans of Management for community lands to enable increased accessibility and enjoyment	Director Assets and Infrastructure	80	Progressing	Service plans nearing finalisation
5.6.6	Seek funding to improve accessibility	Director Assets and Infrastructure	100	Completed	Funding programs identified and applied for to improve accessible for all personnel in line with Councils disability access inclusion plan. Additional funding programs and projects being reviewed to provide shovel ready programs for future submission opportunities.
5.6.7	Undertake assessment of all council managed Crown Lands and investigate transfer of ownership to Council where deemed appropriate	Director Assets and Infrastructure	80	Progressing	Service plans nearing finalisation



Major projects program

2018 - 2019

Major projects program – 2018-2019

PROJECT	LOCATION	BUDGET	STATUS	
Adelong Creekscape Upgrade	Adelong	\$515,000	Progressing	Pathway work complete. Stage 2 scope currently being developed with planting to commence Spring 2019
Brungle Playground Improvements	Brungle	\$5,000	Completed	Completed December 2018
Batlow CBD Masterplan and Amenity	Batlow	\$540,000	Progressing	Community consultation completed. Consultant has been engaged to review, update and stage the existing CBD Master Plan. The Stage 1 CBD improvement will involve kerb, guttering and drainage items.
Batlow Cannery Demolition	Batlow	\$500,000	Progressing	Property purchased. EOI submissions have been received. Structural and environmental assessments complete with draft reports received.
Tumbarumba Creekscape and Showground	Tumbarumba	\$1,425,000	Progressing	Project to proceed based upon original budget. Construction to be scheduled for winter period. Play equipment has been ordered. Shade sail complete. Installation of turf postponed until after winter period. Tender for amenities to be issued to market w/c 1/7/19.
Jingellic Multi Use Track	Jingellic	\$35,000	Progressing	Construction has commenced.
Rosewood Golf Club	Rosewood	\$236,266	Completed	Completed April 2019.
Tooma Recreational Area Improvements	Tooma	\$80,000	Completed	Complete.
Tumut Pool - Stage 1	Tumut	\$1,008,000	Progressing	DA requirement assessment being undertaken. Intent to procure as a D&C. Tender design package to be released to market w/c 1/7/19.
Tumut Montreal Community Theatre Upgrade	Tumut	\$381,000	Progressing	Roof complete. Quotes being sourced for toilets (DA required). Comments on plans from Noel Thomson has been received by Allspec. Once plans are finalised comprehensive quotes will be sought. Successful quote will submit DA and manage project. Toilets construction forecast August 19.
Khancoban General Store	Khancoban	\$199,000	Progressing	SH2.0 have withdrawn interest. Residual funds can be utilised to remediate issues within the shop. SOW to be developed.
Brindabella Road Futures Plan	Tumut	\$308,000	Completed	Complete December 2018

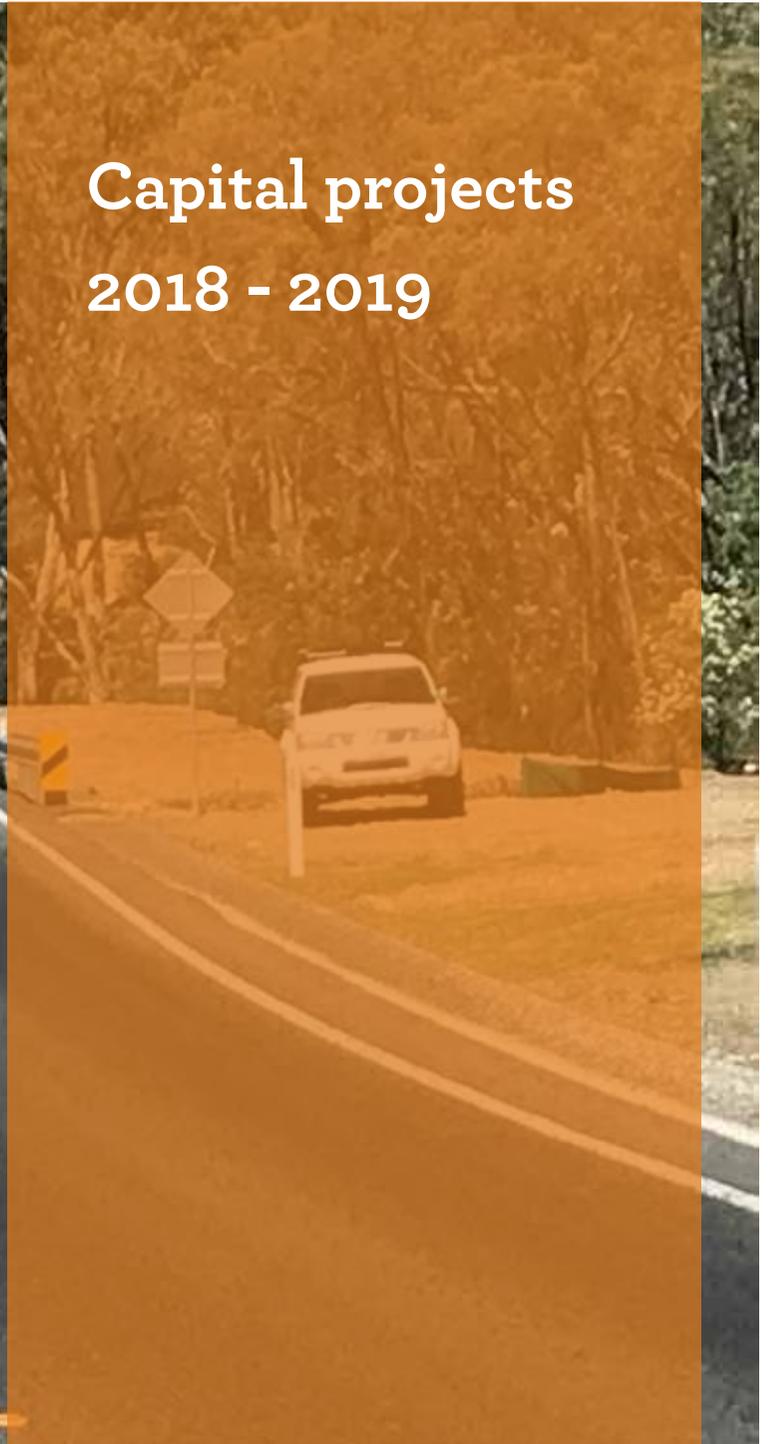
Major projects program – 2018-2019 (continued)

PROJECT	LOCATION	BUDGET	STATUS	
Talbingo Improvements to Public Areas	Talbingo	\$200,000	Progressing	Tender period closes 28/6/19. Scope may have to be reduced in light of available budget.
Tumbarumba Playground	Tumbarumba	\$80,000	Progressing	Project to proceed based upon original budget. Construction to be scheduled for winter period. Play equipment has been ordered. Shade sail complete.
Tumbarumba Mountain Bike Track	Tumbarumba	\$40,000	Progressing	MOU executed. Works being managed by Cycle Tumba with notice to Council. Works underway with target completion Jun 19
Adelong Caravan Park Redevelopment	Adelong	\$266,841	Progressing	Compliance audit planned for March 2019 to develop scope of works for redevelopment
Tumbarumba Creek Caravan Park Upgrade Stage 1	Tumbarumba	\$2,369,379	Progressing	\$1,040,000 Grant \$1,329,379 Council Funds On track for completion February 2019
Rosewood Beautification Playground Equipment	Rosewood	\$110,000	Progressing	Equipment currently being purchased
Tumut CBD Development Accessibility and Amenity	Tumut	\$1,760,000	Progressing	Purchase of land process is currently being undertaken
Batlow Library	Batlow	\$1,000,000	Progressing	Process currently underway to develop concept design for 2 options. New Build or extension onto current facility
Tumbarumba Pump Track	Tumbarumba	\$149,500	Completed	Complete December 2018
Tumbarumba Sports Ground Upgrade	Tumbarumba	\$308,000	Completed	Complete
Tumut Bull Paddock Upgrade	Tumut	\$297,130	Completed	Complete
Tumut Bull Paddock Upgrade Car park	Tumut	\$130,000	Completed	Complete
Tumbarumba – Rosewood Rail Trail	Tumbarumba	\$5,700,000	Progressing	INSW have acknowledged milestones need to be reset. Additional \$800k funding has been received as part of NCIF2. Request to Aust Govt has been submitted for additional \$2.6m (CPI increase and essential scope not included in original funding). Landowner consultation ongoing ahead of construction commencement. Construction commenced March 19.

PROJECT	LOCATION	BUDGET	STATUS	
Batlow Caravan Park Upgrade	Batlow	\$723,000	Progressing	Strategy to be developed re existing Lessee & future lease opportunities. Audit compliance report complete. Caravan park strategy report underway with GM & Mayor briefed. SOW being developed for remediation of BCP utilising findings from the compliance audit.
Khancoban Streetscape	Khancoban	\$395,000	Progressing	Tender period closes 28/6/19.



Capital projects 2018 - 2019



Capital projects - 2018-2019

DESCRIPTION	BUDGET	STATUS	COMMENT
DRAINAGE			
Tumbarumba Stormwater	\$189,455		Construction to begin July 2019
Pioneer St Stormwater	\$30,000		Carried over. Immediate work addressed within year, this amount is for stage 2
SW Campbell/Gilmore & Glen	\$60,000		Carried over. Immediate work addressed within year, this amount is for stage 2
FACILITIES			
Tumbarumba WTS Shed Extension	\$31,675		Carried over, pending outcome of the Waste Strategy
Tumbarumba Retirement Village Land	\$11,273		
Showground - New PA	\$17,676		
RSL Hall/ Youth Room	\$7,000		Carried over
Khancoban Cemetery Fence	\$10,000		Carried over, construction to begin in July 2019
Jingellic Toilet Improvements	\$65,000		Carried over, issues currently around access, licensing and user agreements.
IWD Depot Renewals	\$143,715		
Goldfields Memorial Plinth	\$10,050		
Carcoola Weather Structure	\$22,077		
Carcoola Childcare Flooring	\$15,000		
Building Renewals	\$250,000		
Batlow Works Depot	\$90,000		In progress at year-end
Batlow Hockey Amenities	\$10,000		Carried over, work to be completed once neighbouring SCCF projects have completed.
PARKS			
Tumut Caravan Pk Shade	\$10,000		
Tumbarumba Playground Fence	\$10,000		Carried over, fence to be constructed post SCIF playground construction.
Tumbarumba Creek Bank Stabilisation	\$100,000		
Towong Reserve - Toilet	\$21,590		
Talbingo Hand Rail	\$40,000		
Stockwell Park Stabilisation	\$55,000		
Riverglade Amenities Upgrade	\$77,000		
Playground Replace Program	\$30,000		Carried over, some work to be completed under SCIF.
Mannus Lake Foreshore Infrastructure	\$14,047		
Khancoban Pondage Improvement	\$15,085		
Khancoban Boat Ramp Reserve	\$10,000		

Capital projects - 2018-2019

DESCRIPTION	BUDGET	STATUS	COMMENT
Glenroy Reserve Access Ramp	\$15,000		Carried over, due to major project prioritisation
Bottlebrush Playground Replacement	\$35,000		
Bollard Replace Batlow	\$60,000		
ROADS			
Wondalga Road Pavement	\$187,000		
Wondalga Rd (ForestryLink)	\$250,000		Carried over, prelim design completed and further funding being sought
Wee Jasper Road S3 Twomeys Lane	\$687,960		
Tooma Road - Priority Sections	\$180,000		
Rural Roads Culvert Renewals	\$400,000		
Tintaldra Bridge/Culvert	\$252,475		Environmental assessment and design complete, remainder carried for November 2019 construction
Neill St Footpath	\$50,000		
Munderoo-Ournie Road	\$180,000		
Maragle Road	\$140,000		Majority of work complete, remainder carried for completion
Lowthers Lane US Pavement Renewal	\$90,000		Low use – low priority road. Culvert renewed. Repairs to be undertaken with regular maintenance.
Lacmalac - Bombowlee Av Intersection	\$150,000		Carried over, negotiating Land acquisition and redesign
King Street (Bridge & Selwyn)	\$120,000		
Khancoban Cemetery Carpark	\$43,640		In progress at year-end
Heavy Patching/Reseal Program	\$1,082,068		
Grahamstown Road Rehabilitation	\$595,000		
Forest/Banksia Intersection	\$275,000		
Fergusons Bridge	\$400,000		Environmental assessment and design complete, remainder carried for November 2019 construction
Elm Drive - Traffic & Drainage	\$150,000		Carried over, delay in delivery of Road Safety plan.
Courabyra Road	\$564,000		
Coppabella Road	\$749,650		
Brungle Rd Blackspot	\$250,000		
Brindabella Rd	\$345,406		
Boundary St Tumut	\$120,000		Carried over, low priority in terms of asset condition and works program priority.
Boundary St Tumbarumba	\$270,000		In progress at year-end
Adelong Cemetery Rd Works	\$105,341		

Capital projects - 2018-2019

DESCRIPTION	BUDGET	STATUS	COMMENT
SEWER			
STP Renewals	\$145,000		
SCADA Expansion (Tumbarumba / Khancoban)	\$150,000		Carried over, multi-year, multi stage project.
Mains Relining and Vents	\$465,000		
Mains Extension (Byatt / Booth)	\$150,000		Carried over, survey and design required to meet renewal needs
WATER			
WTP Renewals	\$55,000		
SCADA Expansion (Tumbarumba / Khancoban)	\$150,000		Carried over, multi-year, multi stage project.
Mains Renewal	\$435,000		



2018-19
Funding from
Grants

Stronger Communities Fund, Stronger Country Communities Fund and New Council Implementation Fund projects

LOCATION	PROJECT	FUNDING SOURCE	DUE DATE	COUNCIL OR COMMUNITY LED	PROJECT BUDGET
Adelong	Improving Water Temperature at Adelong Community Aquatic Centre	DPC Stronger Country Communities Fund	31/10/2020	Council	\$78,954
Adelong	Rural Ratepayer projects / initiatives – Yaven Creek Road	OLG Stronger Communities Fund	30/06/2020	Council	\$490,000
Adelong	Town Wi-Fi Upgrades	OLG Stronger Communities Fund	30/06/2020	Council	\$10,000
Adelong	Tourism projects / planning	OLG Stronger Communities Fund	30/06/2020	Council	\$25,000
Adelong	Main St Façade Improvements	OLG Stronger Communities Fund	30/06/2020	Council	\$100,000
Adelong	Walking Tracks – Signage	OLG Stronger Communities Fund	30/06/2020	Council	\$20,000
Adelong	Repair, upgrade and extend facilities at Adelsonia Theatre	DPC Stronger Country Communities Fund	31/10/2020	Community	\$320,731
Adelong	Playground Equipment Upgrades	OLG Stronger Communities Fund	30/06/2020	Council	\$100,000
Adelong	Repairs and Upgrade to Adelong Showground	DPC Stronger Country Communities Fund	31/10/2020	Community	\$308,634
Batlow	Cannery Site – Planning / Business Case development	OLG Stronger Communities Fund	30/06/2020	Council	\$200,000
Batlow	Tourism projects / planning	OLG Stronger Communities Fund	30/06/2020	Council	\$20,000
Batlow, Talbingo	Playground Equipment Upgrades	OLG Stronger Communities Fund	30/06/2020	Council	\$50,000
Batlow, Brungle, Tumut, Talbingo	Town Wi-Fi Upgrades	OLG Stronger Communities Fund	30/06/2020	Council	\$40,000
Gilmore	Repairs and Renovations to Gilmore Hall	DPC Stronger Country Communities Fund	31/10/2020	Community	\$50,000
Jingellic	Pedestrian Bridge over Horse Creek	OLG Stronger Communities Fund		Council	\$30,000
Jingellic	Jingellic Show Ground Water Bore and Irrigation	DPC Stronger Country Communities Fund	31/10/2020	Community	\$90,604
Khancoban	Pool shade sails	OLG Stronger Communities Fund	30/06/2020	Council	\$40,000
Khancoban / Tumbarumba	Town Wi-fi Upgrades	OLG Stronger Communities Fund	30/06/2020	Council	\$25,000
Snowy Valleys	Repositioning of Snowy Valleys Way	OLG Stronger Communities Fund	30/06/2020	Council	\$50,000
Snowy Valleys	Implementation of new SVC Destination Brand and Marketing Strategy	OLG Stronger Communities Fund	30/06/2020	Council	\$100,000
Talbingo	Resurfacing with Synthetic Grass of Two Tennis Courts at Talbingo Country Club	DPC Stronger Country Communities Fund	31/10/2020	Community	\$57,091
Talbingo	Disability Renovations for Country Club	DPC Stronger Country Communities Fund	31/10/2020	Community	\$16,645
Talbingo	Talbingo Walking Path	DPC Stronger Country Communities Fund	31/10/2020	Council	\$350,000
Tooma	Tooma Amenity / Appearance	OLG Stronger Communities Fund	30/06/2020	Council	\$30,000
Tumbarumba	New Toilet Block and Kitchen Upgrade – Tumbarumba Tennis Club	DPC Stronger Country Communities Fund	31/10/2020	Community	\$64,103

LOCATION	PROJECT	FUNDING SOURCE	DUE DATE	COUNCIL OR COMMUNITY LED	PROJECT BUDGET
Tumbarumba	Tourism App	OLG Stronger Communities Fund	30/06/2020	Council	\$20,000
Tumbarumba	Historical Walking Tracks	OLG Stronger Communities Fund	30/06/2020	Council	\$40,000
Tumbarumba	Rail Trail Additional Funds	OLG Stronger Communities Fund	30/06/2020	Council	\$800,000
Tumbarumba	Link with Mountain Biking	OLG Stronger Communities Fund	30/06/2020	Council	\$350,000
Tumbarumba	Carcoola – New Kitchen and Dining Room	OLG Stronger Communities Fund	30/06/2020	Council	\$80,000
Tumbarumba	Upgraded learn to swim pool / water play pool	DPC Stronger Country Communities Fund	31/10/2020	Council	\$928,000
Tumut	Tumut Skate Park Redevelopment	DPC Stronger Country Communities Fund	31/10/2020	Council	\$67,146
Tumut	Regulate Water temperature of the Tumut Pool	DPC Stronger Country Communities Fund	31/10/2020	Council	\$204,000
Tumut	Pump Track and Cycling Initiatives	OLG Stronger Communities Fund	30/06/2020	Council	\$500,000
Tumut	Jack Ryan Memorial and centenary WW1 project	OLG Stronger Communities Fund	30/06/2020	Council	\$10,000
Tumut	Upgrade Facilities at Thomas Boyd Tack Head	DPC Stronger Country Communities Fund	31/10/2020	Community	\$22,923
Tumut	Rugby League Change Rooms – Twickenham Oval	DPC Stronger Country Communities Fund	31/10/2020	Community	\$250,000
Tumut	Resurface Three Tennis Courts – Tennis Club	DPC Stronger Country Communities Fund	31/10/2020	Community	\$87,000
Snowy Valleys Council	Integrated Systems and Work Processes	OLG New Council Implementation Fund	30/06/2020	Council	\$850,000
Snowy Valleys Council	Preparation of New Local Environmental Plan	OLG New Council Implementation Fund	30/06/2020	Council	\$100,000
Snowy Valleys Council	Preparation of Development Control Plan	OLG New Council Implementation Fund	30/06/2020	Council	\$100,000
Snowy Valleys Council	Culture Program and Capability Development	OLG New Council Implementation Fund	30/06/2020	Council	\$120,000
Snowy Valleys Council	Service Level Review and Improvement Program	OLG New Council Implementation Fund	30/06/2020	Council	\$450,000
Snowy Valleys Council	Unification and Place Making	OLG New Council Implementation Fund	30/06/2020	Council	\$200,000
Snowy Valleys Council	Strategic Business Plans – Water, Sewer, Domestic Waste, Private Works	OLG New Council Implementation Fund	30/06/2020	Council	\$400,000
Snowy Valleys Council	Rate Harmonisation	OLG New Council Implementation Fund	30/06/2020	Council	\$100,000
Snowy Valleys Council	Client Business Environment Standardisation	OLG New Council Implementation Fund	30/06/2020	Council	\$500,000

Art and Cultural Development Grants

Snowy Valleys Council in partnership with Snowy Hydro is proud to offer an Arts and Cultural Development Grants Program to support our diverse and culturally rich region through community driven projects, initiatives and events that create opportunities for enriched arts and cultural experience within the community.

