

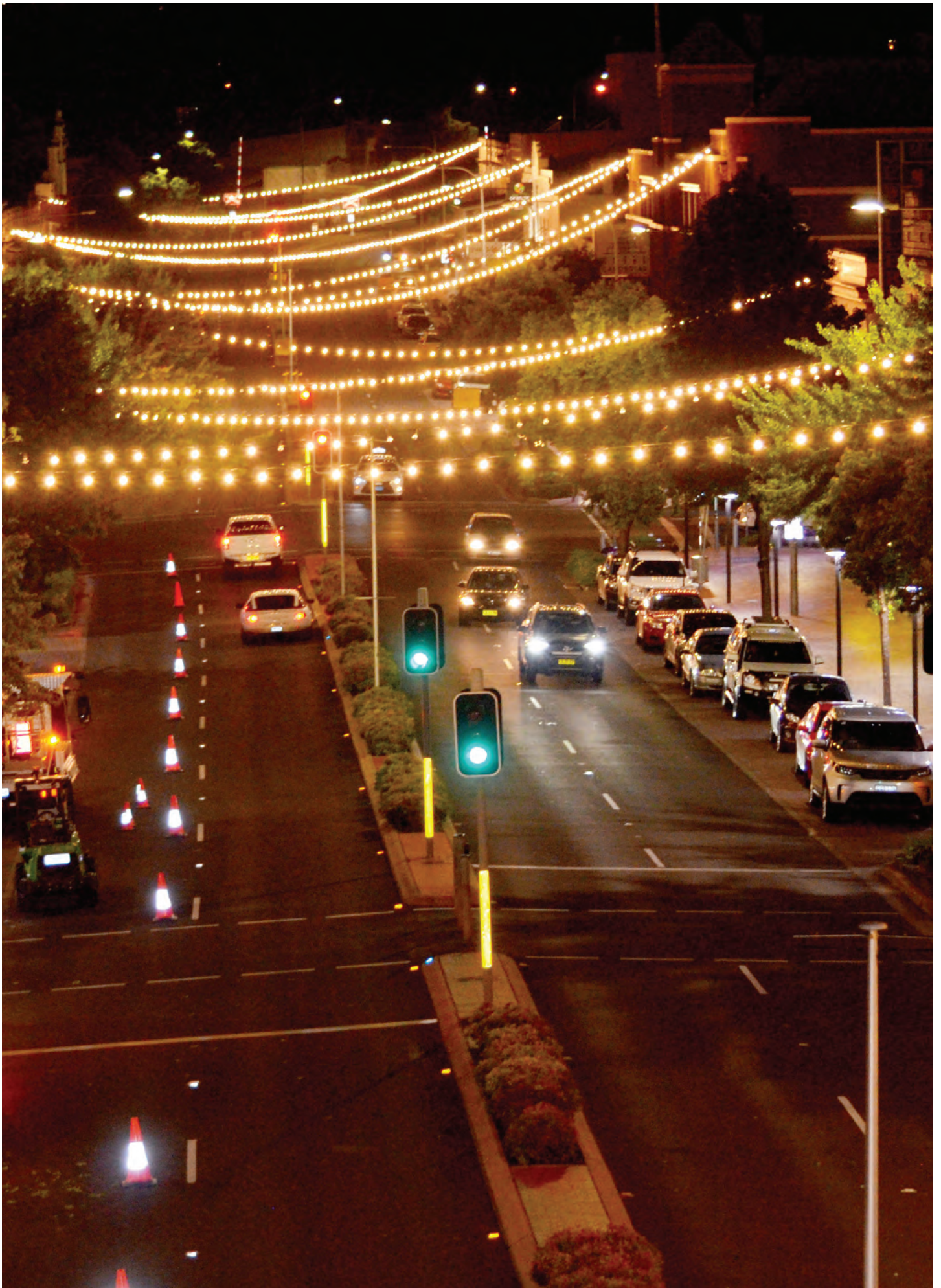


**ORANGE**  
CITY COUNCIL

# ANNUAL REPORT

Orange City Council report to the community  
**2019/20**





# Contents

CEO's Report	04
Your Councillors	06
Organisational Chart	07
Statutory Requirements	08
Live	14
Preserve	28
Prosper	46
Collaborate	52
State of Environment Snapshot	60
DIAP Report	64
GIPA Report	66
Financial Statements	76



## Orange City Council 2019/20 Annual Report

Designed and printed in-house by Orange City Council







## Chief Executive Officer's Report

I'm pleased once again to present this report as CEO of Orange City Council.

