



**LACHLAN SHIRE
COUNCIL**

Wiradjuri Country

Tottenham

Albert

Fifield

Condobolin

Derriwong

Lake
Cargelligo

Tullibigeal

Murrin
Bridge

Burcher

**Annual Report
2021/22**



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Lachlan Shire Council's Vision and Values

Lachlan Shire Council's vision for the future is to be a progressive, vibrant, and prosperous community where families come to stay and enjoy a relaxed and healthy way of life. The elected members, management, and staff of Lachlan Shire Council demonstrate the following values in their interaction with one another and the community:

- Responsive
- Cooperative
- Effective
- Proud
- Respectful

Acknowledgement of Country

Lachlan Shire Council acknowledges the Wiradjuri people as the Traditional custodians of this land. We recognise their strength and resilience and pay respect to Elders past, present and emerging and to all Aboriginal and Torres Strait Islander people who are part of the Lachlan Shire community.





Message from the Mayor



As we reflect on the 2021-2022 year, there have been great successes and some extraordinary challenges for Lachlan Shire.

Welcome to the 2021-2022 Lachlan Shire Council Annual Report.

While the past year again presented challenges with COVID-19, it also saw a renewed sense of optimism as lockdowns and restrictions were lifted.

In early 2022, our community's resilience was further challenged by constant wet weather and flooding events.

Despite this, we have successfully completed and commenced work on a number of major capital works initiatives and continued to promote Lachlan Shire as a terrific place to live, work, do business and invest.

Government funding continued to flow in this financial year, allowing Council to deliver infrastructure projects that not only benefit the community economically but socially.

Key 2021-2022 highlights include:

- Commencement of construction of the Lachlan Visitor Information Centre and tourism precinct.
- Construction of the Condobolin truck and visitor parking area on The Gipps Way.
- Finalisation of the \$2.8m "Sculptures down the Lachlan" trail in partnership with the Forbes Art Society and Forbes Shire Council.
- Commencement of Lake Cargelligo's Foster Street Redevelopment.
- Construction of a new amenities and kiosk at the Lake Cargelligo Memorial Swimming Pool - \$1.1m.
- Implementation of Council's new corporate and tourism branding.
- Continuation of multiple water security projects including the \$20m Condobolin Bore Fields pipeline.
- Construction of a new \$345,000 animal Shelter in Condobolin.
- Tottenham Caravan Park Upgrade including the construction of a new amenities block and camp kitchen - \$250,000.

We have enhanced the facilities at parks and playgrounds across the Shire, through the installation of automated irrigation systems, the installation of new playground equipment, shelters, seating and barbeque areas.

Our youth were also supported through the implementation of the Lachlan Shire "Realising our Potential" Youth Strategy. This Strategy will bring our community together with a shared vision and collective purpose to support our young people fulfil their potential, and be active participants in our communities.

Speaking of the future, Council undertook a number of planning initiatives including the development of the Lachlan Shire Rural and Industrial Land Use Strategy. The Strategy was prepared in response to a shortage of land suitable for the expansion of existing businesses and the development of new employment-generating opportunities.

Overall, significant progress has been made throughout the 2021/2022 year in the operational delivery of Council services.

I would like to congratulate our executive leadership team, and our staff for their ongoing commitment and dedication to serving the community. I am exceptionally proud of Council's work and achievements over the past financial year, under difficult circumstances.

Thank you to my fellow Councillors for your positive and unwavering commitment to serving the Lachlan Shire. In December 2021, the Lachlan Shire welcomed a new Council following the local government elections. I am honoured to have been re-elected to represent the community, and to lead the new Council, and look forward to building on the good work achieved by the former Council.

Councillor John Medcalf OAM
Mayor



Comment from the General Manager



Welcome to the Lachlan Shire Council 2021-2022 Annual Report. This is our report card to the community to demonstrate Council's progress toward achieving the objectives in the Lachlan Shire's 10-year Community Strategic Plan.

As Lachlan Shire Council's General Manager, I am particularly proud of how Council has continued to deliver services, improve facilities, and support the community as we all adapted to the new "COVID normal".

2021-2022 proved to be another challenging year with the COVID-19 pandemic, wet weather, supply chain issues, and staff shortages impacting Council's operations.

However, Council and the community met the challenges we faced and have emerged stronger and more resilient.

I am proud of how well Council has continued to support our community, with our people displaying flexibility, creativity, and compassion to adapt Council's services in an ever-changing environment.

The 2021-2022 Annual Report highlights the organisation's performance over a number of areas.

It is an important report card to the community to demonstrate Council's progress toward achieving the objectives in the Lachlan Shire's 10-year Community Strategic Plan and Lachlan Shire's shared vision and aspirations for the future.

During this financial year, Council has made significant progress toward the achievement of activities identified in the Plan.

These achievements are spread across all facets of the Council's operations and included the commencement, continuation, or completion of key actions.

Council remains in a strong financial position as a result of responsible budgets, vigilant project management, and grant funding from State and Federal Governments supporting local jobs, businesses, and the resilience of local economies to help communities bounce back.

I am conscious that our employees are our most valued asset, and I am very fortunate to have a strong team of professional and dedicated staff to support Council in shaping Lachlan Shire and making Council's vision a reality.

My sincere thanks is extended to our Councillors for their continued support in what was a very busy and challenging year.

Greg Tory
General Manager



Your Councillors

A Ward



Mayor
Councillor John Medcalf OAM
0429 937 248



Councillor Megan Mortimer
0478 438 052

B Ward



Councillor Melissa Blewitt
02 6895 1900

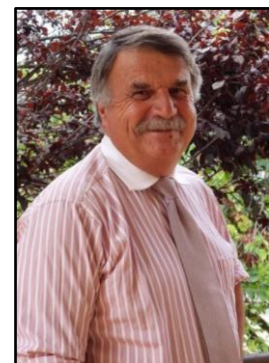


Councillor Melissa Rees
02 6895 2336

C Ward



Councillor Dave Carter
0499 680 162



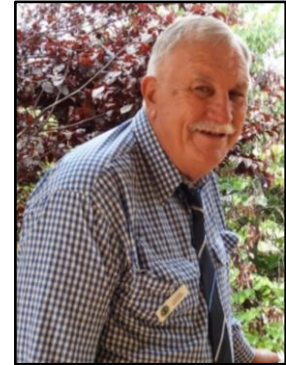
Councillor Peter Harris
02 6895 1900



D Ward



Councillor Elaine Bendall
0428 729 271



Councillor Dennis Brady
0428 285 820

E Ward



Councillor Judith
Bartholomew
0429 981 243



Deputy Mayor
Councillor Paul Phillips
0429 981 164



Executive Leadership Team



Greg Tory
General Manager

Human Resources;
Work, Health and Safety;
Communication and Community Engagement;
To manage the Council's operations on a day-to-day basis and to direct staff;
To ensure the implementation, without undue delay, of the decisions of Council;
To exercise the functions delegated by the Council to the General Manager; and
To appoint staff in accordance with the resources approved by the Council.



Jon Shillito
Director Environment,
Tourism and Economic
Development

Planning Strategies;
Development Assessment;
Waste Management;
Food Safety;
Local Laws & Regulations;
Natural Resource and
Heritage Management;
Facilities Management;
Plant & Fleet;
Flood Plain Risk
Management;
Economic Development;
Tourism;
and Community Events.



Adrian Milne
Director Infrastructure
Services

Water Services;
Recreation facilities;
Roads and drainage;
Emergency Services;
Aerodromes;
Asset Management;
Wastewater services;
Project Plans;
Infrastructure Services
Capital Works;
Parks and Reserves;
Swimming Pools;
Cemeteries; and
Crown Lands.



Karen Pegler
Director Corporate and
Community Services

Corporate Governance;
Finance;
Audit, Risk and Improvement
Committee;
Internal Audit;
Integrated Planning and
Reporting;
Stores/Inventory;
Customer Service Centres;
Information Services;
Libraries;
Enterprise Risk Management;
Children Services;
Home and Community Care;
and GIS.



About Our Shire

The Lachlan Shire is a progressive, vibrant and prosperous community in the heart of the Central West region of New South Wales. Located 200 kilometres west of Orange and 220 kilometres southwest of Dubbo, the Shire covers 14,973 square kilometres.

The three towns of Condobolin, Lake Cargelligo, and Tottenham and five villages of Albert, Burcher, Derriwong, Fifield, and Tullibigeal provide services to our 6,089 residents. The Shire is a rich agricultural area, upholding many traditional farming practices and being one of the largest grain-producing areas in NSW. In addition to grain, the Shire is a significant producer of sheep, wool, beef, and cotton.

There are some 920 (ABS 2019) businesses operating within the Shire with the highest number of these being in the Agriculture and Manufacturing sectors. Lachlan Shire produces large amounts of broadacre cereal crops such as wheat and oats and broadacre oilseed crops such as canola.

A successful light-manufacturing sector operates in both Condobolin and Lake Cargelligo with Council supporting further growth through the development of industrial estates.

Tourism is an emerging industry with the natural beauty of the Lachlan River, the picturesque Lake Cargelligo and Gum Bend Lake, and an abundance of birdlife. Lachlan Shire has some of the best free camping spots in Australia and is established on the tourist trails.





The Integrated Planning and Reporting (IP&R) Framework

The IP&R framework was introduced by the State Government in 2009 to transform the way Councils develop, document and report on plans for the future to their communities. This framework has evolved, but the fundamental assumption is that all Council planning should originate from a sound understanding of the communities' expectations around priorities and services. The IP&R framework allows council to draw its various plans together, understand how they interact and inform each other, and to obtain the maximum benefit from their efforts by planning holistically for the future ensuring alignment with state and regional priorities. IP&R is at the centre of all council plans, activities, projects, resourcing, decisions and improvements strategies. The IP&R cycle is aligned with the NSW local government elections, with each newly elected council required to review the Community Strategic Plan before the 30 June following the election.

The Community Strategic Plan (the Plan) addresses social, economic, environmental and governance factors through seven themes: Community Services, Tourism and Economic Development, Transport, Governance and Financial Control, People and Environment, Recreation and Service Infrastructure.

The Delivery Program is a four-year program that Council commits to delivering within the resources available. It translates the Plan's key directions and goals into clear actions. Progress of the Delivery Program is reported every six months to Council.

The Operational Plan is Council's annual action plan that includes the budget and activities that Council will carry out to achieve the commitments of the Delivery Program. Achievements of the Operational Plan are reported in the Annual Report.

The Annual Report updates our community on Council's progress towards achieving these priorities, as well as, the strategies and actions that were developed to achieve the outcomes identified in the Community Strategic Plan.



Disability Inclusion Action Plan

The NSW Disability Inclusion Act 2014 required Councils to develop a Disability Inclusion Action Plan (DIAP) by 1 July 2017. Lachlan Shire Council chose to incorporate its Disability Inclusion Action Plan within its four-year Delivery Program to allow for seamless integration of DIAP actions into core business. The purpose of the DIAP is to ensure Council services, information and facilities are accessible.

Area	Update of Lachlan Shire Council
Building positive attitudes and behaviours	<ul style="list-style-type: none">• Council has delivered Cultural Awareness training for staff• Council has an employee Assistance Program which offers a confidential 24/7 counselling service for all employees• HACC newsletters are inclusive and provide information on a variety of cultural activities. Pictures used represent all of the community.• Disability information/resources are available in the HACC office• Review and update of the Code of Conduct policies has taken place• Recognising and celebrating special event days like Seniors Week, NAIDOC, and International Day of People with a disability.• Disability awareness training completed by staff• Children's Services staff are educated to work with children with additional needs.• Children's Services staff work in partnership with specialised services and parents/caregivers to support children with additional needs.• Children's Services staff provide assessment and referral to specialised services with parent/caregiver agreement.• Children's Services has Inclusion & Diversity Policies.• Youth Strategy - Under Community and Culture Actions a statement that through our Disability Inclusion Action Planning, Council will aim to implement actions that will enable the increased participation of young people with disability in community activities.



<p>Creating liveable communities</p>	<ul style="list-style-type: none">• HACC events are inclusive and accessible to all clients, weekly exercise classes and lunches using a variety of local venues and environments. Exercise classes modified to meet individual needs. Experienced and qualified trainers employed.• Meals on Wheels and frozen meal delivery has increased across the shire• HACC clients have received 2 reusable bags to use for food delivery and shopping• HACC has a book/ puzzle library• HACC events/activities are inclusive and accessible to all clients.• HACC office is accessible with an auto door, is on one level, has resource stands that are wheelchair accessible and disabled toilets.• The HACC service and our staff are strong advocates for people living with a disability. In home welfare checks and social support with flexible arrangements to assist clients.• HACC is a vital source of Public Health and COVID 19 information• HACC referral for services has increased in particular clients needing group support and handyman services• Increase in the number of families asking for welfare checks on their senior family members.• Library subscribes to online databases to cater for those who are unable to visit the library• Installed smart TV in Youth Area of Condobolin Library for youth access• Collaboration with Parkes Shire Library for access to their audiobook collection• Introduction of movies at the library once a month for elderly who feel isolated
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	<ul style="list-style-type: none">• Children’s Service’s building is accessible. It is on one level, wheelchair accessible and we have disabled toilets.• All furniture can be adjusted to ensure accessibility.• Learning resources are accessible in terms of appropriate font size and are all inclusive.• Provision of hearing loop to Tottenham Memorial Hall
Supporting access to meaningful employment	<p><u>Staff training</u></p> <ul style="list-style-type: none">• The Training and Development Policy ensures that all employees have reasonable and equitable access to education and training.• All staff undertake an annual staff review which includes the formulation of a training plan which is focussed on the developing the skills and knowledge of the employee. <p><u>Recruitment practices</u></p> <ul style="list-style-type: none">• In the near future Council’s E-Recruitment System will be operational. Included on the online application form will be a voluntary question asking if you have a disability and if the answer is yes, we offer support or assistance to help the applicant through the recruitment process. <p><u>Work experience / mentorship</u></p> <ul style="list-style-type: none">• Council is very supportive of working with the schools within the Local Government Area to host work experience students. The shire has hosted students at the Works Depots, Children’s Services and Council’s Administration Building. Work experience in conjunction with Condobolin High School for students with a disability. <p><u>Flexible arrangements</u></p> <ul style="list-style-type: none">• Council has a Flexible Working Arrangement Procedure to assist the individual needs of employees of Council and accommodate flexibility as much as practicable.• HACC have been offering flexible work arrangements for staff



	<ul style="list-style-type: none">• Changes have been made to HACC staff position descriptions to reflect roles better• Staff have been participating in online training on current Aged Care reforms, caring for the elderly, suicide prevention• Staff recruitment has been made a priority in HACC management plan• Respite has been made a priority in HACC Management plan
Improving access to mainstream services through better systems and processes	<ul style="list-style-type: none">• Website accessibility improvements• Council's E-Recruitment System will be operational in the near future. Assistance will be available to applicants applying for positions online. Assistance and use of computers will be available at the Libraries.• HACC staff have been assisting clients online• HACC staff have been assisting clients set up direct debit services• HACC have been utilising Facebook to communicate as well as written media• HACC is going to be using a cloud-based software system (POLIXEN) in the future for database, service rosters and reporting• Library staff have also been assisting the community access essential services online including access to MyGov and Service NSW• Library staff assist community members in the use of various computer programs including Word and Excel and Email, and in the use of their devices including phones and tablets• Children's Services has an inclusive enrolment process and sources funding, where possible, to provide additional support to children with specialised needs e.g. funding for increased one on one time with educators.• Children's Services works in partnership with specialised services including regular on-site visits.



Appendices

The Annual Report must be prepared in accordance with the Integrated Planning and Reporting Guidelines. The *Local Government Act 1993* and the associated Regulations prescribes the information to be included. The Office of Local Government clarifies specific requirements.

The following appendices are included to meet these criteria:

- Council's audited financial reports;
- Include particulars of any environmental upgrade agreement entered into by the council;
- Report on activities funded via a special rate variation of general income; and
- Report on the amount of rates and charges written off during the reporting year.

Requirements under the *Local Government (General) Regulation 2021 clause 217* include:

- Details of overseas visits by Councillors and Council staff;
- Details of fees paid, expenses funded and facilities provided for the Mayor and Councillors;
- Contracts awarded by Council to the value \$150,000 or greater;
- Amounts incurred in relation to legal proceedings;
- Private works and financial assistance;
- Details of external bodies, companies, and partnerships;
- A statement of the activities undertaken by the Council to implement its equal employment opportunity management plan;
- Details of the General Manager's total remuneration;
- Details of the total expenditure on Senior Staff remuneration package;
- Information on storm water levies and charges; and
- Information on companion animal management.



Special Rate Variation

Under the *Local Government Act 1993*, Council may apply to the Independent Pricing and Regulatory Tribunal (IPART) for a special rate variation that allows them to increase their general rates income by more than the notified annual rate peg. These increases may be for a single year or successive years up to a maximum of seven years.

Lachlan Shire Council applied for a multi-year special rate variation and IPART determined that Council could increase its general rates income between 2016-17 and 2019-20 by the annual percentages shown below.

2016-17	6.80%
2017-18	7.40%
2018-19	7.40%
2019-20	7.40%

These increases are permanently incorporated into the Council's revenue base. IPART's approval of Lachlan Shire Council's application for a special rate variation over the period from 2016-17 to 2019-20 was subject to two conditions:

1. The Council uses the additional income from the special rate variation for the purposes of improving financial sustainability and reducing infrastructure backlogs as outlined in the Council's application; and
2. The Council reports in its Annual Report for each year from 2016-17 to 2025-26 on:
 - a) The actual revenues, expenses, and operating balance against the projected revenues, expenses, and operating balance;
 - b) Any significant variations from its proposed expenditure as forecast in the current Long-Term Financial Plan, and any corrective action taken or to be taken to address any such variation;
 - c) Expenditure consistent with the Council's application and the reasons for any significant differences from the proposed expenditure;
 - d) The outcomes achieved as a result of the actual program of expenditure; and
 - e) The additional revenue will also be used to improve the Council's financial sustainability.



Over 10 years, the special rate variation would generate revenue of \$10.4 million above the assumed rate peg.

The Council proposed to spend over the period from 2016-17 to 2025-26, an additional \$2.1 million on operational expenses as set out below:

1. \$0.7 million on unsealed road maintenance;
2. \$0.6 million on building maintenance; and
3. \$0.8 million on loan interest repayments towards the works depot replacement.

A further \$7.8 million will be used to fund higher capital expenditure:

1. \$2.6 million on road re-sheeting, edge works, widening, footpaths, cycle ways, kerb and guttering;
2. \$1.9 million on buildings, halls, and community centres;
3. \$2.1 million on sporting and recreation grounds, parks, reserves, swimming pools, caravan parks, and public toilets;
4. \$1.0 million towards the new Condobolin works depot; and
5. A further \$0.2 million on information technology upgrades.

Over this period, an amount of \$0.5 million to be transferred to reserves to improve financial sustainability.

In the 2021/22 financial year, Council budgeted to spend \$485,230, from its Special Rate Variation and applied this as follows:

Caravan Park Improvements	\$35,230
Re-sheeting roads	\$200,000
Buildings Maintenance	\$60,000
Building Capital Works – New Condobolin Works Depot fit out	\$105,154
Building Capital Works – Condobolin Office	\$34,000

The balance was applied to the Condobolin new works depot fit out in the 2022/23 financial year budget.



Payments to Councillors, and overseas visits by Councillors and Council staff

Details of Overseas visits by Councillors and Council Staff

No overseas visits were undertaken by Councillors or Council staff during the reporting year. No expenses were borne by Council for any spouse or partner of an elected representative who accompanied a Councillor in the performance of their civic duties.

Councillor Induction Training and Ongoing Professional Development

The NSW Office of Local Government Guidelines for Induction and Professional Development for Elected Members mandates the need to establish and implement an ongoing professional development plan (PDP) for the Mayor and each Councillor of Lachlan Shire Council each term. There were 10 Councillors elected at the December 2021 election being:

A Ward	Mayor John Medcalf OAM	Cr Megan Mortimer
B Ward	Cr Melissa Blewitt	Cr Melissa Rees
C Ward	Cr Dave Carter	Cr Peter Harris
D Ward	Cr Elaine Bendall	Cr Dennis Brady
E Ward	Cr Paul Phillips	Cr Judith Bartholomew

All Councillors attended the Induction training sessions unless noted as an apology in the sessions listed below:

Session	Apology
Session one	Cr Elaine Bendall
Session two	Cr Paul Phillips, Cr Judith Bartholomew and Cr Dave Carter
Session three	Mayor John Medcalf OAM
Session four	Cr Judith Bartholomew and Cr Dave Carter

Councillor attendance at conferences and seminars

Conference/Seminar	Dates	Councillors
LGNSW Special Conference	March 2022	Mayor John Medcalf OAM, Cr Peter Harris and Cr Paul Phillips
ALGA Nation General Assembly	June 2022	Mayor John Medcalf OAM
ALGWA Conference	June 2022	Cr Elaine Bendall and Cr Judith Bartholomew



Details of Mayoral and Councillor Fees and Expenses

Council has a policy covering the payment of expenses and provision of facilities to Councillors. This is available for public inspection at the Council office and on its website. In line with this policy, Councillors receive payment for out of pocket expenses for travel and sustenance whilst undertaking Council business. Accommodation expenses are also paid for meetings, delegations and conferences held out of the Shire.

All Councillors receive a meeting fee with the Mayor and Deputy Mayor receiving an additional allowance. A total of \$149,059 was paid in meeting fees. This is broken down as follows:

- Mayor \$36,510 including Mayoral Allowance of \$24,110;
- Deputy Mayor \$15,416 including Deputy Mayor allowance of \$3,016; and
- the remaining Councillors received \$97,133 in total.

Council provides an office, telephone and shared secretarial support for the Mayor at its Condobolin office.

Date of Council Meeting	Apology	Leave of Absence
27 January 2022	Nil	Cr Peter Harris
23 February 2022	Nil	Cr Judith Bartholomew and Cr Dennis Brady
23 March 2022	Nil	Cr Megan Mortimer
27 April 2022	Nil	Nil
25 May 2022	Nil	Cr Peter Harris
29 June 2022	Nil	Cr Peter Harris



Total other costs for the 2021/22 financial year appear in the table below:

Description	Amount (\$)
Travel and Sustenance	20,594
Conferences, Seminars and Training	17,640
Subscriptions and memberships	51,503
Telephone Charges	368
Total	90,105

Contracts Awarded

During the 2021/22 financial year, Council paid the following contractors and suppliers in excess of the amount prescribed in the *Local Government (General) Regulation 2021*.

2021/22 Financial year contracts worth \$150,000 or greater

Supplier Name	Amount (\$)	Description
Leed Engineering and Construction Pty Ltd	7,194,535.84	Construction of water supply
Boral Construction Materials Group Ltd	2,909,664.78	Provision of road construction services
Trazilbat Pty Ltd	1,859,256.00	Construction of water supply
Mays Earthmoving	1,740,776.00	Provision of road construction services
Hines Constructions Pty Ltd	1,546,295.05	Construction of Council Depot
Conseth Solutions Pty Ltd	1,395,566.15	Provision of building construction services
Adaptive Trading Pty Ltd	1,159,500.61	Provision of building construction services
Blacklocks	819,672.40	Provision of general goods
Alliance Automation	746,568.22	Provision of water/sewer telemetry Services
J R Richards & Sons	679,081.09	Provision of waste collection services
Statewide Mutal	660,682.98	Insurance supplier
Conex Group Pty Ltd	619,434.88	Provision of road construction services
West 'N' Owens Petroleum	617,153.45	Supplier of diesel fuel
TG & FB Ross	562,263.23	Management of waste facilities
Essential Energy	547,861.12	Electrical supplier
Revenue NSW	455,813.39	Quarterly instalments
WesTrac Pty Ltd	420,267.74	Provision of heavy fleet machinery
Patterson Building Group Pty Ltd	383,273.52	Provision of building construction services
NSW Government Public Works	376,354.05	Provision of water



Wagga trucks	371,812.60	Provision of heavy fleet machinery
Cadia Group Pty Ltd	353,111.42	Provision of water/sewer supplies
Emmat Group Pty Ltd	327,893.86	Provision of heavy fleet machinery
EnergyAustralia	321,505.91	Electrical supplier
PRO Management Pty Ltd	317,579.59	Management of caravan parks
Lackon Pty Ltd	316,200.43	Provision of road construction services
Aquawest Pty Ltd	297,268.60	Provision of Irrigation Systems
M & K Thorpe	294,765.77	Management of Condobolin pool
Modcast Pty Ltd	280,596.75	Provision of road construction services
Origin Energy Holdings Limited	280,410.78	Electrical Supplier
Civica Pty Ltd	265,245.68	eServices/licence, support
Ross Bros Excavations	254,166.06	Provision of road construction services
WorkControl Pty Ltd	244,090.93	Provision of traffic control
Lachlan And Western Regional Services Inc	242,683.00	Youth funding/ community support/ grants
Parkes Shire Council	242,039.36	Provision of water
Rollers Australia Pty Limited	238,662.55	Heavy fleet hire service
Statecover Mutual	220,081.99	Insurance supplier
Country Wide Asphalt Pty Ltd	218,750.00	Provision of road construction services
Leisure & Recreation Group	210,246.21	Management of Lake Cargelligo pool
Murray Constructions	205,177.20	Construction of bridge
Roylances Tractor Replacements	202,929.18	Provision of heavy fleet machinery
Reece Australia Pty Ltd	201,787.68	Provision of water/sewer supplies
Robertson's Ready Mix	191,721.64	Provision of water/sewer supplies
Local Government Appointments	186,192.57	Provision on contract labour
Bremner Electrical	183,753.17	Provision of electrical services
Bruno Altin & Co Pty Ltd	177,313.63	Provision of road construction supplies
Liberty Oil Australia Pty Ltd	168,677.48	Supplier of diesel fuel
Central West Linemarking	167,955.42	Provision of road construction supplies
Mahon's Bulk Haulage	160,912.76	Provision of road construction services
West Windermere Enterprises	158,079.00	Management of Tottenham pool
Shannon Barby Excavations	154,958.00	Provision of road construction services
Total	\$32,150,589.72	



Rates and Charges Written Off

Rate or Charge	Amount (\$)
Ordinary Rates and Interest	72,148.51
Annual Water Charges and Interest	255.03
Annual Sewer Charges and Interest	16.78
Annual Domestic Waste Charges and Interest	6.44
Annual Non-Domestic Waste and Interest	280.65
Annual Stormwater Charges and Interest	12.87
Legal Charges	18,777.00
Postponed Rates and Interest	2,670.21
Total	\$94,167.49

Pensioner concession Council provided

Rate Type	Amount (\$)
Ordinary Rates/General	55,105.61
Waste Management	49,311.47
Water	34,552.43
Sewerage	30,177.42
Total	\$169,146.93

Water consumption charges written off during the year

Reason for Adjustment	Amount (\$)
Council approved / resolution	12,831.77
Undetected Leak Policy (including interest)	12,678.23
Meter Reading or Other Error	2,792.38
Willow Bend Allowance	2,633.50
Hospital Occupancy Allowance	1,002.00
Total	\$31,937.88



Summary of Legal Proceedings

Council incurred the following expenditure in relation to legal proceedings:

- Ongoing debt recovery \$14,854;
- Industrial Matter \$2,402. This case was finalised with an outcome which is confidential; and
- Costs in relation to an ongoing contractual dispute and ongoing Town Planning matters \$15,939.

Private Works

Council carried out minor works under *section 67 of the Local Government Act 1993* such as road grading as well as plant hire and gravel sales. Council also completed major private works for a business that required internal roadworks.