Adelong Falls Gold Mill Ruins Committee	The event will include five professional artists with experience in working outdoors and encouraging participants in using the available natural materials to produce unique ephemeral work.	\$2,150
Adelong Preschool	A cultural day for all students who attend school in Adelong. The day provides students with the opportunity to learn more about other countries and cultures	\$1,155
Franklin Public School	To host a band day for the small school bands situated within our shire to provide an opportunity for the bands to work together to develop their performance skills	\$2,000
Jack Ryan VC Statue Committee	Creation of a monument to honour the towns VC recipient Jack Ryan and the citizens who enlisted in WW1	\$5,000
Piano Australia	A Saturday afternoon performance from Ashley Hribar, an Australian concert pianist with international experience. A Sunday series of masterclasses for piano teachers and students.	\$1,785
Rosewood Community Fire shed Committee	To upgrade the Rosewood Gnome Home display which has grown into one of the largest collections of Gnome statues on display in NSW.	\$2,123
Talbingo Progress and Ratepayers Association	The Talbingo Tattoo provides entertainment for the whole family through pipe bands, Celtic Dancers, School Bands, Choirs, Brass Bands and local artists.	\$2,000
Tumbarumba Garden Club	Growing creations is a competition held in conjunction with the Tastebuds Festival. Entries of fine art with a garden them are displayed at suitable locations.	\$500
Tumut Potters	In consultation with Chris Harford (Potter) we plan to host a variety of workshops on a Saturday to span over three separate weekends.	\$2,315
Tumut Town Band	A collaborative musical performance supported by Tumut Town Band including Tumut Public School and Franklin Public School bands to be held at the Montreal Theatre.	\$972

Capital Sports Grants

Council's annual Sports Capital Projects grant program supports local sporting organisations improve their facilities, and ultimately their viability, through projects that would ordinarily be funded through fundraising efforts.

Applications are considered by the Tumut Sports Committee, of which more than 20 local sporting organisations are members.

Tumut Eagles Football Club	Two sets of portable Soccer Goal Posts	\$5,000
Batlow Golf Club	Purchase Trimax Sticker 190 model mower	\$6,000
Tumut Junior and Senior Cricket Association	Purchase Self Propelled Roller	\$11,565
Tumut and District Little Athletics Club	Discuss Cage	\$6,738
Whole Community Wellness centre	Computer, Sound System, Rowers	\$5,108

Tumbarumba Community Small Grants

The annual grants program is administered and funded through a partnership of Snowy Valleys Council, the Tumbarumba Bendigo Bank and the Hyne Community Trust.

The grant program provides a single avenue for community organisations in the Tumbarumba region to access funding up to the value of \$5,000 for their projects.

Tumbarumba Public School	Purchase of crockery for school breakfast	\$ 300
Tumbarumba Bridge Club	2018 16th Annual Bridge Congress	\$750
Tumbarumba P A & H Society	Trestle Table Top Replacement	\$5,000
Tumbarumba P A & H Society	2019 Show Entertainment	\$2,500
Tooma recreation Reserve Committee	Three Bridges @Tooma	\$2,000
Zone 20 Pony Club	2019 Tumbarumba Pony Club Camp	\$2,800
Jingellic & District P A & H Society	Lights, Sound, Arts!	\$4,000
Tumbarumba Golf Club	Kitchen Refurbishment	\$3,500
Tumbarumba Equine Club Inc	Improve & extend Water Taps & Outlets	\$1,800
Rosewood Golf Club	Electricity Upgrade	\$5,000
Tumbarumba Little Athletics	Equipment Upgrade	\$1,002
Friends of Tumbarumba Library	Community Reading Day & Giant Chess Set	\$2,000
Welaregang Country Golf Club	Kitchen Renovation	\$3,360
Rotary & Lions Clubs	Christmas Street Carnival	\$2,000
Tumbarumba Youth Council	Study with Jess	\$2,000
Tumbafest Committee	Children's Entertainment	\$2,500
Cycle Tumbarumba	Club Storage & Skills Equipment	\$1,400
Puggles	Puggles Teddy Bears Picnic	\$1,500
Tumbarumba Public School	150 Year Celebrations	\$1,000
Tumbarumba Indoor Soccer	Equipment & Freight Costs	\$500

Community Strengthening Grants – Tumut Region

Council endorsed \$60,000 of funds for projects that build more vibrant, sustainable and inclusive communities through the Snowy Valleys Council Community Strengthening Grants. These projects include:

Adelong Community Enterprises	Connecting Community and Creek	\$2,000
Adelong Preschool	Performance Stage for the Community	\$9,653
Birthing & Babies (BaBs)	Exploring the use of music education to enhance brain development and performance	\$1,922
Brungle Tumut Local Aboriginal Land council	Outdoor Community Meeting Area	\$15,000
Lions Club of Tumut	Shelter at the Junction	\$12,870
Talbingo Progress and Rate Payers Association	Production of radio advert and broadcast time for promoting Talbingo Tattoo	\$1,500
Tumut Golf Club	Cart Path Upgrade	\$3,000
Tumut Regional Family Services	Aboriginal Women's Regional Yarn Up	\$4,100
Tumut Town Band	Tumut Town Band Music Room Upgrade	\$10,000

Heritage Grants

The Local Heritage Grants Program encourages the conservation of heritage items within the Snowy Valleys Local Government Area and promotes a positive community attitude to heritage conservation.

There is a total of \$15,500 available made up of \$6,000 from the NSW Office of Environment & Heritage and \$9,500 from Snowy Valleys Council. In the 2018 – 2019 financial year, \$15,500 was awarded as follows.

Robert Blencowe	Roof replacement	\$5,000
Stephen & Paige Radford	Roof Restoration - high pressure clean, rescrew, seal and paint	\$3,300
Adelong Falls Gold Processing Site	To produce/publish a book - Adelong a Story in Gold	\$1,100
George & Judy Szymonicek	- remove and replace 3 damaged floorboards and a section of joist. - repair 2 chimneys by repointing and straightening of both chimneys.	\$3,600
Adelong Middle Pub	Install verandah hand rail and post. Replace balcony floor boards.	\$2,500

Statement of External Bodies, Companies and Partnerships

During 2019-19 22 external bodies were Section 355 Committees of Snowy Valleys Council.

SECTION 355 COMMITTEE	COMMITTEE FUNCTION
Adelong Showground	Delegated to care, control and manage the public reserve known as the Adelong Showground.
Batlow Development League	<p>The objectives of the Committee are:</p> <p>To provide civic leadership to the Batlow community</p> <ul style="list-style-type: none"> To stimulate the ongoing economic community, social and cultural prosperity of the community of Batlow and its environments. <p>With Sub-Committees to run:</p> <ul style="list-style-type: none"> Batlow Apple Blossom Festival Sub-Committee The Batlow Literacy Institute Management Sub-Committee A Youth Recreation (skate park) Sub-Committee A Batlow Youth Advancement League Ciderfest Sub-Committee Sound Shell Working Party <p>Other Sub-Committees as from time to time approved by Council</p>
Camp Hudson Committee	<p>The purpose of the committee is to manage the Camp Hudson facility by;</p> <ul style="list-style-type: none"> Ensuring Compliance with the terms and conditions of the Deed of Licence between Snowy Valleys Council and the Camp Hudson Management Committee. Assisting Snowy Valleys Council to comply with the terms and conditions of the Licence between the National Parks and Wildlife Services and Snowy Valleys Council
Christmas in Tumut Committee	<p>The Christmas in Tumut Committee is a committee of Council responsive to community needs. The effectiveness of the committee depends on community support. The committee aims to:</p> <ul style="list-style-type: none"> Raise the profile of Christmas within the region; Decorate the streets of Tumut in celebration of Christmas; Work with businesses and organisations to make the region more festive
Festival of the Falling Leaf	The purpose of the committee is to plan, organise and deliver a quality annual festival event within an approved budget for the whole of the Tumut region that provides a high value festival experience for both the community and visitors to the area
Friends of Stockwell Gardens	This Group aim to assist and advise Council with maintenance and improvement to Stockwell Park

SECTION 355 COMMITTEE	COMMITTEE FUNCTION
Glenroy Heritage Reserve Committee	This Committee has the responsibility for the care, control and management of the Glenroy Heritage Reserve, including letting, cleaning, maintenance and operations and the purchase of furniture and furnishings. Management of the Pioneer Women's Hut – Sub-Committee of Glenroy Heritage Reserve Committee
Khancoban Community Committee with Sub -Committees: Khancoban Op Shop Committee and Hall Committee KUVA	<p>Management of Khancoban Community Hall. Maintain management of hiring, bookings, key allocation, collection of money and supervisory cleaning after an event. To manage Community Hall and Bus. To fundraise from operations of an Opportunity shop in Khancoban for community benefit and Artisans Gallery By allowing the group to be a S.355 committee, Council will help to support:</p> <ul style="list-style-type: none"> • Participation in the community by residents • A more vibrant Khancoban town centre • A tourist attraction for visitors to the town
Mountain Landcare Committee - Tumbarumba	<p>The group sees their core business, as:</p> <ul style="list-style-type: none"> • Conservation of existing high value areas; such as the Police Paddock • Rehabilitation of damaged high conservation value areas; • Weed Management; • Rubbish/litter removal and prevention, reuse and recycling; • To provide education about environmental issues, threats to beautiful natural environment; Energy and Waste management
Rock the Turf Committee	The purpose of the committee is to plan, organise and deliver a quality annual festival event within an approved budget for the Snowy Valleys Council Region that provides a high value festival experience for both the community and visitors to the region.
Rosewood Community Shed Committee	To manage the facility known as the “old fire shed” for the community of Rosewood. This building is leased by the Council and committee to assist with payment of ongoing costs
Talbingo Progress & Ratepayers Association	<p>The objectives of the Committee is:</p> <ul style="list-style-type: none"> • To provide civic leadership to the Talbingo community • To stimulate the ongoing economic community, social and cultural prosperity of the community of Talbingo and its environs
Tooma Recreation Reserve Committee	Management of Tooma Reserve and Tooma Gymkhana
Tumbafest Committee	The role of the Tumbafest Section 355 Committee is to deliver a successful festival
Tumbarumba Airfield Committee	This Committee manages the operation of the Tumbarumba Authorised Landing Area
Tumbarumba Friends of the Library	To assist and encourage enhancement of the Tumbarumba Library and to raise funds to assist in the development of resources within the library

SECTION 355 COMMITTEE	COMMITTEE FUNCTION
Tumbarumba Historical Society	The Society's aim is to preserve Tumbarumba and district's history and the management and running of the Tumbarumba Museum
Tumbarumba Men's Shed	To manage the facility known as the Tumbarumba Men's Shed
Tumbarumba RSL Memorial Hall Management Committee	Management of the RSL community Hall and facilities
TumbaTrek Committee	<p>Tumbatrek was originally initiated in 1985 by the then Deputy Prime Minister and Member for Farrer, Tim Fischer.</p> <p>It went into recess in 2007 and was revived by the Member for Riverina, Michael McCormack MP in 2012.</p> <p>Politicians, members of organisations and community members are invited each year to take part in the Trek.</p> <p>Tumbatrek involves a gentle day's trekking in some of the most scenic parts of the former Tumbarumba Shire LGA with outstanding vistas close to some magnificent Upper Murray streams.</p> <p>The aim is to highlight the tourism aspect and provide an opportunity for informal discussion about issues that are important to rural people</p>
Tumut Community Gardens Committee	This committee is a group of interested gardeners wishing to grow fresh produce, vegetables and flowers in companion planting in a synthetic, pesticide and herbicide free environment.
Tumut Community Transport Service	This service provides transport for people in our Communities, who are frail aged, people who have a disability, and for their carers



**Appendix 1:
Statutory
Reporting
2018-2019**

Overview

Snowy Valleys Council's general reporting requirements are set out in section 428 of the Local Government Act 1993 (the Local Government Act) and the Local Government (General) Regulation 2005 (Part 9, Division 7) (the Regulation). Copies of the Act and Regulation can be accessed from www.legislation.nsw.gov.au.

This section also meets Council's reporting requirements under the Companion Animals Act 1998 and Companion Animals Regulation 2008 and the Environmental Planning and Assessment Act 1979.

Rates and Charges Written Off

Local Government (General) Regulation 2005- Clause 132

Rates and Charges Written Off	
Category	Amount
General Fund Rates & Charges	Nil
Water Charges & Interest	\$22,146.03
Sewer Charges & Interest	\$8,798.86
Total	\$30,944.89
* Council receives a subsidy equivalent to 55 per cent of the amount of Pension Rebates.	

Overseas Visits

Local Government Act 1993 – Section 428(4)(b), Local Government (General) Regulation 2005 – Clause 217(1)(a)

The Act and Regulation require Council to report on overseas visits undertaken by Councillors, Council staff or other persons representing Council during the reporting period.

Council did not have any overseas visits.

Councillor Expenses and Provision of Facilities

Local Government (General) Regulation 2005 – Clause 217(1)(a1)

Council's Payment of Expenses and Provision of Facilities Policy allows for the payment of expenses incurred by, and the provision of facilities to, Councillors in relation to their roles as elected representatives and members of the governing body of Council.

The total amount of fees received by the elected Councillors was \$123,333.33

Councillor Expenses and Provision of Facilities	
Category	Amount
Office Equipment	\$0
Telephone Calls/Communication	\$0
Conference, Seminar and training courses	\$67,551.04
Interstate Visits	\$0
Overseas Visits	\$0
Spouse Expenses	\$0
Carer Expenses	\$0
Other (includes catering, memberships, printing, travel reimbursement.)	\$44,245.38
Total	\$111,796.42

Contracts

Local Government (General) Regulation 2005 – Clause 217(1)(a2)

Council is required to disclose the details of each contract awarded for amounts greater than \$150,000, including the name of the contractor, the nature of goods or services supplied, and the total amount payable under the contract. The following major contracts for works and services that were awarded during the reporting period are detailed below.

Contracts		
Contractor Name	Contract Description	Contract Value
Adaptive Interiors	Riverina Highlands Building refurbishment	\$518,063
Excel Turf Pty Ltd	Bull Paddock and Tumbarumba Sports field resurfacing, irrigation and drainage	\$598,000
Insituform Pty Ltd	Sewer main relining Tumut, Tumbarumba and Khancoban	\$182,396
Container Build Group and Moxom Brothers Building Contractors	Tumbarumba Caravan Park Camp Kitchens	\$224,800
Specialise Geo Pty Ltd	Alpine Way Slope remediation	\$778,910
Common Ground Trails Pty Ltd	Design and Construction of Tumut bike Pump Track	\$270,000
Excel Turf Pty Ltd	Tumbarumba Showground resurfacing, irrigation and drainage	\$450,000

Mayor and Councillor Professional Development

Local Government (General) Regulation 2005 Clause 2171 A4

Across 2018-19 the Councillors completed the following training:

Service Level Review

Company Directors Course

Women in Local Government Forum

Energy and Innovation Conference (REROC)

Regions Rising 2019 Conference

Strategic Planning

Local Government NSW Annual Conference

Country Mayor Association AGM

Snowy Region Construction and Development Conference

Mayors weekend seminar

Legal Proceedings

Local Government (General) Regulation 2005 – Clause 217(1)(a3)

Council is required to provide a summary of the amounts incurred in relation to legal proceedings, including amounts, costs and expenses paid or received, and a summary of the state of progress of each legal proceeding.

A total of \$110,215.51 was incurred for legal fees during the 2018-19 financial year.

Legal Proceedings	
Category	Amount
General	\$29,772.61
Debt Collection	\$41,520.82
Real Estate	\$38,922.08
Total	\$110,215.51

Subsidised Private Works

Local Government (General) Regulation 2005 – Clause 217(1)(a4)

In 2018-19, Council conducted works on private land with regard to garbage collection, grading of driveways, sealing of driveways, slashing, mowing, tree planting, tree removal, weed spraying, industrial road sweeping and pothole repairs.