Our community can be proud of the efforts and achievements of council and staff over the past year. There are many highlights but it was our response to two factors which dominated and shaped the story of the year: Council's response to the drought and the 'COVID-19 pandemic'.

### Water

The year was bookended by a decline in our water storage levels, and then as the year ended, the first signs that the drought was starting to break.

Council's consistent response throughout the drought has been to work on both supply and demand-side solutions. Construction continued through the year to build the new pipeline connecting Spring Creek Dam and the water treatment plant. Design work continued on the new wetland for the Blackmans Swamp Creek stormwater harvesting scheme.

A long-running awareness campaign to encourage less water use continued to be embraced by the community. A specialist water ranger worked with high-use businesses to help them move forward.

As the year began there were signs of success.

In July the Council was able to delay moving from Level 4 to Level 5 water restrictions because Orange residents had been so diligent in reducing their own water consumption. While the target water use per person per day for Level 5 is 160 litres, Orange residents were already using about 145 litres.

As total storage levels declined, Orange did move to Level 5 water restrictions in October but through the consistent efforts of the community we were able to avoid going to Level 6.

### COVID Pandemic

As the drought was turning, another crisis was beginning to emerge.

Orange City Council was in a good position to show leadership as the community of Orange fell into line with the response of national and state health authorities to the global COVID pandemic.

Plans fell into place to help council staff continue to provide essential services, while other agencies closed down to develop strategies to work from home.

Council meetings continued to be held via video conferencing.

I was very proud of the creative way staff across the organisation worked hard in new and changing circumstances to deliver services to the community.

Council took a lead to bring local business and government agencies together to work on strategies to rebound from the economic impact of the pandemic. Commercial rates were waived for a period during the pandemic.

Council launched its own 'Retail Recovery' campaign, funding a contest which saw 1,000 \$50 gift cards given away to local shoppers.



### **Business as usual**

While these two factors took a key focus, I was pleased to see work on many other major projects continue:

- Our budget this year allocated funding to begin the long-awaited Future City CBD upgrade.
- The \$18.4 million Stage 2 of the Southern Feeder Road was completed, including a bridge over the western railway line.
- Work began on the new Cricket Centre of Excellence in Wade Park.
- Two new roundabouts were constructed at the intersections of Hill St and Matthews Ave, and at the March-McLachlan Streets intersection, and work began on a third at the William Maker Drive - Northern Distributor Road intersection.

Among a series of smaller-scale milestones:

- Orange City Council purchased its first electric fleet vehicle.
- Street lights across the city began to be converted to brighter, more energy-efficient LED lights. The \$2.5 million cost of the change will be re-couped in energy savings within five years.
- Planning regulations changed to give the green light for boutique micro-breweries and small-scale food manufacturers to set up in and around Orange's CBD.
- Seminars for prospective new Council candidates were held, ahead of the September local government election being postponed until September 2021.
- The long-awaited toilets were completed in Robertson Park.
- I was pleased to learn Orange Regional Museum won a state-wide award for All in a Day's Work, a joint initiative of the Museum and the Orange & District Historical Society drawing on the Society's collection of photographic negatives from the Central Western Daily.
- There was good discussion at a housing summit hosted by Council to search for solutions for Orange's future needs for more affordable housing. This forum was one of a number of gatherings hosted this year to engage with community members on key topics ranging from water to business.

Thank you to Councillors and staff for their diligence and hard work.