The following resolutions were made during the year under *section 67 of the Local Government Act 1993* regarding works carried out on private land: Resolution number 2021/97: Remediation/repair works be undertaken in accordance with the terms of the development control orders on each property and seek to recover the costs through legal action for the following properties:

- 18 Brady Street, Condobolin - demolition, removal and disposal of a single fire damaged dwelling containing friable asbestos.
- 19 Brady Street, Condobolin - demolition, removal and disposal of a single fire damaged dwelling containing friable asbestos.
- 92-94 Bathurst Street, Condobolin - asbestos removal in the upper level of the building and provide permanent propping to the awning over the footpath.

Capital Expenditure

The NSW Office of Local Government has issued Capital Expenditure Guidelines. The guidelines provide minimum reporting requirements for all capital expenditure projects, which are not exempt and are in excess of \$10 million exclusive of GST. These reporting requirements are set out below:



- quarterly reporting to the council on the progress of the project;
- quarterly reporting to the council on the costs and budget variances regarding the project;
- reporting on any issue that may have an adverse impact on the project; and
- Reporting capital works projects in council's Annual Report.

Council has one project, the new Condobolin works depot, which falls under these reporting requirements. A monthly report is provided to Council detailing the expenditure and progress of all capital expenditure, including the new Condobolin works depot. The Condobolin works depot remains a work in progress.

External Bodies exercising functions delegated by Council

During the 2021/22 financial year, Lachlan and Western Regional Services (formerly Western Plains Regional Development Inc.) received a total of \$186,000 for the provision of youth services on behalf of Council. There are twenty Section 355 committees who while they exercise delegated functions do not receive Council funding.

Partnerships, Co-operatives or Joint Ventures

During the 2021/22 financial year, Council was not party to any partnership, co-operative or joint venture. Council is an active member of the Central NSW Joint Organisation and Net Waste along with a number of associations including Local Government NSW and the Association of Mining Related Councils. Council, either alone or with other Councils, did not have a controlling interest in any company during the reporting period.

Environmental Planning and Assessment Act 1979

Council is party to a Voluntary Planning Agreement associated with the Mineral Hill Pty Ltd and Clean Teq Sunrise mining projects. There were no requirements during the year. Compliance was met with the VPA. This includes work items set out under Section 3 Access Road and Section 4 Albert Road.



Senior Staff Employed

Four Senior Staff members are employed by Council on performance-based contracts. The total remuneration package (inclusive of superannuation) for the General Manager was \$281,305 and for the Directors (inclusive of superannuation) was \$622,800 in total.

Stormwater Management Services

Council levied a Storm water Management Charge of \$25 in the 2021/22 financial year. A total of \$52,924 was raised by the levy.

Type	Number of Assessments	Amount (\$)
Business	289	7,225
Residential	1,828	45,700
Total	2,117	52,925

Funds raised through the storm water levy and successful capital grants enabled important capital and maintenance work to be completed. A total of \$661,016 was spent with the following works completed over multiple locations in the shire.

- Maintenance of open drains;
- Maintenance of stormwater systems;
- Upgrade of stormwater in Bridge St Lake Cargelligo
- Upgrade of stormwater in Foster St Lake Cargelligo

Government Information (Public Access) Act 2009

Council follows the legislative requirements under *the Government Information (Public Access) Act 2009*, and the *Privacy and Personal Information Protection Act 1998* and associated Regulations, when determining which documents are available as open-access information. These documents are subject to mandatory proactive release. Council responded to five Formal GIPA requests during the financial year. Formal and informal requests for information can be made through Council's Governance and Risk Officer who can be contacted on 02 6895 1900.



Public Interest Disclosure Act 1994

The *Public Interest Disclosure Act 1994* and associated regulation requires public authorities to adopt policy and procedures for receiving, assessing, and dealing with public interest disclosures. The purpose of the Internal Reporting Policy is to clearly state Council's commitment to supporting and protecting staff and others if they report wrongdoing. A copy of the Internal Reporting Policy is available on Council's website.

Disclosures, under the *Public Interest Disclosure Act*, include reports of corrupt conduct, maladministration, serious and substantial waste of public money, breach of the *Government Information (Public Access) Act* or local government pecuniary interest contraventions.

During the reporting period, Council reviewed and adopted revised copies of the Gifts, Benefits and Bribes Policy as well as the Procurement Policy. *Section 31 of the Public Interest Disclosures (PID) Act* requires public authorities to prepare an annual report on their obligations under the *PID Act*. Lachlan Shire Council has reported against its obligations and did not receive any public interest disclosures during the 2021/22 financial year.

Financial Assistance provided in 2021/22

Council provided financial assistance to a number of community-based organisations and groups throughout the year for programs or events that directly benefit, and involve residents of the Lachlan Shire. This financial assistance was provided in the form of financial donations and rates concessions resolved at Council's Ordinary meetings.

Organisation	Description	Amount (\$)
Country Women's Association – Tullibigeal	Donation of rates	682
Wiradjuri Condobolin Corporation	Community event	500
Country Women's Association – Oxley	Community event	300
Tottenham Youth Centre	Donation of rates	2,190
Ronald McDonald House	Donation	600
Tottenham Anglican Church	Donation of rates	139
Albert Anglican Church	Donation of rates	148
Condobolin Clay Target Club Inc.	Community event	1,000



Rotary Club of Lake Cargelligo	Community event	1,000
GIVIT – NSW Flood Appeal	Donation	1,000
Cancer Council – Biggest Morning Tea	Community event	200
Luck Kirk – Speak Up - April & July	Community event	400
Lake Cargelligo Unity Church	Donation of waste charges	828
NSW Rural Doctors Network	Community program	3,000
Tullibigeal Central School	Community event	100
Tottenham Christmas Tree	Community event	100
Condobolin High School	Community event	100
Tottenham Swimming Club	Community event	300
Lake Cargelligo Arts & Crafts	Community event	1,000
Lake Cargelligo Central School	Community event	100
West Milby Rodeo & Gymkhana	Community event	1,000
Condobolin PAH & I Association	Community event	2,000
Tullibigeal Pool Committee	Community event	500
Tottenham Central School	Community event	100
Koori Kids	Community event	450
Condobolin Rotary Club	Community event	1,000
Condobolin Rotary Club	Donation of rates	1,386
Country Women’s Association – Tottenham	Donation of rates	1,037
Condobolin Chamber of Commerce	Community event	3,000
Condobolin & District Kennel Club	Community event	2,000
Lachlan & Western Regional Services	Administration funding	53,370
Lower Lachlan Community Services	Administration funding	54,440
Tottenham Welfare Council	Administration funding	4,000
Tullibigeal Pool Operations	Partial operations subsidy	45,000
Condobolin Races	In kind support	18,166
Pony Club Condobolin	In kind support	424
Yellow Mountain Cross Country	In kind support	1,206
Milby Sports	In kind support	1,891
ANZAC Day	In kind support	2,998
Tottenham Races	In kind support	7,556
Tullibigeal Carols	In kind support	759
Tullibigeal Races	In kind support	1,084



Tottenham Christmas Event	In kind support	408
Lake Cargelligo Rotary Christmas Event	In kind support	2,326
Condobolin Rotary Christmas Event	In kind support	2,701
	Total	222,489

Companion Animals Management

Summary of Pound Data for 2021/22	Cats	Dogs	Total
Seized and transferred to Council's facility	33	124	157
Returned to owner	0	0	0
Surrendered by owner	2	73	75
Released to owner	0	78	78
Euthanised	23	42	65
Sold	0	0	0
Released for rehoming	6	69	75
Died at Council's facilities	2	5	7
Stolen or escaped from Council's facility	0	2	2
Holding pending court action	0	0	0

Lodgement of data relating to dog attacks with Office Local Government (OLG)

Council is compliant with the requirements of the *Companion Animals Act 1998* and appropriately notifies the OLG of all reportable attacks via the Companion Animals Register.

Animal management/activities expenditure

Expenditure for animal management/activities including wages, vehicle running costs, and maintenance of animal shelter totalled \$133,338.21 for 2021/22.

Companion Animal and De-Sexing Community Education Program

Council did not undertake a De-Sexing program.



Companion Animals Fund Expended

Funds received via the Companion Animals Fund will be used towards an annual de-sexing program for financially disadvantaged members of the community.

Euthanasia Alternatives for Unclaimed Animals

Council has engaged Pet Rescue through a rehoming program to re-home dogs and cats wherever possible. There has been a steady increase in the rehoming of cats and dogs through this Program which has greatly reduced the number of animals being euthanised.

Off-Leash Areas

Council acknowledges that dogs need space where they can walk and run without being on a leash and as such, provides an off-leash space in three designated areas throughout the Shire. Locations include Golf Links Road, Condobolin, Diggers Avenue Condobolin, within secure fencing adjacent to the dog show arenas and North side of Condobolin; (an area opposite the cemetery bounded by Maitland and Brady Streets) in the vicinity of Boona Road, Condobolin; the land known as Lot 5, DP 565251. Detailed information on how fund money was used for managing and controlling companion animals in their area:

Travelling	\$42,103.41
Animals Control	\$18,401.98
Straying Stock	\$489.20
Wages	\$83,238.91

Swimming Pools

In accordance with the *Swimming Pools Act 1992*, Council reports on the following activities undertaken in 2021/22:

Reporting Requirements	Total
Number of inspections of tourist and visitor accommodation	Nil
Number of inspections of premises with more than 2 dwellings	Nil
Number of inspections that resulted in the issuance of a certificate of compliance under section 22D of the <i>Swimming Pool Act</i>	13
Number of inspections that resulted in the issuance of a certificate of non-compliance under clause 21 of the <i>Swimming Pool Regulation</i>	6



Equal Employment Opportunities (EEO)

Council has continued to actively work towards achieving the strategies contained in its EEO Management Plan which promotes and values the recognition of diversity in the workplace.

To assist in the development of policies, practices, and behaviours that support the fair treatment of all staff, Council is supported by the Consultative Committee and an EEO Committee made up of representatives from all work areas of Council.

Council has a robust recruitment procedure which prompts appointment of employees to positions based on merit and fosters a diverse, inclusive workforce. This procedure aims to eliminate bias or discrimination from the recruitment process to ensure all candidates are given equal opportunity for employment and council appoints the best person to the position regardless of personal characteristics.

Council has continued to build on staff training and development through cultural awareness training, staff induction, and opportunities for the EEO Committee representatives. Integrated training plans, which are part of this process afford opportunities to improve career mobility.

Council continues to promote the Employee Assistance Program which provides support for employees with both workplace and personal issues.

Work experience was undertaken by young adults in our communities within the Tottenham and Condobolin depots and at Children's Services. Council has also supported traineeships throughout the organisation and a mechanical apprenticeship at the Condobolin depot and a school-based traineeship at Lachlan Children Services. This has been a positive experience for all the individuals and the communities they are supporting.

Home and Community Care (HACC)

The *Carers Recognition Act 2010* aims to increase recognition and awareness of the role carers' play in providing daily care and support to people with a disability, medical condition, mental illness or who are frail aged. The act recognises and promotes the role of carers. HACC employees/carers support seniors to go about their day to day activities to live independently in their own home. HACC's philosophy is assisting seniors to live their best



life. Employees/carers need support to carry out this role. HACC employees gain this support through strong working relationships including:

- **Access to information and services** - staff resources/staff bulletin board located in HACC offices, annual staff training plan and annual staff appraisals.
- **Recognition and respect** - Open door policy between supervisor and staff, positive media exposure regarding carers and the service they provide, flexible work environment, promoting a team approach, individual cultures and values respected in the workspace, supporting staff in the complaints process. Regular staff meetings, current and updated policies and procedures in place, access to Human Resources, recognition and participation in national days e.g. carers week, volunteer day, NAIDOC, senior's week, Team review and completion of Age Care standards self-assessment tool.
- **Improved financial and economic opportunities** - flexible work environment, adhere to Pay Awards, employment opportunities advertised internally, staffing and retention of staff a priority in the management plan, and updated Staff position descriptions.
- **Better health and wellbeing** - health and wellbeing emails, access to counselling and up to date health information, access to vaccinations, opportunities to participate in workplace social events and challenges, Wellbeing workshops, and provision of personal protective equipment.

In summary, our team are aware of the important role carers play in providing care. We address the act by consulting carers when developing or evaluating care. We value and support our workforce and are in compliance with requirements.

Further information regarding the service during this time;

Highlights

- Donation from Condobolin RSL Club;
- Grant to assist with Digital Transition (\$40,000) for the purchase cloud-based software program POLIXEN;
- Increased Meals on Wheels and frozen meals delivery across the shire;



- 50 years of Meals on Wheels Service in Lake Cargelligo;
- Purchase of hand sanitizer for clients and volunteers;
- Purchased more reusable shopping bags for clients;
- Increased community awareness of our service through positive media exposure, participation in the Lake Cargelligo Expo and aged care forum.
- Information packs distributed to local business, Hospitals, Doctors, Hairdressers, Libraries and community bulletin boards.
- Established a mini library for puzzles, books etc.

Challenges Lachlan HACC 2022

- Staff shortages and difficulty recruiting;
- Handyman Contract – retaining service providers; and
- Wet weather and road closures resulted in the rescheduling of medical appointments as specialists could not access regional areas, and food delivery restrictions due to road closures.

Delivery Program

Council's four-year Delivery Program, annual Operational Plan and annual Budget form an important part of our planning process to ensure Council continues to deliver the services that meet the needs of our communities. In accordance with the Integrated Planning and Reporting Guidelines and the *Local Government Act 1993*, Council is pleased to provide a report to the community on our achievements towards implementing the Delivery Program. This document appears at the back of the Annual Report before the audited Financial Statements.

Audited Financial Statements

As per section 428(4)(a) of the *Local Government Act 1993*, a copy of the council's audited financial reports must be included in the Annual Report. This document appears after the Delivery Program update.



If you would like more information on this Report, please contact Mrs. Karen Pegler,
Director Corporate and Community Services, Lachlan Shire Council.

Email

council@lachlan.nsw.gov.au

Address

58-64 Molong Street, Condobolin NSW 2877

Contact Person

Mrs. Karen Pegler

Director Corporate and Community Services

Telephone

02 6895 1900

Fax

02 6895 3478

Mayor

Cr John Medcalf OAM

General Manager

Mr Greg Tory

Ordinary Council Meeting

Ordinary Council meetings are held at 2:00pm on the fourth Wednesday of every month.

Details of meeting venues and Council Business Papers are available on the Council website.



Community Services

Outcome 1.1: Connecting with our Aboriginal Communities

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.1.1	Connecting with our Aboriginal Communities in Lake Cargelligo and Murrin Bridge.	Consult with Aboriginal Advisory Committee to identify priority issues.	Opportunities identified.	DCCS GO/DCCS	<p>Two Aboriginal Advisory Committee meetings organised over the last 12 months have been cancelled due to inability of members to attend. Report to Council February 2020 re future directions.</p> <p>In February 2020, Council resolved to dissolve the current Aboriginal Advisory Committee and discuss options for engaging with the various Aboriginal communities following the Council elections.</p> <p>Aboriginal Advisory Committee to be re-established following September 2020 Mayoral and committee member elections.</p> <p>New Aboriginal Advisory Committee expressions of Interest issued in February 2021 & again in March 2021 along with media releases, website and Facebook posts to encourage membership.</p> <p>Communications Officer and DCCS held a zoom conference with 2 key stakeholders to discuss committee membership and meeting options.</p> <p>Spoke with new Communications Officer to progress this with a meeting with stakeholders. Insufficient numbers of applicants received to progress as initially agreed.</p> <p>Ongoing discussions with key Aboriginal Organisations and community members to establish Aboriginal cultural events and develop Aboriginal tourism.</p>

		Engage with State and Federal Government agencies to identify funding potential Aboriginal tourism and business opportunities.	Funding sources identified.		<p>Ongoing inspections and maintenance works for water & sewerage services (under agreement with Department Primary Industries – Aboriginal Communities Program)</p> <p>A \$40,000 heritage grant was secured to undertake a shire wide aboriginal heritage study. This study has been on public exhibition and further consultation has been taking place over the last three months. Advice is being sought from the NSW Heritage Office before the study can be finalised and adopted by Council. A draft Aboriginal Communication protocol has been developed and finalised to acknowledge, consult and engage with Aboriginal people effectively, respectfully and with cultural sensitivity.</p> <p>New entry signs have been placed at Murrin Bridge</p> <p>A waste service is now being provided to Murrin Bridge by Council.</p>
1.1.2	Celebrating Aboriginal heritage and achievements	Support NAIDOC week Celebrations.	Successful event held	GM/DCCS	<p>2020 NAIDOC week celebrations deferred until November due to COVID-19.</p> <p>Donation to support 2021 NAIDOC week submitted for a decision at the June 2021 Council meeting.</p> <p>Previously events held in Condobolin. Several Councillors and GM attended Aboriginal flag raising and march to Memorial Park during NAIDOC week.</p> <p>NAIDOC Week events supported by Council. 2021 event deferred until later in the year due to COVID-19 restrictions.</p> <p>NAIDOC events – Koori Kids & Wiradjuri supported by Council in 2021 .22 year.</p> <p>NAIDOC week event 4.7. 2022 postponed until later date.</p>
1.1.3	Increase opportunities for indigenous employment in Council's workforce.	<p>Increase the level of indigenous employment with Council.</p> <p>Implement the provisions stated in the Aboriginal</p>	<p>Council workforce is at least 10% indigenous.</p> <p>Reduction in the Aboriginal</p>	Human Resource Manager	<p>Council's workforce currently has 18.2% indigenous employees</p>

1.1.4		employment strategy. Develop strategies to maintain the level of Indigenous employment within Council.	unemployment rate by 2%.		Council continues to employ people of Aboriginal descent as opportunities arise.
	Expansion of Community transport in Murrin Bridge	Apply for funding from the Department of transport or another provider to expand the amount of community transport offered from Murrin Bridge to other locations.	Community transport increased to a daily service from Murrin Bridge.	DCCS	Enquiries made with Griffith Bus Company, service not considered viable for private sector without subsidies. No opportunities for Government funding identified. Lake Cargelligo Community Transport provide a 3 times weekly regular service. The same organisation provides an ad hoc service for medical appointments. Advice from Murrin Bridge LALC is this is sufficient as it operates alongside an informal community network.

Outcome 1.2: Successful transition from school to training to employment

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.2.1	Offer employment opportunities to young people at Lachlan Shire Council	Host School based traineeships, work experience and offer work placement opportunities	4 traineeships or apprenticeships offered. Work experience and work place programs implemented.	Human Resource Manager	Apprentice Mechanic employed in Condobolin. Trainee Early Childcare Educator employed at Children's Services. School Based Trainee employed at Children's Services. Council has engaged with Schools offering to host students for work experience and work placement.

					<p>Council has hosted work experience students in childcare and library as requests are received.</p> <p>Council advertised but did not attract suitable applicants for a Trainee IT Officer and a Cadet Finance Officer.</p>
1.2.2	Support a youth employment model targeting young people aged 17 to 24.	Support a model, like the green army, that will fill the gap	Reduction in youth unemployment rates in the Lachlan Shire	DCCS	<p>Apprentice Mechanic at Condobolin workshop. Trainee and School Based Trainee employment at Children's Services Cadet Finance Officer and IT trainee role advertised but not able to be filled.</p> <p>Trainee Administration Officer employed in the HR Department.</p>

Outcome 1.3: Council supported strategic education and training

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.3.1	Increase traineeships and cadetships in Council employment	Foster the growth of a local workforce through traineeship, apprenticeships and ongoing training.	Increased number of trainees	Human Resource Manager	<p>A 2 year Trainee Childcare Educator commenced on 09/11/2022.</p> <p>The apprentice Mechanic has completed half a year of his Apprenticeship.</p> <p>The Gardener – Lake Cargelligo is undertaking a Certificate III in Horticulture.</p> <p>One staff member currently undertaking a Certificate III in Early Childhood Education & Care traineeship. One staff member from Children's services completed a Diploma in Early Childhood Education and Care. She remains working in the service. Two staff members nearing completion of Diplomas at Children's Services. One of our Library tam completed her Diploma in Library and Information Management.</p> <p>Council advertised but did not attract suitable applicants for a Trainee IT Officer and a Cadet Finance Officer</p>

1.3.2	Work with schools to provide work experience in Local Government.	Work closely with regional high schools to host school based traineeships, work experience and work placement programs.	Participate in Careers in Local Government. School students undertake work experience and work placement with Council. Presentations in Local Government to local schools.	Human Resource Manager	<p>The library hosted 2 work experience students in this period.</p> <p>Growing Lachlan is currently developing a strategy to encourage School Based Apprentice Training (SBAT). Council is playing a role supporting this. Discussion with Condobolin High School and Lake Cargelligo Central School regarding Council participation at a local High School Careers expo.</p> <p>Work experience students hosted in FY2020/21</p> <p>Work experience high school student hosted by Children's services in June 2022 and 2 in November 2021. One of the students from November 2021 is now undertaking a school-based traineeship with children's services.</p>
1.3.3	Utilise library 3 programs to encourage reading and literacy training.	<p>Provide broadband for seniors.</p> <p>Continuation of the Early intervention reading program.</p>	<p>Number of seniors attending.</p> <p>Number of children attending.</p> <p>Number of books/ materials borrowed.</p>	DCCS /Librarian	<p>Completed.</p> <p>Broadband computers for seniors are available at Condobolin and Lake Cargelligo Libraries and continue to be extremely popular.</p> <p>LEAP program was implemented in February 2020 that provides technical assistance in the use of devices such as mobile phones, tablets and laptops to older members of the community by appointment only. Purchase of six Ipads for use in library programs including coding.</p> <p>Baby Rhyme Time, and Preschool Story Time are offered in house twice a week at Condobolin Library (Wednesdays and Fridays), excluding school holidays. Due to COVID restrictions, during the second half of 2021, all programs were suspended during this time and did not resume until February 2022.</p> <p>The Library has entered into an Agreement with ALIA for 2021 for a Pilot program which covers copyright permissions to allow us to have an online Story Time presence once a week via Facebook. Council participated in National Simultaneous Story Time for last 2 years with 51 attendees in May 2022.</p>

In the last 12 months to 30 June 2022, the library has processed 62 new members, with library membership now representing almost 50% of the Shire's total population.

1.3.4	Ensure targeted education and training is delivered across the Shire.	Lobby and advocate State Government on the need to retain skill-based training programs delivered at TAFE Campuses at Condobolin and Lake Cargelligo. Explore RTO options.	Advocacy undertaken Report on options completed.	Human Resource Manager	TAFE NSW is delivering courses from Condobolin and Lake Cargelligo and Council currently assists with advertising on Facebook. Courses include, business administration, welding, leadership and management, community services and first aid.
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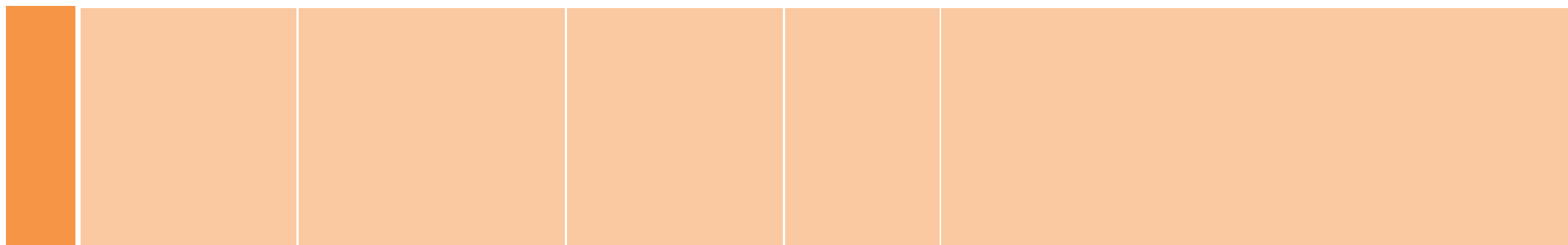
Outcome 1.4: Childcare services and facilities that meet the needs of young families

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.4.1	Operate Preschool in Condobolin	Maintain accreditation of Condobolin Preschool at Lachlan Children Services. Investigate options for long day care services in Condobolin. Offer Preschool service on Wednesdays.	Pass accreditation Investigation completed 10% increase in enrolments Service operating on Wednesdays with average attendance of 16.	DCCS	Accreditation completed In January 2021. Complete - Funding has been provided by Council and the State Government to expand the existing Preschool in Condobolin. Preschool Hours of operation: Monday - Thursday 8:30am to 4pm 20 places offered. Average attendance 20 children per day. Preschool is full with a waiting list. After school Care hours of operation: Mon-Friday 3pm to 6pm. Monday-Thursday is full with a waiting list.

					Vacation care offered throughout school holidays (Not Public holidays) Mon – Friday 8:30am to 5:30pm. Full each holiday with waiting list.
1.4.2	Provide mobile childcare services to remote communities	Complete a cost benefit analysis of providing the mobile childcare service to Lake Cargelligo, Tullibigeal, and Euabalong.	Cost benefit analysis completed Enrolments in service to increase by 10%	DCCS/ Children's Services Coordinator	A Business Plan for the provision of mobile services to the Shire's Remote communities has been completed. Achieved - Tullibigeal and Lake Cargelligo mobile childcare now in operation. Current Mobile Venues and Hours of Operation Tullibigeal Mobile: Mon –Tues 8:45am to 3:15pm Lake Cargelligo: Wed – Thurs 8:45am to 3:15pm Condobolin Mobile: Friday- 8.30am-3.30pm Cost benefit analysis completed – not financially viable for Euabalong.
1.4.3	Make the mobile service financially viable.	Apply for CCCF grant Investigate the restructuring of the service.	Grant successfully applied for Cost to Council to be restricted to \$50,000	DCCS/ Children's Services Coordinator	Complete - Grant application successful. Complete - Service costs less than \$50,000 per annum

Outcome 1.5: Increase Community participation in arts and cultural activities

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as 31 December 2018
1.5.1	Support the Penrith Alliance in facilitating arts training for young people, sporting and cultural exchanges and staff training and exchanges with Lachlan	Partner with the Penrith Performing and Visual Arts Inc., and Vincent Fairfax Family Foundation (VFFF) to deliver the three year "On the Road" project. Actively foster and support sporting and cultural exchanges. Promote staff training or exchanges.	Programs successfully Completed and participants satisfied. One exchange held per year.	DCCS/GM	<p>On the road project communicated to the Condobolin HS. Contact made between the school and Penrith City Council</p> <p>Condobolin admin staff have attended Penrith CC to learn from staff there. Arrangements made for PCC environmental staff to visit LSC To gain rural work experience.</p> <p>PCC staff have also provided remote support to LSC staff for various Development Applications and general environmental advice.</p> <p>Condobolin Corporate services team have been networking with and exchanging resources with Penrith team. Penrith City is hosting a Lachlan Shire employee in their offices. Corporate services have an employee hosted at Penrith office.</p> <p>Ongoing discussions with PCC regarding supported services around asset management and financial services. No longer being pursued as systems not easily compatible.</p> <p>PCC economic development staff attending Growing Lachlan and Lower Lachlan Business Forum in November 2019.</p> <p>Tottenham Central School sent students to Penrith for work experience in 2018.</p>



<p>1.5.2</p>	<p>Support Arts Out West and local art competitions.</p>	<p>Maintain involvement and partner in Arts Out West activities.</p> <p>Support Waste to Art initiative</p>	<p>Number of Arts Out West activities in LSC.</p> <p>Waste to Art Exhibition held.</p>	<p>DETED</p>	<p>Arts Out West supported through Lachlan and Western Regional Services Inc (LWRS) which is funded by Council.</p> <p>Waste 2 Art Supported by Council and LWRS</p>
<p>1.5.3</p>	<p>Build Tourism precinct</p>	<p>Relocate Utes in the Paddock to Condobolin</p> <p>Sculpture Trail in collaboration with Forbes Shire Council</p> <p>Build Jockey's Memorial</p>	<p>Relocate by December 2018</p> <p>Create Trail by December 2018</p> <p>Build by December 2018</p>	<p>TO</p>	<p>20 Utes relocated. Growing Local Economies \$10.1m grant approval announced. The grant application for project funding for the sculpture trail has been approved. A number of sculptures have now been installed and Council have made their contributions to the trail.</p> <p>Rotunda and Jockey Memorial erected, Wood log Sculptures completed, landscaping work to be finalised early next year. Road betterment works underway.</p> <p>Public Works Advisory (PWA) are project managing the delivery of the new Visitor Information Centre (VIC). Construction works have commenced and are expected to be complete early next year</p>

1.5.4

Increase usage of Council's library service

Report on the viability of increasing hours at Lake Cargelligo and Tottenham

Hours Increased

Librarian

Completed – September 2018

Increase hours at Tottenham Library by four hours per week.
Increase hours at Lake Cargelligo library by four hours per week.