All private works carried out were in accordance with Councils 2018-19 Fees and Charges Schedule.

Council did not wholly or partially subsidise any of the works.

Financial Assistance to Others

Local Government (General) Regulation 2005 – Clause 217(1)(a5)

During 2018-19, Council made a total of \$65,528.80 in assistance, contributions and donations.

Financial Assistance to Others	
Category	Amount
Gifts & Donations - Rates/Water	\$1,830.78
Reimbursement Rates/Water	\$15,887.12
Scholarship	\$9,545.45
Donations - Schools	\$1,365.45
Sponsorship - Riding Disabled	\$500.00
Sponsorship - Basketball	\$300.00
Sponsorship - Kokoda	\$2,500.00
Tumbafest	\$8,000.00
Nursery (Water Usage)	\$4,520.00
Service Clubs	\$1,080.00
Community Grants	\$20,000.00
Total	\$65,528.80

Delegated External Bodies

Local Government (General) Regulation 2005 - Clause 217(1)(a6)

Listed on Page 70 of Annual Report.

Controlling Interest in Companies

Local Government (General) Regulation 2005 - Clause 217(1)(a7)

Snowy Valleys Council does not currently have a controlling interest in any companies, but is a shareholder in the Southern Phone company.

Participation in Corporations, Partnerships, Joint Ventures or Other Bodies

Local Government (General) Regulation 2005 – Clause 217(1)(a8)

During 2018/2019, Council has membership in the following organisations:

- Riverina Regional Library Service - Snowy Valleys Council has a joint library arrangement with the Riverina Regional Library Service, whereby the service undertakes to provide library services to the residents of the Snowy Valleys Council area. This service is provided by static libraries located in the townships of Adelong, Batlow, Talbingo, Tumbarumba and Tumut, and mobile library services in Khancoban, Jingellic, Rosewood and Tooma.
- Statewide Municipal Liability Scheme - This Scheme provides for pooling of Council's Public Liability and Professional Indemnity, Insurance and property premiums, together with those premiums payable by other Councils who have elected to participate. The Scheme deals with all Public Liability and Professional Indemnity and Property Claims received by Councils in the Scheme, and settlements, where appropriate up to a predetermined limit, are made from the pool of funds. Claims in excess of this limit are covered through re-insurance arrangements with insurance companies.
- Office of Environment and Heritage - Snowy Valleys Council is a partner with the Department of Environment and Conservation for the provision of the Tumut Region Visitor Information Centre. Council makes a contribution toward operations. The Centre is responsible to a joint Committee of Management.

- South West Waste Management Group - The South West Waste Management Group is a special multi-Council Committee established under Section 355 of the Local Government Act 1993.
- StateCover - Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity. StateCover is a company providing workers compensation insurance cover to the NSW Local Government industry and specifically Council.

Equal Employment Opportunity Management Plan

Local Government (General) Regulation 2005 - Clause 217(1)(a9)

Snowy Valleys Council is an equal opportunity employer. We value diversity and are committed to ensuring prospective and current employees of Council are treated on the basis of their true abilities and merit whilst ensuring a safe work environment free of discrimination, harassment and bullying.

During the last twelve months Council has been continuing to work through the process of implementing systems, policies and procedures incorporating Equal Employment Opportunity principles into Council systems, processes and decisions. Council's values of Respect, Safety and Integrity reinforce EEO principles and are built into on-boarding and recruitment processes to not only ensure equal opportunity within the process but to also recruit new employees who align with these values.

Our vision is that EEO principles will be intrinsic to the culture of our organisation and the way we work on a day to day basis and that the initiatives to enhance EEO are strongly linked to other related initiatives including Council's Disability Inclusion Action Plan.

Disability Inclusion Action Plan

Disability Inclusion Act 2014 – Clause 13(1)

The 2018-2019 financial year saw substantial progress with 20 out of 36 actions of the Disability Inclusion Action Plan commenced or completed. Much of this progress can be attributed to the Disability Inclusion Access Reference Group who have provided advice and support.

In addition, the progress of these actions has identified other issues for people with disability in the Snowy Valleys Council Local Government area, which the Disability Inclusion Access Reference Group have been working to address through Council.

As the program matures, and partners establish themselves in their roles and delivery capability, we expect to see further growth in the support provided through the disability Inclusion Action Plan.

General Manager and Senior Staff Remuneration

Local Government (General) Regulation 2005 - Clause 217(1)(b-c)(i-v)

Senior Staff Salaries	
Category	Amount
Number of senior staff positions, including General Manager	4
General Manager's salary and superannuation	\$292,475
Other Executive Staff Remuneration and superannuation	\$568,875
Total amount of any bonus payments, performance or other payments that do not form part of the salary component	\$0
Total employer's contribution to superannuation (salary sacrifice or employer's contribution)	\$72,247.98
Total value non-cash benefits	\$0
Total fringe benefits tax for non-cash benefits	\$14,248.94
Overseas visits by staff	Nil

Stormwater Management Services

Local Government (General) Regulation 2005 - Clause 217(1)(e)

Stormwater Management Services	
Stormwater drainage description	Expenditure
Forest/Banksia Intersection – Drainage	\$44,126.64
King Street (Bridge and Selwyn) – Drainage	\$29,275.82
Kent Street Stormwater	\$22,173.99
Total	\$95,576.45

Coastal Protection Services

Local Government (General) Regulation 2005 – Clause 217(1)(e1)

Council does not apply an annual charge for coastal protection services.

Planning Agreements

Environmental Planning and Assessment Act 1979 – Section 93G(5)

Council did not have any planning agreements in place during the reporting period.

Environmental Upgrade Agreements

Local Government Act 1993 – Clause 54D and 54P(1)

Council did not enter into any environmental upgrade agreements.

Services to Carers

Carers Recognition Act 2010 (CR Act), s 8(2)

Council is not considered to be a 'human service agency' under the CR Act.

Companion Animal Management

Local Government (General) Regulation 2005 – Clause 217(1)(f)

This statement requires Council to report its activities in enforcing and ensuring compliance with the Companion Animals Act 1998 and Companion Animals Regulation 2008.

INFRINGEMENT NOTICES	2016/17	2017/18	2018/19
Companion Animals	131	90	150
Parking	11	5	1
Other	5	1	43
Value of PINS	\$50,114	\$36,090	\$94,835

DOGS	2016/17	2017/18	2018/19
Dogs impounded	193	93	98
Dogs in deposit box	137	94	160
Released to Owner	49	62	75
Dogs found on street & returned to owner	19	109	47
Dogs released to Rescue	168	119	172
Euthanised	31	8	5
Euthanasia Percentage	8.88%	2.7%	4.5%
Escaped	0	0	0
DOG ATTACKS	2016/17	2017/18	2018/19
Reported	74	59	38
CATS	2016/17	2017/18	2018/19
Cats impounded	253	54	23
Cats in deposit box	228	228	134
Cats found on street & returned to owner	14	11	6
Feral	242	71	17
Cats released to Rescue	148	200	129
Euthanised	317	71	17
Euthanasia Percentage	65.9%	25.2%	11.03%
Escaped	1	0	0
STRAY STOCK	2016/17	2017/18	2018/19
During working hours	57	43	128
After Hours	39	40	101

Inspections of Private Swimming Pools

Swimming Pools Regulation 2018 - Clause 23

The number of swimming pools inspected over the 2018/19 financial year were:

Number of non-compliant pool certificates - 7

Number of compliant pool certificates - 7

Number of tourist and visitor accommodation – 1

Inspections of Private Swimming Pools	
Type	Number
Inspections of tourist and visitor accommodation	0
Inspections of premises with more than 2 dwellings	0
Inspections that resulted in issuance a certificate of compliance under section 22D of the Act: 28 (This figure includes the inspections of tourist and visitor accommodation)	38
Inspections that resulted in issuance a certificate of non-compliance under clause 18BA of the Regulation	4

Special Variations

Local Government Act 1993 – Section 508a

2018-19 was the Fourteenth year of Council's Special Rate Variation commitments. The following projects were completed during the financial year. These projects were chosen to minimise public risk and catch up on priority works previously unfunded.

Special Variations	
Job descriptions	Expenditure
Kerb and Gutter Boggamilla Rd	\$5,070.83
Roads Brungle Creek Tasma St Ware St Neill St reconstruction	\$65,875.18
Parks Stockwell Gardens and Golden Gully Park Improvements	\$17,247.50
Total	\$89,193.51

Government Information (Public Access) Act

Government Information (Public Access) Act 2009, s 125(1) Government Information (Public Access) Regulation 2018, cl 8, Schedule 2

Clause 7A: Details of the review carried out by the agency under section 7(3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Schedule 2: Statistical Information about Access Applications

Statistical Information about GIPA Act access applications is outlined in the tables below:

Table A: Number of applications by type of application and outcome*										
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn	Total	% Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	5	0	0	0	0	0	0	0	5	30%
Members of the public (application by legal representative)	6	0	0	0	0	0	0	0	6	35%
Members of the public (other)	5	0	1	0	0	0	0	0	6	35%
Total	16	0	1	0	0	0	0	0	17	100%
% Total	94%	0%	6%	0%	0%	0%	0%	0%		

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome										
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn	Total	% Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	15	1	0	0	0	0	0	0	16	94%
Access applications that are partly personal information applications and partly other	1	0	0	0	0	0	0	0	1	6%
Total	16	0	1	0	0	0	0	0	17	
% of Total	94%	0%	6%	0%	0%	0%	0%	0%		
* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).										

Table C: Invalid applications	
Reason for Invalidity	Number of Applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is recorded (but only once per application). This also applies in relation to Table N.	

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of times consideration used
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	2
Environmental, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0
Total	2

Table F: Timeliness		
	Decision varied	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	15	100%
Decided after 35 days (by agreement with the applicant)	0	0%
Not decided within timeframe (deemed refusal)	0	0%
Total	15	0

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	0	0

*The Information Commissioner does not have the authority to vary decisions but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access applications relates (see section 54 of the Act)	0
Total	0

Table I: Applications transferred to other agencies	
	Number of applications transferred
Agency-Initiated Transfers	0
Applicant-Initiated Transfers	0
Total	0

Public Interest Disclosures Act

Statistical Information on Public Interest Disclosures

Public Interest Disclosures Regulation 2011 cl 4(2) (a)-(c)

The Protected Disclosures Act 1994 provides protection for people who come forward with information about the following serious matters concerning the way agencies operate:

- Corrupt conduct
- Maladministration
- Serious and substantial waste of public money.

For more information on the Protected Disclosures Act 1994, visit the NSW Ombudsman's website: www.ombo.nsw.gov.au/complaints/protectdisclosure.

There were no disclosures made during the 2018/2019 year as per report submitted to the Ombudsman on 30 July 2019.

Statistical Information on Public Interest Disclosures	
July 2018 - June 2019	
Number of public officials who made PIDs	3
Total number of PIDs received by Snowy Valleys Council	1
Of the total received, the number in each of the following categories:	
• Corrupt conduct	3
• Maladministration	0
• Serious and substantial waste	0
• Government intervention contravention	0
• Local government pecuniary interest contravention	0
Number of PIDs finalised in this reporting period	0

Council has an internal reporting policy.



**Appendix 2:
Audited Financial
Statements
2018-2019**

Snowy Valleys Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019



Snowy Valleys Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

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

76 Capper St, Tumut
Winton St, Tumbarumba

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

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

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

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

Snowy Valleys Council

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Snowy Valleys Council

General Purpose Financial Statements

for the year ended 30 June 2019

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 October 2019.



James Hayes
Mayor
24 October 2019



John Larter
Councillor
24 October 2019



Matthew Hyde
General Manager
24 October 2019



Sarah Pentland
Responsible Accounting Officer
24 October 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
Revenue:				
16,796	Rates and annual charges	3a	16,714	16,125
12,284	User charges and fees	3b	15,068	15,957
821	Interest and investment revenue	3c	1,640	1,364
739	Other revenues	3d	1,186	1,307
8,457	Grants and contributions provided for operating purposes	3e,3f	17,385	10,834
7,365	Grants and contributions provided for capital purposes	3e,3f	4,794	6,082
46,462	Total income from continuing operations		56,787	51,669
Expenses from continuing operations				
16,619	Employee benefits and on-costs	4a	18,209	18,408
–	Borrowing costs	4b	508	649
10,475	Materials and contracts	4c	15,852	14,837
11,336	Depreciation and amortisation	4d	11,603	10,541
4,347	Other expenses	4e	4,865	4,775
–	Net losses from the disposal of assets	5	2,541	1,084
–	Revaluation decrement / impairment of IPP&E	4d	–	4,046
42,777	Total expenses from continuing operations		53,578	54,340
3,685	Operating result from continuing operations		3,209	(2,671)
3,685	Net operating result for the year		3,209	(2,671)
3,685	Net operating result attributable to Council		3,209	(2,671)
(3,680)	Net operating result for the year before grants and contributions provided for capital purposes		(1,585)	(8,753)

(1) The Council has not restated comparatives when initially applying AASB 9 *Financial Instruments*. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

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

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		3,209	(2,671)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain on revaluation of IPP&E	10(a)	2,918	5,521
Total items which will not be reclassified subsequently to the operating result		2,918	5,521
Total other comprehensive income for the period		2,918	5,521
Total comprehensive income for the year		6,127	2,850
Total comprehensive income attributable to Council		6,127	2,850

(1) The Council has not restated comparatives when initially applying *AASB 9 Financial Instruments*. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*.

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

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	10,619	12,674
Investments	6(b)	38,734	34,963
Receivables	7	8,350	6,826
Inventories	8a	188	274
Other	8b	52	173
Total current assets		<u>57,943</u>	<u>54,910</u>
Non-current assets			
Receivables	7	11	11
Inventories	8a	147	147
Infrastructure, property, plant and equipment	10(a)	573,668	570,637
Investment property	11a	340	–
Intangible assets	12	764	922
Total non-current assets		<u>574,930</u>	<u>571,717</u>
TOTAL ASSETS		<u>632,873</u>	<u>626,627</u>
LIABILITIES			
Current liabilities			
Payables	13	2,610	2,349
Income received in advance	13	429	–
Borrowings	13	1,367	1,260
Provisions	14	5,826	5,054
Total current liabilities		<u>10,232</u>	<u>8,663</u>
Non-current liabilities			
Borrowings	13	7,791	9,159
Provisions	14	167	249
Total non-current liabilities		<u>7,958</u>	<u>9,408</u>
TOTAL LIABILITIES		<u>18,190</u>	<u>18,071</u>
Net assets		<u>614,683</u>	<u>608,556</u>
EQUITY			
Accumulated surplus	15a	604,487	601,278
Revaluation reserves	15a	10,196	7,278
Council equity interest		<u>614,683</u>	<u>608,556</u>
Total equity		<u>614,683</u>	<u>608,556</u>

(1) The Council has not restated comparatives when initially applying *AASB 9 Financial Instruments*. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*.

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 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		601,278	7,278	608,556	603,949	1,757	605,706
Net operating result for the year		3,209	–	3,209	(2,671)	–	(2,671)
Other comprehensive income							
– Gain on revaluation of IPP&E	10(a)	–	2,918	2,918	–	5,521	5,521
Other comprehensive income		–	2,918	2,918	–	5,521	5,521
Total comprehensive income		3,209	2,918	6,127	(2,671)	5,521	2,850
Equity – balance at end of the reporting period		604,487	10,196	614,683	601,278	7,278	608,556

(1) The Council has not restated comparatives when initially applying AASB 9 *Financial Instruments*. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

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 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
16,796	Rates and annual charges		16,504	16,230
12,284	User charges and fees		14,500	15,132
821	Investment and interest revenue received		1,588	1,294
15,822	Grants and contributions		23,041	17,380
740	Other		3,241	3,498
<u>Payments</u>				
(16,338)	Employee benefits and on-costs		(18,013)	(18,675)
(13,210)	Materials and contracts		(17,448)	(16,992)
–	Borrowing costs		(507)	(610)
–	Bonds, deposits and retention amounts refunded		(62)	(57)
(1,754)	Other		(5,489)	(4,546)
15,161	Net cash provided (or used in) operating activities	16b	17,355	12,654
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of investment securities		15,925	31,401
–	Sale of real estate assets		172	201
–	Sale of infrastructure, property, plant and equipment		680	832
<u>Payments</u>				
–	Purchase of investment securities		(19,696)	(30,280)
–	Purchase of investment property		(340)	–
(20,027)	Purchase of infrastructure, property, plant and equipment		(14,890)	(14,177)
–	Purchase of real estate assets		–	(8)
(20,027)	Net cash provided (or used in) investing activities		(18,149)	(12,031)
Cash flows from financing activities				
<u>Payments</u>				
(1,083)	Repayment of borrowings and advances		(1,261)	(1,189)
(1,083)	Net cash flow provided (used in) financing activities		(1,261)	(1,189)
(5,949)	Net increase/(decrease) in cash and cash equivalents		(2,055)	(566)
11,601	Plus: cash and cash equivalents – beginning of year	16a	12,674	13,240
5,652	Cash and cash equivalents – end of the year	16a	10,619	12,674
Additional Information:				
36,335	plus: Investments on hand – end of year	6(b)	38,734	34,963
41,987	Total cash, cash equivalents and investments		49,353	47,637

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

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 24 October 2019. Council has the power to amend and reissue these financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not for-profit entity.

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

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 21 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 15.