**David Waddell**

Chief Executive Officer



## ORANGE CITY COUNCIL 2019/20

### Your Councillors



Cr Reg Kidd  
Mayor



Cr Sam Romano  
Deputy Mayor



Cr Kevin Duffy



Cr Jason Hamling



Cr Tony Mileto



Cr Scott Munro



Cr Stephen Nugent



Cr Mario Previtera



Cr Joanne McRae



Cr Glenn Taylor



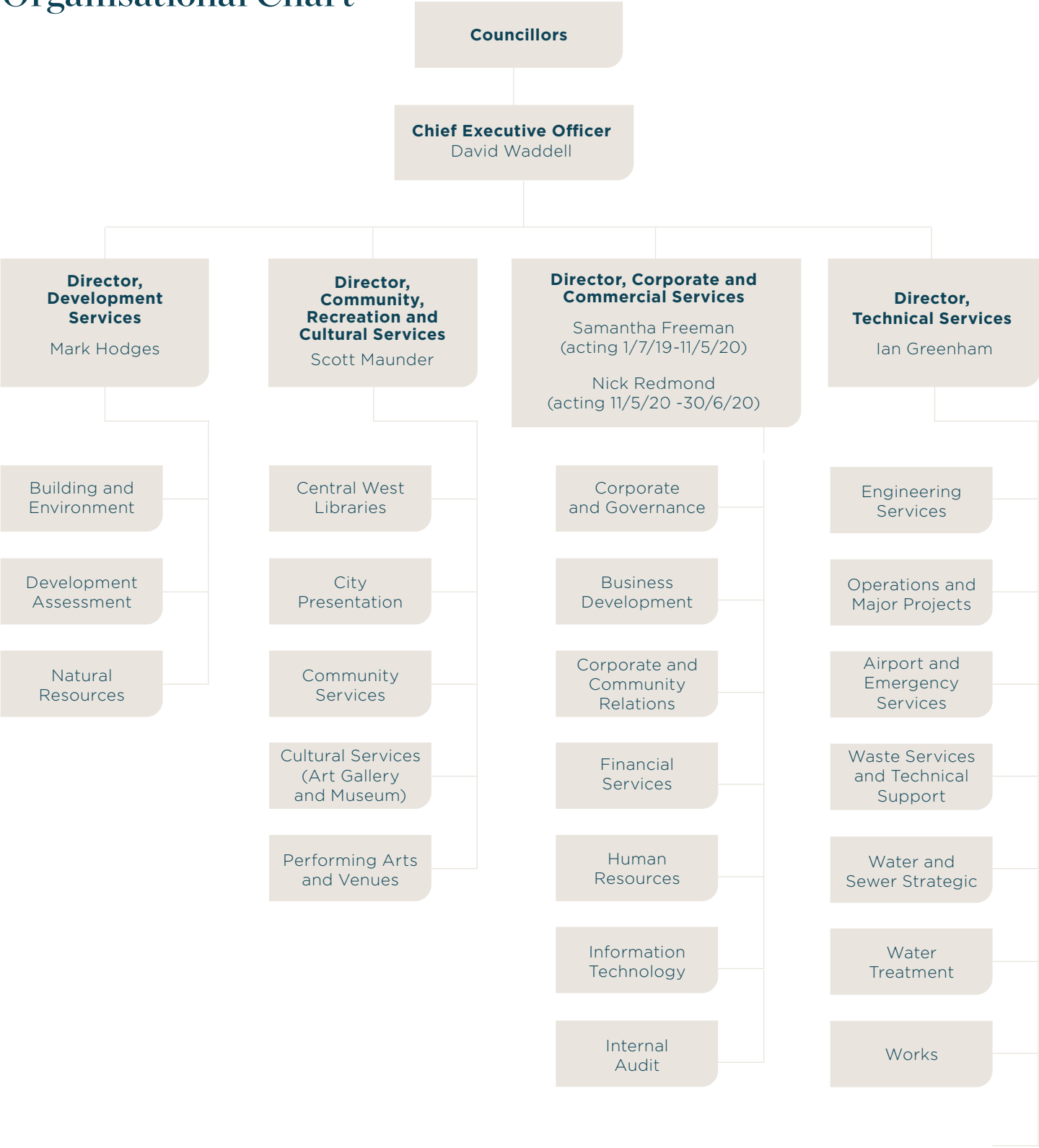
Cr Russell Turner



Cr Jeff Whitton



# Organisational Chart





# STATUTORY REQUIREMENTS

## Statutory Requirements

For the purposes of section 428 (4) (b) of the Act, an annual report of a council is to include the following information:

### Requirement

Include particulars of any environmental upgrade agreement entered into by the council.