Increase of four hours per week.
Increase of four hours per week.

Expand Condobolin Library

Expansion Completed

Analysis complete. Statistics collected show insufficient numbers. Increasing number of borrowers utilising online services such as Borrow Books. Opening hours are after school hours in Tottenham and Council administration office days & times at Lake Cargelligo.

June 2022, purchase of laptop & installation of a printer for use at Tottenham Library allowing more services to be offered including printing.

Condobolin expansion completed in September 2018 which resulted in library footprint doubling in size.

Condobolin expansion completed in September 2018 which resulted in library footprint doubling in size.

An increase of 48% in the use of ebooks and Audiobooks on BorrowBox.

Created a new casual reading area in Condobolin Library

Increased the Library's DVD collection by 55% due to DVD donations and Priority Grant funding.

Set up membership with Parkes Library to enable access to their physical Audio Book collection for our members

Installation and set-up of digital display at Condobolin library promoting Library and community programs

Outcome 1.6: Improved health care for the community.

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.6.1	Support programs to attract and retain medical and allied health professionals.	<p>Facilitate annual bush bursary program.</p> <p>Support the creation of a Central West JO to lobby for improved health services.</p>	Ensure ongoing program support	DCCS / GM	<p>Bush Bursary Students completed placement in December 2018, January 2020, 2021 and 2022</p> <p>Central NSW Joint Organisation was proclaimed on 11 May 2018 Mayor and GM have met with representatives from Ochre Health, RaRMS and WNSWLHD to Discuss ongoing medical services.</p> <p>Brenshaw Medical recruited to operate medical services from the Melrose Street Medical Centre including allied health services.</p>

					Lease of Melrose St Medical Centre to Brenshaw Medical renewed.
1.6.2	Central location for all Aged Services	Apply for funding to establish a Multi service Outlet for the provision of all Aged services in Lake Cargelligo.	Application completed	DCCS (DIAP)	Opportunities for funding not yet identified.
		Investigate the viability of moving the Lake Cargelligo HACC service to a central location in the centre of town.	Cost /benefit analysis completed		Client walk ins are not a feature of the Lake HACC service. There is no benefit to service users. Completed.
		Investigate the viability of providing aged care services to smaller villages.	Services in smaller locations across the Shire.		Discussions with Hon Mark Coulton MP regarding possible funding models for Lake Cargelligo Retirement Home
1.6.3	Advocate for visiting specialist health services to the shire.	Advocate for the provision of visiting specialists to the shire.	Dialysis offered in both towns.	DCCS (DIAP)	Preliminary research completed on the need for a Dialysis service. Some contacts established and issue discussed. Mayor and GM have met with representatives from Ochre Health, RaRMS and WNSWLHD to discuss Ongoing medical services. Corporate services team have been liaising with interagency meeting participants to investigate options. Discussion held with GM and WNSWLHD regarding dialysis services. WPRD letter requesting re-introduction of Dialysis service at Condobolin Hospital supported. Information provided to WNSWLHD regarding lack of Community Transport Services to transport Dialysis patients to Forbes

1.6.4	Improved Mental Health Services	Advocate for a permanent and full time mental health worker in the shire.	Permanent mental health position in Condobolin or Lake Cargelligo.	DCCS (DIAP)	Council has supported the implementation of a Suicide prevention officer funded by Western Primary Health Network Service included in Drought Communities Program, project application. Funding obtained under SCCF3 for a Drought Support Worker employed through WPRD.
1.6.5	The Wellbeing of Carers	Apply for funding to offer respite care in Condobolin and Lake Cargelligo.	Respite care offered in Condobolin and Lake Cargelligo.	DCCS/HACC Coordinator (DIAP)	Respite care now offered in Lake Cargelligo, Condobolin and Tottenham.
1.6.6	Optimise the efficiency of the HACC funding.	Review the allocation of spending on services between each town.	Review completed and resources re-allocated accordingly	DCCS/HACC Coordinator (DIAP)	<p>HACC budget and spending allocation reviewed. Resources are allocated according to client needs in each community. Number of clients serviced have been increasing since late 2019 in both Condobolin and Tottenham. At capacity for Handyman service. Food delivery has increased significantly since COVID and remains sustained.</p> <p>Emergency COVID-19 funding received from the Department of Health to maintain meal service delivery. Applied for and successfully received grant to support seniors in social isolation though COVID-19.</p> <p>After receiving a generous donation from Condobolin RSL Club HACC were able to purchase Lachlan HACC reusable tote bags for all our clients and volunteers in Lake Cargelligo, Tottenham and Condobolin. They have been positively</p>

received as the community continues to transition to no plastic.
\$12,000 COVID base funding for community transport and this allowed the employment of a temporary staff to 30 June 2022.

Outcome 1.7: Improved Social Outcomes for those with disabilities.

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.7.1	Advocate for the provision of aged care services across the Shire.	Engage with relevant Federal/ State agencies, RSL Life-Care, Lake Cargelligo All Care, Tottenham Welfare Council and NGOs to support aged services.	Maintenance of existing facilities and maximise opportunities for external funding.	DCCS/ HACC Coordinator (DIAP)	Implementing improvements from successful audit. Funding secured for the next two years. Existing facilities being maintained. Aged care services provided in Condobolin, Lake Cargelligo and Tottenham.
1.7.2	Recreational and learning facilities for people with disabilities.	Construction of a sensory playground at Bill Hurley Park Condobolin.	Construction of sensory playground by 31 December 2018.	DIS	Sensory Playground installed in Condobolin. Gum Bend Lake Play equipment upgrade complete Lake Cargelligo Recreation Ground play equipment completed. .
1.7.3	Disability access in all Council buildings.	Installation of hearing loops in major Council public buildings.	50% of major buildings installed with hearing loops. Audit completed	DETED (DIAP)	Hearing Loops have been installed in the Condobolin Council Chamber. Hearing loop system including PA has been installed last year in the Lake Cargelligo Memorial Hall. A hearing loop and PA system has been installed in the Tottenham Memorial Hall. A hearing loop and PA system is scheduled to be installed in the Tullibigeal Hall in November 2022. Disability access audit to Council buildings complete. 10 year maintenance and upgrade schedule close to

		Audit of disabled access to council buildings			
		Installation of disabled toilets in Council buildings	50% of major buildings have disabled access.		Subject to funding availability and when refurbishments occur
1.7.4	Community Transport Available when needed	Advocate for the re-introduction of a taxi Service in Condobolin	Subsidies investigated. Taxi service re-introduced.	DCCS/ HACC Coordinator (DIAP)	Taxi service opened in May 2018 in Condobolin. Community transport service provided in Condobolin, Tottenham and Lake Cargelligo.
		Monitor usage of bus service to Dubbo in Tottenham.	Bus service proven successful Statistic kept and reported.		Ongoing. Bus service used regularly. Car is being used regularly.
		Provide community car for Tottenham.	Bus Service introduced		HACC community care regularly being used in Tottenham for transport between Tottenham and larger service centres. Taxi service now in place.
		Advocate with Transport NSW for a circuit bus around Condobolin			
1.7.5	Advocate for the provision of Dialysis Services in the Shire.	Formally request the Department of Health to provide Dialysis Services in Condobolin and Lake Cargelligo hospitals.	Dialysis service in Condobolin & Lake Cargelligo	DCCS (DIAP)	Contact numbers have been established. No formal advocating done. Corporate services team have been liaising with interagency meeting participants to investigate options. Mayor and GM have raised the issues at meetings with WNSWLHD. Council is providing input to the Collaborative Care Pilot Project being undertaken by WNSWLHD.

Outcome 1.8 Wellbeing of Youth

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
1.8.1	Development of a Youth Strategy	Support Life Without Barriers, WPRD and WCC in the production of a youth strategy.	Support and input given to the youth Strategy. Actions implemented.	DCCS	Stakeholder engagement completed January/February 2021. Youth Strategy completed and adopted by Council. April 2021.
1.8.2	Increase awareness about youth programs offered	Advertise programs through social media and on council's website.	20% increase in participation in the programs	DCCS	School holiday programs and relevant programs for youth advertised regularly.
1.8.3	Support youth development programs within the shire.	<p>Support WPRD to provide youth program.</p> <p>Improve the standard of youth centres in Condobolin, Lake Cargelligo and Tottenham.</p> <p>Support Micro Music Festival</p> <p>Work with the police to get funding to Establish a PCYC.</p> <p>Support CDAT Committee initiatives</p>	<p>Funding of WPRD</p> <p>Funding of improvements to the youth centres in the three towns.</p> <p>Participation of local amateur talent</p> <p>Commitment from Police gained. Funding attained.</p> <p>All meetings attended.</p>	DCCS/DET ED	<p>LWRS (formerly WPRD) funded to provide youth services on behalf of the shire.</p> <p>Youth Strategy adopted by Council April 2021 which will assist with future funding applications. Council purchased a property in Condobolin for use as a Youth Centre & multipurpose community space. This has been refurbished with funds under LRCl#2, to make facilities suitable for youth services. Positive feedback from youth and youth services provider on the new centre.</p> <p>Council received funding under the live and local fund and micro music festivals were carried out. Ongoing support is available to local artists and venues through Arts out West.</p> <p>Police informally advised that population does not meet current minimum requirement for establishment of a PCYC. WPRD staff have contacted PCYC to see if any options could be made available.</p>

Tourism & Economic Development

Outcome 2.1: A vibrant tourism industry

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
2.1.1	Promote Lachlan Shire as tourist destinations.	<p>Work with Central NSW tourism to encourage visitors to the Central region of NSW to come west and visit our towns.</p> <p>Promote specific towns in Lachlan Shire as a tourist stop points.</p> <p>Investigate new branding options.</p> <p>Update Lachlan Shire brochures.</p>	<p>Visitor Numbers increase by 15%.</p> <p>Bed stays increased.</p> <p>Increased visitor numbers by 10% according to accommodation providers</p> <p>Investigation completed with new branding</p> <p>New brochures available</p>	TO DETED	<p>Destination Management Plan is complete. Staff continuing to work on completing actions from the plan.</p> <p>Ongoing liaison with Destination NSW and Central West Tourism Group. Staff are trying to collect more information on visitor numbers so we can better understand our tourist market. The new VIC in Condobolin will assist with this data collection.</p> <p>A new tourism brand as well as a new corporate brand were adopted by Council at the June 2021 Council meeting.</p> <p>Draft brochures, incorporating the new branding, referred to above, are currently being prepared.</p> <p>New flyers were prepared last year to promote Council's camping locations as well as to advertise fishing locations within the Shire and these have been distributed to the visitor information centres</p>

2.1.2		Advertise locations within the shire as attractive camping spots.	Increased camping numbers by 20% per year		
	Increase things to see and do for visitors to the shire	Build a truck stop and tourist precinct.	Precinct completed. Visitor numbers who come to the precinct. Investigation completed	TO/DIS/DE TED	Utes in the Paddock relocated. Grant Executed for Growing Local Economies program. Some of the road works on Lachlan Valley Way and internal road works are complete. Construction for the Murie and Smythes Corner Culvert structures and surrounding road works are ongoing Stage 3 beautification works have commenced, with solar lights installed, further footpath works and wood sculptures completed. The funding deed has been executed the new VIC with is currently under construction and is expected to be complete in early 2023.
		Investigate the viability painting of the Silos with rural characters on the Eastern entrance to Condobolin and in Lake Cargelligo.		DETED	Investigation completed. Silos at the entrances in Condobolin and Lake Cargelligo cannot be used for Art purposes as they are still active work sites. A mural has been completed on the old water tower in Lake Cargelligo and a new mural will be painted on the water tower at Tottenham under this years budget Tourism Officer had started discussions with farmers. Once a new tourism officer has been recruited conversations will recommence. New bird website up and running. Brochures are also being prepared.
		Promote Farm Tours	Visitor numbers who come to town to view the silos.	TO	Brochures have been prepared. Lake Cargelligo birds are going to launch new websites promoting bird life in Lake Cargelligo.
	Create a list of Birds	Successful tours List completed	TO		

2.1.3	Provide a visitor Information Centre	Investigate the options for a Visitor Information Centre in Condobolin both long and short term.	Development of a business plan for a VIC. Operation of a designated VIC in Condobolin.	TO DETED	Council have obtained a grant to construct the Visitor Information Centre in Condobolin Public Works Advisory (PWA) are project managing the delivery of the new Visitor Information Centre (VIC). The design has been completed, DA approved, contract has been awarded and construction works have commenced. Tourism and Economic Development Officer had been working with LWRS to improve signage and overall exposure of the current visitor information centre in Condobolin, which will be utilised until the new centre opens in 2023.
2.1.4	Participate in regional Promotion	Remain members of Central NSW Tourism and join the Newell highway Tourism committee.	Increased number of nights stayed in Lake Cargelligo and Condobolin	TO DETED	Ongoing. Council took part in the "we want you back" campaign. DETED is very active in the Central NSW JO Tourism group. Representations were made to ensure Lachlan Shire was part of the new Central West Destination Network, rather than the Country and Outback network. Lachlan Shire have now been confirmed as part of the Central West Destination Network.
2.1.5	Promote the Wiradjuri Centre as a location for Tourists to visit.	Install directional signage to the Wiradjuri Cultural Centre. Investigate a Bush Tucker/ Bush medicine shop Promote the WCC as a tourist destination.	Signage installed. Investigation complete Increased visitor numbers to the WCC.	DIS DETED	Completed. Included in Council's Destination Management Plan. The WCC is included as an attraction in the Council's Destination Management Plan. Council officers were working with the WCC to promote the WCC as a tourist destination. and this will be advanced once the new VIC is operational.

2.1.6	Improve the marketing of existing events.	Creation of a calendar of events.	Calendar of events created.	DETED	Event calendar has been created and will be incorporated in the new website.
		Events promoted on Facebook	Number of events listed on Council's face-book page.	CCE	Facebook is regularly used to promote local events.
		Creation of a text notification database which is used to promote events.	Database created and used for notification.		Community Engagement and Communications Officer is investigating options in this space as part of a communications audit.
		Create a Phone App for What's on in Town.	App created	CCE	This is dependent on funding.
2.1.7	Increase visitors to the shire	Provide town parking for motor homes and caravans.		TO DETED	Will form part of the tourism precinct which has recently received funding and which is under construction.
		Market premium free camping locations within the shire.	Value of receipts at Gum Bend Lake. Accommodation operator survey.		Council featured in the Caravanning Australia Magazine and the Free Camp Guide which is compiled every two years. Also featuring on free camping websites. New information will be prepared promoting the new amenities block that has recently been completed.
		Develop a Destination Marketing Plan	Plan Completed		Complete
2.1.8	Development of a new event	Investigate the viability of different types of events.	Report on viability of new events completed.	DETED	Council provides financial and in kind support to a number of events in the Shire, including Condo 750, Condo Cookup, Condo Octoberfest, Skyfest Council recently took part in the grant funded Live and Local Program and conducted live and local music events local venues.

					<p>Council was successful in receiving a grant for a summer event, which was a movie night which was held in Renown Park, Condobolin. The grant funding allowed Council to purchase equipment which can be used throughout the Shire which will allow more movie nights to be held when staff are available.</p> <p>An event was held in Lake Cargelligo in March 2022, utilising a grant, that involved musicians and a movie by the Lake.</p>
2.1.9	<p>Improve Caravan Park facilities in Lake Cargelligo, Burcher and Condobolin</p>	<p>Investigate the viability of leasing the caravan parks out to private operators with conditions attached for capital improvements.</p>	<p>Report completed Decision made</p>	<p>DETED</p>	<p>Current Contracts for Condobolin and Lake Cargelligo Caravan Parks are in place. Council will consider a report to engage a new contractor for the Condobolin Caravan Park as well as Tottenham Caravan Park in October 2022.</p> <p>Council has endorsed master plans for both Condobolin and Lake Cargelligo Caravan Parks and documentation is now being prepared to lease out the parks under a long term (e.g. 21 years) licence. Condobolin Caravan Park is part of a Crown Reserve and as such this needs to be part of a management contract for another 3 years to allow crown land issues to be resolved.</p> <p>Works have been undertaken at the Lake Cargelligo and Tottenham caravan parks, including a new amenities block at Tottenham, a camp kitchen at Tottenham and upgrades to the amenities block at Lake Cargelligo. Further enhancement works are being carried out at Tottenham Caravan Park</p> <p>A new camp kitchen has been installed at Burcher.</p>
2.1.10	<p>Develop Forbes to Condo Sculpture Trail</p>	<p>Work with Forbes Shire Council to develop a sculpture trail from Forbes to Condobolin on Lachlan Valley Way</p>	<p>Funding Secured Sculptures Erected</p>	<p>DETED</p>	<p>Completed</p> <p>Ongoing - ETED staff continue to work with the Forbes Art Society (FAS) and Forbes Shire Council to develop the sculpture trail. Council have committed \$100,000 towards the project over three (3) years and have completed these payments to the FAS</p>

2.1.11	Support the Lake foreshore Development	Support the development of a licensed community club and function centre near the existing boat club and recreation ground.	Support given where possible. Application submitted.	DIS/TO	<p>Three (#) sculptures in the Lachlan Shire LGA have been opened and another sculpture is 1st be installed.</p> <p>Foreshore sheltered bench constructed, sheltered seats constructed, irrigation upgrades complete at Recreation Ground complete, Pontoon complete, near Recreation Ground. Second Pontoon at Apex park being progressed. Stage 3 irrigation works are completed.</p> <p>No progress on licenced community club and function centre.</p>
2.1.12	Support potential environmental and eco-tourism projects	Work with Department of Prime Minister and Cabinet to attain funding for the rehabilitation of Robinson Crusoe Island.	Application submitted.	DIS	<p>Bird Hollows project completed with a number of bird hollows installed around Gum Bend Lake. Bird watching shelters installed around Gum Bend Lake. Wading Bird areas created at Gum Bend Lake.</p> <p>Continue to work with stakeholders on the development of educational signage.</p> <p>Discussions are taking place between Landcare and Council on interpretative signage for animals that utilise Lake Cargelligo.</p>

Outcome 2.2: A diverse range of employment opportunities

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
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2.2.1	Encourage residents to shop local	<p>Promote Why Leave Town Program</p> <p>Development of a Shop Local Retail Guide</p> <p>Hold the Christmas Fiesta in 2017</p>	<p>No of retail outlets accepting Why Leave Town Cards Guide Produced by Nov 2017.</p> <p>Shop local docket exceed \$220,000.</p>	DETED/TO	<p>Promoted through the Condobolin Chamber of commerce. Council made a financial contribution to the Why Leave Town promotion. Representations were also made by Council staff to Evolution Mining to support the program. Evolution Mining have now given the Condobolin Chamber of Commerce a substantial contribution towards the WLT program.</p> <p>A shop local retail guide is currently being prepared.</p> <p>Council continue to support the Christmas Event and have provided both financial and in-kind support.</p>
2.2.2	A strong Retail sector	<p>Conduct a Retail operator and Shopper survey</p> <p>Development of Customer database</p> <p>Assist and Facilitate an effective chamber of commerce in Condobolin and Lake Cargelligo.</p>	<p>Survey completed and conclusions drawn from it.</p> <p>No of people on the database and times used.</p> <p>Membership of the chamber of commerce increase from 14 to 25.</p>	DETED/TO	<p>Survey has been completed. Results used for Mid Lachlan Alliance project.</p> <p>An email list of customers has been prepared.</p> <p>Assistance provided to Chamber where needed. Council Staff attend meetings. Council staff are investigating the possibility of a Lake Cargelligo Chamber of Commerce. The number of members of the Condobolin Chamber of Commerce is currently 45.</p>

Facilitate the running of Retail Re-vamp workshops.

Participation of ten retail businesses in the workshops

Not yet commenced, however, businesses in both Lake Cargelligo and Condobolin main streets have utilised funding under the Local Heritage Grant Fund to make improvements to their buildings. Council have organised a number of events to assist retail businesses from energy savings workshops to marketing events.

Grants were obtained to run events during the first small business month in March 2022. A second small business month will be held in November 2022 and both the Condobolin Chamber of Commerce and Lower Lachlan have applied for grants to run events during November.

Investigate the viability of a community Co-op.

Reduction in the number of vacant shops

Facilitate the filling up of shops in the main Street.

Empty Shops filled in main street with retail or human interest items.

Council encourages businesses to occupy the empty buildings in the main street and provides advice, as requested, to people looking to occupy premises.

Support the Why Leave Town Program

Increase in annual value of cards loaded from \$11,000 to \$13,000 in year 1 increasing by \$2000 per annum thereafter.

The Why Leave Town program is run by the Condobolin Chamber of Commerce.

	Pursue a tenant for the former Target building	Tenant secured and operating a retail business.	COMPLETE
	Investigate business open hours on Public holidays and weekends	Business hours open at business times on weekends to capture weekend visitors	Chamber of Commerce have approached businesses re weekend openings. Limited STATUS at this point.
	Develop 'Look Local' Campaign	Residents considering local business before leaving town	Suggested in Chamber meetings. Current campaign is being supported by the Condobolin Chamber of Commerce and the Why Leave Town Cards support this.

Outcome 2.3: Encourage Business Activity

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
2.3.1	Recognise Business excellence	Investigate the reintroduction of Lachlan Business Awards	Award ceremony conducted	DETED/TO	Council supported the Chamber of Commerce in Condobolin in running the first business awards in September 2020. The event was successful another event is scheduled for early October this year.
2.3.2	Implement the Actions in the Economic Development strategy	Engage consultant to commence actions in Economic Development Strategy	Strategy completed	DETED/TO	Consultant engaged to discuss how Council can help businesses, several actions from the Economic Development Strategy have been included in Council's Delivery Program.

2.3.3	Access to premium Industrial Land	Investigate the viability of converting the saleyards to an industrial sub-division. Sell existing Industrial Lots	Investigation completed. All industrial lots sold.	DETED/TO	Not yet commenced. Resistance from Agriculture sector and agents to removal of saleyards All blocks sold in Condobolin and Lake Cargelligo. Consideration was given to create more industrial land in Condobolin and Lake Cargelligo under the Rural and Industrial Land Use Strategy Actions from that strategy will need to be implemented.
2.3.4	Encourage value added agricultural industries	Investigate the viability of a Cotton Gin in the Shire.	Investigation completed.	DETED/TO	Discussions held with some property owners however not financially viable at this time. This is also being examined as part of the Inland Rail business case.
2.3.5	Attract new Industries/ Businesses to the Shire	Investigate the viability of a solar farm in the shire Follow up on the possibility of starting a feedlot in the shire. Liaise with Graincorp to investigate the possibility of upgrading the Grain Receival terminals at Lake Cargelligo and Condobolin.	Viability investigated Proponent contacted. Graincorp updating their terminals	GM/DETED	A Development Application was approved for a solar farm on the outskirts of Condobolin in June. Lamb feedlot established at Kiacatoo. GrainCorp Regeneration Project in planning stage. Council supported request for closure of rail crossing at Silo Road. Joint application to NSW Fixing Country Roads for upgrades to intersections along Henry Parkes Way (at Silo Road & Kiacatoo Road) Fuel storage business in Lake Cargelligo and Condobolin. Significant expansion of several business such as Maspro, Allshelters, Durotank and Carmed

2.3.6	Improve Marketing of businesses in the shire	Finance an annual training session on marketing.		DETED	Western Business Forum was held in 2019 through Growing Lachlan. Social Media Workshops have been held throughout the Shire, including during small business month in March 2022. More one-on-one training is also being facilitated by Council through Business HQ. More training workshops are to be held as permitted/requested.
	Access to residential Land	Sell existing Randall St blocks	All blocks sold and being used One block sold per year. All blocks sold	GM/DETED	All lots now sold Scott Street Subdivision planning & design completed. Interest in the Scott St subdivision. Report to be considered at October Council meeting on tender for construction of Scott Street subdivision. Investigations for the release of more residential land are ongoing as part of the housing strategy which is currently being prepared. Land subject of Aboriginal Land Claim and Native Title not available for subdivision until claim resolved.
		Sell existing residential blocks in Lake Cargelligo			
		Investigate the viability of a new residential sub-division for older people near the lake in Lake Cargelligo.	Investigation completed.		

2.3.7		Support Mining operations in the Shire	Encourage and support the proposal of Platina Resources at Owendale and support Cleanteq at Fifield	Report on support required completed. Support given.	ELT	Regular meetings and advice provided to Platina Resources and Sunrise to support mining proposals and development. Engagement with Sunrise/Platina/Mineral Hill/Rim Fire/Talisman/Eastern Metals and Evolution is ongoing.

Outcome 2.4: Access to Reliable Current Technologies

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
2.4.1	Council to keep up to date with technological improvements and achievements	Digital radio coverage	Digital radio coverage available across the Shire	DETED	Scope of works and specification being developed for radio network upgrade. Upgrade of radio network not cost effective. Cel-Fi boosters have been installed in plant to improve mobile phone reception and phones are being installed for use by staff. Submissions have been made for additional mobile phone towers to both the federal and state government
2.4.2	Advocate for complete mobile phone coverage throughout the Shire.	Liaise with service providers and Federal Government for increased mobile coverage throughout the Shire.	Increased mobile coverage in Shire.	GM DIS COUNCIL	Announcement of Yellow Mountain tower to be constructed. Submission made to federal government for additional mobile phone towers. Facilitated public consultation for the proposed Manna Mountain phone tower.
		Advocate for NBN	NBN Operating Prior to December 2017.	DCCS	NBN installed and operating. Letter sent to local federal MPs and NBN Co regarding connectivity in industrial areas. Details of Mobile Blackspots provided to RDA, CNSWJO and Federal Member for Parkes for future funding opportunities.