(b) Historical cost convention

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

(c) 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:

- estimated fair values of investment properties – refer Note 11
- estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- estimated tip remediation provisions – refer Note 14
- employee benefit provisions – refer Note 14.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

- General purpose operations
- Water service
- Sewerage service
- Domestic Waste Management

Due to their immaterial value and nature the following Committees, Entities and Operations have been excluded from consolidation:

- Batlow Development League
- Talbingo Progress Association
- Festival of the Falling Leaf
- Rock the Turf
- Glenroy Recreation Reserve
- Khancoban Community Hall
- Khancoban Op Shop
- Tumbarumba Voices
- Tumbarumba Men's Shed
- Tumbarumba Friends of the Library
- Pioneer Women's Hut
- RSL Youth Council
- Tooma Recreation Reserve
- Tumbarumba Historical Society
- Rosewood Community Shed
- Khancoban Artisans Gallery

Total income from continuing operations \$277,094

Total expenses from continuing operations \$280,430

Total net assets held (i.e. equity) \$316,227

(b) The Trust Fund

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

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

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

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

AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will not (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

Council's activities as a lessor are not material and hence Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contract costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The impact of AASB15 is yet to be determined but based on preliminary assessments to date it is not expected to have a material impact on council's overall financial position, financial performance or cashflow.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The specific impacts of AASB1058 for Council is yet to be determined but based on preliminary assessments to date it is not expected to have a material impact on council's overall financial position, financial performance or cashflow.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

The specific impacts of AASB2018-8 for Council is yet to be determined but based on preliminary assessments to date it is not expected to have a material impact on council's overall financial position, financial performance or cashflow.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

Notes to the Financial Statements
for the year ended 30 June 2019

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Towns and Villages	4,344	4,364	6,482	6,250	(2,138)	(1,886)	2,862	2,979	18,683	17,531
Growth Through Innovation	861	1,111	3,203	7,332	(2,342)	(6,221)	27	–	9,612	2,132
Our Natural Environment	13,126	11,951	12,502	14,025	624	(2,074)	85	132	124,841	154,307
Communications and Engagement	22,860	16,866	8,285	9,174	14,575	7,692	12,583	5,594	60,522	51,460
Our Infrastructure	15,596	17,377	23,106	17,559	(7,510)	(182)	4,551	5,165	419,215	401,197
Total functions and activities	56,787	51,669	53,578	54,340	3,209	(2,671)	20,108	13,870	632,873	626,627

Notes to the Financial Statements

for the year ended 30 June 2019

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

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

Towns and Villages

A sense of community and belonging, where people are friendly and support each other
Retention of the local identity for each town and village
Fair resource allocation across the Snowy Valleys region
Services which support wellbeing for local people such as libraries, childcare and aged care
Preservation and celebration of local history and heritage
Promotion and support of arts and cultural activities
Events which bring people together and promote the offerings of the region

Growth Through Innovation

Support for existing industries, as well as initiatives to attract new employment opportunities across the region
Tourism initiatives to attract more people to the area and in turn boost the local economy
Initiatives to attract young families to the area to create a more diverse demography
Sustainable tourism initiatives which boost the economy and promote sustainable living
Support for small business and a reduction in red tape when dealing with government agencies
Improved telecommunication services including mobile phone reception and high speed internet access

Our Natural Environment

To protect the natural environment and promote its beauty to locals and visitors
Opportunities to make use of the natural environment for sustainable recreation activities
To ensure the cleanliness of local waterways, lakes and streams

Communications and Engagement

Councillors, the Council executive and staff to be accessible and open to listening
To be communicated to in a timely manner on all Council decisions
Additional communication in the context of the recent merger and as the new Council becomes established
Opportunities to be actively involved in engagement activities which inform Council decision making
Opportunities to be involved in committees which provide direct advice to Council on local issues

Our Infrastructure

Improved roads, amenities, infrastructure and facilities which meet community needs
Reliable waste and sewage services
Continuation of resource allocation towards sports grounds and facilities to enable recreation activities
Improvements to sustainable transport infrastructure including walking tracks and cycleways
Initiatives to encourage sustainable transport options for locals including public transport
Continued access to local swimming pools

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	4,160	3,895
Farmland	3,927	3,840
Business	958	948
Less: pensioner rebates (mandatory)	(235)	(306)
Rates levied to ratepayers	8,810	8,377
Pensioner rate subsidies received	129	103
Total ordinary rates	8,939	8,480
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	1,843	1,828
Stormwater management services	41	35
Water supply services	1,261	1,062
Sewerage services	4,256	4,104
Waste management services (non-domestic)	512	484
Annual charges levied	7,913	7,513
Pensioner subsidies received:		
– Water	55	45
– Sewerage	52	44
– Domestic waste management	57	43
Less Pensioner Rebates	(302)	–
Total annual charges	7,775	7,645
TOTAL RATES AND ANNUAL CHARGES	16,714	16,125

Council has used 2017 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates. The contribution from the NSW Government has previously been recognised as a grant and the 2018 comparative figures have been adjusted.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Domestic waste management services	10	7
Water supply services	3,144	3,289
Sewerage services	490	27
Trade waste services	26	11
Total specific user charges	3,670	3,334
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation	315	315
Private works – section 67	1,382	1,641
Section 10.7 certificates (EP&A Act)	65	40
Section 603 certificates	36	36
Total fees and charges – statutory/regulatory	1,798	2,032
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	223	252
Library and art gallery	14	12
RMS (formerly RTA) charges (state roads not controlled by Council)	8,105	8,849
Swimming centres	68	52
Aged related services	126	93
Gravel sales	108	167
Sporting facilities fees	49	11
Waste transfer station fees	15	78
Childrens services fees	407	505
Caravan park lease	186	163
Tumbafest ticket sales and charges	53	115
Community transport	100	124
Other	146	170
Total fees and charges – other	9,600	10,591
TOTAL USER CHARGES AND FEES	15,068	15,957

Accounting policy for user charges and fees

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	80	73
– Cash and investments	1,560	1,291
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>1,640</u>	<u>1,364</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	80	73
General Council cash and investments	1,025	953
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	7	7
– Section 64	74	73
Water fund operations	161	78
Sewerage fund operations	221	120
Domestic waste management operations	55	40
Tumbarumba Retirement Village	17	20
Total interest and investment revenue	<u>1,640</u>	<u>1,364</u>

Accounting policy for interest and investment revenue

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(d) Other revenues		
Rental income – other council properties	448	490
Fines	63	44
Legal fees recovery – rates and charges (extra charges)	34	104
Sales – general	505	588
Other	136	81
<u>TOTAL OTHER REVENUE</u>	<u>1,186</u>	<u>1,307</u>

Accounting policy for other revenue

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

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

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	2,144	2,037	–	–
Financial assistance – local roads component	687	675	–	–
Payment in advance - future year allocation				
Financial assistance	2,935	2,779	–	–
Total general purpose	5,766	5,491	–	–
Specific purpose				
Bushfire and emergency services	44	335	–	–
Community care	4,151	1,342	3,636	883
Heritage and cultural	1,928	349	96	70
Recreation and culture	28	–	25	604
Street lighting	46	46	–	–
Transport (roads to recovery)	1,817	–	–	1,021
Transport (other roads and bridges funding)	1,778	1,332	793	2,397
Total specific purpose	9,792	3,404	4,550	4,975
Total grants	15,558	8,895	4,550	4,975
Grant revenue is attributable to:				
– Commonwealth funding	8,852	5,541	–	–
– State funding	6,355	3,346	–	3,954
– Other funding	351	8	4,550	1,021
	15,558	8,895	4,550	4,975

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	–	7
S 64 – water supply contributions		–	–	38	6
S 64 – sewerage service contributions		–	–	65	10
Total developer contributions – cash		–	–	103	23
Total developer contributions	24	–	–	103	23
Other contributions:					
Cash contributions					
Recreation and culture		22	61	–	–
RMS contributions (regional roads, block grant)		1,167	1,448	–	1,084
Other		378	111	141	–
Rural fire service (zone HQ)		142	107	–	–
Vehicle usage contribution		118	152	–	–
Diesel rebate		–	60	–	–
Total other contributions – cash		1,827	1,939	141	1,084
Total other contributions		1,827	1,939	141	1,084
Total contributions		1,827	1,939	244	1,107
TOTAL GRANTS AND CONTRIBUTIONS		17,385	10,834	4,794	6,082

Accounting policy for grants and contributions

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

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	1,796	1,711
Add: operating grants recognised in the current period but not yet spent	3,666	100
Less: operating grants recognised in a previous reporting period now spent	(3,304)	(15)
Unexpended and held as restricted assets (operating grants)	2,158	1,796
Capital grants		
Unexpended at the close of the previous reporting period	12,464	13,878
Add: capital grants recognised in the current period but not yet spent	2,640	195
Add: capital grants received for the provision of goods and services in a future period	–	389
Less: capital grants recognised in a previous reporting period now spent	(1,533)	(1,998)
Unexpended and held as restricted assets (capital grants)	13,571	12,464
Contributions		
Unexpended at the close of the previous reporting period	3,223	3,137
Add: contributions recognised in the current period but not yet spent	–	86
Add: contributions received for the provision of goods and services in a future period	277	–
Less: contributions recognised in a previous reporting period now spent	(4)	–
Unexpended and held as restricted assets (contributions)	3,496	3,223

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	15,286	14,944
Employee termination costs	13	50
Travel expenses	51	43
Employee leave entitlements (ELE)	1,913	1,661
Superannuation	1,684	1,675
Workers' compensation insurance	303	520
Fringe benefit tax (FBT)	81	81
Payroll tax	49	47
Training costs (other than salaries and wages)	228	209
Other	154	173
Total employee costs	19,762	19,403
Less: capitalised costs	(1,553)	(995)
TOTAL EMPLOYEE COSTS EXPENSED	18,209	18,408
Number of 'full-time equivalent' employees (FTE) at year end	213	228

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

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

(b) Borrowing costs**(i) Interest bearing liability costs**

Interest on loans	508	649
Total interest bearing liability costs expensed	508	649
TOTAL BORROWING COSTS EXPENSED	508	649

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	13,551	12,654
– Sealing contract	851	1,061
– Implementation fund consultancies	667	726
– Stronger communities infrastructure consultancies	406	53
Auditors remuneration ²	198	134
Legal expenses:		
– Legal expenses: debt recovery	–	28
– Legal expenses: other	75	114
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	104	67
Total materials and contracts	<u>15,852</u>	<u>14,837</u>
TOTAL MATERIALS AND CONTRACTS	<u>15,852</u>	<u>14,837</u>

Accounting policy for operating leases

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

1. Operating lease payments are attributable to:

IT Equipment	104	67
	<u>104</u>	<u>67</u>

2. Auditor remuneration

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

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

Audit and review of financial statements	103	78
Remuneration for audit and other assurance services	<u>103</u>	<u>78</u>

Total Auditor-General remuneration

	<u>103</u>	<u>78</u>
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Other audit and assurance services	95	56
Remuneration for audit and other assurance services	<u>95</u>	<u>56</u>

Total remuneration of non NSW Auditor-General audit firms

	<u>95</u>	<u>56</u>
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Total Auditor remuneration

	<u>198</u>	<u>134</u>
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		1,587	1,703
Office equipment		19	72
Furniture and fittings		23	36
Land improvements (depreciable)		–	2
Other Assets - Library Collection		1	–
Other Assets		21	–
Infrastructure:			
– Buildings – non-specialised		957	756
– Buildings – specialised		382	247
– Other structures		362	314
– Roads		3,746	3,578
– Bridges		505	489
– Footpaths		208	211
– Other road assets		363	353
– Stormwater drainage		307	306
– Water supply network		1,203	1,042
– Sewerage network		1,376	1,084
– Other open space/recreational assets		331	181
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	10(a),14	12	6
– Quarry assets	10(a),14	43	3
Intangible assets	12	157	158
Total gross depreciation and amortisation costs		11,603	10,541
Total depreciation and amortisation costs		11,603	10,541
Impairment / revaluation decrement of IPP&E			
Plant and equipment		–	1,473
Infrastructure:			
– Other structures		–	278
– Water supply network		–	2,295
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		–	4,046
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	4,046
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E</u>		<u>11,603</u>	<u>14,587</u>

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPP&E assets and Note 12 for intangible assets.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

\$ '000	2019	2018
(e) Other expenses		
Advertising	288	545
Bank charges	72	83
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	428	375
– NSW rural fire service levy	–	55
– Tumut Visitor Centre	167	–
– Other contributions/levies	27	25
Councillors' expenses (incl. mayor) – other (excluding fees above)	257	282
Donations, contributions and assistance to other organisations	35	27
Electricity and heating	1,044	922
Insurance	759	926
Postage	51	63
Printing and stationery	184	169
Street lighting	21	48
Subscriptions and publications	526	429
Telephone and communications	270	241
Valuation fees	69	74
Stronger communities grants expenditure	90	466
Council Grant Programs	178	–
Other	399	45
Total other expenses	4,865	4,775
TOTAL OTHER EXPENSES	4,865	4,775

Accounting policy for other expenses

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Plant and equipment	10(a)		
Proceeds from disposal – plant and equipment		680	728
Less: carrying amount of plant and equipment assets sold/written off		(653)	(711)
Net gain/(loss) on disposal		<u>27</u>	<u>17</u>
Infrastructure	10(a)		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(2,680)	(1,329)
Net gain/(loss) on disposal		<u>(2,680)</u>	<u>(1,329)</u>
Real estate assets held for sale	8		
Proceeds from disposal – real estate assets		172	201
Less: carrying amount of real estate assets sold/written off		(60)	(77)
Net gain/(loss) on disposal		<u>112</u>	<u>124</u>
Investments	6(b)		
Proceeds from disposal/redemptions/maturities – investments		15,925	31,401
Less: carrying amount of investments sold/redeemed/matured		(15,925)	(31,401)
Net gain/(loss) on disposal		<u>–</u>	<u>–</u>
Non-current assets classified as ‘held for sale’	9		
Proceeds from disposal – non-current assets ‘held for sale’		–	104
Net gain/(loss) on disposal		<u>–</u>	<u>104</u>
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		<u>(2,541)</u>	<u>(1,084)</u>

Accounting policy for disposal of assets

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

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

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	749	7,356
Cash-equivalent assets		
– Deposits at call	9,870	5,318
Total cash and cash equivalents	<u>10,619</u>	<u>12,674</u>

Accounting policy for cash and cash equivalents

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	9,617	–	8,014	–
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	29,117	–	26,949	–
Total Investments	38,734	–	34,963	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	49,353	–	47,637	–
Financial assets at fair value through the profit and loss				
Investments in Treasury Corporation	9,617	–	8,014	–
Total	9,617	–	8,014	–
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	29,117	–	26,949	–
Total	29,117	–	26,949	–

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

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

Council's financial assets measured at fair value through profit or loss comprise investments in Treasury Corporation and other floating rate notes in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	49,353	–	47,637	–
Attributable to:				
External restrictions	31,829	–	28,235	–
Internal restrictions	15,917	–	17,035	–
Unrestricted	1,607	–	2,367	–
	<u>49,353</u>	<u>–</u>	<u>47,637</u>	<u>–</u>

\$ '000	2019	2018
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Details of restrictions

External restrictions – other

Developer contributions – general	348	252
Developer contributions – water fund	939	852
Developer contributions – sewer fund	2,208	2,119
Specific purpose unexpended grants	15,729	14,260
Water supplies	4,677	3,841
Sewerage services	5,669	4,716
Domestic waste management	1,389	1,325
Retirement village	717	717
Specific purpose contributions	49	49
Urban stormwater	104	104
External restrictions – other	<u>31,829</u>	<u>28,235</u>

Total external restrictions

<u>31,829</u>	<u>28,235</u>
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Internal restrictions

Plant and vehicle replacement	2,748	2,487
Employees leave entitlement	2,152	1,267
Carry over works	6,726	5,523
Aboriginal brungle reserve PW	45	45
Adelong showground reserve	10	10
Airfield	62	62
Public toilets	–	115
Scholarship	6	6
IWD surplus holding account	–	456
Tree management	–	39
Open space	–	107
Television services	–	71
Aerodrome obstacle lighting	60	60
Airfield reseals	60	60
Playground	–	77
Packards pit	40	40
Life long learner	2	1
Legal	105	105
IT	102	103
Other waste management	5	5
Quarry rehab and capital works	703	703
Tumbafest	60	83

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details (continued)

\$ '000	2019	2018
Television translator/radio	32	32
Replacement of office equipment	–	75
Community services	275	127
Capital projects reserve	–	1,271
Project development	98	76
Elections	–	72
Contingencies	500	508
Community development	–	32
Carpark improvements	–	112
Camp hudson	90	70
Emergency services	–	86
Bridge maintenance	–	57
Batlow literary institute	56	56
Xmas festivities	8	7
Youth council	9	8
Visy emergency works	–	160
Unit development	–	142
Tumut boys club	44	44
Third age group	3	3
Telstra tower	–	18
Telecentre	26	25
Talbingo reserve	123	124
Asset renewals reserve	88	88
IWD plant dividend	–	464
Insurance (risk management)	124	124
Swimming pools	312	312
Hazard reduction	52	53
Shire signage	–	84
Security deposits	9	9
Community Transport	826	357
Caravan park	80	77
Saleyards	37	38
General gravel pit	202	203
Real estate asset management	37	38
IWD dividend reserve	–	538
Other	–	120
Total internal restrictions	15,917	17,035
TOTAL RESTRICTIONS	47,746	45,270

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	657	11	447	11
Interest and extra charges	74	–	80	–
User charges and fees	3,085	–	4,808	–
Accrued revenues				
– Interest on investments	412	–	354	–
– Other income accruals	3,953	–	258	–
Government grants and subsidies	–	–	862	–
Net GST receivable	169	–	17	–
Total	8,350	11	6,826	11
TOTAL NET RECEIVABLES	8,350	11	6,826	11

Externally restricted receivables

Water supply

– Other	1,349	–	1,555	–
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Sewerage services

– Rates and availability charges	310	–	236	–
– Other	207	–	180	–

Domestic waste management

	166	–	156	–
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Total external restrictions	2,032	–	2,127	–
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Unrestricted receivables	6,318	11	4,699	11
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TOTAL NET RECEIVABLES	8,350	11	6,826	11
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\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	–	1
– amounts provided for but recovered during the year	–	(1)
Balance at the end of the period (calculated in accordance with AASB 9)	–	–

Accounting policy for receivables

Recognition and measurement

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 1 year past due, whichever occurs first.