### Response

Nil

### Requirement

Report on activities funded via a special rate variation of general income including:

- reporting requirements set out in the Instrument of Approval
- projects or activities funded from the variation
- outcomes achieved as a result of the project or activities

### Response

Nil

### Requirement

Amount of rates and charges written off during year

### Response

Rates: \$4,938.24

Water & Sewer: \$175,156.27

Total: \$180,094.51

### Requirement

Details, including purpose of overseas visits by councillors, council staff or other persons representing council (including visits sponsored by other organisations)

### Response

Nil

### Requirement

Total cost during the year of the payment of expenses of, and the provision of facilities to, councillors in relation to their civic functions.

### Response

Identify separate details on the total cost of:

- provision of dedicated office equipment allocated to councillors  
\$1,454.54
- telephone calls made by councillors  
\$8,582.68
- attendance of councillors at conferences and seminars  
\$17,711.52
- training of councillors and provision of skill development  
\$345.45
- interstate visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses.  
Nil
- overseas visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses.  
Nil
- expenses of any spouse, partner or other person who accompanied a councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors.  
Nil
- expenses involved in the provision of care for a child of, or an immediate family member of, a councillor.  
Nil





## Requirement

Details of each contract awarded for amounts greater than \$150,000 including:

- name of contractor (except employment contracts – contracts of service)
- nature of goods or services supplied
- total amount payable

## Response

CONTRACTOR	NATURE OF GOODS/SERVICES SUPPLIED	CONTRACT ESTIMATED AMOUNT GST inclusive
Boral Resources (Country) Pty Ltd	Ready Mix Concrete Supply Panel	Schedule of Rates
Hanson Construction Materials	Ready Mix Concrete Supply Panel	Schedule of Rates
Holcim Australia Pty Ltd	Ready Mix Concrete Supply Panel	Schedule of Rates
Midwestern Mini Mix	Ready Mix Concrete Supply Panel	Schedule of Rates
Large Industries Pty Ltd t/as JLE Electrical	Cargo Road Upgrade Street Lighting	\$222,455.44
DDM (NSW) Pty Ltd	Construction of animal shelter and associated civil works	\$827,163.70
Activenergy Pty Ltd	Design and construction of sportsground lighting	\$174,915.40
Bartier Perry Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Coutts Solicitors and Conveyancers	Panel Contract – provision of legal services	Schedule of Rates
Crennan Legal	Panel Contract – provision of legal services	Schedule of Rates
Hall & Wilcox Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Maddocks Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Marsdens Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Messenger & Messenger Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Pikes and Verekers Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Australian Business Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Wilshire Webb Staunton Beattie Lawyers	Panel Contract – provision of legal services	Schedule of Rates
Workdynamic Australia	Panel Contract – provision of legal services	Schedule of Rates
Regional Quarries Australia Pty Ltd	Panel Contract – supply of road base materials	Schedule of Rates
Westlime Canowindra Pty Ltd	Panel Contract – supply of road base materials	Schedule of Rates
Earth Plant Hire Pty Ltd	Panel Contract – supply of road base materials	Schedule of Rates
Boral Resources (Country) Pty Ltd	Panel Contract – supply of road base materials	Schedule of Rates
Colemans Earthmoving and Plant Repairs Pty Ltd	Panel Contract – supply of roadbase materials	Schedule of Rates
Westlime Canowindra Pty Ltd	Panel Contract – supply of roadbase materials	Schedule of Rates
Regional Quarries Australia Pty Ltd	Panel Contract – supply of roadbase materials	Schedule of Rates