Outcome 2.5: Improve the appearance of each town

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
2.5.1	Improve the appearance	Develop a streetscape plan for the main streets in Condobolin and Lake Cargelligo.	Plans Developed Community Agreement	DIS	Foster Street detailed design completed and construction commencing in June 2022 with completion required by June 2023.

	of the CBD's		80% Resident Satisfaction with end result		<p>Applications for BBRF Round 5 was submitted for Condobolin and Lake Cargelligo CDB Upgrades. Application unsuccessful. Further application for BBRF round 6 submitted for Bathurst Street. Vision Concept complete for Bathurst Street Condobolin William, Busby, Lachlan Streets detailed design completed. Fixing Local Roads Funding announcement will enable the construction to commence. Denison Street concept design completed. Funding yet to be identified.</p> <p>Village enhancement plans done. Follow up consultation with community to be done with next Community Strategic Plan. Works are being carried out under the plan as funding becomes available.</p>
		Implement Plans for Condobolin and Lake Cargelligo.			
		Complete a Management Plan for each of the villages	Plans completed for each village.	DETED/DIS	Council has painted three buildings in the main street Condobolin, as part of lease of former Target Building. Local business owners are being encouraged to seek funding under Local Heritage Fund to undertake maintenance works such as painting shop awnings. Successful recipients under previous programs are based in Foster Street, Lake Cargelligo and those works have now been completed
		Encourage businesses to paint shop awnings	Business paint shop awnings	DETED	
2.5.2	Improve the appearance of town entries.	Improve Parks at Condobolin Town Entrance	Parks appearance improved	DIS	Lions Park upgrade is complete. Tottenham Memorial Park upgrade works complete.
		Improve Lake Cargelligo town entrance	Town Entrances appearance improved		<p>Entrance signs installed on all four entrances to Lake Cargelligo.</p> <p>36 trees planted along Canada Street entrance in Lake Cargelligo. 12 trees planted along Federation Street, Albert. 30 trees planted along Station Street Condobolin and planting of 40 Pepper trees along Diggers Avenue. Installed new sign at the town entrance on Melrose Road, Condobolin.</p>
			New signage at town entrances		
		New signage for all town entrances			New entry signs have been installed in Derriwong, Fifield, Albert, Tottenham, Tullibigeal, Burcher and Murrin Bridge.

		Appropriate Trees at the entrance of each town.	Trees planted at town entrances		16 trees planted on entrances to Tullibigeal.
2.5.3	Improve the appearance of Council Buildings	Facelift of Condobolin Water Treatment Plant	Treatment Plant painted	DIS	Works packaged with upgrade/replacement to plant. Perimeter fencing has been replaced.
2.5.4	Improved signage in all towns	Directional signage to Burcher from West Wyalong	Signs placed at West Wyalong	DIS	Burcher sign completed. Condobolin and Tullibigeal completed – signs already at Lake and Tottenham.
		Install historical Signage throughout the Shire	Historical signage erected throughout Shire	DETED	Historical signage installed in Bathurst Street Condobolin and Pioneer Park Tullibigeal. Funding application for SCCF round 3 for signage in Lake Cargelligo was successful. Community consultation is required to ensure the project aligns with community expectations.

Outcome 2.6: Attract new residents to the Shire

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
2.6.1	Promote the benefits of a rural lifestyle	Build houses at Condobolin & Lake Cargelligo (Spec homes)	Houses built	DETED/MT P	Residential property purchased in Condobolin. New dwelling in Lake Cargelligo completed. Council's Local Strategic Planning Statement has been completed.

Investigate Changing Council's LEP to allow for more Rural living lots.	LEP completed with provision for Rural Living blocks	DETED/MT P	Council will examine the need and impacts associated with creating more rural living lots as part of the housing strategy currently underway.
Complete preparations for the Scott Street sub-division.	First stage of sub-division completed	DETED	Design completed. Development approval obtained. Construction plans and detailed estimate were prepared by consultant engineers. A subdivision certificate application was lodged in late June to subdivide the existing doctor's house from the remainder of the lot and that house has now been sold Report to be considered at October Council meeting on Scott Street subdivision.
Promote affordable housing in the Shire to external markets.	Increased resident numbers	DETED	A new prospectus pack will be prepared to provide to potential new businesses to relocate to the Shire, which will include the promotion affordable housing in the Shire, now that once the branding project is complete.

Transport

Outcome 3.1: Efficient transport networks that meet community and business needs

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
3.1.1	Implement road maintenance, renewals and improvements in accordance	Complete annual maintenance, renewals and improvements program.	Reseal program completed.	DIS	Reseal program for FY21/22 complete. In progress for 21/22 BLOCK grant works complete for FY20/21, and works underway for FY22/23.
		Reinstate flood damaged roads	Grant funded programs completed,	DIS	

	with Transport Asset Management Plan.	<p>Implement road sealing program</p> <p>Prepare and implement truck rest areas near each village.</p>	<p>e.g. Roads to Recovery, Block, REPAIR, NDRRA.</p> <p>Complete works identified in AMP.</p> <p>Rest areas completed.</p>	<p>MR</p> <p>MR</p>	<p>NDRRA application approved for storm damage sustained in March 2021.</p> <p>NDRRA application approved for storm damage sustained in November 2021 –January 2022.</p> <p>NDRRA application approved for storm damage sustained in September 2022</p> <p>Fixing Local Roads, Fixing Country Roads, REPAIR, Roads to Recovery, and FAG funded works are being delivered in 2022/2023.</p> <p>A number of programs have been impacted by persistent wet weather and flooding.</p>
3.1.2	Operate and maintain airports at Condobolin, Tottenham and Lake Cargelligo to meet statutory standards.	<p>Complete Condobolin Airport Master Plan</p> <p>Reseal Condobolin Aerodrome</p> <p>Reseal Tottenham Aerodrome</p> <p>Resheet Lake Cargelligo</p> <p>Complete the Condobolin Airport Management Plan.</p>	<p>Compliance with statutory requirements.</p> <p>Resheet Lake Airport runway</p> <p>Management Plan completed and adopted by Council.</p>	DIS	<p>Masterplan done.</p> <p>Regional Aerodrome grant application was successful for Condobolin and Tottenham. Works are planned for January 2023 Gravel resheet done. Grade water Roll complete 2020 and again in 2022</p> <p>Management plan complete and adopted by LEMC.</p> <p>Replacement and upgrade of PAALC at Lake Cargelligo Complete.</p>

		Implement the Actions in the Condobolin Management Plan	Management Plan action items implemented. Actions in plan implemented.		
3.1.3	Progressively widen existing narrow seals in accordance with Transport Asset Management Plan.	Complete reconstruction and widening of segments as a progressive program.	Completion of projects identified in the AMP.	DIS	Narrow seals on MR57S Gipps Way, MR231 Wyalong Road, and Fifield Road 57N have being widened and reconstructed as required during FY20/21. In total over 20kn of narrow seal was widened in FY20/21. Widening is in progress on 28 km of MR57N The Bogan Way between Tullamore and Albert.
3.1.4	Implement Rural Addressing	Map every rural entrance Notify all rural property holders of their address Install Signage	Rural Addressing completed.	DCCS GISO	Rural addressing completed.
3.1.5	Truck By-pass for Condobolin, Lake Cargelligo & Tottenham	Advocate to the Department RMS, for a truck by-pass of Condobolin and Tottenham and develop a truck bypass for Lake Cargelligo	Submission to Department of RMS completed.	DIS	Lake Cargelligo Stages 1A, 1B and 1C construction completed. Stage 2 remains at detailed design, with no funding identified Detailed design for Condobolin bypass via Denison & Lachlan Streets done. Maitland Street, upgrade complete Henry Parkes Way, Jones Lane, Maitland Street intersection design is underway with TfNSW. Tottenham bypass signage and line marking installed. Options assessment for Tottenham rail bridge completed. Grant application for funding for design and construction unsuccessful.
3.1.6	Road Safety Program	Participate in the Local Government Road Safety Program in partnership with Parkes and Forbes Shires.	Completion of three year Road Safety Program.	DIS	Funding agreement with TfNSW executed.
3.1.7	Traffic calming and road safety in Lake Cargelligo,	Intersection upgrades of William & Lachlan Streets, Lachlan Valley Way & Diggers Avenue Condobolin and	Designs and costings completed.	DIS	Designs completed for all intersections. Rodeo Drive HV upgrade completed including line marking. Construction works complete for Rodeo & Canada and Rodeo & Grace. Construction complete for Grace and Foster.

Tottenham and Condobolin	<p>intersection of Foster & Canada Streets, Rodeo Drive & Canada Streets, Rodeo Drive & Grace Streets, Narrandera Street & Rankin Springs Road Lake Cargelligo</p> <p>Main street improvements in Condobolin, Lake Cargelligo and Tottenham</p>	<p>Grant programs identified grant applications submitted. Construction works underway. Main street masterplans are completed. Improvements completed</p>	<p>Construction of Foster and Canada to occur with Foster Street works</p> <p>Detailed design under review for William, Busby & Lachlan Streets. Concept design completed for Denison Street. Foster Street Upgrade construction underway.</p> <p>Vision concept developed for Condobolin CBD. Funding applications underway.</p>
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Outcome 3.2: Improved pedestrian and cycle paths

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
3.2.1	Implement the Disability Inclusion Access Plan	<p>Improve access for pedestrians and mobility aid users in areas lacking footpaths.</p> <p>Staged implementation of the Active Travel Plan (ATP) for Tottenham, Lake Cargelligo and Condobolin.</p> <p>Upgrade the footpath and include a cycleway along Bathurst St with Condobolin main street improvements.</p>	<p>50% of Active Travel Plan completed</p> <p>Footpath and kerb & gutter replacement program underway. Pedestrian crossing completed with Lake Cargelligo main street</p>	DIS (DIAP)	<p>Installation of disabled parking and pedestrian ramp in Lachlan Street, Bathurst Street, Molong Street, Condobolin and Canada Street Lake Cargelligo.</p> <p>Additional Footpath and laybacks completed at Utes in the Paddock and William Street Condobolin.</p> <p>Additional footpath and layback completed in Molong, McDonnel, William and Napier Street Condobolin, Canada, Uabba, Yelkin, Prior, Foster, Lake, Lorne, Grace, Walker S=Lake Cargelligo, Umang, Merilba, Moondana, Bulbodney, Mogille and Meryula Street Tottenham.</p>

<p>Deliver footpath and kerb and gutter replacement program</p> <p>Install pedestrian crossing at the intersection of Foster and Canada Streets, Lake Cargelligo.</p> <p>Install pedestrian lay-backs in key areas around the schools in Condobolin and Lake Cargelligo.</p>	<p>improvements.</p> <p>Works underway.</p> <p>Designs and costings completed.</p> <p>Grant programs identified grant applications submitted.</p>	<p>Footpaths and pram ramp upgrades completed In Condobolin, Tottenham and Tullibigeal with Drought Communities Program. Lake Cargelligo Works have been funded through Drought Stimulus Program.</p> <p>Canada Street crossing complete. Foster Street not done yet. Pedestrian improvements included in the Foster Street Upgrade works.</p> <p>Grant successful for Condobolin High School and Lake Central School for safety improvements on Busby and Prior Streets respectively.</p>
<p>Construct shared paths around recreational facilities at sites identified in the Active Travel Plan, including, Tottenham racecourse and cemetery, Gum Bend Lake, Lake Walkway Stage II.</p>	<p>Construction works underway.</p>	<p>Officers Parade Footpath works underway. 270m completed to date. Gum Bend Lake walkway – 510m of footpath works complete. 1580m constructed - Lake Cargelligo Foreshore walkway stage 2. 806m of works complete for stage 3</p>
<p>Install drinking stations along shared paths</p>	<p>Installations begun.</p>	<p>Tender for further works completed. Contractor engaged to complete 2170m planned at Gum Bend Lake, 800m River walk to Utes in the paddock, 770m at Officers Parade, 180m on Bathurst Street, 950m Condobolin School precinct, 630m William/Lachlan/Busby project and 130m at Frogs Hollow.</p> <p>2 bubblers installed at Gum Bend Lake</p>

3.2.2	Develop disabled parking zones in all main towns.	<p>Complete a map of disabled parking spots after consultation with the disabled community.</p> <p>Upgrade existing and install new disabled parking spaces.</p> <p>Disabled access ramp to Australian Standard AS2890</p>	<p>Map completed and parking spots re-located accordingly.</p> <p>Disabled car spaces and ramps constructed.</p>	DIS (DIA P)	<p>Condobolin library, and Canada Street Medical Centre modifications complete. Condobolin Memorial Park done. Disabled parking included in design for Foster St, Lake Cargelligo.</p>
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Outcome 3.3: Upgrade Street Lighting

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	General Ledger
3.3.1	<p>Conduct an audit of Street Lighting Requirements and develop street lighting works program.</p>	<p>Complete Audit and deliver works program including adjoining roads and caravan parks.</p> <p>Install street lights at the side of the Lake Cargelligo caravan park.</p>	<p>Audit done. Delivery program underway.</p> <p>Installation of new lighting.</p>	DIS	<p>LED streetlight replacement program developed with Essential Energy. To be rolled out across the entire shire in April – June 2022.</p> <p>No progress.</p>

Governance & Financial Control

Outcome 4.1: Involved and Active Community Groups

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
4.1.1	Support and develop the capacity of Council's S355 committees and other committees that manage Council facilities, events and initiatives.	<p>Ongoing liaison with committees.</p> <p>Provide point of contact and selected information and training opportunities.</p> <p>Correspondence regarding terms of reference and Financial Reporting.</p>	<p>S355 committees active and delivering on terms of reference.</p> <p>Compliance with the requirements of Sect 355 of the Local Govt Act and Council attendance at Sect 355 committee meetings.</p>	DCCS	<p>Committees have been contacted and given the Terms of Reference. Committee meetings have been attended upon request.</p> <p>The Administrative Officer – Corporate & Community Services has been established as the point of contact for the committees.</p> <p>Compliance requirements followed up for 2019, 2020 & 2021 external audits.</p>
4.1.2	Re-vamp Australia Day celebrations so that there	Creation of an Australia Day Shire Wide Committee	<p>Committee created and working</p> <p>Attendance of 100 people at</p>	GM	<p>Committee created.</p> <p>Achieved</p>

4.1.3	is one main event in the shire	Run Australia Day as a Shire Wide event.	the Australia Day celebrations.		
	Encourage community events	Develop a community Event approval process for community event holders. Notify event holders of their responsibilities for lodging documentation four months prior to the up-coming event.	Create an easier event application process with fast approval. Regular event holders notified.	TO/DETED	New approval process has been developed along with an event management guideline. Currently looking at how further improvements can be made and how this can be incorporated into the new website. An ongoing issue – a meeting may need to be held to discuss the importance of lodging applications in advance as staff are often given 1-2 weeks and insufficient information with event applications. A workshop will be held to assist event planners with the event approval process once the process has been refined.

Outcome 4.2: Strong effective and Responsive Council

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
4.2.1	Council is financially sustainable and provides services at a level	Complete quarterly reporting against budget Complete Statutory accounts	Quarterly budget review to Council within 2 months after the end of the quarter.	DCCS	Reports to Council occurring in accordance with Local Government (General) Regulation timelines

expected by the community.	Operate an effective Audit Committee	Statutory Accounts completed by 31 October	DCCS	2019 & 2020 statutory accounts completed within legislative timeframes Audit, Risk & Improvement Committee has commenced meeting regularly. ARIC training attended by GM, DCCS and Audit Committee Chair. New ARIC Chairperson appointed.
	Continue to implement FFTF reforms	Implement recommendations from the Audit committee	DCCS	ARIC recommendations accepted by Council completed within timeframes. Asset renewals ratio benchmark not achieved in 2016-2017 or in 2017-2018 due to effects of flooding in 2016. Asset renewal ratio achieved in 2018-2019 but not achieved in 2019-2020 or 2020-2021
	Review investment policy	Council meets the FFTF targets each year.	DCCS	Achieved 2016-2017, 2018-2019 & 2019-2020, 2020-2021 and 2021-2022
		Average return on Investment of 20 basis points above the Bank Bill Swap Rate. Saving total of \$20,000.	DCCS	In 2021 the portfolio outperformed bank bills by 1.23%
			DCCS	Bank Bill index 0.06% Council 1.29%
			DCCS	Investments Policy reviewed & adopted by Council April 2022. Achieved. Over the past 12 months to 30 June 2022, the portfolio, excluding on call cash, returned +0.91% p.a., outperforming the AusBond Bank Index (bank bills) by 0.82% p.a. Over the 12 months to 30 June 2021, the portfolio, excluding on call cash, returned +1.29% p.a., outperforming bank bills by 1.323% p.a. In 2020 the portfolio outperformed bank bills by 1.53%

					<p>Bank Bill index 0.85% Council 2.37%</p> <p>In 2019 the portfolio outperformed bank bills by 0.94%</p> <p>Bank Bill index 1.97% Council 2.92%</p> <p>In 2018 the portfolio outperformed bank bills by 1.05%</p> <p>Bank Bill index 1.78% Council 2.84%</p> <p>Governance & Risk Officer investigating.</p> <p>Banking service meets needs. Included in the 2023-2026 Delivery Plan for a review in the future.</p>
	Tender Council's Banking Service			DCCS	
4.2.2	Council's decision making is equitable and ethical.	Training for Councillors	Councillor Training plan Developed & training undertaken. Council's decision making and operational activities meet regulation compliance and community expectation.	GM DCCS	<p>LGNSW events and training opportunities distributed. Code of Conduct, Meeting Code of Practice delivered. Finance for Councillors training offered and several Councillors trained. Social Media training delivered to Councillors. Chairing Effective Meetings training deferred due to COVID-19. Councillor induction to be delivered in February 2022.</p> <p>Policies are progressively reviewed.</p>
		Ensure that policies are reviewed regularly.	95% of policies reviewed by due date.	DCCS	

4.2.3	Strengthen regional cooperation to the benefit of local residents	Council demonstrates strong leadership developing initiatives with Central West Joint Organisation, MLA and other strategic alliances such as Penrith City Council.	Reported to Council on activities held.	GM DCCS	<p>Opportunities to work with other strategic alliances are acted on as these become available. Discussion with PCC GM regarding resource sharing, co-operative employment models and workforce capacity. Penrith City is hosting a Lachlan Shire Council employee in their office.</p> <p>Joint legal advice obtained with Forbes and Parkes Council's to reduce costs. Cooperation being Council's assisting with staff recruitment.</p> <p>DCCS is the Chair of Joint Organisation working party to progress Internal Audit and Risk Management with member Councils.</p>
4.2.4	Customer Request system in place and operational	<p>CRM's reviewed and reported to council regularly</p> <p>Community/Customer Satisfaction Survey undertaken to measure Council responsiveness and services.</p>	<p>95% CRM's tasked are completed in an established timeframe</p> <p>Average STATUS of satisfactory or better.</p>	<p>GM DCCS</p> <p>DCCS</p>	<p>CRM training undertaken</p> <p>CRM system upgraded and Re-implemented. Reporting to ELT and Council in place.</p> <p>Community Survey completed May 2021. Community Satisfaction Survey completed. Average status of satisfactory achieved. Report presented to Council.</p>
4.2.5	Council's exposure to risk is minimised.	Review Council's Enterprise Risk Management Plan and implement actions.	75% of actions implemented.	GM, DETED DIS, DCCS	<p>Enterprise Risk Management Framework including Policy, Plan and Risk appetite statements reviewed by ARIC & adopted by Council 29 June 2022. Business Continuity and Disaster Recovery Plans reviewed and adopted. To be revised once new works depot and Visitor Information Centre are operational.</p> <p>Cyber security audit undertaken and Cyber Security Policy and Framework adopted. 38% of actions in the Cyber Security Action Plan completed as at 30 June 2022.</p>

Provide a safe workplace to all employees	Less than 600 hrs lost by Year 3.	HR Manager	Lost time injuries less than 600hrs in 2018/19. 488 hours Lost Time for 2019/2020. 173 hours Lost Time for 2020/2021 LTI's have been exceeded for 2021/2022.A Health and Safety Committee meetings held as scheduled
Hold Health and Safety committee meetings	Meetings held quarterly with 80% attendance.	HR Manager	Complete.
Investigate the tendering of Insurance.	15% reduction in insurance cost from 16/17 level.	HR Manager	WHS Induction training held on a regular basis. Return to Work Co-ordination action being delivered by WH&S Officer.
Workplace safety awareness training	Training provided to at risk staff.	HR Manager	Return to work plans completed for staff on workers compensation
Active management of staff who suffer Workplace incidents.	Return to work plans in place for all staff on Work-cover.	HR Manager	New Salary Structure approved and will commence operation as at 1/7/23.
Review Council's Salary Structure	New Salary Structure implemented	HR Manager	

4.2.6

Effective and efficient managem	Implementation of the Asset Management System in Authority.	Improved ROI List of Surplus Assets developed.	DCCS	All assets now incorporated in Civica Authority data base. Asset lists are progressively being reviewed and updated.
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	ent of fixed assets				List of property being prepared for consideration. Asset Management Committee formed and AMP, Policy and Strategy are under review.
4.2.7	Operational Buildings which enable Council to efficiently perform its functions.	Replace roof and Air conditioning at the Council Chambers	Replacement complete.	DETED	Air conditioning has been replaced and new roof has been constructed. Complete.
		Construct new depot at Condobolin in the Industrial subdivision.	Completed Condobolin Depot.	DETED	Works on the new depot have commenced. Project subject to delay as a result of contract dispute with the contractor.
		Relocate Lake Cargelligo depot	Relocation Complete of Lake Cargelligo Depot.	DETED	Council staff are working on finding a suitable location for the relocation of the Lake Cargelligo depot and suitable funding to complete the project
4.2.8	Ensure that Council has a skilled and competent workforce necessary to achieve its strategic outcomes.	Provide professional development, and required training to staff	80% of Training delivered as identified in staff training plans.	HR Manager	Training plans have been completed for 2022/2023. Training will be scheduled accordingly. Courses undertaken include – First Aid, WHS Compliance, Chemcert, Corporate Induction, Armed Robbery Safety, Erosion and Sediment Control, Chainsaw and Consultative Committee training.
		Develop succession plans for crucial positions identified in the workforce Management plan.	100% of succession plans developed for critical positions.	HR Manager	Workforce Plan adopted on 29 June 2022. Succession Plan to be reviewed.
		Promote Council as an employer of choice.			Benefit brochure included in recruitment packs. Currently developing an Attraction and Retention Policy.

		Conduct bi-annual employee opinion survey which measures employee engagement.	Review employee benefits brochure and included in recruitment packs and on Council's website.	HR Manager	Council's new Website to include employee benefits and recruitment information. Staff Survey conducted in October 2019. 96% of employees are moderately satisfied with their job which is 7% higher than the industry average and on par with previous results. 2021 survey deferred to 2022.
		Conduct exit interviews on all exiting staff.	80% undertaking of survey Staff satisfaction levels increase by 10% from 2017. 90% permanent staff completion.	HR Manager	Exit Interviews conducted for exiting staff
		Ensure that staff have access to independent consultants to discuss personal issues.		HR Manager	Access available. Contract negotiated through Centroc 1/8/19 to 31/7/22.
			Appointment of an employee assistance provider		
4.2.9	Better staff engagement	Regular Staff meetings.	All staff meetings held six monthly.	GM	All staff meetings deferred due to COVID-19, all staff emails and GM BLOG used to distribute information. All staff meeting held in December 2021. Monthly Depot meetings held in Condobolin and Lake Cargelligo.

	Staff Newsletter	Bi-monthly staff newsletter issued with contributions from all Directorates.	HR	Quarterly Depot meetings held in Tottenham. Newsletters are issued bi-monthly.
	Hold staff inductions	95% of new staff inducted within one month of starting.	HR	Staff inductions are undertaken.

Outcome 4.3: Enhance communication with Residents

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
4.3.1	Enhanced Communication with the Community	Re-vamp Council's Website	10% increase in hits to Council's web-page.	DCCS/ CECO	Website content being reviewed in preparation for go live.
		Increase posts to Council's face-book page.	20% more friends to face-book page. Implementation of Instagram platform.		There has been a significant increase in the number of posts on Council's Facebook in the last two years.
			Database completed and		Under development

Construct community contact database	communication of key events issued via text and e-mail.	Fortnightly column in local newspapers. Increased Media Releases being produced.
Run a monthly column in the local newspapers.	Newspaper column active.	

Outcome 4.4: Strategic Management of Villages and Crown Reserves

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
4.4.1	Develop Village Management Plans	Develop Specific Management Plans for Tottenham, Fifield, Burcher and Derriwong.	Village Plans Completed.	DETED	Village management plans done. Improvement actions being incorporated into LTFP prior to further community consultation. Some of the identified works have been completed works using the funds associated with the Drought Communities Grant Programmes.
4.4.2	Develop plans of Management for all Crown Reserves.	Develop a Management Plan for the SRA Grounds.	Management Plan completed.	DIS	Draft Plan of Management for SRA and campgrounds submitted to the Department for assessment. Plan was revised after feedback was provided and resubmitted.
		Develop a generic master plans for all crown reserves and then customise for each specific reserve	Masterplan completed.	DIS	Draft Plan of Management for Tottenham Recreation Ground and Racetrack, Tullibigeal Recreation Ground and Racetrack and Lake Cargelligo Recreation and show ground areas have been submitted to the Department for assessment. Further clarification is required around the classification and categorisation for Gum Bend Lake and the Generic Plan of Management for the other Crown Reserves.

People & Environment

Outcome 5.1: Modern waste management system

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
5.1.1	Review and implement Council's waste management strategy.	Implement Shire wide Waste Management Strategy.	Strategy implemented	DETED	<p>Implementation underway. Fifield, Derriwong and Albert tips closed and remediated. Waste Management Strategy prepared for Condobolin and Lake Cargelligo Waste Facilities. Actions being implemented. Rehabilitation works for Albert and Fifield completed.</p> <p>New landfilling sequence implemented and removal of legacy stockpiled waste at Condobolin Waste Facility. Lake Cargelligo enhancements completed, new waste cell installed, removal of hazardous waste stockpiles, improved operational layout and reduction in litter blown pollution. Review of strategy to be undertaken and performance measures.</p> <p>Regular servicing of stockpiles is reducing fire hazards and legacy issues.</p> <p>Netwaste Regional Contracts for scrap metal, e-waste and household chemical cleanout programs are diverting waste from landfill.</p> <p>Clean fill has been stockpiled for use as cover at the facilities.</p> <p>Review of Lake Cargelligo Waste Facility was undertaken to</p>

					<p>of adjoining land and/or life of existing landfill. The life of the existing waste facility has been completed and landfilling design in accordance with the best approach has been completed and is currently being carried out.</p> <p>New Cell has been installed at the Burcher Waste Facility. Condobolin, Lake Cargelligo, Tullibigeal and Tottenham Waste Facilities have long term landfilling designs.</p> <p>Condobolin and Lake Cargelligo Waste facilities are to be surveyed to determine landfill heights and landfilling levels.</p>
5.1.2	Provide solid waste collection and disposal services.	<p>Maintain effective collection and disposal services</p> <p>More street bins for villages</p> <p>Ensure that streets in the towns are free from rubbish</p>	<p>Number of complaints minimised and responded to.</p> <p>Favourable community satisfaction survey.</p> <p>Favourable community satisfaction survey.</p>	DETED	<p>Appointed new collection contractor. No complaints received Completed</p> <p>Ongoing</p> <p>Complaints about bin bank set up requesting skip bins for bulky items. Skip bins provided. Council staff will monitor the budget and if sufficient funds are available a bulky waste collection will be arranged for the main villages</p> <p>Front load skip bins are effective in providing waste disposal system at Albert and Fifield. Installation of 240 litre waste bin holders highlighted to assist servicing of units at these locations and reduce incidents</p> <p>Recent closure of facilities in Parkes Shire Council may impact bin bank systems at Fifield and Albert. These facilities are being monitored to ensure capacity is not exceeded and to ensure illegal dumping is not occurring.</p> <p>Kerbside waste collection service has been extended to Murrin Bridge.</p>

					<p>Condobolin Waste Transfer Station is now complete and is operational.</p> <p>School waste education Programs to be delivered to primary schools later this year.</p> <p>Recycling audit/ bin inspections to undertaken in Condobolin, Tullibigeal and Lake Cargelligo later this year.</p>
5.1.3	Implement and maintain recycling services.	Implement Kerbside recycling	Kerbside recycling, drop off bays at Waste Facilities where appropriate. Waste Action Plan adopted. Review kerbside collection programs as necessary.	DETED	<p>Appointed new collection contractor. No complaints have been received.</p> <p>Completed</p> <p>Complaints about bin bank set up requesting skip bins for bulky items. Skip bins provided.</p> <p>Ongoing monitoring of skip system, one complaint received during Christmas period about facility not meeting excess waste demand during this period. Extra bins to be rolled out to accommodate waste demand over Christmas/new year period.</p> <p>Appointment of new Site Management contract for all Condobolin, Lake Cargelligo, Tottenham, Tullibigeal and Burcher Facilities.</p> <p>Formal instrument of agreement implemented for the processing of recycling with JR & ER Richards Pty Ltd, for the period of 2 years ending 1 July 2022.</p> <p>Recycling bin banks installed at Lake Cargelligo, Condobolin, Derriwong and Tottenham Waste Facilities.</p>

Council agreed to participate in the Netwaste regional scrap metal collection and recycling tender.