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

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

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	131	147	192	147
Stores and materials	57	–	82	–
Total inventories at cost	188	147	274	147
TOTAL INVENTORIES	188	147	274	147
(b) Other assets				
Prepayments	52	–	173	–
TOTAL OTHER ASSETS	52	–	173	–

(i) Other disclosures

\$ '000	Notes	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Details for real estate development					
Residential		131	147	192	147
Total real estate for resale		131	147	192	147
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		51	147	78	147
Development costs		80	–	114	–
Total costs		131	147	192	147
Total real estate for resale		131	147	192	147
Movements:					
Real estate assets at beginning of the year		192	147	261	147
– Purchases and other costs		(1)	–	8	–
– WDV of sales (expense)	5	(60)	–	(77)	–
Total real estate for resale		131	147	192	147

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

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

\$ '000	2019	2018
Real estate for resale	74	104
	74	104

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Land held for resale/capitalisation of borrowing costs

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Non-current assets classified as held for sale

Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	2019 Assets 'held for sale'	2018 Assets 'held for sale'
Opening balance	–	72
Less: carrying value of assets/operations sold	–	(72)
Balance still unsold after 12 months:	–	–
Closing balance of 'held for sale' non-current assets and operations	–	–

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Notes to the Financial Statements
for the year ended 30 June 2019

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

	as at 30/6/2018			Asset movements during the reporting period									as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) investment properties	Revaluation -on decrements to equity (ARR)	Revaluation -on increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000															
Capital work in progress	133	–	133	1,511	–	–	–	(133)	–	–	–	–	1,511	–	1,511
Plant and equipment	19,955	(8,442)	11,513	2,605	124	(858)	(1,587)	–	–	–	–	–	20,466	(8,669)	11,797
Office equipment	1,438	(1,024)	414	–	–	(328)	(19)	–	–	–	–	–	871	(804)	67
Furniture and fittings	1,195	(824)	371	–	–	(72)	(23)	–	–	–	–	–	1,061	(785)	276
Land:															
– Operational land	6,609	–	6,609	–	280	(57)	–	–	–	–	–	–	6,832	–	6,832
– Community land	14,655	–	14,655	–	–	(181)	–	5	(5)	–	–	–	14,474	–	14,474
Land improvements – non-depreciable	222	–	222	153	–	–	–	–	–	–	–	–	375	–	375
Land improvements – depreciable	65	(2)	63	–	–	–	–	–	(63)	–	–	–	–	–	–
Infrastructure:															
– Buildings – non-specialised	46,581	(19,611)	26,970	1,097	–	(414)	(957)	–	107	(340)	–	449	47,049	(20,137)	26,912
– Buildings – specialised	16,752	(6,152)	10,600	554	484	–	(382)	–	(61)	–	–	23	17,751	(6,533)	11,218
– Other structures	13,665	(4,724)	8,941	208	41	(996)	(362)	–	(737)	–	–	–	11,629	(4,534)	7,095
– Roads	251,301	(74,991)	176,310	4,005	–	(357)	(3,746)	12	(118)	–	–	411	254,795	(78,278)	176,517
– Bridges	55,711	(24,000)	31,711	–	–	–	(505)	–	429	–	–	–	56,264	(24,629)	31,635
– Footpaths	14,746	(5,401)	9,345	135	50	–	(208)	–	(379)	–	–	–	14,482	(5,539)	8,943
– Kerb and gutter	27,700	(12,213)	15,487	187	–	–	(363)	–	134	–	–	–	28,020	(12,576)	15,444
– Bulk earthworks (non-depreciable)	108,842	–	108,842	1,352	–	–	–	–	902	–	–	–	111,096	–	111,096
– Stormwater drainage	36,491	(15,251)	21,240	96	–	–	(307)	–	27	–	–	12	36,628	(15,560)	21,068
– Water supply network	75,302	(27,466)	47,836	297	4	(58)	(1,203)	–	–	–	–	837	76,744	(29,031)	47,713
– Sewerage network	95,264	(30,274)	64,990	338	8	(12)	(1,376)	–	–	–	–	1,289	97,374	(32,137)	65,237
– Other open space/recreational assets	17,221	(3,265)	13,956	635	569	–	(331)	116	(224)	–	–	–	18,221	(3,500)	14,721
– Other infrastructure	5	–	5	–	–	–	–	–	(5)	–	–	–	–	–	–
Other assets:															
– Heritage collections	172	(18)	154	–	–	–	–	–	–	–	(154)	–	–	–	–
– Library books	25	(21)	4	–	–	–	(1)	–	–	–	–	–	25	(22)	3
– Other	114	–	114	–	–	–	(21)	–	(7)	–	–	–	107	(21)	86
Reinstatement, rehabilitation and restoration assets (refer Note 14):															
– Tip assets	238	(119)	119	–	–	–	(12)	–	–	–	–	51	220	(62)	158
– Quarry assets	76	(43)	33	–	500	–	(43)	–	–	–	–	–	577	(87)	490
Total Infrastructure, property, plant and equipment	804,478	(233,841)	570,637	13,173	2,060	(3,333)	(11,446)	–	–	(340)	(154)	3,072	816,572	(242,904)	573,668

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

Notes to the Financial Statements
for the year ended 30 June 2019

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

	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000															
Capital work in progress	239	–	239	–	133	–	–	–	(239)	–	–	–	133	–	133
Plant and equipment	20,262	(8,517)	11,745	2,774	54	(716)	(1,703)	(1,473)	–	832	–	–	19,955	(8,442)	11,513
Office equipment	1,576	(1,002)	574	–	–	–	(72)	–	–	(88)	–	–	1,438	(1,024)	414
Furniture and fittings	1,195	(788)	407	–	–	–	(36)	–	–	–	–	–	1,195	(824)	371
Land:															
– Operational land	7,645	–	7,645	–	–	(72)	–	–	–	(964)	–	–	6,609	–	6,609
– Community land	13,612	–	13,612	–	–	–	–	–	–	1,043	–	–	14,655	–	14,655
Land improvements – non-depreciable	1,063	(11)	1,052	100	122	–	–	–	–	(1,052)	–	–	222	–	222
Land improvements – depreciable	4,423	(1,521)	2,902	–	12	(37)	(2)	–	–	(3,110)	–	298	65	(2)	63
Infrastructure:															
– Buildings – non-specialised	54,627	(19,499)	35,128	264	130	(564)	(756)	–	–	(10,287)	–	3,055	46,581	(19,611)	26,970
– Buildings – specialised	17,447	(7,258)	10,189	368	1,246	(97)	(247)	–	181	772	(1,812)	–	16,752	(6,152)	10,600
– Other structures	6,071	(1,910)	4,161	117	131	(34)	(314)	(278)	40	6,361	(1,243)	–	13,665	(4,724)	8,941
– Roads	250,973	(73,892)	177,081	4,884	80	(248)	(3,578)	–	18	(1,927)	–	–	251,301	(74,991)	176,310
– Bridges	55,711	(23,511)	32,200	–	–	–	(489)	–	–	–	–	–	55,711	(24,000)	31,711
– Footpaths	12,300	(4,507)	7,793	219	10	(35)	(211)	–	–	1,569	–	–	14,746	(5,401)	9,345
– Bulk earthworks (non-depreciable)	107,813	–	107,813	1,104	8	(183)	–	–	–	100	–	–	108,842	–	108,842
– Stormwater drainage	36,351	(14,953)	21,398	37	113	(12)	(306)	–	–	10	–	–	36,491	(15,251)	21,240
– Water supply network	78,527	(27,125)	51,402	40	95	(22)	(1,042)	(2,295)	–	(342)	–	–	75,302	(27,466)	47,836
– Sewerage network	93,970	(29,478)	64,492	196	37	(14)	(1,084)	–	–	(740)	–	2,103	95,264	(30,274)	64,990
– Other open space/recreational assets	9,036	(3,976)	5,060	945	110	–	(181)	–	–	4,902	–	3,120	17,221	(3,265)	13,956
– Other infrastructure	338	(19)	319	–	–	–	–	–	–	(314)	–	–	5	–	5
– Kerb and gutter	20,261	(8,481)	11,780	688	125	(5)	(353)	–	–	3,252	–	–	27,700	(12,213)	15,487
Other assets:															
– Heritage collections	172	(18)	154	–	–	–	–	–	–	–	–	–	172	(18)	154
– Library books	25	(21)	4	–	–	–	–	–	–	–	–	–	25	(21)	4
– Other	111	(87)	24	–	107	–	–	–	–	(17)	–	–	114	–	114
Reinstatement, rehabilitation and restoration assets (refer Note 14):															
– Tip assets	239	(113)	126	–	–	(1)	(6)	–	–	–	–	–	238	(119)	119
– Quarry assets	76	(40)	36	–	–	–	(3)	–	–	–	–	–	76	(43)	33
Total Infrastructure, property, plant and equipment	794,063	(226,727)	567,336	11,736	2,513	(2,040)	(10,383)	(4,046)	–	–	(3,055)	8,576	804,478	(233,841)	570,637

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

Notes to the Financial Statements

for the year ended 30 June 2019

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

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 20
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	40 to 100	Drains	50 to 110
Bores	20 to 40	Culverts	50 to 110
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	45 to 75		
Pumps and telemetry	15 to 205		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	2 to 60	Bulk earthworks	Infinite
Sealed roads: structure	60	Swimming pools	50
Unsealed roads	7 to 30	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	40 to 80	Other infrastructure	20
Road subbase	200		
Kerb, gutter and footpaths	90		

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

Notes to the Financial Statements

for the year ended 30 June 2019

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

Land under roads

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

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

Land under roads acquired after 1 July 2008 is recognised in accordance with *AASB 116 Property, Plant and Equipment*.

Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

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

These assets are under the control of RFS to enable that service to comply with the Service Delivery contract with Council and have not been recognised in these statements.

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service assets including land, buildings, plant and vehicles.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
Plant and equipment	539	61	478	524	33	491
Land						
– Operational land	866	–	866	866	–	866
– Community land	260	–	260	260	–	260
– Improvements – non-depreciable	16	–	16	16	–	16
Other Structures	114	59	55	–	–	–
Buildings	2,021	863	1,158	2,028	824	1,204
Infrastructure	76,744	29,030	47,714	75,302	27,466	47,836
Total water supply	80,560	30,013	50,547	78,996	28,323	50,673
Sewerage services						
Plant and equipment	587	87	500	602	52	550
Land						
– Operational land	226	–	226	226	–	226
– Community land	135	–	135	135	–	135
– Improvements – non-depreciable	125	–	125	125	–	125
– Improvements – depreciable	–	–	–	6	1	5
Other Structures	147	49	98	–	–	–
Buildings	1,220	353	867	1,223	325	898
Infrastructure	97,374	32,136	65,238	95,265	30,274	64,991
Other assets	–	–	–	110	22	88
Total sewerage services	99,814	32,625	67,189	97,692	30,674	67,018
Domestic waste management						
Plant and equipment	18	2	16	18	–	18
Land						
– Operational land	436	–	436	436	–	436
– Improvements – non-depreciable	76	–	76	76	–	76
Buildings	1,431	304	1,127	1,320	240	1,080
Other structures	254	111	143	223	66	157
Other assets	468	99	369	485	152	333
Total DWM	2,683	516	2,167	2,558	458	2,100
TOTAL RESTRICTED I,PP&E	183,057	63,154	119,903	179,246	59,455	119,791

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	340	–
Reconciliation of annual movement:		
– Transfers from/(to) owner occupied (Note 10)	340	–
CLOSING BALANCE – INVESTMENT PROPERTY	340	–

(b) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2018 revaluations are not based on an independent assessment and valuation, however using market rental of \$340 per week, we have based Fair Market value on \$100 per \$100,000, thus \$340,000.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

(d) Leasing arrangements – Council as lessor

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	11	–
Total minimum lease payments receivable	11	–

Residential Tenancy Agreement commenced 5/4/2019 and is for a term of 12 months (ending 4/4/2020). Rent amount of \$340 per week is payable in advance (started 5/4/2019). A bond has also been paid of \$1360 on this property.

(e) Investment property income and expenditure – summary**Direct operating expenses on investment property:**

– that generated rental income	9	–
Net revenue contribution from investment property	9	–
Total income attributable to investment property	9	–

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	1,579	1,579
Accumulated amortisation	(588)	(430)
Accumulated impairment	(69)	(69)
Net book value – opening balance	922	1,080
Movements for the year		
– Amortisation charges	(157)	(158)
Closing values at 30 June		
Gross book value	1,579	1,579
Accumulated amortisation	(746)	(588)
Accumulated impairment	(69)	(69)
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	764	922
The net book value of intangible assets represents:		
– Software	764	922
	764	922

Accounting policy for intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	24	–	60	–
Accrued expenses:				
– Borrowings	77	–	86	–
– Salaries and wages	299	–	267	–
– Other expenditure accruals	1,673	–	1,334	–
Security bonds, deposits and retentions	529	–	591	–
Employee deductions	1	–	11	–
Other	7	–	–	–
Total payables	2,610	–	2,349	–
Income received in advance				
Payments received in advance	429	–	–	–
Total income received in advance	429	–	–	–
Borrowings				
Loans – secured ¹	1,367	7,791	1,260	9,159
Total borrowings	1,367	7,791	1,260	9,159
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>4,406</u>	<u>7,791</u>	<u>3,609</u>	<u>9,159</u>

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Water	612	2,860	590	3,421
Sewer	292	2,970	278	3,260
Payables and borrowings relating to externally restricted assets	904	5,830	868	6,681
Total payables and borrowings relating to restricted assets	904	5,830	868	6,681
Total payables and borrowings relating to unrestricted assets	3,502	1,961	2,741	2,478
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>4,406</u>	<u>7,791</u>	<u>3,609</u>	<u>9,159</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

\$ '000	as at 30/6/2018 Opening Balance	Cash flows	as at 30/6/2019 Closing balance
Loans – secured	10,419	(1,261)	9,158
TOTAL	10,419	(1,261)	9,158

\$ '000	as at 30/6/2017 Opening Balance	Cash flows	as at 30/6/2018 Closing balance
Loans – secured	11,608	(1,189)	10,419
TOTAL	11,608	(1,189)	10,419

\$ '000	2019	2018
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(c) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Credit cards/purchase cards	49	50
Total financing arrangements	49	50

Drawn facilities as at balance date:

– Credit cards/purchase cards	13	7
Total drawn financing arrangements	13	7

Undrawn facilities as at balance date:

– Credit cards/purchase cards	36	43
Total undrawn financing arrangements	36	43

Accounting policy for payables and borrowings

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

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

Payables

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

Finance leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Payables and borrowings (continued)

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Note 14. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	1,638	–	1,655	–
Long service leave	3,178	167	3,022	159
Other leave – TOIL	203	–	135	–
Sub-total – aggregate employee benefits	5,019	167	4,812	159
Asset remediation/restoration:				
Asset remediation/restoration (future works)	807	–	242	90
Sub-total – asset remediation/restoration	807	–	242	90
<u>TOTAL PROVISIONS</u>	<u>5,826</u>	<u>167</u>	<u>5,054</u>	<u>249</u>

(a) Provisions relating to restricted assets

There is an internally restricted reserve for employee liabilities of \$2.152M.

\$ '000	2019	2018
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(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	3,052	3,542
	<u>3,052</u>	<u>3,542</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

(c) Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	Other employee benefits	
2019				
At beginning of year	1,655	3,181	135	4,971
Additional provisions	1,187	627	496	2,310
Amounts used (payments)	(1,204)	(463)	(428)	(2,095)
Total ELE provisions at end of period	1,638	3,345	203	5,186
2018				
At beginning of year	1,646	3,565	89	5,300
Additional provisions	1,017	591	251	1,859
Amounts used (payments)	(1,008)	(975)	(205)	(2,188)
Total ELE provisions at end of period	1,655	3,181	135	4,971

\$ '000	Other provisions		Total
	Redundan- -cies	Asset remediation	
2019			
At beginning of year	–	332	332
Unwinding of discount	–	10	10
Other	–	465	465
Total other provisions at end of period	–	807	807
2018			
At beginning of year	420	338	758
– Revised discount rate	–	(11)	(11)
Amounts used (payments)	(420)	–	(420)
Other	–	5	5
Total other provisions at end of period	–	332	332

Nature and purpose of non-employee benefit provisions

Asset remediation

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

Accounting policy for provisions

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Provisions (continued)

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Notes to the Financial Statements

for the year ended 30 June 2019

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

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

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

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	10,619	12,674
Balance as per the Statement of Cash Flows		10,619	12,674
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		3,209	(2,671)
Adjust for non-cash items:			
Depreciation and amortisation		11,603	10,541
Net losses/(gains) on disposal of assets		2,541	1,084
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to Income Statement		–	4,046
Unwinding of discount rates on reinstatement provisions		10	(11)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(1,524)	127
Increase/(decrease) in provision for impairment of receivables		–	(1)
Decrease/(increase) in inventories		25	217
Decrease/(increase) in other current assets		121	(124)
Increase/(decrease) in payables		(36)	(909)
Increase/(decrease) in accrued interest payable		(9)	50
Increase/(decrease) in other accrued expenses payable		371	1,232
Increase/(decrease) in other liabilities		364	(183)
Increase/(decrease) in provision for employee benefits		215	(329)
Increase/(decrease) in other provisions		465	(415)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		17,355	12,654

Note 17. Interests in other entities

Subsidiaries, joint arrangements and associates not recognised

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

Name of entity/operation	Principal Activity/Type of entity	2019 Net Profit	2019 Net Assets
Riverina Regional Library	Provision of Library Services to member local government areas	\$76k	\$4.55M

Reasons for non-recognition

Council holds 10.76% equity share in Riverina Library and has assessed this as not material, hence not recognised.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Commitments

\$ '000	2019	2018
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(a) Capital commitments (exclusive of GST)

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

Property, plant and equipment

Plant and equipment	142	740
Open Space	720	–
Other Structures	480	–
Total commitments	1,342	740

These expenditures are payable as follows:

Within the next year	1,342	740
Total payable	1,342	740

Sources for funding of capital commitments:

Externally restricted reserve	1,200	–
Internally restricted reserves	142	740
Total sources of funding	1,342	740

Details of capital commitments

Plant & Equipment - Isuzu Tipper
 Tumut Bike Pump Track construction
 Tumbarumba Showground Resurfacing
 Khancoban Streetscape Upgrade
 Talbingo Beautification

(b) Operating lease commitments (non-cancellable)

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

Within the next year	1,342	740
Total non-cancellable operating lease commitments	1,342	740

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

IT Equipment including Servers, Laptops and PC's

Conditions relating to finance and operating leases:

- All finance agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised

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

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

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

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

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

Description of the funding arrangements.