# STATUTORY REQUIREMENTS

CONTRACTOR	NATURE OF GOODS/SERVICES SUPPLIED	CONTRACT ESTIMATED AMOUNT GST inclusive
El Civil Engineering Pty Ltd	Construction of Shiralee Creek Gravity Sewer Main	\$1,052,736.85
Renascent Australia Pty Ltd	Construction of Sir Jack Brabham Park Change Rooms and Amenities Block	\$731,483.50
Ixom Operations Pty Ltd	Supply of coagulant chemical to Icely Road Water Treatment Plant	\$746.90 per tonne
Hines Constructions Pty Ltd	Construction of the Wade Park Indoor Cricket Centre	\$3,292,724.60
Large Industries Pty Ltd t/as JLE Electrical	Revised Design and Construction Whiteway Lighting Upgrade Summer Street and adjoining streets (separable portions, 3, 4 and 6)	\$1,891,309.92
Hamcon Civil Pty Ltd	Construction of a roundabout on Northern Distributor Road at the William Maker Drive intersection	\$5,361,843.60
Charlmont Gravel Pty Ltd t/as Central West Gravel	Panel contract – supply of roadbase materials	Schedule of rates
Johnson Controls Australia Pty Ltd	Replacement of Air Handling Unit at the Gallery	\$231,605.00

## Requirement

Summary of the amounts incurred by the council in relation to legal proceedings including:

- amounts incurred by council in relation to proceedings taken by or against council (including out of court settlements)
- summary of the state of the progress of each legal proceeding and (if finalised) the result

Legal proceedings incurred these costs for council.

## Response

Status	Amount
Pending	\$17,468.80
Complete	\$213,030.11
Total	\$230,498.91

## Requirement

Include resolutions made concerning work carried out on private land, including:

- details or a summary of any resolutions made under section, and
- details or summary of any work carried out, where the charge is less than the approved fee, the proposed feed to be charged and the total amount subsidised by council

## Response

Nil

## Requirement

Total amount contributed or otherwise granted to financially assist others

## Response

\$366,008.95

## Requirement

Statement of all external bodies that exercised functions delegated by council.

## Response

Nil

## Requirement

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest

## Response

Nil

## Requirement

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which the council participated during the year



### Response

Netwaste, Central NSW Joint Organisation (CNSWJO), Association of Mining & Energy Related Councils and Orange360.

### Requirement

Statement of activities to implement its EEO management plan

### Response

Actions from the EEO Management Plan during the 2019/20 year included:

- Preventing Bullying and Harassment Training conducted
- The Gender Equity Committee developed a Gender Equity Strategy
- Human Resources supported a public event for International Womens Day
- The Grievance Procedure was reviewed with material developed to educate staff on their options if they have concerns about bullying or harassment in the workplace
- Council's Corporate Values were updated including an update from EEO to Diversity with a focus to champion a diverse and inclusive workforce

### Requirement

Statement of the total remuneration package of the general manager including:

### Response

- total value of the salary component of the package \$295,671.19
- total amount of any bonus, performance or other payments that do not form part of the salary component Nil
- total amount payable by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor \$25,000
- total value of any non-cash benefits for which the general manager may elect under the package Nil
- total amount payable by way of fringe benefits tax for any such non-cash benefits \$4677.23

### Requirement

Statement of the total remuneration packages of all senior staff members, expressed as the total (not of the individual members) including:

### Response

- total value of salary components of their packages \$875,328.51
- total amount of any bonus, performance or other payments that do not form part of salary components of their packages \$86,400
- total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of the may be a contributor \$83,156.21
- total value of any non-cash benefits for which any of them may elect under the package Nil
- total amount payable by way of fringe benefits tax for any such non-cash benefits \$7167.78

### Requirement

A statement detailing the stormwater management services provided (if levied).

### Response

Nil

### Requirement

A statement detailing the coastal protection services provided (if levied).

### Response

Nil.