5,000 chemical drums recycled through drum muster across LSC.

The CRC shed has now been completed, awaiting EPA to allow final audit to be completed.

12 month extension to motor oil and recycling contract implemented

5.1.4	Develop and implement a trade waste policy.	Implement Policy through a joint project with Central West Joint Organisation/Utilities Alliance.	Policy in place.	DETED/DIS	Draft Policy under review.
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5.1.5	Investigation into the viability of Tullibigeal and Burcher Waste Management Facilities.	Profit and loss summary for overall waste management	Investigation complete and recommendations made.	DETED	<p>Completed Open unmanned – monitoring of tyres and asbestos to be continued. Minimal disposal of asbestos and tyres, this waste removed from site immediately if disposed. Operational cost has significantly reduced and meeting environmental performance standards with regular maintenance.</p> <p>Current operations are satisfactory, no significant pollution events have occurred. Tullibigeal waste facility experiencing increase presence of litter blow pollution, increase in servicing and litter collection implemented upon request/complaint.</p> <p>Ongoing management of facilities is being undertaken to ensure waste is disposed of appropriately, stockpiles are managed and the risk of fire, vermin, and litter pollution are minimised.</p>
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Trialling the utilisation of Lake Cargelligo waste attendant to service/undertake routine duties at Tullibigeal facility once a month or when required.

Burcher and Tullibigeal Waste facilities operating within budget allocations, maintaining of stockpiles and disposal of waste continuing to minimise risk associated with landfills.

Burcher is now receiving waste from outside the Shire. Tyres are being disposed of at the facility (tyres are not accepted at this facility) which is impacting on the operating costs of the facility. Burcher will have a new cell installed to accommodate increased waste. Investigations currently being undertaken on efficiencies and into how operations can be improved.

Outcome 5.2: Care for our community land

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
5.2.1	Control weeds and feral pests.	<p>Conduct weed and feral pest inspections inspection program and control operations.</p> <p>Undertake pest and weed control program on Council managed reserved</p>	<p>Inspection program implemented. Weed control activities completed as programmed. Feral pest control program completed, % reserves sprayed, pest numbers caught controlled.</p>	<p>DETED/Weeds Officer</p> <p>(DIAP)</p>	<p>Ongoing All targets met or exceeded</p> <p>Ongoing Program conducted in accordance with the level of staffing and funding available. Positive feedback received from the general public.</p>

Spraying program for footpaths

Paths free from weeds (DIAP)

Ongoing, some complaints received regarding timeliness of spraying. Additional resources required if an increased level of service is to be provided.

Increase in mosquito activity due to recent rain. Monitoring has been undertaken over the summer months. Spraying has occurred in problem areas.

Officers undertaking weed control of footpaths, facilities and grounds in towns and villages. Recent rains have created increased cathead and Khaki weed in LGA.

Biological control (Cochineal) used and extremely effective for control of Prickly Pear. A Rust used for control of Bridal Creeper was not as effective, possibly due to the drought.

New officer appointed and all positions filled. Officer was seconded into another role. A temporary officer has been recruited whilst the other officer performs the other role.

Application of mosquito control being applied to stagnate water and areas of increased activity including Gum Bend lake, Willow Bend and table drains.

Targets set by the Weeds Action Plan (WAP) completed.

5.2.2

Work with the Local Land Services to implement natural resource management initiatives.

Progress Lake Cargelligo Wetland Projects.

Investigate options for funding a development officer to work with

Wetland constructed.

Funding investigated and, if available, Development Officer employed.

DETED

Ongoing discussions with DPI and LLS

5.2.3

Develop initiatives to reduce Council's carbon footprint.

National Parks and Wildlife service.

Develop initiatives to reduce Council's carbon footprint

Initiatives implemented e.g. LED street lighting, recycled plastic bins.

DETED/DIS

Ongoing within budget. Support for Southern Lights project through CNSWJO
Exploring grant options and Office of Environment and Heritage are undertaking evaluation and recommendation for Council to improve energy consumption/sustainability.

An Energy Sustainability Policy has been adopted and grant funding was allocated for the installation of a minimum of 11 solar projects by 31 December 2021. Council received a LGNSW award for the development of the energy sustainability plan.

A total of 17 solar projects have now been completed. Council received an LGNSW award for the project.
Council's portal shows about \$112,130 annual savings (year to year).

\$40,000 in reduced energy usage, on top of savings from solar, associated with operational changes.

Overall energy usage of the solar portfolio sites is down 23%, compared to 2019.

Overall grid consumption for the portfolio sites is down 50%, compared to 2019.

Compared to the 2019 baseline the total Council footprint is down by 24%

Council's overall carbon footprint is down by 62%.

Council's target was to reduce carbon emissions by 385 tonnes over the period of 2020 – 2025, Council has already achieved a reduction of 746 tonnes.

5.2.4	Address weed and salt issues at Gum bend lake.	<p>Put in place a salt bush planting program to alleviate salinity issues which have arisen due to the installation of the lake.</p> <p>Put in place a weed control program at Gum Bend lake</p>	<p>No of salt push plants planted 20% reduction in salinity levels present in the soil surrounding Gum Bend Lake</p> <p>20% reduction in noxious weeds at Gum Bend Lake.</p>	DIS/Weeds Officer	<p>Herbicide program completed for aquatic weeds. Drought had Gum Bend Lake and killed all aquatic weeds. Lake dredging and sealing works complete.</p> <p>Drainage improvements around the Reserve to reduce salt concentration have been completed</p> <p>400 salt tolerant species seedlings planted. Salt tolerant species seeds have been planted across salt affected area.</p>
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Outcome 5.3: Ensure that animals are properly controlled

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
5.3.1	Provide animal management services and encourage responsible ownership.	Hold discounted micro chipping and de-sexing programs each year.	20% increase in animal registrations.	RO	<p>Services provided and considered successful Ongoing in conjunction with vets and RSPCA. Free microchipping held at drought assistance day, part of Rapid Relief Drought Assistance, in total 55 dogs microchipped.</p> <p>De-sexing Program held and processed cats and dogs for pensioners and low socio-economic households in 2020 – currently looking at possible options to hold another event in 2022.</p> <p>Increased focus on rehoming program with RSPCA and other rehoming organisations.</p>

New animal shelter currently under construction as part of a successful grant application and is expected to be open in the first half of 2022.

Animal shelter completed.

Council achieved a 72% rehoming/returned to owners for animals that entered the facility during 2021-22.

Outcome 5.4 Community Safety

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
5.4.1	Management of Swimming Pools	100% compliance with swimming pool regulations		DIS	Swimming Pool operations continue under contract. Toddler filtration upgrade completed.
5.4.2	Management of Drug & Alcohol Issues	Support CDAT initiatives		DCCS	Council provides letters of support for projects. Meetings attended.
5.4.3	Mitigation of Crime	Installation of CCTV in Foster Street, Lake Cargelligo.	Approval of funding	DCCS	Funding allocated under the LRCI Program and installation complete.
		Complete a Crime Prevention Plan.	Plan completed.		Not yet started

Outcome 5.5: Celebrating and Preserving our Heritage

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
5.5.1	Promote and Celebrate Heritage and Achievements	Complete Heritage walks in Condobolin and Lake Cargelligo.	Walks completed.	DETED/DIS	Stronger Country Communities Grant application in place for Heritage signs in Lake Cargelligo was successful. Further consultation required to ensure the project aligns with community expectations. Heritage signs in Condobolin and Tullibigeal completed.
5.5.2	Protect and Manage our Heritage	Update Council's LEP with significant local buildings.	Council's LEP updated.	DETED	Council was unsuccessful in a grant application to review the European heritage study and update schedule 5 of the Council's LEP. The findings of the Aboriginal Heritage Study will be incorporated into Schedule 5 of the LEP as appropriate. Council officers will continue to seek funding to update the heritage study/Council's LEP listings.
		Adopt a Heritage Management Plan	Heritage plan adopted and implemented.		Completed
5.5.3	Support our Natural and built heritage	Identify significant buildings and apply for grants under the Heritage Near Me Program.	Successful grant applications	DETED	Council is currently seeking funding through other funding streams being offered by NSW Government to support our natural and built heritage. Council was successful in obtaining a grant to undertake an Aboriginal Heritage Study which has now been completed.

Recreation

Outcome 6.1: Increased recreational use of lakes and rivers

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
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6.1.1	<p>Complete the Lake Cargelligo and Gum Bend Lake shared paths to improve access.</p>	<p>Reseal shared path to Gum Bend Lake walkway.</p> <p>Extend Gum Bend Lake walkway around the lake.</p> <p>Level camping area and improve stormwater drainage at Gum Bend Lake</p> <p>Construct bushwalks at Mt Tilga, Wagoon and Tallinga.</p> <p>Signage for walkway Mt Tilga and directional signage</p> <p>Finalise Lake Cargelligo foreshore Walkway Stage II design and construct</p> <p>Improve access tracks and signage to bird hides.</p> <p>Implement Gum Bend Lake Committee 6 Year Improvement Plan including additional BBQ's at</p>	<p>Gum Bend Lake walk way reseal completed.</p> <p>Signage erected.</p> <p>Lake Cargelligo Walkway Stage II completed.</p> <p>Survey, investigation, design and costing done and grant program identified for funding.</p> <p>Walkway complete.</p>	DIS	<p>Complete</p> <p>510m of concrete walkway constructed.</p> <p>Camping area drainage has been improved.</p> <p>Feature survey and design done.</p> <p>Multiple grant applications submitted. Funding unsuccessful.</p> <p>Stage II Lake Cargelligo Walkway 1580m of Construction complete. Stage III 806m construction complete</p> <p>Works being done progressively.</p>
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		Gum Bend Lake and Lake Walkway	New signs erected and create a safe path for users. Implement improvement plan.		Gum Bend Lake Play equipment upgrade is complete. 2 new Sheltered BBQ's completed. 4 new seats/shelters installed with Rotary, Donations box and additional signage completed near boat ramp. Dredging and sealing works have been completed while the Lake is dry. Wetland areas created for wading birds. 6 year plan is currently being updated. Funding secured under LRCI for the remaining shared path Construction at Gum Bend Lake.
6.1.2	Secure a reliable water supply for Gum Bend Lake.	Lobby directly and participate in regional group meetings and provide information and submissions as applicable e.g. involvement and advocacy in development of next water sharing plan. Investigate ground water options	Lobbying has been undertaken. Participate in meetings, information is provided and submissions are made as determined.	DIS	Ground water options were not investigated further as they were deemed not viable. Opportunity to purchase a high security licence through the Drought Communities program was rejected by the Grant body. Establishment of a reserve fund for the future purchase of a High Security Water licence. Ongoing lobbying with government officials and agencies.
6.1.3	Develop feasibility study for water themed parks across the shire	Apply for grants for waterparks at Memorial Park, Condobolin and Liberty Park, Lake Cargelligo. Deliver feasibility study Design water themed parks	Groundwater hydrogeological report completed. Design and estimates done for water themed parks Grant program identified and grant	DIS	Proposal put to GM, Directors and Strategic Planning Meeting. Preference was to spend money improving parks and play equipment. Upgrade completed for Toddler pool filter systems including additional water play elements. Not required Not required

application submitted.

Outcome 6.2 Upgrade Community Buildings

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
6.2.1	Upgrade Lachlan Shire Libraries	<p>Increase the floor area of Condobolin Library to meet NSW State Library guidelines and install disabled toilets</p> <p>Investigate the options and viability of moving Tottenham library.</p> <p>Review opening hours of Lake Cargelligo Library and Customer Service Centre.</p>	<p>Plans Drawn up for Condobolin Library. Investigation re the viability completed. Review Completed.</p> <p>Expand opening hours for Council's office in Lake Cargelligo.</p>	<p>DCCS/ Librarian</p> <p>DCCS/ Librarian.</p>	<p>Complete</p> <p>Evaluation completed and not financially viable. Statistics collected show insufficient numbers. Increasing number of borrowers utilising online services such as Borrow Books and a decrease in patrons coming to the physical site.</p> <p>Draft Library Strategic Plan completed. Undergoing peer review by Penrith City Council before going on public exhibition.</p> <p>Increasing number of borrowers utilising online services such as Borrow Books.</p>

6.2.2	Upgrade & Maintain Community Halls and facilities.	Upgrade Burcher with option to relocate museum within hall.	Museum re-located.	DETED/MB S/DIS	The Museum Committee decided to move the museum to the hall and works to allow this to occur have now been completed.
		Install toilets and showers at Kiacatoo hall.	Evaluation completed. Toilets installed.		Toilets installed – Showers are not considered to be a viable option
		Upgraded and Cleaner Public toilets.	User satisfaction increased from a 3.5 index to a 3.7 index, according to the Micromex community survey.		New toilets at Burcher completed. Frogs Hollow toilet installed.
		Increased maintenance at Memorial Hall, Lake Cargelligo	Usage increased by 10%.		Building has been re-roofed. Kitchen has been replaced and a new curtain has been installed. PA system has been provided including a hearing loop. A/C units have been ordered and Installed.
		Install curtains and hanging wire at Memorial Hall Lake Cargelligo.	Curtains Installed		
					Gravel car park constructed.

6.2.3	Provide Swimming Pools in each main town	Parking on Western Side of Tullibigeal Hall	Car-park constructed.		
		Public toilets in Lake Cargelligo CBD	Evaluation completed. Toilets installed.		Not commenced-Existing toilets next to the VIC. A toilet for the skate park, within the new amenities block for the Lake Cargelligo swimming pool, has now been completed.
		Public toilet in park next door to Lake Depot	Evaluation completed. Toilets installed.		Not commenced –funds not available
		Effectively operate and maintain pools at each main town	Effective pool management contracts in place. Customer satisfaction rating to increase from 4.3 to 4.4.	DIS	Leak sealing and liner works completed, saving council around 18ML of water per year. Leaks at Condobolin pool have begun to increase again. Investigated during winter season, with no cost effective long term solution.
	Deliver improvement works to meet current Department of Health requirements including filter separation	Improvement works done			Tottenham Amenities Block complete. Lake Cargelligo Amenities Block construction complete. Filter separation construction complete. Contract for Pool Operations renewed for 2020-2023 seasons.

Outcome 6.3: New and Visually appealing streetscapes

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
6.3.1	Programmed a themed street tree	Develop a plan of existing street trees and	Program developed	MREC	Planting complete in Condobolin, Lake Cargelligo, Tottenham, Albert and Tullibigeal and tree replacement planning continue Drought has

	replacement program.	species list and implement a themed street tree replacement program.			caused the death of many street trees, with continued replacements ongoing. 66 new trees planted with the return of favourable weather conditions. Further 162 trees planted throughout the Villages.
6.3.2	Upgrade Foster Street Lake Cargelligo & Bathurst/William St Condobolin.	Design and implement streetscape upgrades.	Masterplan developed. Strategic upgrades implemented over 4 years	DIS/MREC	Foster St, Lake Construction underway. William, Busby & Lachlan Sts, Condobolin detailed design is being reviewed. Partial funding secured through Fixing Local Roads grant announcement. Harding Avenue and Busby Street planned to commence in July 2022. Bathurst Street, Condobolin vision master plan completed and used for BBRF round 5 grant application.
6.3.3	Street tree Plan for all towns	Plant street trees according to streetscape plan. Tree maintenance and watering of all street trees.		MREC	Further tree plantings are being planned, pending suitable conditions. Street tree planning and policy documents are under review.

Outcome 6.4: Improved Parks & Gardens

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
6.4.1	Improved Infrastructure in Parks	Five year strategic plan developed for Parks and Reserves Works program developed including roll out of soft-fall at existing	Strategic plan endorsed by Council	DIS	Crown Lands Management review is underway. New equipment completed at Memorial Park, Condobolin, Apex Park Lake Cargelligo, Recreation ground Lake Cargelligo and Memorial

and new play equipment and repairs to entry way/gates at memorial Parks

Works program underway.

Park, Tottenham, Lions Park Condobolin Burcher Memorial Park Tottenham Racetrack and Gum Bend Lake

Re-new existing soft-fall in playgrounds

Soft-fall renewed to required

Soft fall renewed. Ongoing maintenance continues.

Install automated underground irrigation to all parks

Depths. Irrigation installed to all parks

Automated irrigation is complete at Maurice O'Connor Park, Buckland Park, Bill Hurley Park, SRA 3 and 4, Lions Park Condobolin, Lake Cargelligo Skate Park, Lake Cargelligo Foreshore and swimming Pool and Wellington Square. Irrigation renewed for Pioneer park Tullibigeal and Memorial Park Tottenham.

6.4.2

Upgrade and Maintain recreational and sporting facilities

Five year strategic plan for parks and reserves

Strategic plan endorsed by council Management plans completed and capital improvement underway.

DIS

Crown Lands Management review is underway.

Management plans for sporting facilities

Draft Plans of Management have been developed for all crown reserves.

Replace Pat Timmins Oval change-rooms & upgrade SRA Grounds Rugby League Oval

Pat Timmins Oval upgrade complete.

Level car parking and extended areas of SRA grounds

Grant Approved for Replacement of SRA change Rooms. Design underway.

Improvements to
Lake Cargelligo
sporting facilities.

Install watering systems at
Lake Cargelligo oval

Replace Amenities at
Tullibigeal Racetrack

Install Cricket nets at Lake

Cargelligo Rec Reserve

Car park levelling complete
Car park sealing complete

Lake Cargelligo Sporting upgrades complete. Additional Grand stand
and seating installed.

Stage 1 2 and 3 irrigation works complete

Tullibigeal Amenities replacement complete

Preferred site location has changed, with discussions continuing with the
Lake Cargelligo Central School to locate the cricket nets at "the
Complex" on Yelkin Street. Discussions with DET on the MOU continue.

Outcome 6.5: The provision of neat, accessible and respectful cemeteries

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
6.5.1	Improvements at Cemeteries	Upgrade toilet at Condobolin Cemetery	Upgrade toilet	DIS	Cemetery Committee removed this from improvement list in the Plan of Management improvements including drainage, paths and kerb & gutter completed. Stage 1 and 2 complete. Irrigation installed at Lake Cargelligo Lawn Cemetery. Irrigation and signage planning underway for Condobolin Cemetery. Plinth extension completed. Row and Section marker installation complete. Discussions commenced with the Condobolin Garden Club regarding the installation of a rotunda and seating.
		Expand footpath network to the Condobolin Cemetery.	Footpath to the cemetery completed.	(DIAP)	
		Install seats at Condobolin cemetery.	Seats installed		

Outcome 6.6: Community Gardens in the towns

C S P No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
6.6.1	Develop community Gardens in Lake Cargelligo and Condobolin.	Acquire Sites for community gardens	Investigate location for gardens and engage community interest for committee to manage gardens.	DIS	Potential for excess land within the Lake Cargelligo Swimming Pool Lot could be utilised for a community garden site. Not yet done.
		Construct community garden			Not yet done.
		Establish S355 committees			Not yet done.

Service Infrastructure

Outcome 7.1: Water, sewer and energy utilities meet best practice standards with up to date technology

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
7.1.1	Complete effluent reuse systems in the shire	Implement agreed option in accordance with grant conditions	Grant monies acquitted	MU	Scope of works has been revised after receipt of concept design, and costing. Additional \$2.65m funding required before proceeding with project in 3 towns. Public Works Advisory have been engaged to Project Manage the Effluent Project. Additional site and water balance investigations completed for Tottenham. Discussions with the DPE, EPA and PWA to confirm scope of works in Tottenham. Then focus will turn to Lake Cargelligo and Condobolin.

7.1.2	Implement the asset maintenance and renewal program for water and sewerage services.	Complete annual maintenance and renewals program. Review Asset Management Plan and link with Long Term Financial Plan.	Kilometres of pipes renewed/ replaced. Number of sites receiving renewal or upgrading.	MU	Maintenance and renewals Ten Year Program being developed Conditional rating completed for Sewer Assets. Revaluation of assets underway in conjunction with CNSWJO. Draft Asset Management Plan completed. 2km of sewer mains renewed Officers Parade, Gum Bend Lake, Moulder Street, SRA Cottage, Lake Cargelligo 1 and Tottenham Caravan Park Sewer Pump Station upgrades complete. Lake Cargelligo STP and SPS 2 & 3 RTU upgraded. Five Sewer vent stacks have been rehabilitated. SCADA upgrades for Tottenham Reservoir, Leg-O-Mutton pump station, Boona Road, Tullibigeal Clear Water Pump, Lake Cargelligo Raw Water Pump station. UF Skid Replacement and Evaporation Pond liner replacement at Lake Cargelligo WTP.
7.1.3	Upgraded power Supplies	Upgrade power at Tullibigeal Caravan Park and Recreation reserve.	Power upgraded	DIS	Power upgraded at caravan park. Upgrade for Recreation Reserve completed.
7.1.4	Plan and undertake a water mains renewal program	Implement a renewal program each year. Review Asset Management Plan and link with Long Term Financial Plan	Nominated renewal program completed.	MU	Ten Year Works Program being developed. 2.25km of water main at Tottenham has been constructed. Fire hydrants & stop valves replaced in Napier, Orange and Molong Sts, Condobolin. Water Hydrants and valves cleaned and exercises in Tullibigeal and Lake Cargelligo. 480m Water Main Replacement in Turner Street (Innes to High St) completed
7.1.5	Encourage the generation of alternate energy in the Shire.	Support & facilitate installation of renewable energy & energy projects within the shire.	Projects supported.	DETED/GM	Participation in OEH Sustainable Councils and Communities Program. Considering PPA proposal through JO.

7.1.6	Council to improve energy efficiency of facilities and plant.	Progressive investigations & implementation of more energy efficient facilities & plant.	Funded projects completed. Reduction in electricity costs associated with the provision of water and sewer services.	DIS DETED	Potential for establishment of Micro Grids under review. Fifteen (15) new solar projects are either completed or close to completion on Council's buildings or to power Council's assets.
		Implement replacement of street lighting with energy efficient LED			Variable speed drives installed progressively. Solar power arrays being scoped for large capex projects. . Street lighting LED majority complete. An Energy sustainability plan has been adopted and fifteen (15) solar energy projects are either complete or close to completion which will reduce Council's energy consumption.

Outcome 7.2: Water Security for all towns and villages.

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
7.2.1	Progress the Bore Fields 2 Project	Implement project in stages	Stages are progressing satisfactorily & funding applied for.	MU	Three production bores have been constructed. 27km of Pipeline installed with PWA and Contractor. 1km Underbore project and transfer pump station underway. Negotiations are ongoing with adjacent land owner. WTP upgrade options report done. Scoping study for WTP done. Site selection assessment completed. Waiting for adoption by DPE. Funding commitment has been advised from DPIE to progress the WTP upgrade project. Working with DPE to progress Concept Design.
7.2.2	Complete Tottenham water security project	Implement agreed option in accordance with grant conditions	Grant monies acquitted	MU	B-Section Pipeline Collaboration Project underway. Discussion paper completed. Public Works Advisory have been engaged to project manage the Tottenham Water Security Project. Replacement and Upgrade of the Albert Is underway.

					INSW has approved the scope change request as follow: <ul style="list-style-type: none"> • Rectification works at the Leg O Mutton Dam • Construction of 1.18ML Reservoir at Albert • Telemetry upgrades
7.2.3	Upgrade Standpipes	Redesign and install standpipe at Tottenham.	New Standpipe installed.	MU	Upgrades to non-potable standpipes completed in Condobolin & Lake Cargelligo. Albert Standpipe upgraded. Condobolin Potable stand pipe upgrade nearing completion. Installation of New Lake Cargelligo and Tottenham Potable Water Standpipe – underway
7.2.4	Water Availability at Tullibigeal	Up-grade water storage infrastructure to ensure water security for Tullibigeal.	Sufficient water availability for Tullibigeal.	MU	Tullibigeal bore and irrigation project completed. Non-potable water to the Recreation Ground is available.

Outcome 7.3: Adequate town drainage

CSP No	Delivery Program Action (2017/2021)	Operational Plan Action	Performance Measure	Responsible Officer	Status as at 30 June 2022
7.3.1	Ensure that towns have adequate drainage	Design Drainage system for Tullibigeal. Implement Drainage system and Kerb & guttering in Tullibigeal.	Design & Survey completed.	MU	Two options investigated, unaffordable. Kerb & gutter with urban street sealing completed in Wooyeo St. Cargelligo St Construction completed.

Lachlan Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2022



Lachlan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

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Overview

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

58-64 Molong Street
CONDOBOLIN NSW 2877

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

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

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

Lachlan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 28 September 2022.



John Medcalf OAM
Mayor
28 September 2022



Paul Phillips
Councillor
28 September 2022



Greg Tory
General Manager
28 September 2022



Karen Pegler
Responsible Accounting Officer
28 September 2022

Lachlan Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Net operating result for the year – from Income Statement		23,802	14,024
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	<u>50,590</u>	<u>3,639</u>
Total items which will not be reclassified subsequently to the operating result		50,590	3,639
Total other comprehensive income for the year		50,590	3,639
Total comprehensive income for the year attributable to Council		74,392	17,663

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

Lachlan Shire Council

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	16,185	13,942
Investments	C1-2	40,750	19,500
Receivables	C1-4	3,171	5,793
Inventories	C1-5	2,540	2,585
Contract assets and contract cost assets	C1-6	1,334	895
Other		160	74
Total current assets		64,140	42,789
Non-current assets			
Investments	C1-2	11,750	22,000
Receivables	C1-4	559	523
Inventories	C1-5	215	215
Infrastructure, property, plant and equipment (IPPE)	C1-7	621,339	552,075
Intangible assets	C1-8	145	166
Total non-current assets		634,008	574,979
Total assets		698,148	617,768
LIABILITIES			
Current liabilities			
Payables	C3-1	3,270	2,742
Contract liabilities	C3-2	12,029	5,587
Borrowings	C3-3	465	402
Employee benefit provisions	C3-4	3,210	3,452
Provisions	C3-5	20	–
Total current liabilities		18,994	12,183
Non-current liabilities			
Borrowings	C3-3	6,347	6,870
Employee benefit provisions	C3-4	123	130
Provisions	C3-5	2,392	2,685
Total non-current liabilities		8,862	9,685
Total liabilities		27,856	21,868
Net assets		670,292	595,900
EQUITY			
Accumulated surplus		257,171	233,369
IPPE revaluation reserve		413,121	362,531
Council equity interest		670,292	595,900
Total equity		670,292	595,900

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

Lachlan Shire Council

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		233,369	362,531	595,900	219,345	358,892	578,237
Net operating result for the year		23,802	–	23,802	14,024	–	14,024
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	50,590	50,590	–	3,639	3,639
Other comprehensive income		–	50,590	50,590	–	3,639	3,639
Total comprehensive income		23,802	50,590	74,392	14,024	3,639	17,663
Closing balance at 30 June		257,171	413,121	670,292	233,369	362,531	595,900

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

Lachlan Shire Council

Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Cash flows from operating activities				
<i>Receipts:</i>				
12,545	Rates and annual charges		11,529	12,043
3,971	User charges and fees		7,167	1,344
550	Interest received		533	711
29,557	Grants and contributions		46,118	33,182
–	Bonds, deposits and retentions received		20	15
406	Other		6,124	1,048
<i>Payments:</i>				
(10,164)	Payments to employees		(11,310)	(10,578)
(11,940)	Payments for materials and services		(11,731)	(11,366)
(378)	Borrowing costs		(153)	(113)
(909)	Other		(5,202)	(601)
23,638	Net cash flows from operating activities	G1-1	43,095	25,685
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		19,500	27,650
20	Sale of real estate assets		270	636
1,665	Proceeds from sale of IPPE		1,428	1,111
–	Sale of non-current assets classified as 'held for sale'		–	–
–	Deferred debtors receipts		6	6
<i>Payments:</i>				
–	Acquisition of term deposits		(30,500)	(33,250)
(33,032)	Payments for IPPE		(31,085)	(20,787)
(44)	Purchase of real estate assets		–	(47)
–	Purchase of intangible assets		(11)	(70)
(31,391)	Net cash flows from investing activities		(40,392)	(24,751)
Cash flows from financing activities				
<i>Receipts:</i>				
–	Proceeds from borrowings		–	6,000
<i>Payments:</i>				
(460)	Repayment of borrowings		(460)	(282)
(460)	Net cash flows from financing activities		(460)	5,718
(8,213)	Net change in cash and cash equivalents		2,243	6,652
–	Cash and cash equivalents at beginning of year		13,942	7,290
(8,213)	Cash and cash equivalents at end of year	C1-1	16,185	13,942
–	plus: Investments on hand at end of year	C1-2	52,500	41,500
(8,213)	Total cash, cash equivalents and investments		68,685	55,442

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

Lachlan Shire Council

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Lachlan Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 28 September 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (ii) estimated tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2– B2-4.