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

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

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

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

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 215,645. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

Council's expected contribution to the plan for the next annual reporting period is \$248,343.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$325,800 as at 30 June 2019.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Contingencies and other assets/liabilities not recognised (continued)

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

(iii) Southern Phones

Council owns 2 ordinary (Class A) share and 1 redeemable preference share (Class B to ZZ) of Southern Phones a Company Limited by shares. The fair value of Southern Phones at 30 June 2019 is estimated to be approximately \$16.2 million with one ordinary share estimated at \$88K and one preference share estimated at \$55K.

As there is no active market for these shares and being assessed as not material, Council has elected not to recognise the fair value of shares in these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management

Risk management

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

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	10,619	12,674	10,619	12,674
Receivables	8,361	6,837	8,361	6,837
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	29,117	26,949	29,117	26,949
Fair value through profit and loss				
Investments				
– 'Held for trading'	9,617	8,014	9,617	8,014
Total financial assets	57,714	54,474	57,714	54,474
Financial liabilities				
Payables	2,610	2,349	2,610	2,349
Loans/advances	9,158	10,419	9,158	10,419
Total financial liabilities	11,768	12,768	11,768	12,768

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **'at fair value through profit and loss'** or (ii) **'available-for-sale'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

The risks associated with the instruments held are:

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

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

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 10% movement in market values	962	962	(962)	(962)
Possible impact of a 1% movement in interest rates	397	397	(397)	(397)
2018				
Possible impact of a 10% movement in market values	2,069	2,069	(2,069)	(2,069)
Possible impact of a 1% movement in interest rates	207	207	(207)	(207)

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(b) Credit risk

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

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

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

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	11	367	158	112	20	668
2018						
Gross carrying amount	11	197	142	88	20	458

Receivables - non-rates and annual charges

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

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	5,053	1,646	918	21	55	7,693
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2018						
Gross carrying amount	4,609	125	339	803	503	6,379
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Financial risk management (continued)

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2019							
Trade/other payables	0.00%	529	2,081	–	–	2,610	2,610
Loans and advances	6.23%	–	1,840	5,334	5,093	12,267	9,158
Total financial liabilities		529	3,921	5,334	5,093	14,877	11,768
2018							
Trade/other payables	0.00%	591	1,758	–	–	2,349	2,349
Loans and advances	5.78%	–	1,835	6,349	2,235	10,419	10,419
Total financial liabilities		591	3,593	6,349	2,235	12,768	12,768

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 21/06/2018 and is unaudited.

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

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

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

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	16,796	16,714	(82)	0% U
User charges and fees	12,284	15,068	2,784	23% F
Private works, water and sewer revenue greater than expected.				
Interest and investment revenue	821	1,640	819	100% F
Income realised from investment revenue exceeded expectation with Treasury Corporation providing higher yields than Term Deposits.				
Other revenues	739	1,186	447	60% F
Other revenues are higher than expected due to the classification of income for budget purposes being included in User Fees and Charges mainly for trust income as well as an increase in animal fines and domestic waste income.				
Operating grants and contributions	8,457	17,385	8,928	106% F
Additional grant funding was received from Round 2 of the Stronger Communities Infrastructure Fund and New Council Implementation Fund along with further funding for National Disaster Recovery (Flood Damage funding).				
Capital grants and contributions	7,365	4,794	(2,571)	(35)% U
Roads to Recovery Grant was budgeted as a capital grant but was recognised as an operating grant as per the Code of Accounting Practice. Grant funding for Rail Trail not recognised to the level expected.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	16,619	18,209	(1,590)	(10)% U
Impact from higher than expected private works above budget expectations, capital works program not being completed and recruitment of positions not budgeted for.				
Borrowing costs	-	508	(508)	∞ U
Borrowing costs were included in Other expenses budget				
Materials and contracts	10,475	15,852	(5,377)	(51)% U
Flood Recovery Expenditure (\$1.5M), Private Works (\$3M) and additional Implementation Fund not budgeted.				
Depreciation and amortisation	11,336	11,603	(267)	(2)% U
Other expenses	4,347	4,865	(518)	(12)% U
Grant expenditure not budgeted along with minor overspends in insurance, electricity, subscriptions, communications and marketing.				
Net losses from disposal of assets	-	2,541	(2,541)	∞ U
Disposal of assets are not budgeted.				
STATEMENT OF CASH FLOWS				
Net cash provided from (used in) operating activities	15,161	17,355	2,194	14% F
Additional private works and operating grants received.				
Net cash provided from (used in) investing activities	(20,027)	(18,149)	1,878	(9)% F
Net cash provided from (used in) financing activities	(1,083)	(1,261)	(178)	16% U
Loan payments not included in original budget				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement

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

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

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

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

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

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

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

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements						
Financial assets						
Other financial assets		30/06/19	–	9,617	–	9,617
Total financial assets			–	9,617	–	9,617
Infrastructure, property, plant and equipment						
	10(a)					
Plant and equipment		30/06/18	–	–	11,797	11,797
Office equipment		13/05/16	–	–	67	67
Furniture and fittings		13/05/16	–	–	276	276
Operational land		13/05/16	–	–	6,832	6,832
Community land		13/05/16	–	–	14,474	14,474
Land improvements non-depreciable		13/05/16	–	–	375	375
Land improvements – depreciable		30/06/18	–	–	–	–
Buildings – non-specialised		30/06/18	–	–	26,912	26,912
Buildings – specialised		30/06/18	–	–	11,218	11,218
Other structures		30/06/18	–	–	7,095	7,095
Roads		13/05/16	–	–	176,517	176,517
Bridges		13/05/16	–	–	31,635	31,635
Footpaths		13/05/16	–	–	8,943	8,943
Kerb and gutter		13/05/16	–	–	15,444	15,444
Bulk earthworks		13/05/16	–	–	111,096	111,096
Stormwater drainage		13/05/16	–	–	21,068	21,068
Water supply network		30/06/18	–	–	47,713	47,713
Sewerage network		30/06/18	–	–	65,237	65,237
Other open space/recreational assets		13/05/16	–	–	14,721	14,721
Other assets		13/05/16	–	–	89	89
Tips and quarries		30/06/19	–	–	648	648
Total infrastructure, property, plant and equipment			–	–	572,157	572,157

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

2018	Notes	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements						
Financial assets						
Other financial assets		30/06/18	–	8,014	–	8,014
Total financial assets			–	8,014	–	8,014
Infrastructure, property, plant and equipment						
	10(a)					
Plant and equipment		30/06/18	–	–	11,513	11,513
Office equipment		13/05/16	–	–	414	414
Furniture and fittings		13/05/16	–	–	371	371
Operational land		13/05/16	–	–	6,609	6,609
Community land		13/05/16	–	–	14,655	14,655
Land improvements non-depreciable		13/05/16	–	–	222	222
Land improvements – depreciable		30/06/18	–	–	63	63
Buildings – non-specialised		30/06/18	–	–	26,970	26,970
Buildings – specialised		30/06/18	–	–	10,600	10,600
Other structures		30/06/18	–	–	8,941	8,941
Roads		13/05/16	–	–	176,309	176,309
Bridges		13/05/16	–	–	31,711	31,711
Footpaths		13/05/16	–	–	9,345	9,345
Kerb and gutter		13/05/16	–	–	15,487	15,487
Bulk earthworks		13/05/16	–	–	108,842	108,842
Stormwater drainage		13/05/16	–	–	21,240	21,240
Water supply network		30/06/17	–	–	47,836	47,836
Sewerage network		30/06/17	–	–	64,991	64,991
Other open space/recreational assets		13/05/16	–	–	13,956	13,956
Other infrastructure		13/05/16	–	–	5	5
Heritage collection		13/05/16	–	–	154	154
Other assets		13/05/16	–	–	118	118
Tips and quarries		13/05/16	–	–	152	152
Total infrastructure, property, plant and equipment			–	–	570,504	570,504

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPP&E)

Plant and equipment, office equipment and furniture and fittings

Plant and equipment, office equipment and furniture and fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items (being readily sourced and replaceable).

The key unobservable inputs to the valuation are the remaining useful life and remaining value. Council reviews these assets against replacement costs of similar assets. There has been no change to the valuation process during the reporting period.

Typical assets within these classes include, plant/equipment - trucks, cars, mowers, graders, rollers, loaders, office equipment – computers, printers, furniture/fittings – work desks/chairs

Stormwater drainage assets

Stormwater drainage assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include pipes/conduits, pits, headwalls located in urban areas.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates for box culverts range from \$626 to \$4,351/m, for reinforced and uPVC pipes from \$45 to \$2,208/m, for headwalls from \$144 to \$6,795/unit and for pits from \$225 to \$21,568/unit.

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

Other structure assets

Other structure assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include retaining walls, shelters, swimming pools. Where possible larger assets such as swimming pools are componentised into significant parts.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates for retaining walls range from \$224 to \$1,740/m² and for shelters from \$280 to \$86,700/unit.

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

Land improvement depreciable and non-depreciable assets

These assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include playing fields, playground equipment, tables /seats.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates include \$40/m³ for ground works, for tracks/paths range from \$20 to \$189/m² and for play equipment from \$1,120 to \$47,459/unit.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Operational and Community land assets

These assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include saleable Operational Land such as land associated with works depot, offices and non-saleable Community Land associated with town commons, parks.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are either sourced from actual recent purchase costs, from qualified valuers or from Valuer-General Unimproved Capital Values. Unit rates range from \$0.64 to \$4,455/m².

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

Buildings – non specialised and specialised assets

These assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include Council offices (non specialised) and water/sewer treatment plant buildings (specialised).

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. Alternatively, quotations can be sourced from qualified professionals.

Buildings are componentised into significant parts to assist in applying appropriate useful lives and replacement costs.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates for roofs range from \$158 to \$311/m², for internal floors from \$50 to \$181/m², for external walls from \$308 to \$805 and for mechanical components from \$10,546 to \$78,552/unit.

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

Road assets

Road assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include sealed/unsealed pavements, surfaces (bituminous seals, asphaltic concrete), kerb and gutter, safety barriers, culverts.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. Where applicable contract rates are applied (eg, surface assets).

Roads/surfaces/kerb assets are segmented into manageable lengths and uniform specifications.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates for unsealed pavement range from \$1.66 to \$12.03/m², for sealed pavements from \$2.13 to \$88.47/m², for surface assets from \$2.07 to \$200/m², for kerb and gutter assets from \$86 to \$313/m and for rural road culverts from \$168 to \$12,500/m. There has been no change to the valuation process during the reporting period.

Bridge assets

Bridge assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include concrete/steel bridges. Although some timber bridges are still in use, they are being progressively phased out.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. Where applicable contract rates are applied.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates range from \$860 to \$5,761/m².

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

Footpath assets

Footpath assets are valued using the cost approach but are disclosed at fair value in the notes. These assets are typically constructed using concrete, gravel, pavers.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs are compiled 'in house' by experienced engineers and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

Footpath assets are segmented into manageable lengths and uniform specifications.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates range from \$65 to \$214/m². There has been no change to the valuation process during the reporting period.

Water supply and Sewerage network assets

Water supply and Sewerage network assets are valued using the cost approach but are disclosed at fair value in the notes. These assets typically include mains/conduits, pumping stations, reservoirs.

The key unobservable inputs to the valuation are the remaining useful life, condition and remaining value. Replacement costs were last compiled by Australis Advisory Group and are calculated by either applying recent actual project costs or by sourcing supplier component costs and then estimating project costs. The key reference industry document used is 2017 Australis Asset Advisory Group Valuation Report and data.

Mains are segmented into manageable lengths and uniform specifications.

When estimating project costs, consideration is given to project specifications, location, site conditions and construction techniques. Unit rates for water mains range from \$16.25 to \$443/m, for sewer mains from \$18 to \$912 and for water reservoirs from \$20,250 to \$769,500/unit.

Water supply and Sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community Land
2018					
Opening balance	11,745	574	407	7,645	13,612
Transfers from/(to) another asset class	832	(88)	–	(964)	1,043
Purchases (GBV)	2,828	–	–	–	–
Disposals (WDV)	(716)	–	–	(72)	–
Depreciation and impairment	(1,703)	(72)	(36)	–	–
Revaluation decrement to income statement	(1,473)	–	–	–	–
Closing balance	11,513	414	371	6,609	14,655
2019					
Opening balance	11,513	414	371	6,609	14,655
Purchases (GBV)	2,729	–	–	280	5
Disposals (WDV)	(858)	(328)	(72)	(57)	(181)
Depreciation and impairment	(1,587)	(19)	(23)	–	(5)
Closing balance	11,797	67	276	6,832	14,474

\$ '000	Land improve-ments	Buildings and other structures	Roads, bridges and footpaths	Bulk earthworks	Stormwater drainage
2018					
Opening balance	3,954	49,478	228,854	107,813	21,398
Transfers from/(to) another asset class	(4,162)	(2,933)	2,912	100	10
Purchases (GBV)	234	2,256	6,006	1,112	150
Disposals (WDV)	(37)	(695)	(288)	(183)	(12)
Depreciation and impairment	(2)	(1,317)	(4,631)	–	(306)
Revaluation decrement to income statement	–	(278)	–	–	–
Revaluation increment to equity	298	–	–	–	–
Closing balance	285	46,511	232,853	108,842	21,240
2019					
Opening balance	285	46,511	232,853	108,842	21,240
Transfers from/(to) another asset class	(63)	(691)	66	902	27
Purchases (GBV)	153	2,384	4,389	1,352	96
Disposals (WDV)	–	(1,410)	(357)	–	–
Depreciation and impairment	–	(1,701)	(4,809)	–	(307)
Revaluation increment to equity	–	132	411	–	12
Closing balance	375	45,225	232,553	111,096	21,068

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

\$ '000	Water supply network	Sewerage network	Other assets	Tips and quarries	Heritage collection
2018					
Opening balance	51,402	64,492	5,714	162	154
Transfers from/(to) another asset class	(342)	(740)	4,332	–	–
Purchases (GBV)	135	233	1,162	–	–
Disposals (WDV)	(22)	(14)	(72)	(1)	–
Depreciation and impairment	(1,042)	(1,084)	(181)	(9)	–
Revaluation decrement to income statement	(2,295)	–	–	–	–
Revaluation increment to equity	–	2,103	3,120	–	–
Closing balance	47,836	64,990	14,075	152	154
2019					
Opening balance	47,836	64,990	14,075	152	154
Transfers from/(to) another asset class	–	–	(231)	–	–
Purchases (GBV)	301	346	1,320	500	–
Disposals (WDV)	(58)	(12)	–	–	–
Depreciation and impairment	(1,203)	(1,376)	(357)	(55)	–
Revaluation decrement to income statement	–	–	–	–	(24)
Revaluation increment to equity	837	1,289	–	51	(130)
Closing balance	47,713	65,237	14,807	648	–
Library books					
\$ '000				Library books	Total
2018					
Opening balance				4	567,408
Purchases (GBV)				–	14,116
Disposals (WDV)				–	(2,112)
Depreciation and impairment				–	(10,383)
Revaluation decrement to income statement				–	(4,046)
Revaluation increment to equity				–	5,521
Closing balance				4	570,504
2019					
Opening balance				4	570,504
Transfers from/(to) another asset class				–	10
Purchases (GBV)				–	13,855
Disposals (WDV)				–	(3,333)
Depreciation and impairment				(1)	(11,443)
Revaluation decrement to income statement				–	(24)
Revaluation increment to equity				–	2,602
Closing balance				3	572,171

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Fair Value Measurement (continued)

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

\$ '000	Fair value (30/6/19)	Valuation technique/s	Unobservable inputs
c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.			
I,PP&E			
Operational Land	6,832	Land values	Cost per sq meter, Valuer General's (VG) Valuation
Community Land	14,378	Land values	Cost per sq meter, VG's Valuation
Building and other Structures	45,230	Gross replacement cost	Cost per unit, pattern of consumption, useful life, asset condition
Road, bridges and footpaths	232,553	Gross replacement cost	Cost per sq metre, dimensions and specification, pattern of consumption, components, useful life, residual value, asset condition
Bulk earthworks	111,096	Gross replacement cost	Cost per cubic metre
Stormwater Drainage	21,068	Gross replacement cost	Cost per unit per metre, pattern of consumption
Water supply network	47,713	Gross replacement cost	Unit rates, pattern of consumption, components, useful life, residual value, asset condition
Sewerage network	65,237	Gross replacement cost	Unit rates, pattern of consumption, components, useful life, residual value, asset condition

d. The valuation process for level 3 fair value measurements

Council assesses the expertise required for the valuation of all assets classes in determining who will undertake the valuations. A qualified external valuer is used where required. Operational and Community Land is valued using the Valuer General's valuation.

Management reviews valuation reports for consistency and accuracy and to ensure all valuation movements are fully explained.

(5) Highest and best use

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Related Party Transactions

(a) Key management personnel

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

- Mayor;
- Councillors;
- General Manager;
- Directors;
- Public Officer.

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

\$ '000	2019	2018 ¹
Compensation:		
Short-term benefits	1,068	898
Post-employment benefits	75	60
Other long-term benefits	23	19
Termination benefits	–	369
Total	1,166	1,346

(1) Comparative figures have been adjusted to only included those positions listed in Council's policy.

(b) Other transactions with KMP and their related parties

There were not material transactions with KMP and their related parties during the financial year. All transactions were conducted at normal arm's length terms.