### Requirement

Detailed statement, prepared in accordance with such guidelines as may be issued by the Director-General from time to time, of the council's activities during the year in relation to enforcing, and ensuring compliance with, the provisions of the Companion Animals Act 1988 (CA Act) and the Companion Animal Regulation 2018, including:

- lodgement of pound data collection returns with the OLG (Survey of council seizures of cats and dogs).
- lodgement of data about dog attacks with the OLG.
- amount of funding spent on companion animal management and activities.





# STATUTORY REQUIREMENTS

- community education programs carried out and strategies the council has in place to promote and assist the desexing of dogs and cats.
- strategies in place for complying with the requirement under s 64 of the CA Act to seek alternatives to euthanasia for unclaimed animals.
- off leash areas provided in the council area
- detailed information on fund money used for managing and controlling companion animals in its area

## Response

Council administered the Companion Animals Act and complied with the Guidelines on the Exercise of Functions under the Companions Animal Act. Council has an active Companion Animals Community Committee that meets regularly. A major focus of activities during the reporting period was education about responsible pet ownership, registration, and new off-leash areas.

Council maintains the data in the State Pound Data Collection Database (Survey of Council seizures of cats and dogs) each month, and the annual return was lodged as required.

All dog attacks and associated data was also lodged with the Office of Local Government for each reported attack in accord with the requirements of the Guidelines.

In 2019/2020, Council's expenditure in the management of companion animals was \$738,724.

Council continued to provide pound services and stray animal drop off service with the assistance of a local veterinary hospital (Canobolas Family Pet Hospital). The number of off-leash areas continued to be expanded during the year with the completion of the construction the off leash area in North Orange. An updated Off Leash brochure was printed and distributed, indicating all off leash areas in the City and noting if they are fenced or not.

Council now provides 12 off-leash areas in the Orange City Council area: (Paul Park, Brendan Sturgeon Oval, Ridley Oval, Pilcher Park; Wirrabarra Walk; Bloomfield Park; Anzac Park; Machin Park; Riawena Oval (outside cricket season); Lombardy Road, the Orange Showground and North Orange Off Leash/ Webb Street/ Young Street.

Council works with a number of welfare agencies and also uses social media in an attempt to find alternatives to the euthanasia of unclaimed dogs and cats.

During the reporting period, no external funding was provided to Council for the management of companion animals within the City.

## Requirement

Report on certain proposed capital works projects where a capital expenditure review had been submitted

## Response

Nil

## Requirement

Councils considered to be 'human service agencies' under the CR Act (provide services directed at carers and/or people being cared for by carers) must report on compliance with the CR Act for the reporting period.

## Response

The relevant legislation, standards and funding agreements were complied with. More detail is provided in the 'Live' section of the annual report.

## Requirement

Information on the implementation of council's Disability Inclusion Plan and give a copy to the Minister for Disability Services

## Response

An annual report was compiled, to be sent to the minister, which plan identified actions to build on work currently undertaken by Council to improve access and inclusion for people with varying levels of ability. The DIAP report is attached as an appendix to this report.

## Requirement

Particulars of compliance with and effect of planning agreements in force during the year.

## Response

At the Council meeting 7 November 2017 a report on a proposed planning agreement between Orange City Council and James Richmark Pty Ltd was tabled. The agreement related to the development of a private hospital and motel in Orange. Council resolved to exhibit the agreement for comment. No submissions were received.

At the Council meeting on December 2017 Council resolved to enter the agreement. The comparative cost of the compromise contained in the agreement is approximately \$1.5 million in forgone Section 94 contributions.



The contributions that the voluntary planning agreement will achieve are:

- \$2,332,720 for installing traffic signals and the upgrade of the road network from Orange to the new development, comprising Forest Road and associated works. This work has been completed.
- \$4,710,907.36 for sewer and water augmentation charges across the four precincts. This project has begun and the grant is still active.

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### Requirement

Recovery and threat abatement plans - Councils identified in a plan as responsible for implementation of measures included in the plan, to report on actions taken to implement measures as to the state of the environment in its area.