COVID-19 Impacts

During the 2022 financial year, Covid-19 has caused minimal disruption to Council's business practices with only a small number of staff working remotely from home or at other Council facilities away from the main administration building. Whilst this has caused some inconvenience it has not resulted in significant additional cost.

Most increase in costs related to following Public Health Orders and to support the safety of Council workers and the community.

Rate collections and other receivables have not been impacted.

Council is of the opinion that physical, non-current assets have not declined in value due to Covid-19. Fair value for the majority of Council's non-current assets is determined by replacement cost and there is no anticipated material change in value due to the pandemic.

A1-1 Basis of preparation (continued)

For assets where fair value is determined by market value, Council has no evidence of material changes to these values.

The financial impact of Covid-19 in 2022 has not been significant. Ongoing, it is expected that the financial impact will not be material.

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water Supply business
- Sewerage business

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.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Volunteers services are minimal in Lachlan Shire Council and have not been recognised in the income statement.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2022 reporting period.

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

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2022. None of these standards had a significant impact on the reported financial position or financial performance.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions or activities										
Community Services	3,802	3,022	1,772	1,737	2,030	1,285	2,895	991	17,627	17,067
Tourism & Economic Development	3,927	2,537	1,092	1,258	2,835	1,279	3,182	1,563	19,630	9,067
Transport	10,079	12,598	8,614	11,612	1,465	986	9,821	11,635	460,007	415,488
Governance & Financial Control	22,185	19,007	7,616	4,075	14,569	14,932	13,243	9,623	38,709	31,186
People & Environment	4,009	2,528	4,863	3,517	(854)	(989)	506	2,348	8,549	6,492
Recreation	906	2,365	3,925	3,777	(3,019)	(1,412)	1,344	1,529	43,152	40,894
Service Infrastructure	14,098	6,124	7,322	8,181	6,776	(2,057)	9,124	1,752	110,474	97,574
Total functions and activities	59,006	48,181	35,204	34,157	23,802	14,024	40,115	29,441	698,148	617,768

B1-2 Components of functions or activities

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

Community Services

Includes connecting with our Aboriginal communities, assistance with successful transition from school to training to employment, childcare services and facilities that meet the needs of young families, support for the elderly in our community, community participation in arts and cultural activities, improved health care for the community and social outcomes for those with disabilities, and wellbeing of youth

Tourism & Economic Development

Includes camping areas and caravan parks, facilitating tourism and area promotion, advocating and facilitating industrial development and real estate development and sales

Transport

Includes provision and maintenance of roads, bridges, pedestrian and cycle paths, parking areas

Governance & Financial Control

Includes an effective and responsive Council, financial controls, legislative compliance, corporate and governance support, communication with residents, and strategic management of villages and Crown Reserves

People & Environment

Includes waste management, community land, animal control, community safety, preservation of heritage, noxious plants and insect/vermin control, emergency services, town planning and building control, street lights and street cleaning

Recreation

Includes lakes and rivers, community buildings, streetscapes, parks & gardens, sporting facilities and playgrounds, libraries and cemeteries

Service Infrastructure

Includes provision and maintenance of water and sewerage utilities and stormwater drainage

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2022	2021
Ordinary rates		
Residential	1,313	1,410
Farmland	4,984	5,082
Mining	359	1,067
Business	322	315
Less: pensioner rebates (mandatory)	(55)	(60)
Rates levied to ratepayers	6,923	7,814
Pensioner rate subsidies received	31	34
Total ordinary rates	6,954	7,848
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	1,030	963
Stormwater management services	51	51
Water supply services	1,438	1,401
Sewerage services	1,643	1,610
Waste management services (non-domestic)	437	400
Less: pensioner rebates (mandatory)	(114)	(114)
Annual charges levied	4,485	4,311
Pensioner subsidies received:		
– Water	19	17
– Sewerage	17	20
– Domestic waste management	26	26
Total annual charges	4,547	4,374
Total rates and annual charges	11,501	12,222

Council has used 1 July 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	2022	2021
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Water supply services	1,799	2,042
Sewerage services	8	4
Total specific user charges	1,807	2,046
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Regulatory/ statutory fees	134	112
Section 10.7 certificates (EP&A Act)	20	22
Section 603 certificates	21	19
Total fees and charges – statutory/regulatory	175	153
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aerodrome	7	9
Caravan park	735	758
Cemeteries	29	36
Child care	315	312
Library and art gallery	2	2
Park rents	13	16
Transport for NSW works (state roads not controlled by Council)	93	799
Saleyards	11	9
Waste disposal tipping fees	82	87
Water connection fees	1	1
Hall hire	10	5
Meals on wheels and community care	104	94
Private works – section 67	909	181
Other	–	3
Total fees and charges – other	2,311	2,312
Total other user charges and fees	2,486	2,465
Total user charges and fees	4,293	4,511
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	10	–
User charges and fees recognised at a point in time	4,283	4,511
Total user charges and fees	4,293	4,511

Accounting policy

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

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

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

B2-3 Other revenues

\$ '000	2022	2021
Legal fees recovery – rates and charges (extra charges)	19	1
Commissions and agency fees	168	167
Diesel rebate	144	145
Insurance claims recoveries	14	10
Sales – general	216	1
Reimbursements – Other	417	349
Other	205	45
Total other revenue	1,183	718
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	1,183	718
Total other revenue	1,183	718

Accounting policy for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	3,343	2,959	–	–
Financial assistance – local roads component	1,875	1,687	–	–
Payment in advance - future year allocation				
Financial assistance – general component	5,133	3,166	–	–
Financial assistance – local roads component	2,892	1,811	–	–
Amount recognised as income during current year	13,243	9,623	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Previously specific grants:				
Water supplies	–	–	9,100	1,659
Sewerage services	–	–	23	94
Bushfire and emergency services	120	190	–	–
Child care	600	564	–	–
Community care	412	418	–	–
Economic development	60	332	446	–
Library	–	–	29	25
Library – per capita	49	53	–	–
Noxious weeds	69	70	–	–
Public halls	–	–	47	21
Recreation and culture	–	1,258	711	938
Aerodromes	–	–	–	33
Footpaths	–	–	16	139
Tourism	8	5	2,342	1,155
Town planning	25	76	–	–
Waste management	–	–	3	–
Youth	8	7	–	–
Street lighting	43	43	–	–
Transport (roads to recovery)	2,129	3,193	–	–
Transport (other roads and bridges funding)	–	–	3,998	4,554
Previously contributions:				
Bushfire services	167	191	38	24
Business development	–	71	–	–
Community services	24	1	2,339	847
Recreation and culture	–	–	17	11
Roads and bridges	–	–	–	138
Transport for NSW contributions (regional roads, block grant)	3,279	3,279	400	300
Caravan parks	–	–	326	–
Total special purpose grants and non-developer contributions – cash	6,993	9,751	19,835	9,938
Total special purpose grants and non-developer contributions (tied)	6,993	9,751	19,835	9,938
Total grants and non-developer contributions	20,236	19,374	19,835	9,938
Comprising:				
– Commonwealth funding	16,070	14,058	3,275	2,158
– State funding	4,158	5,312	16,543	7,632
– Other funding	8	4	17	148
	20,236	19,374	19,835	9,938

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G3				
Cash contributions					
S 7.12 – fixed development consent levies		–	–	44	126
S 64 – water supply contributions		–	–	–	2
S 64 – sewerage service contributions		–	–	–	1
Total developer contributions – cash		–	–	44	129
Total developer contributions		–	–	44	129
Total contributions		–	–	44	129
Total grants and contributions		20,236	19,374	19,879	10,067
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		512	25	19,831	7,655
Grants and contributions recognised at a point in time		19,724	19,349	48	2,412
Total grants and contributions		20,236	19,374	19,879	10,067

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Unspent grants and non-developer contributions				
Unspent funds at 1 July	1,897	1,834	5,633	1,049
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	208	105	10	2
Add: Funds received and not recognised as revenue in the current year	80	13	8,503	5,546
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(800)	(35)	(282)	(33)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(40)	(20)	(2,102)	(931)
Unspent grants and non-developer contributions at 30 June	1,345	1,897	11,762	5,633
Unspent Developer Contributions				
Unspent funds at 1 July	–	–	351	223
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	44	128
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(44)	–
Unspent developer contributions at 30 June	–	–	351	351

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include development of reports and promotion of events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

B2-4 Grants and contributions (continued)

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

Developer contributions

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

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 Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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

B2-5 Interest and investment income

\$ '000	2022	2021
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	124	68
– Cash and investments	452	559
Total interest and investment income	576	627
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	56	33
General Council cash and investments	355	376
Restricted investments/funds – external:		
Development contributions		
– Section 7.12	4	3
Water fund operations	85	115
Sewerage fund operations	75	99
Domestic waste management operations	1	1
Total interest and investment income	576	627

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2022	2021
Rental income			
Leaseback fees - council vehicles		109	106
Rental Income		388	350
Total rental income	C2-2	497	456
Other			
Revaluation/reassessment of Tip Rehabilitation provision		841	–
Total other		841	–
Total other income		1,338	456

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	9,921	9,618
Employee leave entitlements (ELE)	1,173	1,201
Superannuation	1,074	1,016
Workers' compensation insurance	238	286
Fringe benefit tax (FBT)	128	123
Protective clothing	52	45
Other	71	75
Total employee costs	12,657	12,364
Less: capitalised costs	(1,558)	(1,756)
Total employee costs expensed	11,099	10,608
Number of 'full-time equivalent' employees (FTE) at year end	147	134
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	163	141

Accounting policy

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

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.

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		6,392	6,168
Contractor and consultancy costs			
– Aerodromes		16	36
– Animal Control		11	4
– Buildings Dwellings		501	128
– Caravan Parks		672	709
– Cemeteries		10	3
– Children’s services		4	33
– Corporate Services		466	574
– Engineering office and operations		12	35
– Flood Works		56	–
– Halls and community centres		137	122
– Health		112	18
– Home and community care		6	24
– Libraries		22	28
– Medical Health Centres		4	4
– Noxious Weeds		–	1
– Other community services and amenities		353	115
– Other Economic Affairs		528	33
– Parks and reserves		341	108
– Private Works		151	7
– Public Amenities		13	7
– Roads Infrastructure		7,368	8,504
– Rural fire service and SES		63	18
– Sewerage		725	1,187
– Sports grounds and recreation facilities		302	803
– Street Cleaning		7	9
– Swimming Pools		1,907	1,248
– Tourism		1,232	336
– Town Planning Office		43	117
– Waste		1,288	1,157
– Water		10,834	3,691
– Works Depots/Workshops/Plant		1,709	728
– Western Plains Regional Development – Youth Services		186	184
Audit Fees	F2-1	70	65
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	188	185
Advertising		21	20
Bank charges		40	38
Cleaning		120	89
Computer software charges		331	284
Electricity and heating		594	698
Insurance		707	656
Postage		33	35
Printing and stationery		67	29
Street lighting		621	177
Telephone and communications		106	105
Tourism expenses (excluding employee costs)		9	31
Valuation fees		35	34
Training costs (other than salaries and wages)		138	202
Other expenses		30	30
Audit, Risk & Improvement Committee		3	5
Investment advisory service		10	13
Write down of real estate assets held for sale		–	–
Legal expenses:			
Expenses from leases of low value assets		–	17
– Legal expenses: debt recovery		19	–

continued on next page ...

B3-2 Materials and services (continued)

\$ '000	2022	2021
– Legal expenses: other	34	13
Total materials and services	38,647	28,865
Less: capitalised costs	(26,799)	(17,755)
Total materials and services	11,848	11,110

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2022	2021
(i) Interest bearing liability costs			
Interest on loans		169	122
Total interest bearing liability costs		169	122
Total interest bearing liability costs expensed		169	122
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	32	22
Total other borrowing costs		32	22
Total borrowing costs expensed		201	144

Accounting policy

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

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

\$ '000	Notes	2022	2021
Depreciation and amortisation			
Plant and equipment		1,368	1,415
Office equipment		79	82
Furniture and fittings		77	45
Land improvements (depreciable)		45	68
Infrastructure:			
	C1-7		
– Buildings – non-specialised		106	114
– Buildings – specialised		1,043	1,029
– Other structures		671	601
– Roads		4,583	4,548
– Bridges		332	320
– Footpaths		115	118
– Stormwater drainage		133	132
– Water supply network		1,571	1,579
– Sewerage network		554	528
Other assets:			
– Library books		9	15
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-7	121	40
Intangible assets	C1-8	32	51
Total depreciation and amortisation costs		10,839	10,685

Impairment / revaluation decrement of IPPE

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

\$ '000	Notes	2022	2021
Land improvements (depreciable)		-	273
Total gross IPPE impairment / revaluation decrement costs		-	273
Total IPPE impairment / revaluation decrement costs charged to Income Statement		-	273
Total depreciation, amortisation and impairment for non-financial assets		10,839	10,958

Accounting policy**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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

B3-5 Other expenses

\$ '000	Notes	2022	2021
Impairment of receivables			
Other		147	144
Total impairment of receivables	C1-4	147	144
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		9	12
– NSW fire brigade levy		37	40
– NSW rural fire service levy		410	561
– Other contributions/levies		3	3
Donations, contributions and assistance to other organisations (Section 356)			
– Lachlan & Western Regional Services Inc		53	147
– Lower Lachlan Community Services		54	53
Write-down of inventories held for sale or distribution		124	116
Write down of real estate assets held for sale		–	(48)
Total other expenses		934	1,337

Accounting policy

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

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2022	2021
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		355	–
Less: carrying amount of property assets sold/written off		(244)	–
Gain (or loss) on disposal		111	–
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,073	1,111
Less: carrying amount of plant and equipment assets sold/written off		(843)	(954)
Gain (or loss) on disposal		230	157
Gain (or loss) on disposal of infrastructure			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(693)	(104)
Gain (or loss) on disposal		(693)	(104)
Gain (or loss) on disposal of real estate assets held for sale			
	C1-5		
Proceeds from disposal – real estate assets		270	636
Less: carrying amount of real estate assets sold/written off		(201)	(483)
Gain (or loss) on disposal		69	153
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		19,500	27,650
Less: carrying amount of term deposits sold/redeemed/matured		(19,500)	(27,650)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(283)	206

Accounting policy

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 30/06/2021 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
Revenues				
Other revenues	406	1,183	777	191% F
Sales of scrap metal of \$156K and sales of minor plant & equipment of \$132K were the main items where an annual budget had not been allocated.				
Operating grants and contributions	16,834	20,236	3,402	20% F
In 2022, Council received 75% of the 2023 Financial Assistance Grant, \$3,327M of which was not provided for in the 2022 Annual Budget.				
Capital grants and contributions	12,723	19,879	7,156	56% F
Council's Drought Water Security project grant funding of \$8.769M was not included in the Annual Budget.				
Other income	459	1,338	879	192% F
A reduction to the tip remediation provision of \$841K was not provided for in the 2022 Annual Budget.				
Expenses				
Borrowing costs	378	201	177	47% F
Depot loan had a variable interest rate in 2022, which resulted in lower interest payments than anticipated.				
Net losses from disposal of assets	50	283	(233)	(466)% U
A \$693K writedown of infrastructure assets was not allowed for in the 2022 Annual budget, however this was offset by gains from the sale of plant, sale of residential property in Condobolin and real estate assets in Lake Cargelligo.				
Statement of cash flows				
Cash flows from operating activities	23,638	43,095	19,457	82% F
Grants and Contributions had a significant impact on cashflows, with \$18M being received in 2022. This includes previously mentioned grants, such as the Financial Assistance Grant of \$3.327M and Water Grants of \$9M.				
Private Works and User Fees also contributed to this favourable result.				
Cash flows from investing activities	(31,391)	(40,392)	(9,001)	29% U
Purchases of IPP&E were lower than anticipated with delayed delivery times for some plant. Sale of real estate assets were higher than anticipated.				

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2022	2021
Cash assets		
Cash on hand and at bank	7,544	3,126
Cash equivalent assets		
– Deposits at call	8,641	10,816
Total cash and cash equivalents	16,185	13,942

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	16,185	13,942
Balance as per the Statement of Cash Flows	16,185	13,942

Accounting policy

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

C1-2 Financial investments

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	40,750	11,750	19,500	22,000
Total	40,750	11,750	19,500	22,000
Total financial investments	40,750	11,750	19,500	22,000
Total cash assets, cash equivalents and investments	56,935	11,750	33,442	22,000

Accounting policy

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

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

Financial assets

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

Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)

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, term deposits and cash and cash equivalents in the Statement of Financial Position.

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost 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.

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

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	68,685	55,442
Cash, cash equivalents and investments not subject to external restrictions	39,659	31,600
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	8,583	5,563
External restrictions – included in liabilities	8,583	5,563
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	334	333
Developer contributions – water fund	13	13
Developer contributions – sewer fund	4	4
Specific purpose unexpended grants (recognised as revenue) – general fund	4,524	1,967
Water fund	8,166	8,435
Sewer fund	6,564	6,701
Stormwater management	642	589
Meals on wheels	65	65
Lachlan aged and community services	25	25
Domestic waste management	106	147
External restrictions – other	20,443	18,279
Total external restrictions	29,026	23,842

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

\$ '000	2022	2021
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	39,659	31,600
Unrestricted and unallocated cash, cash equivalents and investments	7,687	780

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

\$ '000	2022	2021
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	7,250	6,638
Employees leave entitlement	1,955	1,955
Carry over works	5,968	5,693
Aerodromes	141	136
Capital improvements	1,488	1,655
Chambers / computer equipment	80	149
Condobolin cemetery	33	56
Condobolin District Retirement Village	956	989
Condobolin main street improvements	104	104
Depot replacement	5,422	6,787
Financial assistance grant – gen component	5,133	3,166
Gravel pit restoration	713	716
Gumbend lake	63	64
Housing/land development	1,967	1,708
Revolving Energy Fund	48	–
Swimming pools	81	374
Tip restoration	188	188
Town planning	65	33
Waste management	277	339
Elections	40	70
Total internal allocations	31,972	30,820

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

C1-4 Receivables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Rates and annual charges	387	1,063	438	1,001
Interest and extra charges	310	–	317	–
User charges and fees	1,849	–	4,629	–
Accrued revenues				
– Interest on investments	185	–	135	–
Deferred debtors	–	58	–	64
Net GST receivable	576	–	316	–
Other debtors	(7)	–	(7)	–
Total	3,300	1,121	5,828	1,065
Less: provision for impairment				
Rates and annual charges	–	(562)	–	(542)
User charges and fees	(129)	–	(35)	–
Total provision for impairment – receivables	(129)	(562)	(35)	(542)
Total net receivables	3,171	559	5,793	523

C1-4 Receivables (continued)

\$ '000	2022	2021
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	576	448
+ new provisions recognised during the year	219	164
– amounts provided for but recovered during the year	(104)	(36)
Balance at the end of the year	691	576

Accounting policy

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

Impairment

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

When 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.

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

When considering the ECL for rates and annual charges 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.

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 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 2 years past due, whichever occurs first.

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

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

C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
(i) Inventories at cost				
Real estate for resale	–	215	–	215
Stores and materials	2,540	–	2,384	–
Total inventories at cost	2,540	215	2,384	215
(ii) Inventories at net realisable value (NRV)				
Real estate for resale	–	–	201	–
Total inventories at net realisable value (NRV)	–	–	201	–
Total inventories	2,540	215	2,585	215

(i) Other disclosures

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
(a) Details for real estate development					
Residential		–	215	201	215
Total real estate for resale		–	215	201	215
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		–	215	201	215
Total costs		–	215	201	215
Total real estate for resale		–	215	201	215
Movements:					
Real estate assets at beginning of the year		201	215	637	215
– WDV of sales (expense)	B4-1	(201)	–	(483)	–
– Write down of real estate assets held for sale		–	–	47	–
Total real estate for resale		–	215	201	215

C1-5 Inventories (continued)

Accounting policy

Raw materials and stores, work in progress and finished goods

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

Land held for resale

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.

C1-6 Contract assets and Contract cost assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Contract assets	1,334	–	895	–
Total contract assets and contract cost assets	1,334	–	895	–

Contract assets

Work relating to infrastructure grants	1,334	–	895	–
Total contract assets	1,334	–	895	–

Significant changes in contract assets

Council has performed works relating to Council owned assets, for which grant funding has been sourced, and, at the end of the financial year had not received the grant funds.

Grants include:

- Heavy Vehicle Safety Program - Condobolin Truck Wash
- Fixing Country Roads - Condobolin Truck Wash and Maitland Street road works
- Local Roads & Community Infrastructure Grants Phase 1 - Solar panel installation and Tottenham Tennis Club lights
- Local Roads & Community Infrastructure Grants Phase 2 - Various projects

Accounting policy

Contract assets

Contract assets represent Council's right to payment for grant funded projects that have been undertaken throughout the year. The that are subject to grant funds but the grant funds have not yet been paid, or have not been fully paid, to Council.

Contract assets arise to reflect these grants as income in the same financial year for which the works were completed, and may not coincide with milestone payments as stated in the grant funding agreement.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

Contract cost asset – costs to fulfil a contract

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

C1-6 Contract assets and Contract cost assets (continued)

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period								At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	14,207	–	14,207	1,958	19,268	–	–	(8,854)	(58)	–	–	26,521	–	26,521
Plant and equipment	24,705	(14,565)	10,140	378	2,352	(843)	(1,368)	47	–	–	–	25,779	(15,073)	10,706
Office equipment	1,641	(1,158)	483	–	80	–	(79)	–	–	–	–	1,721	(1,237)	484
Furniture and fittings	1,430	(887)	543	–	54	–	(77)	–	–	–	–	1,483	(963)	520
Land:														
– Operational land	6,409	–	6,409	–	–	–	–	–	–	–	–	6,409	–	6,409
– Community land	3,484	–	3,484	–	–	–	–	–	–	–	–	3,484	–	3,484
Land improvements – non-depreciable	655	–	655	–	–	–	–	–	–	–	–	655	–	655
Land improvements – depreciable	990	(430)	560	237	–	–	(45)	–	–	–	–	1,227	(475)	752
Infrastructure:														
– Buildings – non-specialised	4,440	(1,510)	2,930	–	–	(244)	(106)	–	13	–	–	4,173	(1,580)	2,593
– Buildings – specialised	57,280	(28,158)	29,122	301	1,404	(254)	(1,043)	866	–	–	4,826	68,130	(32,908)	35,222
– Other structures	20,758	(7,347)	13,411	336	563	(69)	(671)	669	(15)	–	2,305	25,806	(9,277)	16,529
– Roads	422,915	(64,281)	358,634	1,609	1,246	(370)	(4,583)	5,581	1	–	39,833	477,774	(75,823)	401,951
– Bridges	31,996	(9,734)	22,262	–	–	–	(332)	927	–	–	2,513	36,543	(11,173)	25,370
– Footpaths	5,641	(1,704)	3,937	25	46	–	(115)	275	–	–	–	5,987	(1,819)	4,168
– Stormwater drainage	11,722	(3,203)	8,519	–	–	–	(133)	–	–	–	–	11,722	(3,336)	8,386
– Water supply network	100,652	(46,035)	54,617	252	441	–	(1,571)	204	–	–	2,440	108,988	(52,605)	56,383
– Sewerage network	38,814	(18,575)	20,239	92	115	–	(554)	285	–	(1,327)	–	41,016	(22,166)	18,850
Other assets:														
– Library books	1,121	(1,082)	39	27	–	–	(9)	–	–	–	–	173	(116)	57
Reinstatement, rehabilitation and restoration assets (refer Note 16):														
– Tip assets	2,453	(569)	1,884	–	–	–	(121)	–	536	–	–	2,989	(690)	2,299
Total infrastructure, property, plant and equipment	751,313	(199,238)	552,075	5,215	25,569	(1,780)	(10,807)	–	477	(1,327)	51,917	850,580	(229,241)	621,339

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

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

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	9,065	–	9,065	4,918	5,709	–	–	–	(4,873)	(612)	–	14,207	–	14,207
Plant and equipment	24,362	(13,999)	10,363	–	2,101	(954)	(1,415)	–	45	–	–	24,705	(14,565)	10,140
Office equipment	1,569	(1,076)	493	–	72	–	(82)	–	–	–	–	1,641	(1,158)	483
Furniture and fittings	1,271	(842)	429	–	159	–	(45)	–	–	–	–	1,430	(887)	543
Land:														
– Operational land	3,600	–	3,600	–	23	(4)	–	–	–	–	2,790	6,409	–	6,409
– Community land	3,344	–	3,344	–	–	(45)	–	–	–	–	185	3,484	–	3,484
Land improvements – non-depreciable	670	–	670	–	–	(15)	–	–	–	–	–	655	–	655
Land improvements – depreciable	5,128	(2,652)	2,476	–	65	(23)	(68)	(273)	3	(1,620)	–	990	(430)	560
Infrastructure:														
– Buildings – non-specialised	4,440	(1,398)	3,042	–	–	–	(114)	–	–	2	–	4,440	(1,510)	2,930
– Buildings – specialised	55,958	(27,127)	28,831	–	810	–	(1,029)	–	510	–	–	57,280	(28,158)	29,122
– Other structures	17,915	(6,218)	11,697	–	1,304	(16)	(601)	–	388	639	–	20,758	(7,347)	13,411
– Roads	414,114	(58,724)	355,390	3,374	959	–	(4,548)	–	2,962	497	–	422,915	(64,281)	358,634
– Bridges	31,996	(9,414)	22,582	–	–	–	(320)	–	–	–	–	31,996	(9,734)	22,262
– Footpaths	4,849	(1,551)	3,298	–	130	–	(118)	–	–	627	–	5,641	(1,704)	3,937
– Stormwater drainage	11,578	(3,071)	8,507	–	83	–	(132)	–	61	–	–	11,722	(3,203)	8,519
– Water supply network	97,768	(44,037)	53,731	877	444	–	(1,579)	–	661	–	483	100,652	(46,035)	54,617
– Sewerage network	37,886	(17,878)	20,008	165	193	–	(528)	–	220	–	181	38,814	(18,575)	20,239
Other assets:														
– Library books	1,095	(1,066)	29	–	25	–	(15)	–	–	–	–	1,121	(1,082)	39
Reinstatement, rehabilitation and restoration assets (refer Note 16):														
– Tip assets	1,858	(529)	1,329	–	–	–	(40)	–	–	595	–	2,453	(569)	1,884
Total infrastructure, property, plant and equipment	728,466	(189,582)	538,884	9,334	12,077	(1,057)	(10,634)	(273)	(23)	128	3,639	751,313	(199,238)	552,075

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

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

Accounting policy

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

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

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

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

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

Land is not depreciated. 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 15
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 - specialised	50 to 100
Other plant and equipment	5 to 15	Buildings: other - non - specialised	20 to 40
Other Assets			
Library Books	5 to 10		
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Pipes -Drains	50-100
Bores	20 to 40	Pipes - Culverts	100
Reticulation pipes: PVC	70 to 80	Pits	50 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	15-20	Swimming pools	50
Sealed roads: structure	50	Other open space/recreational assets	20
Unsealed road pavement	20-60	Other infrastructure	15-25
Bridge: concrete	100	Solar Panels	25
Bridge: other	50		
Sealed Road pavements	80-100		
Kerb and Gutter	40-100		
Footpaths	40-60		
Cycle paths	30		
Street Furniture	50-60		

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

Land under roads

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

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

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

Crown reserves

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

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

Rural Fire Service assets

Council does not recognise firefighting equipment purchased on behalf of the rural fire service in the financial statements, as Council deems that they do not have care and control over these assets.