(c) Other related party transactions

Nil

Notes to the Financial Statements
for the year ended 30 June 2019

Note 24. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018						as at 30/6/2019		
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)	
\$ '000		Cash	Non-cash						
Roads	110	16	–	3	–	–	129	–	
Other	4	–	–	–	–	–	4	–	
Recreational Space	138	72	–	4	–	–	214	–	
S7.11 contributions – under a plan	252	88	–	7	–	–	347	–	
Total S7.11 and S7.12 revenue under plans	252	88	–	7	–	–	347	–	
S64 contributions	2,971	103	–	74	–	–	3,148	–	
Total contributions	3,223	191	–	81	–	–	3,495	–	

S7.11 Contributions – under a plan

CONTRIBUTION PLAN NUMBER (former Tumut)

Roads	110	16	–	3	–	–	129	–
Recreational Space	138	72	–	4	–	–	214	–
Other	4	–	–	–	–	–	4	–
Total	252	88	–	7	–	–	347	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Financial result and financial position by fund

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	10,917	1,324	4,473
User charges and fees	11,197	3,355	516
Interest and investment revenue	1,197	178	265
Other revenues	1,152	13	21
Grants and contributions provided for operating purposes	17,360	–	25
Grants and contributions provided for capital purposes	4,689	65	40
Total income from continuing operations	46,512	4,935	5,340
Expenses from continuing operations			
Employee benefits and on-costs	16,864	742	603
Borrowing costs	144	221	143
Materials and contracts	11,330	2,016	2,506
Depreciation and amortisation	8,885	1,274	1,444
Other expenses	4,078	498	289
Net losses from the disposal of assets	2,541	–	–
Total expenses from continuing operations	43,842	4,751	4,985
Operating result from continuing operations	2,670	184	355
Net operating result for the year	2,670	184	355
Net operating result attributable to each council fund	2,670	184	355
Net operating result for the year before grants and contributions provided for capital purposes	(2,019)	119	315

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Financial result and financial position by fund (continued)

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Statement of Financial Position by fund			
ASSETS			
Current assets			
Cash and cash equivalents	6,248	1,861	2,510
Investments	29,612	3,755	5,367
Receivables	6,484	1,349	517
Inventories	188	–	–
Other	52	–	–
Total current assets	42,584	6,965	8,394
Non-current assets			
Receivables	11	–	–
Inventories	147	–	–
Infrastructure, property, plant and equipment	455,933	50,546	67,189
Investment property	340	–	–
Intangible assets	764	–	–
Total non-current assets	457,195	50,546	67,189
TOTAL ASSETS	499,779	57,511	75,583
LIABILITIES			
Current liabilities			
Payables	2,558	50	2
Income received in advance	429	–	–
Borrowings	515	562	290
Provisions	5,826	–	–
Total current liabilities	9,328	612	292
Non-current liabilities			
Borrowings	1,961	2,860	2,970
Provisions	167	–	–
Total non-current liabilities	2,128	2,860	2,970
TOTAL LIABILITIES	11,456	3,472	3,262
Net assets	488,323	54,039	72,321
EQUITY			
Accumulated surplus	483,564	53,076	67,847
Revaluation reserves	4,759	963	4,474
Council equity interest	488,323	54,039	72,321
Total equity	488,323	54,039	72,321

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25. Financial result and financial position by fund (continued)

Details of individual internal loans for the year ended 30 June 2019

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	Council ID / Ref
Borrower (by purpose)	Caravan Park Loan
Lender (by purpose)	ELE Reserve
Date raised	31/12/2008
Term (years)	11
Dates of maturity	31/12/2019
Rate of interest	6.5%
Amount originally raised	350,000
Total repaid during year (principal and interest)	42,072
Principal outstanding at end of year	37,030

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	956				
Total continuing operating revenue excluding capital grants and contributions ¹	51,993	1.84%	(7.95)%	3.38%	>0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	34,617				
Total continuing operating revenue ¹	56,787	60.96%	66.81%	56.40%	>60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions	24,008				
Current liabilities less specific purpose liabilities	6,276	3.83x	5.75x	5.95x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	13,067				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,769	7.39x	4.12x	7.37x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	742				
Rates, annual and extra charges collectible	17,237	4.30%	3.18%	4.25%	<10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	49,353				
Monthly payments from cash flow of operating and financing activities	3,565	13.84 mths	13.59 mths	12.00 mths	>3.00 mths

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2019	2018	2019	2018	2019	2018	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1.25%	(6.53)%	2.44%	(35.58)%	5.94%	9.04%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	52.61%	60.00%	98.68%	98.50%	98.78%	97.76%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	3.83x	5.75x	11.38x	9.15x	28.75x	18.46x	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6.88x	7.39x	6.96x	(0.41)x	13.02x	9.51x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	3.06%	2.63%	5.89%	0.00%	6.93%	5.54%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	11.97	12.03	19.82	18.15	27.52	27.88	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

(1) - (2) Refer to Notes at Note 28a above.

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

Snowy Valleys Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 27. Council information and contact details

Principal place of business:

76 Capper St Tumut NSW 2720 and Winton St Tumbarumba NSW 2653

Contact details**Mailing Address:**

76 Capper St TUMUT NSW 2720
PO Box 61 TUMBARUMBA NSW 2653

Opening hours:

8:30am - 4:30pm
Monday to Friday

Telephone: 1300 ASK SVC (1300 275 782)

Internet: www.svc.nsw.gv.au

Email: info@svc.nsw.gv.au

Officers**General Manager**

Matthew Hyde

Responsible Accounting Officer

Sarah Pentland

Public Officer

Shelley Jones

Auditors

NSW Audit Office
Level 15, 1 Margaret St
Sydney NSW 2000

Elected members**Mayor**

James Hayes

Councillors

John Larter (Deputy Mayor)
Andrianna Benjamin
Cate Cross
Julia Ham
Margaret Isselman
Geoff Pritchard
Cor Smit
Bruce Wright

Other information

ABN: 53 558 891 887



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Snowy Valleys Council

To the Councillors of the Snowy Valleys Council

Opinion

I have audited the accompanying financial statements of Snowy Valleys Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2019, 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' (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 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not 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 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Michael Kharzoo

Delegate of the Auditor-General for New South Wales

25 October 2019
SYDNEY



Cr James Hayes
Mayor
Snowy Valleys Council
76 Capper Street
TUMUT NSW 2720

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D1924413/1788

25 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Snowy Valleys Council**

I have audited the general purpose financial statements (GPFS) of the Snowy Valleys Council (the Council) for the year ended 30 June 2019 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 2019 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

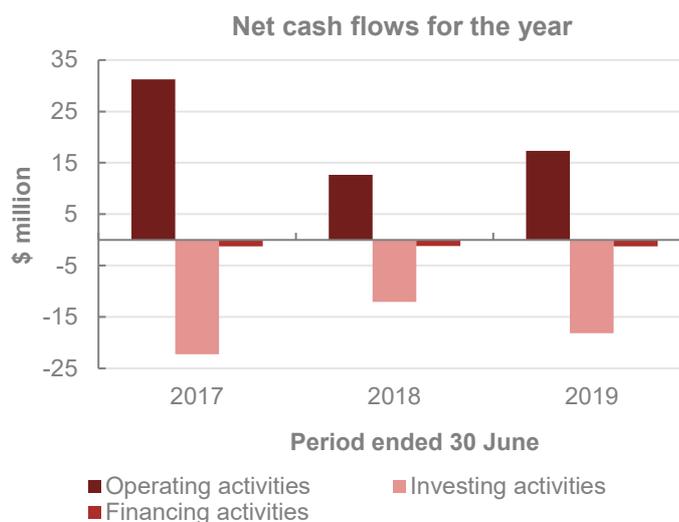
	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	16.7	16.1	↑ 3.7
User charges and fees	15.1	16.0	↓ 5.6
Grants and contributions revenue	22.2	17.0	↑ 30.6
Materials and contracts	15.9	14.8	↑ 7.4
Operating result for the year	3.2	(2.7)	↑ 218.5
Net operating result before capital grants and contributions	(1.6)	(8.8)	↑ 81.8

The following comments are made in respect of Council's operating result for the year:

- Rates and annual charges revenue was \$16.7 million (\$16.1 million for the year ended 30 June 2018). The increase of \$0.6 million (3.7%) is consistent with the increase in ordinary rates in line with the 2.3% rate peg and rise in the total number of rateable properties.
- User charges and fees revenue was \$15.1 million (\$16.0 million for the year ended 30 June 2018). The decrease of \$0.9 million (5.6%) is mainly attributable to the reduction in RMS income (\$0.7 million).
- Grants and contributions revenue was \$22.2 million (\$17.0 million for the year ended 30 June 2018). The increase of \$5.2 million (30.6%) was primarily due to the increase of community care operating and capital grants of \$5.6 million.
- Materials and contracts expenses were \$15.9 million (\$14.8 million for the year ended 30 June 2018). The increase of \$1.1 million (7.4%) is mainly due to an increase in raw materials and consumables of \$0.9 million from the prior year.
- Council's net operating result was a surplus of \$3.2 million (\$2.7 million deficit for the year ended 30 June 2018). The increase of \$5.9 million is mainly due to the increase in grants and contributions revenue noted above together with 2018 containing a non-recurring revaluation decrement of \$4 million.
- The net operating result before capital grants and contributions was a deficit of \$1.6 million (\$8.8 million deficit for the year ended 30 June 2018). The result indicates Council continues to maintain a level of reliance on funding for capital purposes.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$10.6 million (\$12.7 million for the year ended 30 June 2018). There was a net decrease in cash and cash equivalents of \$2.1 million at 30 June 2019.
- Net cash provided by operating activities has increased by \$4.7 million to \$17.3 million. This is mainly due to the increase in cash receipts from grants and contributions of \$5.7 million.
- Net cash used in investing activities increased by \$6.1 million. This is mainly due to the net purchase of investment securities of \$3.8 million (\$1.1 million net sale for the year ended 30 June 2018).
- Net cash used in financing activities is \$1.3 million which is consistent with the prior year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	31.8	28.2	<ul style="list-style-type: none"> • Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$3.6 million is mainly due to the increase of \$1.5 million in specific purpose unexpended grants, \$1.0 million in sewerage services and \$0.8 million in water supplies. • Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The decrease of \$1.1 million in the internal restrictions is primarily due to a \$1.3 million decrease in the capital projects reserve. • Unrestricted cash and investments was \$1.6 million, which is available to provide liquidity for the day-to-day operations of the Council.
Internal restrictions	15.9	17.0	
Unrestricted	1.6	2.4	
Cash and investments	49.3	47.6	

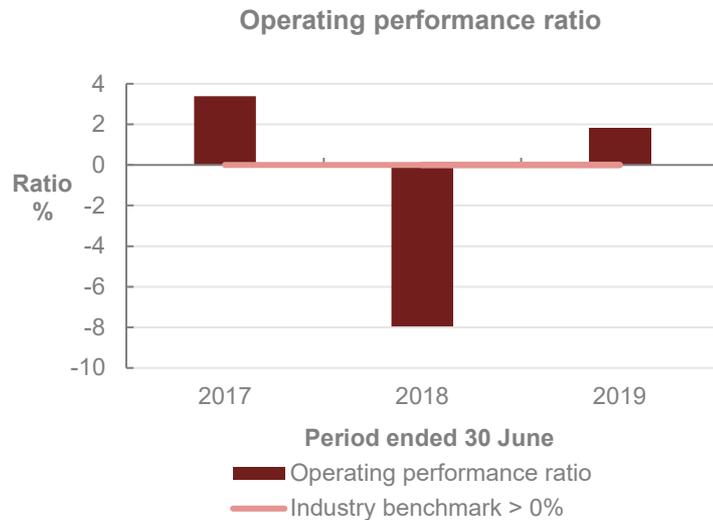
Debt

Council has \$9.2 million of external borrowings (2018: \$10.4 million) which is secured over the revenue of Council.

PERFORMANCE

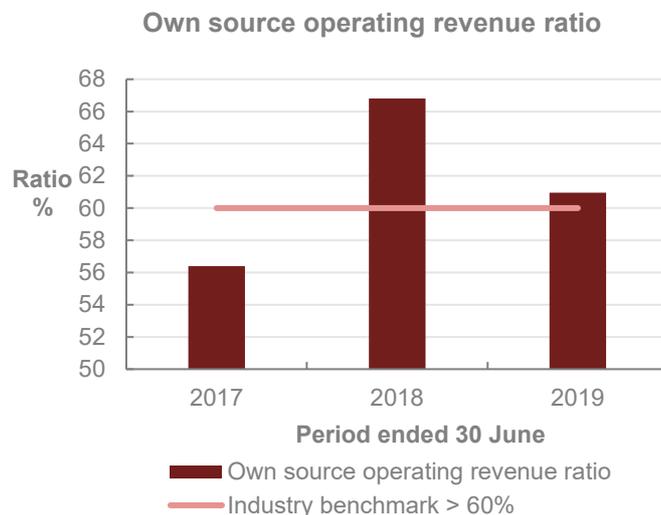
Operating performance ratio

- 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 the former Office of Local Government (OLG) is greater than zero per cent.
- The operating performance ratio of 1.84% is above the industry benchmark of greater than 0%. This indicates the Council can contain operating expenditures within operating revenue.
- The operating performance ratio increased to 1.84% (2018: -7.95%) due to the increase in grants and contributions income provided for operating purposes.



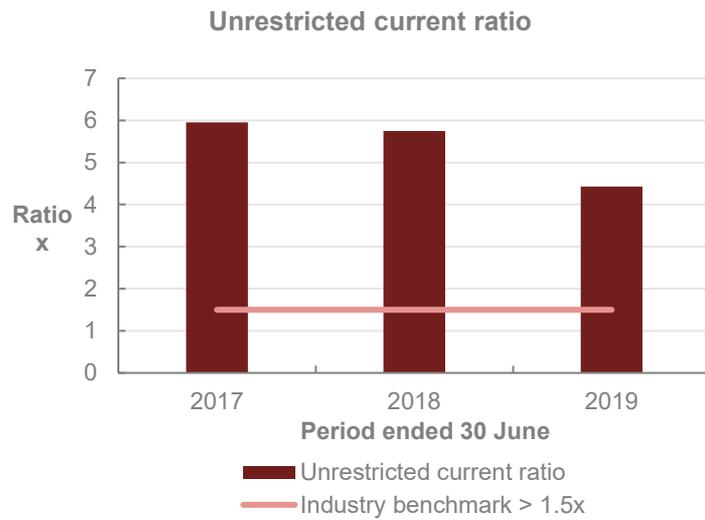
Own source operating revenue ratio

- 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 the former OLG is greater than 60 per cent.
- The council's own source operating revenue ratio of 60.96% is above the industry benchmark of 60%. This indicates that the council is not overly reliant on external funding sources, such as grants and contributions.
- The own source operating revenue ratio decreased in 2019, due to the increase in grants and contributions revenue.



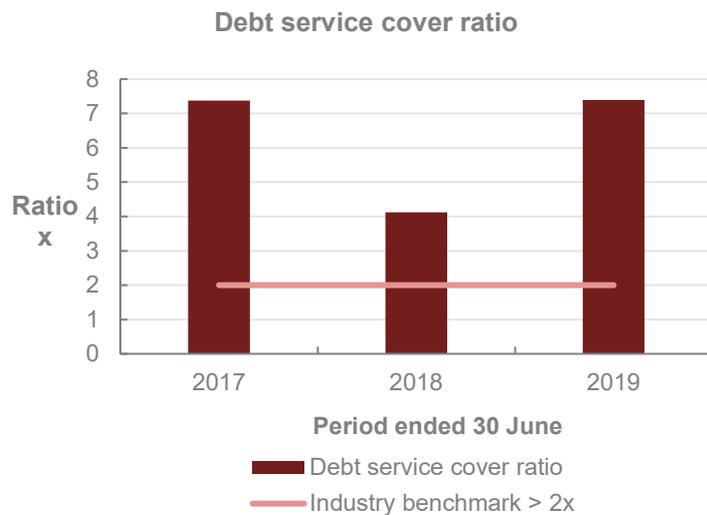
Unrestricted current ratio

- 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 the former OLG is greater than 1.5 times.
- The Council's unrestricted current ratio of 4.43 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The unrestricted current ratio has decreased in 2019, due to the increase in externally restricted cash, cash equivalents and investments.



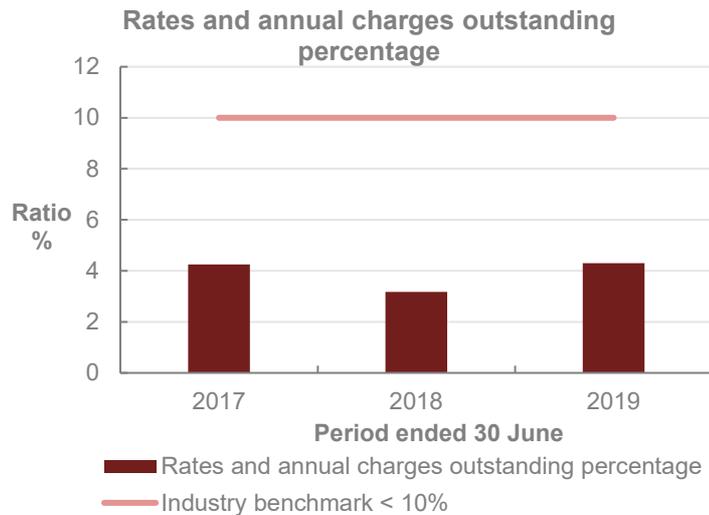
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.
- The council's debt service cover ratio of 7.39 times is greater than the industry benchmark minimum of greater than 2 times. This indicates that the council has sufficient operating revenue to service its debt.
- The debt service cover ratio has increased in 2019, due to the increase in the operating result.



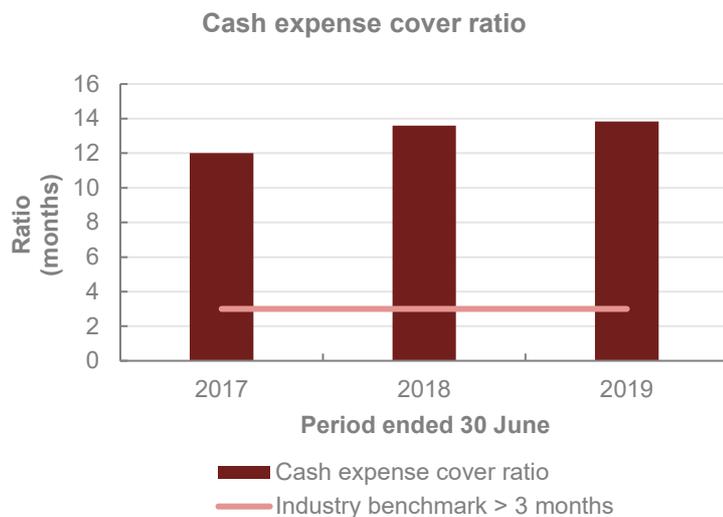
Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.
- The council's rates and annual charges outstanding ratio of 4.30% is within the industry benchmark of less than 10% for regional and rural councils.
- The rates and annual charges outstanding percentage has remained consistent for the last three financial periods, which is a reflection of sound debt recovery procedures at the council.



Cash expense cover ratio

- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than 3 months.
- The council's cash expense cover ratio was 13.84 months, which is above the industry benchmark of greater than 3 months. This indicates that council had the capacity to cover 13.84 months of operating cash expenditure without additional cash inflows at 30 June 2019.
- The council's cash expense cover ratio has remained steady.



Infrastructure, property, plant and equipment renewals

The council has renewed \$13.2 million of assets in the 2018–19 financial year, compared to \$11.8 million of assets in the 2017–18 financial year. The majority of renewals relates to roads of \$4.0 million, plant and equipment of \$2.6 million and bulk earthworks of \$1.4 million.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <ul style="list-style-type: none">• Key changes include:• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 15.</p>

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.



Michael Kharzoo

Delegate of the Auditor-General for New South Wales

cc: Mr Matthew Hyde, General Manager
Ms Glenyce Francis, Audit, Risk and Improvement Committee Chair

Snowy Valleys Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



Special Purpose Financial Statements

for the year ended 30 June 2019

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Snowy Valleys Council

Special Purpose Financial Statements

for the year ended 30 June 2019

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

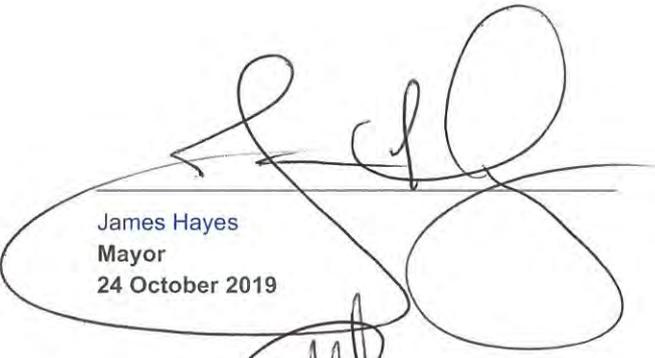
- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 24 October 2019.



James Hayes
Mayor
24 October 2019



John Larter
Councillor
24 October 2019



Matthew Hyde
General Manager
24 October 2019



Sarah Pentland
Responsible Accounting Officer
24 October 2019

Income Statement – Water Supply Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Access charges	1,324	1,174
User charges	3,355	3,289
Interest	178	130
Grants and contributions provided for non-capital purposes	–	56
Other income	13	8
Total income from continuing operations	4,870	4,657
Expenses from continuing operations		
Employee benefits and on-costs	742	590
Borrowing costs	221	283
Materials and contracts	2,016	1,402
Depreciation, amortisation and impairment	1,274	1,113
Calculated taxation equivalents	18	18
Debt guarantee fee (if applicable)	58	58
Other expenses	498	2,926
Total expenses from continuing operations	4,827	6,390
Surplus (deficit) from continuing operations before capital amounts	43	(1,733)
Grants and contributions provided for capital purposes	65	14
Surplus (deficit) from continuing operations after capital amounts	108	(1,719)
Surplus (deficit) from all operations before tax	108	(1,719)
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(12)	–
SURPLUS (DEFICIT) AFTER TAX	96	(1,719)
Plus accumulated surplus	52,910	54,571
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	18	18
– Debt guarantee fees	58	58
– Corporate taxation equivalent	12	–
Less:		
- Taxation equivalent payments	(18)	(18)
Closing accumulated surplus	53,076	52,910
Return on capital %	0.5%	(2.9)%
Subsidy from Council	403	2,783
Calculation of dividend payable:		
Surplus (deficit) after tax	96	(1,719)
Less: capital grants and contributions (excluding developer contributions)	(65)	(3)
Surplus for dividend calculation purposes	31	–
Potential dividend calculated from surplus	16	–

Income Statement – Sewerage Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Access charges	4,473	4,262
User charges	490	37
Liquid trade waste charges	26	11
Interest	265	141
Grants and contributions provided for non-capital purposes	25	81
Other income	21	1
Total income from continuing operations	5,300	4,533
Expenses from continuing operations		
Employee benefits and on-costs	603	705
Borrowing costs	143	177
Materials and contracts	2,506	1,859
Depreciation, amortisation and impairment	1,444	1,136
Calculated taxation equivalents	17	17
Debt guarantee fee (if applicable)	23	23
Other expenses	289	246
Total expenses from continuing operations	5,025	4,163
Surplus (deficit) from continuing operations before capital amounts	275	370
Grants and contributions provided for capital purposes	40	21
Surplus (deficit) from continuing operations after capital amounts	315	391
Surplus (deficit) from all operations before tax	315	391
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(76)	(102)
SURPLUS (DEFICIT) AFTER TAX	239	289
Plus accumulated surplus	67,509	67,095
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	17	17
– Debt guarantee fees	23	23
– Corporate taxation equivalent	76	102
Less:		
- Tax Equivalent payments	(17)	(17)
Closing accumulated surplus	67,847	67,509
Return on capital %	0.6%	0.8%
Subsidy from Council	469	1,216
Calculation of dividend payable:		
Surplus (deficit) after tax	239	289
Less: capital grants and contributions (excluding developer contributions)	(40)	(15)
Surplus for dividend calculation purposes	199	274
Potential dividend calculated from surplus	100	137

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	1,861	956
Investments	3,755	3,737
Receivables	1,349	1,555
Total current assets	<u>6,965</u>	<u>6,248</u>
Non-current assets		
Infrastructure, property, plant and equipment	50,546	50,673
Total non-current assets	<u>50,546</u>	<u>50,673</u>
TOTAL ASSETS	<u>57,511</u>	<u>56,921</u>
LIABILITIES		
Current liabilities		
Payables	50	55
Borrowings	562	535
Total current liabilities	<u>612</u>	<u>590</u>
Non-current liabilities		
Borrowings	2,860	3,421
Total non-current liabilities	<u>2,860</u>	<u>3,421</u>
TOTAL LIABILITIES	<u>3,472</u>	<u>4,011</u>
NET ASSETS	<u>54,039</u>	<u>52,910</u>
EQUITY		
Accumulated surplus	53,076	52,910
Revaluation reserves	963	–
TOTAL EQUITY	<u>54,039</u>	<u>52,910</u>

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	2,510	1,368
Investments	5,367	5,467
Receivables	517	416
Total current assets	8,394	7,251
Non-current assets		
Infrastructure, property, plant and equipment	67,189	67,018
Total non-current assets	67,189	67,018
TOTAL ASSETS	75,583	74,269
LIABILITIES		
Current liabilities		
Payables	2	2
Borrowings	290	276
Total current liabilities	292	278
Non-current liabilities		
Borrowings	2,970	3,260
Total non-current liabilities	2,970	3,260
TOTAL LIABILITIES	3,262	3,538
NET ASSETS	72,321	70,731
EQUITY		
Accumulated surplus	67,847	67,509
Revaluation reserves	4,474	3,222
TOTAL EQUITY	72,321	70,731

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Snowy Valleys Council Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system, servicing the towns of Adelong, Batlow, Khancoban, Talbingo, Tumbarumba and Tumut.

b. Snowy Valleys Council Water Supply Service

Comprising the whole of the operations and assets of the water supply system servicing the towns of Adelong, Batlow, Khancoban, Talbingo, Tumbarumba and Tumut.

Council's independent works unit that was previously recognised as a Category 1 business activity has been restructured as the infrastructure works division of Snowy Valleys Council.

Category 2

(where gross operating turnover is less than \$2 million)

Nil

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

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

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

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Snowy Valleys Council

To the Councillors of the Snowy Valleys Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Snowy Valleys Council's (the Council) declared business activities, which comprise the Income Statement of each declared business activity for the year ended 30 June 2019, the Statement of Financial Position of each declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activities declared by Council, and the Statement by Councillors and Management.

The declared business activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activities as at 30 June 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

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

Michael Kharzoo

Delegate of the Auditor-General for New South Wales

25 October 2019
SYDNEY

Snowy Valleys Council

SPECIAL SCHEDULES
for the year ended 30 June 2019



Special Schedules

for the year ended 30 June 2019

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Permissible income for general rates
for the year ended 30 June 2019

		2019/20 Tumut Shire Council	2019/20 Tumbarumba Shire Council	2019/20 Snowy Valleys Council	2018/19 Tumut Shire Council	2018/19 Tumbarumba Shire Council	2018/19 Snowy Valleys Council
\$ '000							
Notional general income calculation ¹							
Last year notional general income yield	a	6,667	2,512	9,179	6,531	2,432	8,963
Plus or minus adjustments ²	b	(3)	4	1	(13)	11	(2)
Notional general income	c = a + b	6,664	2,516	9,180	6,518	2,443	8,961
Permissible income calculation							
Or rate peg percentage	e	2.70%	2.70%		2.30%	2.30%	
Or plus rate peg amount	i = e x (c + g)	180	68	248	150	56	206
Notional General Income Calculation							
Last Year Notional General Income Yield							
Tumut Shire Council							
Sub-total	k = (c + g + h + i + j)	6,844	2,584	9,428	6,668	2,499	9,167
Plus (or minus) last year's carry forward total	l	-	-	-	17	13	30
Sub-total	n = (l + m)	-	-	-	17	13	30
Total permissible income	o = k + n	6,844	2,584	9,428	6,685	2,512	9,197
Less notional general income yield	p	6,825	2,584	9,409	6,667	2,512	9,179
Catch-up or (excess) result	q = o - p	19	-	19	18	-	18
Less unused catch-up ⁵	s	-	-	-	(18)	-	(18)
Carry forward to next year ⁶	t = q + r + s	19	-	19	-	-	-

(1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

(2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.

(5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

(6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Snowy Valleys Council

To the Councillors of Snowy Valleys Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Snowy Valleys Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

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

Michael Kharzoo

Delegate of the Auditor-General for New South Wales

25 October 2019
SYDNEY

Report on Infrastructure Assets
as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
Buildings	Council Offices/Administration	–	–	206	206	8,246	13,423	35.0%	50.2%	9.5%	5.3%	0.0%
	Council Public Halls	–	–	10	10	1,710	4,454	3.6%	25.6%	59.4%	11.5%	0.0%
	Council Works Depot	–	–	114	114	2,603	4,539	36.9%	36.1%	27.0%	0.0%	0.0%
	Cultural Facilities	–	–	5	5	4,788	9,052	22.4%	31.4%	44.7%	1.5%	0.0%
	Libraries	–	–	23	23	1,566	2,553	35.8%	55.8%	8.4%	0.0%	0.0%
	Other Buildings	–	–	–	–	7,998	13,028	47.2%	37.3%	15.4%	0.1%	0.0%
	Specialised Buildings	–	–	40	40	11,219	17,751	51.0%	18.8%	29.3%	0.9%	0.0%
	Sub-total	–	–	398	398	38,130	64,800	38.1%	33.9%	25.6%	2.4%	0.0%
Other structures	Other structures	–	–	–	–	7,095	11,628	43.6%	16.1%	26.5%	13.8%	0.0%
	Sub-total	–	–	–	–	7,095	11,628	43.6%	16.1%	26.5%	13.8%	0.0%
Roads	Unsealed roads	–	–	378	378	26,727	38,186	83.4%	11.7%	4.7%	0.2%	0.0%
	Bridges	–	–	–	–	31,636	56,264	86.8%	9.4%	3.8%	0.0%	0.0%
	Footpaths	–	–	54	54	7,789	13,091	68.8%	21.5%	9.7%	0.0%	0.0%
	Other road assets	–	–	107	107	3,060	4,313	96.4%	0.7%	1.1%	1.8%	0.0%
	Bulk earthworks	–	–	–	–	111,096	111,096	100.0%	0.0%	0.0%	0.0%	0.0%
	Cycleways	–	–	–	–	1,154	1,391	69.9%	28.6%	1.5%	0.0%	0.0%
	Kerb & Gutter	–	–	3	3	15,444	28,020	43.4%	27.6%	28.0%	1.0%	0.0%
	Road Culverts	–	–	–	–	13,699	20,921	98.0%	1.8%	0.2%	0.0%	0.0%
	Sealed Road Surface	–	–	889	889	14,242	30,822	76.0%	21.7%	1.9%	0.5%	0.0%
	Sealed Road Structure	–	–	–	–	103,344	132,534	91.7%	7.2%	1.1%	0.0%	0.0%
	Sub-total	–	–	1,431	1,431	328,191	436,638	87.8%	8.5%	3.5%	0.1%	0.1%
Water supply network	Other	–	–	29	29	435	644	59.2%	28.3%	12.4%	0.0%	0.0%
	Pumping Stations	–	–	32	32	1,773	3,969	13.1%	52.6%	16.3%	18.0%	0.0%
	Reservoirs	–	–	23	23	6,120	10,550	37.0%	39.4%	14.7%	8.8%	0.0%
	Treatment	–	–	236	236	15,757	26,908	45.2%	33.3%	18.0%	3.5%	0.0%
	Mains	–	–	234	234	23,628	34,672	60.6%	35.4%	3.9%	0.1%	0.0%
	Sub-total	–	–	554	554	47,713	76,743	49.5%	36.1%	11.0%	3.4%	0.0%

Report on Infrastructure Assets (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost			2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	2018/19 Required maintenance ^a				1	2	3	4	5
Sewerage network	Mains	–	–	188	188	36,851	55,183	30.6%	48.9%	19.7%	0.6%	0.2%
	Other	–	–	11	11	834	1,025	92.0%	7.2%	0.8%	0.0%	0.0%
	Pumping Stations	–	–	105	105	2,884	5,565	22.5%	42.8%	30.0%	4.7%	0.0%
	Treatment	182	182	278	278	24,668	35,601	65.4%	19.9%	7.5%	7.2%	0.0%
	Sub-total	182	182	582	582	65,237	97,374	43.5%	37.5%	15.6%	3.2%	0.2%
Stormwater drainage	Head Walls	–	–	–	–	110	193	84.9%	13.2%	1.9%	0.0%	0.0%
	Inlet and Junction Pits	–	–	14	14	4,108	6,662	82.2%	17.4%	0.3%	0.0%	0.0%
	Stormwater Conduits	–	–	10	10	16,845	29,768	84.7%	15.0%	0.3%	0.0%	0.0%
	Stormwater Converters	–	–	–	–	5	5	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	24	24	21,068	36,628	84.2%	15.4%	0.3%	0.0%	0.1%
Open space / recreational assets	Swimming pools	93	93	105	105	3,091	5,467	32.6%	28.9%	36.8%	1.7%	0.0%
	Other Open Space/Recreation	–	–	661	661	11,630	12,753	95.1%	1.8%	1.2%	2.0%	0.0%
	Sub-total	93	93	766	766	14,721	18,220	76.3%	9.9%	11.9%	1.9%	0.0%
TOTAL - ALL ASSETS		275	275	3,755	3,755	522,155	742,031	72.6%	17.9%	8.2%	1.3%	0.0%

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

Infrastructure asset condition assessment 'key'

- 1 **Excellent/very good** No work required (normal maintenance)
- 2 **Good** Only minor maintenance work required
- 3 **Satisfactory** Maintenance work required
- 4 **Poor** Renewal required
- 5 **Very poor** Urgent renewal/upgrading required

Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	13,172	135.24%	79.59%	82.74%	>=100.00%
Depreciation, amortisation and impairment	9,740				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	275	0.05%	0.26%	0.05%	<2.00%
Net carrying amount of infrastructure assets	522,155				
Asset maintenance ratio					
Actual asset maintenance	3,755	100.00%	96.23%	101.40%	>100.00%
Required asset maintenance	3,755				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	275	0.04%	0.18%	0.18%	
Gross replacement cost	742,031				

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

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Report on Infrastructure Assets (continued)
as at 30 June 2019

Buildings and infrastructure renewals ratio ¹



Infrastructure renewals ratio

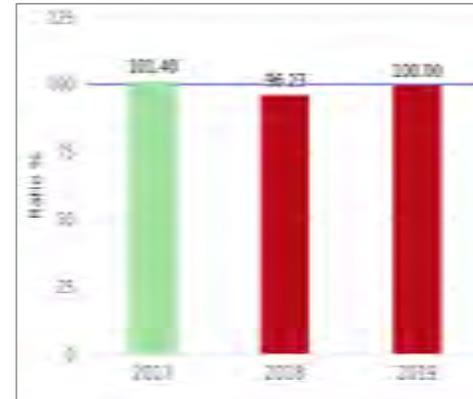
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result	
18/19 ratio	135.24%

Council renews assets as required along with grant funding used for renewals this financial year across a number of asset classes.

Benchmark: — $\geq 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
18/19 ratio	100.00%

Council funds required to maintain assets as required.

Benchmark: — $> 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Infrastructure backlog ratio ¹



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
18/19 ratio	0.05%

Assets maintained at agreed levels with only a minor amount of backlog. Council aims to keep its backlog to a minimum.

Benchmark: — $< 2.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
18/19 ratio	0.04%

Councils assets are maintained to agreed service levels.

(1) Excludes Work In Progress (WIP)

Report on Infrastructure Assets (continued)
as at 30 June 2019

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2019	2018	2019	2018	2019	2018	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²							
Depreciation, amortisation and impairment	178.56%	126.53%	23.31%	4.05%	23.39%	21.49%	>=100.00%
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.02%	0.29%	–	–	0.28%	0.28%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	100.00%	94.58%	100.00%	100.00%	100.00%	100.00%	>100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.02%	0.20%	–	–	0.19%	0.19%	

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



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