Council recognises buildings, including fire sheds, in the financial statements.

C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2022	2021
Software		
Opening values at 1 July		
Gross book value	612	543
Accumulated amortisation	(446)	(396)
Net book value – opening balance	166	147
Movements for the year		
Other movements	11	70
Amortisation charges	(32)	(51)
Closing values at 30 June		
Gross book value	623	612
Accumulated amortisation	(478)	(446)
Total software – net book value	145	166
Total intangible assets – net book value	145	166

Accounting policy

IT development and software

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

C2 Leasing activities

C2-1 Council as a lessee

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. As of 01/07/2022 Council's arrangement with the supplier of its photocopiers is based on useage, with no fixed payment.

(a) Income Statement

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

\$ '000	2022	2021
Expenses relating to low-value leases	-	17
	<u>-</u>	<u>17</u>

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

Accounting policy

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties and /or plant and equipment to community groups and staff; these leases have been classified as operating leases for financial reporting purposes.

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

C2-2 Council as a lessor (continued)

\$ '000	2022	2021
(i) Assets held as investment property		
(ii) Assets held as property, plant and equipment		
Council provides operating leases on Council buildings for the purpose of supporting economic development and the community.		
Lease income (excluding variable lease payments not dependent on an index or rate)	388	350
Leaseback fees - council vehicles	109	106
Total income relating to operating leases for Council assets	497	456

Amount of IPPE leased out by Council under operating leases

Council leases out buildings and land which are valued as per below:

Reconciliation of IPPE assets leased out as operating leases

\$ '000	Land 2022	Land 2021	Buildings - Specialised 2022	Buildings - Specialised 2021
Opening balance as at 1 July	1,620	1,620	4,362	4,527
Additions new assets	28	–	–	–
Carrying value of disposals	(253)	–	(236)	–
Depreciation expense	–	–	(160)	(165)
Closing balance as at 30 June	1,395	1,620	3,966	4,362

\$ '000	2022	2021
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(ii) Maturity analysis of contractual lease income

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

< 1 year	230	240
1–2 years	122	111
2–3 years	75	81
3–4 years	62	60
Total undiscounted lease payments to be received	489	492

Accounting policy

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

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

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

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Payables				
Government departments and agencies	11	-	-	-
Prepaid rates	220	-	201	-
Goods and services	1,133	-	860	-
Goods and services – capital expenditure	1,411	-	1,235	-
Accrued expenses:				
– Borrowings	37	-	21	-
– Salaries and wages	237	-	199	-
– Other expenditure accruals	69	-	94	-
Security bonds, deposits and retentions	152	-	132	-
Total payables	3,270	-	2,742	-
Total payables	3,270	-	2,742	-

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

\$ '000	2022	2021
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	110	116
Other liabilities	64	85
Total payables	174	201

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2022	2022	2021	2021
		Current	Non-current	Current	Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	11,949	–	5,547	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	80	–	40	–
Total grants received in advance		12,029	–	5,587	–
Total contract liabilities		12,029	–	5,587	–

Notes

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

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

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2022	2021
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	2,129	931
Operating grants (received prior to performance obligation being satisfied)	13	20
Total revenue recognised that was included in the contract liability balance at the beginning of the period	2,142	951

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Loans – secured ¹	465	6,347	402	6,870
Total borrowings	465	6,347	402	6,870

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E.

(a) Changes in liabilities arising from financing activities

\$ '000	2021		Non-cash movements			2022
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance

C3-3 Borrowings (continued)

	2021		Non-cash movements			2022
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000						
Loans – secured	7,272	(460)	–	–	–	6,812
Total liabilities from financing activities	7,272	(460)	–	–	–	6,812

	2020		Non-cash movements			2021
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000						
Loans – secured	1,554	5,718	–	–	–	7,272
Total liabilities from financing activities	1,554	5,718	–	–	–	7,272

(b) Financing arrangements

\$ '000	2022	2021
Total facilities		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	50	50
Total financing arrangements	550	550
Drawn facilities		
– Credit cards/purchase cards	15	16
Total drawn financing arrangements	15	16
Undrawn facilities		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	35	34
Total undrawn financing arrangements	535	534

Additional financing arrangements information

Breaches and defaults

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

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

Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

C3-4 Employee benefit provisions

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Annual leave	1,209	–	1,148	–
Sick leave	378	–	595	–
Long service leave	1,409	123	1,499	130
Gratuities	84	–	90	–
Other leave	130	–	120	–
Total employee benefit provisions	3,210	123	3,452	130

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,036	2,272
	2,036	2,272

Description of and movements in provisions

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2022	2022	2021	2021
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	20	2,392	–	2,685
Sub-total – asset remediation/restoration	20	2,392	–	2,685
Total provisions	20	2,392	–	2,685

C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
2022		
At beginning of year	2,685	2,685
Unwinding of discount	32	32
Derecognition of provision no longer required	(841)	(841)
Remeasurement effects	536	536
Total other provisions at end of year	2,412	2,412
2021		
At beginning of year	2,068	2,068
Unwinding of discount	23	23
Remeasurement effects	60	60
Other	534	534
Total other provisions at end of year	2,685	2,685

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarry as a result of past operations.

Accounting policy

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

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

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

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

Self-insurance

Council does not self-insure.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	General 2022	Water 2022	Sewer 2022
Income from continuing operations			
Rates and annual charges	8,252	1,559	1,690
User charges and fees	1,944	2,321	28
Interest and investment revenue	348	134	94
Other revenues	1,086	91	6
Grants and contributions provided for operating purposes	20,200	19	17
Grants and contributions provided for capital purposes	10,756	9,100	23
Other income	1,338	–	–
Total income from continuing operations	43,924	13,224	1,858
Expenses from continuing operations			
Employee benefits and on-costs	9,816	866	417
Materials and services	8,754	2,344	750
Borrowing costs	201	–	–
Depreciation, amortisation and impairment of non-financial assets	8,508	1,683	648
Other expenses	140	547	247
Net losses from the disposal of assets	283	–	–
Total expenses from continuing operations	27,702	5,440	2,062
Operating result from continuing operations	16,222	7,784	(204)
Net operating result for the year	16,222	7,784	(204)
Net operating result attributable to each council fund	16,222	7,784	(204)
Net operating result for the year before grants and contributions provided for capital purposes	5,466	(1,316)	(227)

D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
ASSETS			
Current assets			
Cash and cash equivalents	13,946	692	1,547
Investments	31,055	5,801	3,894
Receivables	1,568	1,219	384
Inventories	2,540	–	–
Contract assets and contract cost assets	1,334	–	–
Other	160	–	–
Total current assets	50,603	7,712	5,825
Non-current assets			
Investments	8,954	1,673	1,123
Receivables	559	–	–
Inventories	215	–	–
Infrastructure, property, plant and equipment	531,842	69,179	20,318
Intangible assets	145	–	–
Total non-current assets	541,715	70,852	21,441
Total assets	592,318	78,564	27,266
LIABILITIES			
Current liabilities			
Payables	3,270	–	–
Contract liabilities	10,534	1,495	–
Borrowings	465	–	–
Employee benefit provision	3,210	–	–
Provisions	20	–	–
Total current liabilities	17,499	1,495	–
Non-current liabilities			
Borrowings	6,347	–	–
Employee benefit provision	123	–	–
Provisions	2,392	–	–
Total non-current liabilities	8,862	–	–
Total liabilities	26,361	1,495	–
Net assets	565,957	77,069	27,266
EQUITY			
Accumulated surplus	199,895	46,877	10,399
Revaluation reserves	366,062	30,192	16,867
Council equity interest	565,957	77,069	27,266
Total equity	565,957	77,069	27,266

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investment portfolio with the assistance of independent advisors. Council has an investment policy which complies with the *Local Government Act* and Ministerial Investment Order 625. The policy is reviewed by Council and its staff and a monthly investment report is provided to Council setting out the make-up and performance of the portfolio as required by local government regulations.

The risks associated with the investments 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 factors affecting similar instruments traded in a market
- **interest rate risk** - the risk that movements in interest rates could affect returns
- **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 a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and purchasing investments within policy credit rating allowances. Council also seeks advice from independent advisors before placing funds in cash and investments.

(a) Market risk – interest rate

\$ '000	2022	2021
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

Impact of a 1% movement in interest rates

– Equity / Income Statement	611	465
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E1-1 Risks relating to financial instruments held (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.

Council makes suitable provision for doubtful receivables as required.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2022				
Gross carrying amount	–	814	636	1,450
2021				
Gross carrying amount	–	1,204	235	1,439

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2022						
Gross carrying amount	1,434	2,229	368	14	260	4,305
Expected loss rate (%)	0.47%	0.40%	2.50%	0.00%	40.00%	2.99%
ECL provision	7	9	9	–	104	129
2021						
Gross carrying amount	4,752	160	332	21	1,084	6,349
Expected loss rate (%)	0.38%	0.00%	0.00%	1.00%	1.55%	0.55%
ECL provision	18	–	–	–	17	35

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

(c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2022							
Payables	0.00%	109	3,161	–	–	3,270	3,270
Borrowings	4.31%	–	813	3,060	5,720	9,593	6,812
Total financial liabilities		109	3,974	3,060	5,720	12,863	10,082
2021							
Payables	0.00%	116	2,626	–	–	2,742	2,742
Borrowings	2.16%	–	726	2,452	5,852	9,030	7,272
Total financial liabilities		116	3,352	2,452	5,852	11,772	10,014

Loan agreement breaches

There were no breaches to the loan agreement during the reporting year.

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Non-current assets classified as ‘held for sale’

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

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

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Recurring fair value measurements									
Infrastructure, property, plant and equipment C1-7									
		30/6/19	30/6/19	–	–	10,706	10,140	10,706	10,140
		30/6/19	30/6/19	–	–	484	483	484	483
		30/6/19	30/6/19	–	–	520	543	520	543
		30/6/21	30/6/21	5,128	5,128	1,281	1,281	6,409	6,409
		30/6/21	30/6/21	–	–	3,484	3,484	3,484	3,484
		30/6/15	30/6/15	–	–	655	655	655	655
		30/6/21	30/6/21	–	–	752	560	752	560
		30/6/18	30/6/18	1,162	1,434	1,431	1,496	2,593	2,930
		30/6/18	30/6/18	234	208	34,988	28,914	35,222	29,122
		30/6/18	30/6/18	–	–	16,529	13,411	16,529	13,411
		01/07/19	01/07/19	–	–	401,951	358,634	401,951	358,634
		01/07/19	01/07/19	–	–	25,370	22,262	25,370	22,262
		01/07/19	01/07/19	–	–	4,168	3,937	4,168	3,937
		30/6/22	30/6/17	–	–	56,383	54,617	56,383	54,617
		30/6/22	30/6/17	–	–	18,850	20,239	18,850	20,239
		30/6/15	30/6/15	–	–	57	39	57	39
		30/6/18	30/6/18	–	–	2,299	1,884	2,299	1,884
		01/07/19	01/07/19	–	–	8,386	8,519	8,386	8,519
				6,524	6,770	588,294	531,098	594,818	537,868

Non-recurring fair value measurements

Transfers between level 1 and level 2 fair value hierarchies

Council’s policy for determining transfers between fair value hierarchies is:

- at the end of the reporting period.

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

E2-1 Fair value measurement (continued)

Valuation techniques

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 (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & 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. A stocktake on Plant & Equipment was undertaken by AssetVal as at 30 June 2019. As part of the stocktake and verification they assessed the current carrying value against the potential Fair Value of the asset. Fair Value assessments were done on a sample of the higher value assets with the current carrying values all within 10% of the estimated Fair Value.

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

Operational Land

Operational land was revalued as at 30 June 2021 by Australis Asset Advisory Group.

Where a lack of directly comparable sales evidence was available, or a significant level of adjustment was required between sales evidence and the asset, a Level 3 has been assigned to the asset. In other cases, where there was active and liquid sales evidence available and significant adjustments have not been applied, a Level 2 has been assigned to the asset.

Community Land

Community land was revalued as at 30 June 2021. The carrying amount of these assets as advised by the NSW Valuer General is assumed to approximate fair value due to the nature of the items.

Land improvements – depreciable

Land improvements – depreciable were revalued by Australis Asset Advisory Group as at 30 June 2021.

As land improvements – depreciable are considered of a specialist nature and no active market for the assets can be observed, fair value has been measured on the basis of a Cost approach (Level 3). Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential.

Under the cost approach, the asset's Fair Value is calculated as the gross current value less accumulated depreciation, to reflect the consumed or expired service potential of the asset. The most significant input into this valuation approach is the rate per square metre based on a square metre of floor area, length or unit (to arrive at the Gross Replacement Cost), the economic useful life of the asset and a condition score reflecting the remaining useful life of the Asset.

While the inputs to the Gross Replacement Cost (GRC), being a rate per square metre, length or unit, can be supported by market evidence (Level 2), the estimates of useful life, pattern of consumption, condition score and residual value, which are used to calculate the accumulated depreciation, comprise unobservable inputs (Level 3). As these other inputs are significant to the valuation, the overall Fair Value has been classified at Level 3.

Land improvements – non depreciable

Land improvements – non depreciable 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. This is consistent with Council's adopted Asset Accounting Policy v3.

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

Buildings – Non Specialised and Specialised

Non-specialised and Specialised Buildings were revalued as at 30 June 2018 by Australis Asset Advisory Group.

Where an observable market for Council assets could be identified, fair value was measured by way of a Market Approach (Level 2), utilising sales prices of comparable properties after adjusting for differences in key attributes of the property. For the Lachlan Shire Council area, 9 assets were assessed under this approach, and represent around 3% of the Building register based on fair value.

E2-1 Fair value measurement (continued)

For assets that were considered of a specialist nature and did not meet the criteria for a market approach, fair value was measured on the basis of a Cost approach (Level 3). Under this methodology the gross replacement cost was assessed on the basis that it reflected a modern equivalent asset with similar service potential.

Under the cost approach, the asset's Fair Value is calculated as the gross current value less accumulated depreciation, to reflect the consumed or expired service potential of the asset. The most significant input into this valuation approach is the rate per square metre based on the main and secondary building areas (to arrive at the Gross Replacement Cost), the useful life of the asset and a condition score reflecting the remaining useful life of the Asset. For the Lachlan Shire Council area, 288 assets were assessed under this approach, and represent around 97% of the Building register based on fair value.

While the inputs to the Gross Replacement Cost (GRC), being a rate per square metre or per unit, can be supported by market evidence (Level 2), the estimates of useful life, pattern of consumption, condition score and residual value, which are used to calculate the accumulated depreciation, comprise unobservable inputs (Level 3). As these other inputs are significant to the valuation, the overall Fair Value has been classified at Level 3.

At 30 June 2022, Council undertook a fair value assessment for this asset class and applied indexation to "specialised buildings" using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Other Structures

Other Structures were revalued as at 30 June 2018 by Scott Fullarton Valuations Pty Ltd.

This valuation was undertaken in accordance with the requirements of Australian Accounting Standard AASB 13 Fair Value Measurement to establish fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

This involved establishing the nature of the asset, characteristics important to market participants, the appropriate market and valuation premise. Having maximised the level of observable valuation inputs, it was deemed appropriate to use a Cost Approach utilising Level 3 inputs.

The structures were physically inspected, measured and relevant detail noted during the process of valuation.

At 30 June 2022, Council undertook a fair value assessment to index this asset class (buildings specialised) using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Roads

Roads were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

Roads comprise road carriageway, roadside shoulders and road furniture. Assets are componentised into four elements/components: Formation, pavement (base & sub-base) as well as seal, where applicable.

At 30 June 2022, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Bridges

Bridges were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

At 30 June 2022, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Footpaths

Footpaths were revalued as at 1 July 2019 by AssetVal. Cycle Paths are included in the footpath valuation.

E2-1 Fair value measurement (continued)

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

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

Kerb and Gutter

Kerb and Gutter were revalued as at 1 July 2019 by AssetVal.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, and accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

While the replacement cost of assets can be supported by market supplied evidence (Level 2), other unobservable inputs such as estimates of useful life and asset condition were also required (Level 3).

At 30 June 2022, Council undertook a fair value assessment to index this asset class using relevant publicly available indices, to ensure that the carrying value approximates fair value.

Water Supply Network

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

The Water Supply network was revalued as at 30 June 2022, by Australis Asset Advisory Group.

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long-lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were not indexed in 2022 due to the revaluation.

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

Sewer Network

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

The Sewer Supply network was revalued as at 30 June 2022, by Australis Asset Advisory Group.

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets were not indexed in 2022 due to the revaluation.

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

Stormwater

Stormwater was revalued as at 1 July 2019 by Rapid Map Services Pty Ltd, in conjunction with Asset & Facilities Management Consulting Pty Ltd.

Assets within this class comprise stormwater pit structures including end pipe, endwall and channel points and stormwater pipe assets including culverts and channels.

Due to the predominantly specialised nature of Local Government assets, the valuations have been undertaken on a Cost Approach, an accepted valuation method under AASB 13. The cost approach is deemed a Level 3 input.

E2-1 Fair value measurement (continued)

The 'cost approach' (level 3) estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other unobservable inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impact significantly on the final determination of fair value.

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

Tip Assets

Assets in this class represent the expected cost of reinstatement, rehabilitation and restoration of Tip Sites within the Shire.

A review of the costings and how the landfill sites will be rehabilitated was undertaken by Councils' Environmental and Waste Officer in 2018 after receiving a landfill engineered design by Robert H. Amaral. A review of the Lake Cargelligo Waste Facility was conducted in October 2021. Fair Value determined by "Cost Approach" Level 3.

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Valuation process for level 3 fair valuation measurement is determined by Council in conjunction with independent valuers prior to the valuation being undertaken.

Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Plant and equipment	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Office equipment	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Furniture and fittings	Historical cost	Pattern of consumption Asset condition Remaining useful life Residual value
Community land	Valuer-General valuations	Market value
Non-depreciable land improvements	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Depreciable land improvements	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Buildings	Industry cost indexes	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Other structures	Industry cost indexes	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost

E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Roads	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Bridges	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Footpaths	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Stormwater drainage	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Other open space/recreational assets	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Other infrastructure	Unit rates	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Library books	Cost approach	Pattern of consumption Asset condition Remaining useful life Residual value Gross replacement cost
Remediation asset	Cost approach	Discount rate Remaining useful life
Investment Properties		
Commercial land, office and retail	Market value	Investment yields Improved rate per square metre Site rate per square metre

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

\$ '000	Total IPP&E	
	2022	2021
Opening balance	531,098	527,515
Total gains or losses for the period		
Recognised in profit or loss – realised (refer to Note B4-1)	(463)	(220)
Recognised in other comprehensive income – revaluation surplus	50,557	3,639
Other movements		
Transfers from/(to) level 2 FV hierarchy	–	(4,590)
Purchases (GBV)	19,384	16,372
Disposals (WDV)	(1,536)	(1,050)
Depreciation and impairment	(10,746)	(10,568)
Closing balance	588,294	531,098

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

E2-1 Fair value measurement (continued)

Revaluation of Operational Land in 2021 increased overall valuation of this class of asset. In addition, the revaluation process identified that transfers to Level 2, out of Level 3, were necessary.

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

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

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

* For 180 Point Members, Employers are required to contribute 7.5% of salaries for the year ending 30 June 2022 (increasing to 8% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2020 to 30 June 2022, apportioned according to each employer's share of the accrued liabilities as at 30 June 2020. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

E3-1 Contingencies (continued)

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2022 was \$98,975.68. The last valuation of the Scheme was performed by Richard Boyfield FIAA as at 30 June 2021.

The amount of additional contributions included in the total employer contribution advised above is \$30,333.24. Council's expected contribution to the plan for the next annual reporting period is \$51,343.76

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.15%.

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

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

Investment return	5.5% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

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

(ii) Statewide Limited

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

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

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

E3-1 Contingencies (continued)

(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.

2. Other liabilities

Council is currently in arbitration with a supplier regarding a contractual dispute. The quantum of any potential claim has yet to be assessed.

(i) Third party claims and other matters

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) Rural Fire Services

The Local Government Code of Accounting Practice and Financial Reporting 21/22 issued by the Office of Local Government at page 54 states "Councils need to assess whether they control any Rural Fire Service assets and recognise in their financial statements any material assets under their control."

In addition, AASB116 requires that an asset can only be recognised if it is probable that future economic benefits associated with the items will flow to the entity. Control is defined in the "AASB Conceptual Framework".

E3-1 Contingencies (continued)

In response to the Code's assessment requirements and based on Council's review of:

1. effective control and
2. what entity receives the future economic benefits

of the rural fire fighting assets, Council has adopted an accounting position statement on the recognition of Rural Fire Service assets.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2022	2021
Compensation:		
Short-term benefits	917	882
Post-employment benefits	79	81
Other long-term benefits	138	75
Total	1,134	1,038

Other transactions with KMP and their related parties

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

Nature of the transaction		Transactions	Outstanding		Impairment	
\$ '000	Ref	during the year	balances	Terms and conditions	provision on	Impairment
			including		outstanding	expense
			commitments		balances	
2022						
Newspaper Advertising	1	17	-		-	-
Building Certifications	2	1	-		-	-
Supply of Hardware	3	48	-		-	-
Erection of Buildings and Structures	4	27	-		-	-
RMS E-Safety Reports, Vehicle Windscreen Replacements	5	6	-		-	-
Plumbing Services	6	18	-		-	-
Rental of Residential property	7	18	-		-	-
Lease Rental Income	8	14	-		-	-

F1-1 Key management personnel (KMP) (continued)

Nature of the transaction			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2021						
Newspaper Advertising	1	18	–		–	–
Supply of Hardware	3	57	–		–	–
Erection of Buildings and Structures	4	345	–		–	–
RMS E-Safety Reports, Vehicle Windscreen Replacements	5	13	–		–	–
Plumbing Services	6	8	–		–	–
Rental of Residential property	7	14	–		–	–
Lease Rental Income	8	14	2		–	–
Gravel Royalties	9	1	–		–	–

- 1 KMP is employed by local newspaper in which Council advertises
- 2 Council approved a DA for alterations to building
- 3 Council purchases hardware from a KMP-owned business
- 4 Council engages a KMP to erect buildings in accordance with its Procurement & Disposal Policy
- 5 Council engages a KMP to provide automotive services
- 6 Council engages plumbing services from a close relative of a KMP
- 7 Council pays rent to a KMP
- 8 Council receives rental income from a KMP
- 9 Council pays gravel royalties to a KMP

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2022	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	27
Councillors' fees	121	122
Other Councillors' expenses (including Mayor)	40	36
Total	188	185

F2 Other relationships

F2-1 Audit fees

\$ '000	2022	2021
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	61	49
Remuneration for audit and other assurance services	61	49
Total Auditor-General remuneration	61	49
(i) Audit and other assurance services		
Other audit and assurance services – Internal Audits	9	16
Remuneration for audit and other assurance services	9	16
Total remuneration of non NSW Auditor-General audit firms	9	16
Total audit fees	70	65

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
Net operating result from Income Statement	23,802	14,024
Add / (less) non-cash items:		
Depreciation and amortisation	10,839	10,685
(Gain) / loss on disposal of assets	283	(206)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Revaluation decrements / impairments of IPP&E direct to P&L	–	273
Unwinding of discount rates on reinstatement provisions	32	23
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	2,466	(3,143)
Increase / (decrease) in provision for impairment of receivables	114	127
(Increase) / decrease of inventories	(156)	(414)
(Increase) / decrease of other current assets	(86)	15
(Increase) / decrease of contract asset	(439)	(895)
Increase / (decrease) in payables	273	158
Increase / (decrease) in accrued interest payable	16	8
Increase / (decrease) in other accrued expenses payable	13	33
Increase / (decrease) in other liabilities	50	(213)
Increase / (decrease) in contract liabilities	6,442	4,636
Increase / (decrease) in employee benefit provision	(249)	(20)
Increase / (decrease) in other provisions	(305)	594
Net cash flows from operating activities	43,095	25,685

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2022	2021
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	76	271
Buildings	7,629	6,904
Plant and equipment	1,284	1,261
Other	115	306
Road infrastructure	3,816	209
Total commitments	12,920	8,951
These expenditures are payable as follows:		
Within the next year	10,285	3,574
Later than one year and not later than 5 years	2,635	5,377
Total payable	12,920	8,951
Sources for funding of capital commitments:		
Future grants and contributions	6,700	1,204
Internally restricted reserves	6,220	7,747
Total sources of funding	12,920	8,951

Details of capital commitments

Council entered into contracts in 2022 for the following capital projects and purchases:

- Mack Trident Cab Chassis Trucks x 2
- Light Plant and Fleet
- Lake Cargelligo - Foster Street upgrade
- Condobolin Visitors Information Centre
- Nerathong Bridge Replacement

Additionally:

- Council commenced a tender/quote process for infrastructure works in Scott Street Condobolin
- Council was notified of grant funding for:
 - Foster Street Tourism Activation
 - Bulk Meter upgrade
 - Stronger Country Communities program round 4

G3 Statement of developer contributions as at 30 June 2022

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Community facilities	333	41	–	4	(44)	–	334	–
S7.11 contributions – under a plan	333	41	–	4	(44)	–	334	–
Total S7.11 and S7.12 revenue under plans	333	41	–	4	(44)	–	334	–
S64 contributions	17	–	–	–	–	–	17	–
Total contributions	350	41	–	4	(44)	–	351	–

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 2021								
Community facilities	333	41	–	4	(44)	–	334	–
Total	333	41	–	4	(44)	–	334	–

G3-3 S64 contributions

S64 Water

Other	13	–	–	–	–	–	13	–
Total	13	–	–	–	–	–	13	–

S64 Sewer

Other	4	–	–	–	–	–	4	–
Total	4	–	–	–	–	–	4	–

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021 2020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4,353	11.13%	11.00%	17.54%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	39,127				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	18,891	32.02%	38.63%	45.94%	> 60.00%
Total continuing operating revenue ¹	59,006				
3. Unrestricted current ratio					
Current assets less all external restrictions	45,261	5.52x	6.03x	7.42x	> 1.50x
Current liabilities less specific purpose liabilities	8,201				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	15,393	23.29x	35.20x	72.64x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	661				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	1,198	9.32%	8.93%	10.35%	< 10.00%
Rates and annual charges collectable	12,858				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	68,685	28.56	29.00	21.94	> 3.00
Monthly payments from cash flow of operating and financing activities	2,405	months	months	months	months

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	17.78%	19.59%	(31.91)%	(39.27)%	(12.37)%	(20.41)%	> 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	29.52%	31.05%	31.04%	71.87%	97.85%	94.05%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	5.52x	6.03x	5.16x	6.10x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	22.10x	34.75x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	12.47%	11.63%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	27.34 months	28.43 months	26.08 months	23.43 months	55.71 months	50.10 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 24a above.

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

End of the audited financial statements

H Additional Council disclosures (unaudited)

H1-1 Council information and contact details

Principal place of business:

58-64 Molong Street
Condobolin NSW 2877

Contact details

Mailing Address:

PO Box 216
Condobolin NSW 2877

Telephone: 02 6895 1900

Facsimile: 02 6895 3478

Opening hours:

8:30am - 4.30pm Monday to Friday

Internet: www.lachlan.nsw.gov.au

Email: council@lachlan.nsw.gov.au

Officers

General Manager
Greg Tory

Responsible Accounting Officer
Karen Pegler

Public Officer
Karen Pegler

Auditors

Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

Elected members

Mayor
John Medcalf OAM

Councillors

P Phillips
J Bartholomew
M Mortimer
M Blewitt
M Rees
D Carter
P Harris
E Bendall
D Brady

Other information

ABN: 82 815 250 829



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Qualified Opinion

I have audited the accompanying financial statements of Lachlan Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Qualified Opinion

Non recognition of rural fire-fighting equipment

As disclosed in Notes C1-7 and E3-1 to the financial statements, the Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2022. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refers to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement, which Council was unable to provide
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2022
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2022
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G4-1 'Statement of performance measures – consolidated results' and Note G4-2 'Statement of performance measures by fund'.

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 'Material budget variations'
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Delegate of the Auditor-General for New South Wales

28 October 2022
SYDNEY



Cr John Medcalf OAM
Mayor
Lachlan Shire Council
58-64 Molong Street
Condobolin NSW 2877

Contact: Karen Taylor
Phone no: 02 9275 7311
Our ref: D2222401/1750

28 October 2022

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Lachlan Shire Council (the Council) for the year ended 30 June 2022 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed a modified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

Non recognition of rural fire-fighting equipment

The Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2022. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refers to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement, which council was unable to provide
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.





The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2022
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment for non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2022
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G4-1 'Statement of Performance Measures – consolidated results' and Note G4-2 'Statement of Performance Measures - by fund'.

INCOME STATEMENT

Operating result

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	11.5	12.2	 5.7
Grants and contributions revenue	40.1	29.4	 36.4
Operating result from continuing operations	23.8	14.0	 70.0
Net operating result before capital grants and contributions	3.9	3.9	 --

The Council's operating result from continuing operations (\$23.8 million including depreciation and amortisation expense of \$10.8 million) was \$9.8 million higher than the 2020–21 result.

The net operating result before capital grants and contributions (\$3.9 million) was consistent with the 2020–21 result (\$3.9 million).

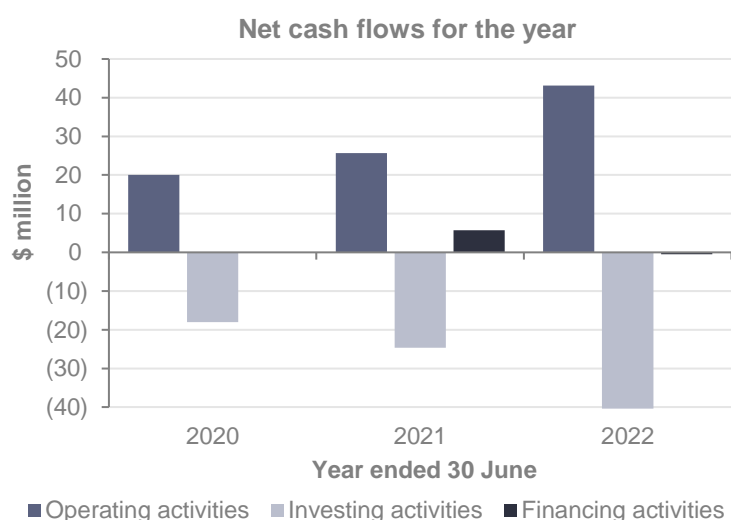
Rates and annual charges revenue (\$11.5 million) decreased by \$0.7 million (5.7 per cent) in 2021–22. This was net the result of the approved rate peg of 2.0 per cent and reclassifying a large parcel of rateable land from mining to farmland, resulting in a decrease in rateable income.

Grants and contributions revenue (\$40.1 million) increased by \$10.7 million in 2021–22. This was mainly due to:

- receiving 75 per cent of 2022-23 financial year allocation of financial assistance grants in advance (\$3.6 million increase)
- recognising \$9.1 million in capital grant funding for Council's water operations (2020–21 \$1.6 million) which included \$8.8 million for the Condobolin Drought Water Security Project.

STATEMENT OF CASH FLOWS

Cash receipts for grants and contributions were \$12.9 million higher than the previous year, contributing to higher cashflows from operating activities.



FINANCIAL POSITION

Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	68.7	55.4	Externally restricted balances included water and sewer funds and unexpended grants.
Restricted and allocated cash, cash equivalents and investments:			Balances are internally allocated due to Council policy or decisions for forward plans including work programs
• external restrictions	29.0	23.8	
• internal allocations	32.0	30.8	

Debt

At 30 June 2022, Council had external borrowings of \$6.8 million (2021: \$7.3 million). The loans are secured against Council's general rating income.

At 30 June 2022, Council also had access to a \$0.5 million (30 June 2021: \$0.5 million) bank overdraft facility and \$50,000 credit card facility. At 30 June 2022, the overdraft facility was unused and the credit card facility had an unused balance of \$35,000.

PERFORMANCE

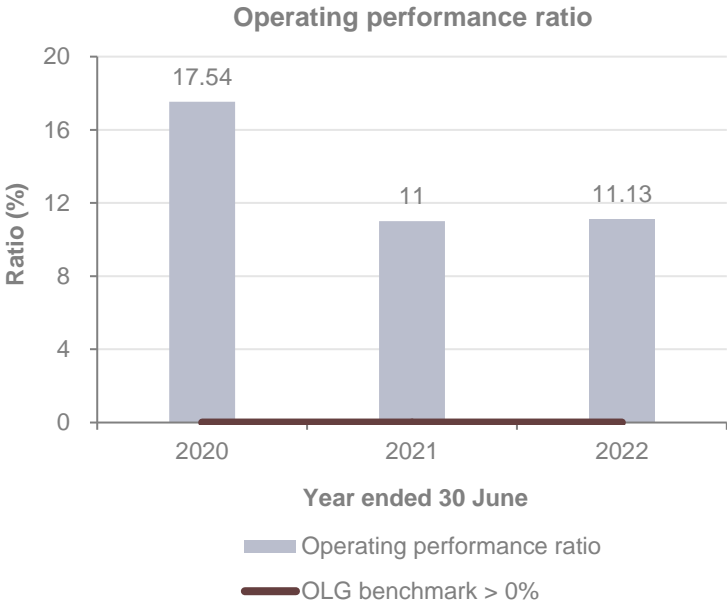
Performance measures

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

Operating performance ratio

Council continued to exceed the benchmark.

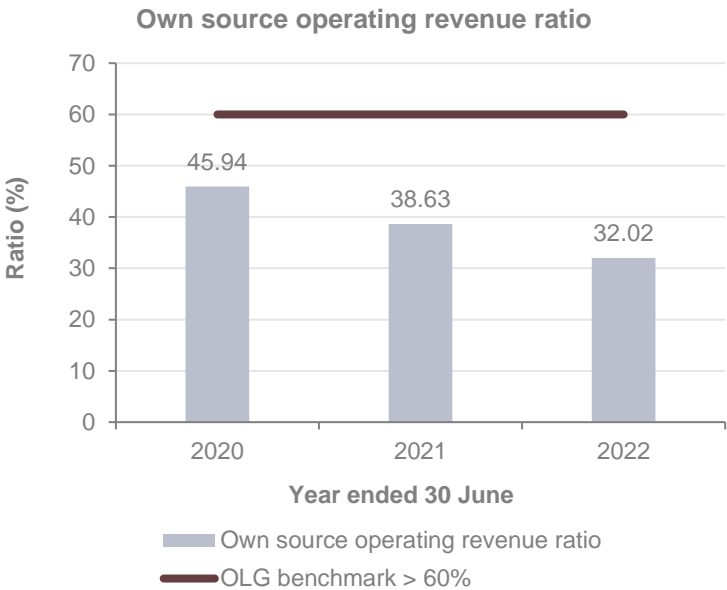
The ‘operating performance ratio’ measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

The proportionately high level of grants and contributions received by Council has seen this ratio continue to remain below the benchmark.

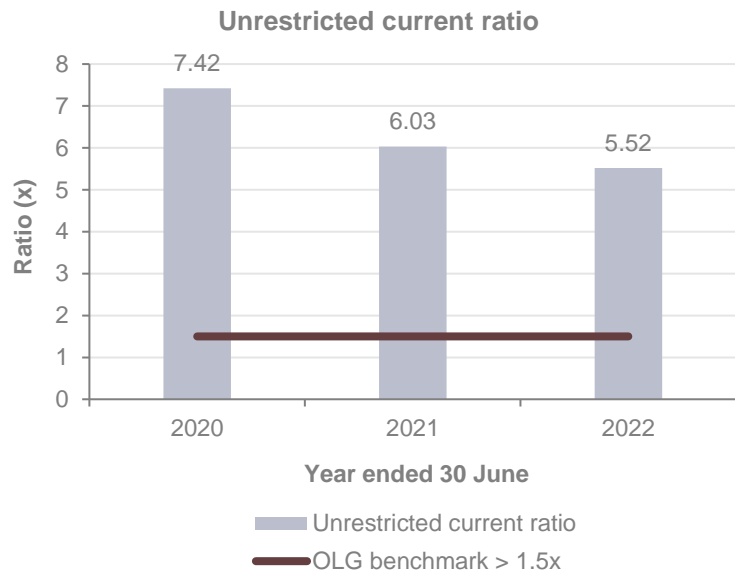
The ‘own source operating revenue ratio’ measures council’s fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council continued to meet the OLG benchmark.

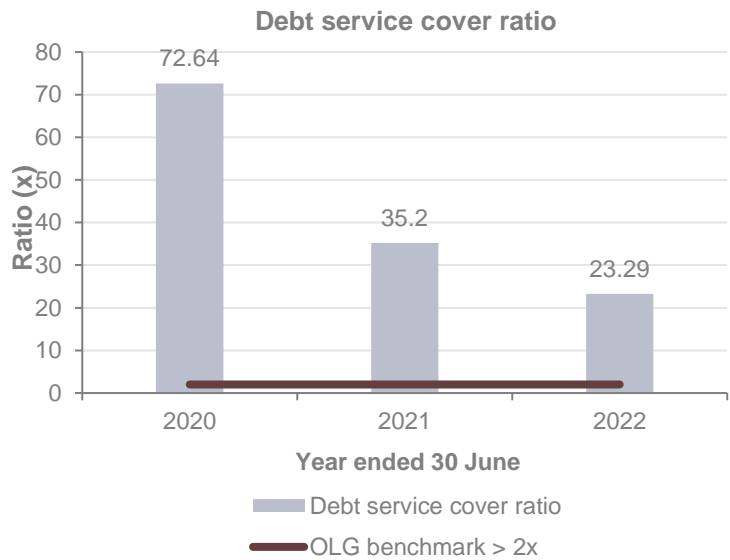
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council continued to exceed the benchmark.

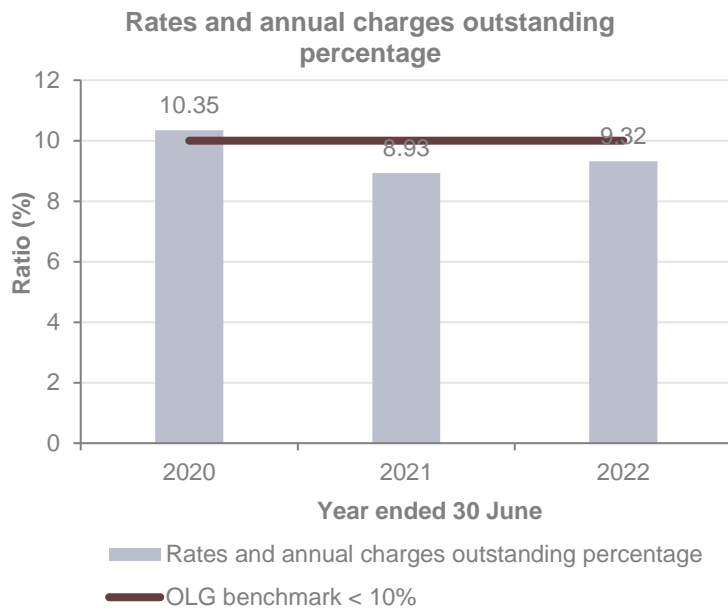
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council's rates and annual charges outstanding ratio has been within the benchmark for regional councils for the last two financial years

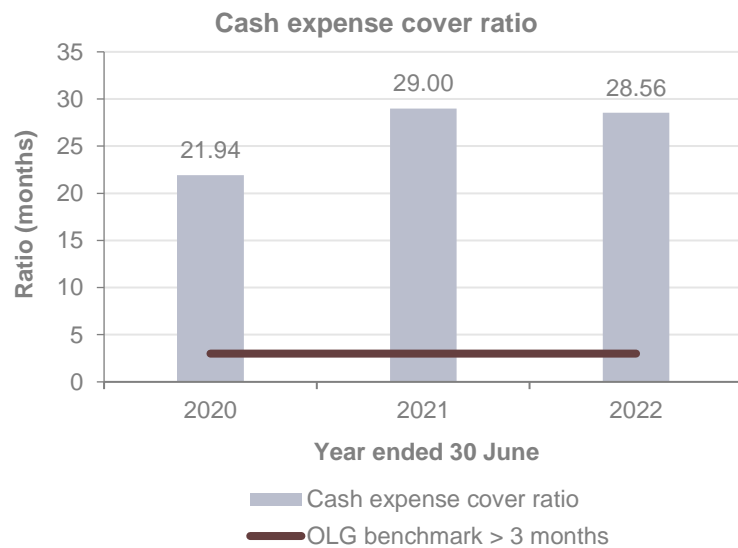
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council continued to exceed the benchmark.

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



Infrastructure, property, plant and equipment renewals

Council has renewed \$5.2 million of infrastructure assets in the 2021–22 (\$9.3 million in 2020–21). Roads infrastructure was the main asset class renewed during both financial years. A further \$25.6 million was spent on new assets during the 2021–22 financial year.

OTHER MATTERS

Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements that will be reported in the Management Letter. Rural fire-fighting equipment was not recognised in the financial statements.

Except for the matter outlined above, the Council's:

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



Karen Taylor
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Lachlan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



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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).

Lachlan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2022

Statement by Councillors and Management

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 28 September 2022.



John Medcalf OAM
Mayor
28 September 2022



Paul Phillips
Councillor
28 September 2022



Greg Tory
General Manager
28 September 2022



Karen Pegler
Responsible Accounting Officer
28 September 2022

Lachlan Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
Income from continuing operations		
Access charges	1,559	1,507
User charges	2,321	2,541
Interest and investment income	134	115
Grants and contributions provided for operating purposes	19	17
Other income	91	118
Total income from continuing operations	4,124	4,298
Expenses from continuing operations		
Employee benefits and on-costs	866	829
Materials and services	2,344	2,913
Depreciation, amortisation and impairment	1,683	1,665
Water purchase charges	190	163
Other expenses	357	416
Total expenses from continuing operations	5,440	5,986
Surplus (deficit) from continuing operations before capital amounts	(1,316)	(1,688)
Grants and contributions provided for capital purposes	9,100	1,659
Surplus (deficit) from continuing operations after capital amounts	7,784	(29)
Surplus (deficit) from all operations before tax	7,784	(29)
Surplus (deficit) after tax	7,784	(29)
Plus accumulated surplus	39,093	39,122
Closing accumulated surplus	46,877	39,093
Return on capital %	(1.9)%	(2.9)%
Subsidy from Council	3,848	2,551
Calculation of dividend payable:		
Surplus (deficit) after tax	7,784	(29)
Less: capital grants and contributions (excluding developer contributions)	(9,100)	(1,659)

Lachlan Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2022

\$ '000	2022	2021
Income from continuing operations		
Access charges	1,690	1,647
User charges	28	54
Interest and investment income	94	99
Grants and contributions provided for operating purposes	17	20
Other income	6	3
Total income from continuing operations	1,835	1,823
Expenses from continuing operations		
Employee benefits and on-costs	417	405
Materials and services	750	1,026
Depreciation, amortisation and impairment	648	590
Other expenses	247	174
Total expenses from continuing operations	2,062	2,195
Surplus (deficit) from continuing operations before capital amounts	(227)	(372)
Grants and contributions provided for capital purposes	23	94
Surplus (deficit) from continuing operations after capital amounts	(204)	(278)
Surplus (deficit) from all operations before tax	(204)	(278)
Surplus (deficit) after tax	(204)	(278)
Plus accumulated surplus	10,603	10,881
Closing accumulated surplus	10,399	10,603
Return on capital %	(1.1)%	(1.7)%
Subsidy from Council	971	695
Calculation of dividend payable:		
Surplus (deficit) after tax	(204)	(278)
Less: capital grants and contributions (excluding developer contributions)	(23)	(94)

Lachlan Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2022

\$ '000	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	692	3,757
Investments	5,801	2,198
Receivables	1,219	1,447
Total current assets	7,712	7,402
Non-current assets		
Investments	1,673	2,480
Infrastructure, property, plant and equipment	69,179	57,916
Total non-current assets	70,852	60,396
Total assets	78,564	67,798
LIABILITIES		
Current liabilities		
Contract liabilities	1,495	1,214
Total current liabilities	1,495	1,214
Total liabilities	1,495	1,214
Net assets	77,069	66,584
EQUITY		
Accumulated surplus	46,877	39,093
Revaluation reserves	30,192	27,491
Total equity	77,069	66,584

Lachlan Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2022

\$ '000	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	1,547	2,037
Investments	3,894	2,192
Receivables	384	347
Total current assets	5,825	4,576
Non-current assets		
Investments	1,123	2,472
Infrastructure, property, plant and equipment	20,318	21,684
Total non-current assets	21,441	24,156
Total assets	27,266	28,732
Net assets	27,266	28,732
EQUITY		
Accumulated surplus	10,399	10,603
Revaluation reserves	16,867	18,129
Total equity	27,266	28,732

Note – Significant Accounting Policies

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

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

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

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act 1993 (Act)*, the *Local Government (General) Regulation 2005 (Regulation)* and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Water Supplies

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Condobolin, Lake Cargelligo, Tottenham, Tullibigeal, Burcher and Fifield.

Category 2

(where gross operating turnover is less than \$2 million)

Sewerage Services

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the towns of Condobolin, Lake Cargelligo and Tottenham.

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 (%)

Note – Significant Accounting Policies (continued)

Corporate income tax rate – **25%** (20/21 26%)

Land tax – the first \$822,000 of combined land values attracts **0%**. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,026,000 a premium marginal rate of **2.0%** applies.

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

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

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the Act.

Achievement of substantial compliance to the DPIE – 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 relevant corporate income tax rate, currently 25% (20/21 26%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the 'Council' as the owner of business operations – it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the SPFS. The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

Note – Significant Accounting Policies (continued)

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.66% at 30/6/22.

(iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2022 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Department of Industry – Water guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Lachlan Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- water supply
- sewerage.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Delegate of the Auditor-General for New South Wales

28 October 2022

SYDNEY

Lachlan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2022



Lachlan Shire Council

Special Schedules

for the year ended 30 June 2022

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Lachlan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
Notional general income calculation ¹			
Last year notional general income yield	a	7,983	7,870
Plus or minus adjustments ²	b	(4)	11
Notional general income	c = a + b	7,979	7,881
Permissible income calculation			
Or rate peg percentage	e	2.00%	1.80%
Or plus rate peg amount	i = e x (c + g)	160	142
Sub-total	k = (c + g + h + i + j)	8,139	8,023
Less valuation objections claimed in the previous year	m	(269)	-
Sub-total	n = (l + m)	(269)	-
Total permissible income	o = k + n	7,870	8,023
Less notional general income yield	p	7,870	7,037
Catch-up or (excess) result	q = o - p	-	985
Carry forward to next year ⁶	t = q + r + s	-	985

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (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 Act. 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

Lachlan Shire Council

To the Councillors of Lachlan Shire Council

Opinion

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

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2021–22 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2022 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2022'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Karen Taylor
Delegate of the Auditor-General for New South Wales

28 October 2022
SYDNEY

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000	2021/22 Required maintenance ^a \$ '000	2021/22 Actual maintenance \$ '000			1	2	3	4	5
Buildings	Buildings	521	521	712	753	37,815	72,303	69.5%	24.3%	6.2%	0.0%	0.0%
	Sub-total	521	521	712	753	37,815	72,303	69.5%	24.3%	6.2%	0.0%	0.0%
Other structures	Other structures	–	–	22	24	16,529	25,806	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	–	–	22	24	16,529	25,806	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Roads	1,442	1,442	3,098	4,583	401,951	477,774	25.3%	29.9%	35.4%	7.3%	2.1%
	Sealed roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Unsealed roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Bridges	–	–	–	–	25,370	36,543	54.0%	33.5%	7.6%	3.0%	2.1%
	Footpaths	9	9	100	93	4,168	5,987	37.7%	40.2%	19.5%	2.5%	0.1%
	Other road assets	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,451	1,451	3,198	4,676	431,489	520,304	27.5%	30.2%	33.3%	7.0%	2.1%
	Water supply network	Water supply network	8,930	8,930	2,420	2,138	56,383	108,988	7.0%	11.0%	61.0%	12.0%
Sub-total		8,930	8,930	2,420	2,138	56,383	108,988	7.0%	11.0%	61.0%	12.0%	9.0%
Sewerage network	Sewerage network	6,108	6,108	780	746	18,850	41,016	4.0%	9.0%	58.0%	12.0%	17.0%
	Sub-total	6,108	6,108	780	746	18,850	41,016	4.0%	9.0%	58.0%	12.0%	17.0%
Stormwater drainage	Stormwater drainage	16	16	53	57	8,386	11,722	19.4%	59.3%	14.7%	4.5%	2.1%
	Sub-total	16	16	53	57	8,386	11,722	19.4%	59.3%	14.7%	4.5%	2.1%
Total – all assets		17,026	17,026	7,185	8,394	569,452	780,139	26.3%	25.3%	34.5%	7.0%	6.9%

(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

Lachlan Shire Council

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

5 **Very poor** Urgent renewal/upgrading required

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2022	Indicator 2022	Indicators		Benchmark
			2021	2020	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	5,214	57.25%	104.07%	88.99%	>= 100.00%
Depreciation, amortisation and impairment	9,108				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	17,026	2.86%	3.23%	4.17%	< 2.00%
Net carrying amount of infrastructure assets	595,973				
Asset maintenance ratio					
Actual asset maintenance	8,394	116.83%	97.47%	105.35%	> 100.00%
Required asset maintenance	7,185				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	17,026	2.18%	2.60%	3.17%	
Gross replacement cost	780,139				

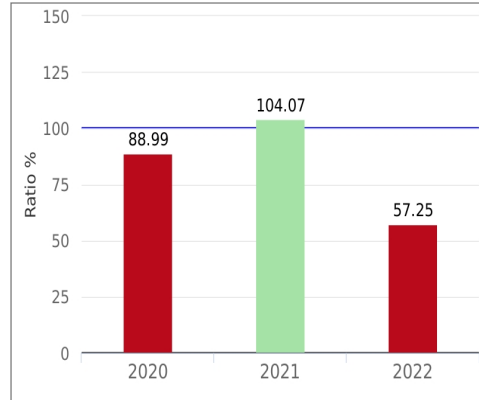
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2022

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

21/22 ratio 57.25%

This ratio has dropped significantly from 2021, as expenditure on new assets increased, particularly in the roads asset class. Depreciation will increase due to these new assets and will impact this ratio into the future.

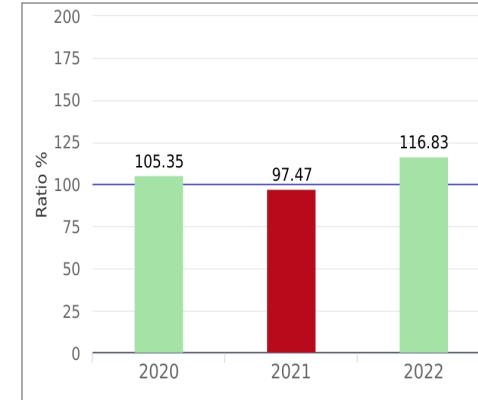
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

21/22 ratio 116.83%

For three of the last four years this indicator has been above the benchmark. It reflects Council's continuing allocation of appropriate funding and resources to maintaining its assets.

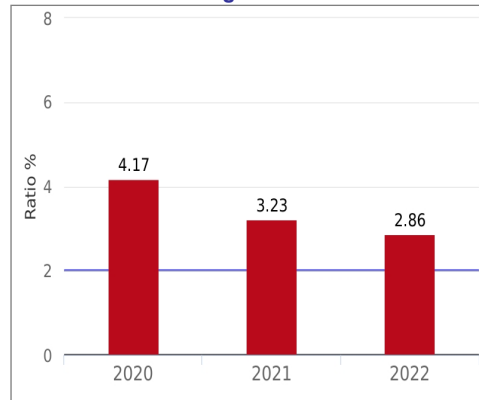
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result

21/22 ratio 2.86%

Although not meeting the benchmark this year, this ratio has continued to improve, year on year.

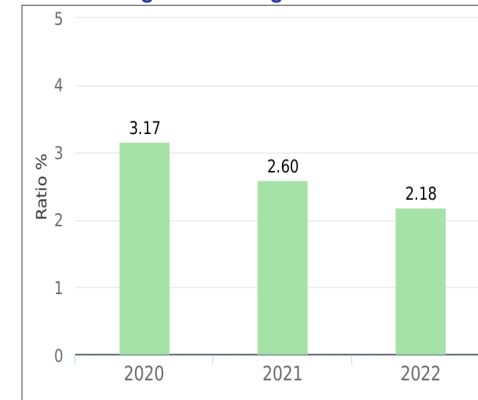
Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

21/22 ratio 2.18%

This ratio continues to improve year on year. Some new assets are improved or upgraded replacements for existing ones e.g. culverts and playground equipment, or upgraded improvements such as sealing a gravel road, reducing the outstanding cost to bring assets to the agreed service level.

Lachlan Shire Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2022	2021	2022	2021	2022	2021	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	69.10%	113.93%	18.91%	66.24%	16.61%	89.02%	>= 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.38%	0.44%	15.84%	16.35%	32.40%	30.18%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	138.27%	99.35%	88.35%	90.81%	95.64%	107.96%	> 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	0.32%	0.36%	8.19%	8.87%	14.89%	∞	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.