### Response

Nil

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### Requirement

Details of inspections of private swimming pools. Include:

- number of inspections of tourist and visitor accommodation.
- number of inspections of premises with more than 2 dwellings.
- number of inspections that resulted in issuance a certificate of compliance under s22D of the SP Act
- number of inspections that resulted in issuance a certificate of noncompliance under cl 21 of the SP Reg

### Response

Details of pool inspections:

Tourist and visitor accommodation : 0

Premises with more than 2 dwellings : Nil

Number of certificates issued of compliance under s22D of the SP Act : 27

Number of certificates issued of non-compliance under cl 21 SP Reg. : 15

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### Requirement

Information included on government information public access activity

### Response

An annual report was compiled in line with requirements of the Government Information Public Access) Act 2009. The report is attached as an Appendix to this report.

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### Requirement

Information included on public interest disclosure activity.

### Response

Nil disclosures during the year. Council has a Public Interest Disclosure and Internal Reporting Policy in place.

# Live

## **A healthy, safe, inclusive and vibrant community.**

This theme recognises the importance of encouraging healthy lifestyles, community pride and a sense of belonging. This can be achieved by maintaining a safe, caring and connected community, with active community participation supported by enhanced cultural and recreational facilities and inclusive services that cater to all of our residents. The beautiful parks, gardens and natural assets of our City are amongst our most cherished assets and contribute to making Orange a desirable place to live, work and play.









## 1: A liveable city that is connected through open spaces

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
1.1	Engage with the community to ensure recreation opportunities and facilities meet changing needs	1.1.1	Engage with the community in the planning and development of public open space	<p>The design of new city entrance signs were agreed by the Parks Trees and Waterways Community Committee. Landscape Architectural firm, Moir LA, delivered designs for a feature steel and stone wall foundation for Council's adoption.</p> <p>A new playground was constructed in Margaret Stevenson Park in a more accessible and visible location.</p> <p>New swings were installed in Cook Park with a range of accessible, carer-enabled swing types.</p> <p>A new swing has been installed at Lake Canobolas Reserve.</p>
1.1	Engage with the community to ensure recreation opportunities and facilities meet changing needs	1.1.2	Work and consult with existing and emerging groups to enhance and develop sporting and recreational infrastructure and activities	<p>The sports facility grants program for 2019/2020 was completed with grants made to a number of local sports clubs including the Orange Cycle and Triathlon Club, Orange Hockey, Bloomfield Junior Rugby League, Orange Rugby Club and others.</p>
1.2	Maintain and renew recreational spaces and infrastructure to encourage an active and healthy lifestyle	1.2.1	Implement maintenance programs/activities to ensure park's infrastructure (seats, signs, fences, pathways and playgrounds) is maintained to service levels as outlined in the Public Open Space Asset Management Plan	<p>Monthly playground inspections were undertaken consistently to ensure playgrounds were in sound condition and working parts operating as required.</p> <p>Playground upgrades included Margaret Stevenson Park replacement, Cook park swing apparatus replacement and additions to the Lake Canobolas Reserve Playground.</p> <p>Fencing of parkland to protect assets from unauthorized access included Watts Reserve, Somerset Park and ecologically significant reserves in north Orange.</p>
1.2	Maintain and renew recreational spaces and infrastructure to encourage an active and healthy lifestyle	1.2.2	Implement the Open Space Strategy	<p>The engagement of a suitably qualified consultant to develop Plans of Management for Crown Lands and Community Lands began with the calling for quotations through Vendor Panel. The quotations have been assessed and engagement is set to begin.</p>
1.2	Maintain and renew recreational spaces and infrastructure to encourage an active and healthy lifestyle	1.2.3	Deliver shared cycleway construction program as identified in the Active Travel Plan and in accord with the adopted budget	<p>Primarily, shared cycle way work was undertaken as an ancillary to larger road construction projects such as the upgrade of Burrendong Way and the construction of stage 2 of the Southern Feeder Road. Council applied for, but was ultimately unsuccessful in receiving funding during the period under the Transport for NSW, Active Transport programme.</p>





## 2: A healthy and active community that is supported by sport and recreational infrastructure

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
2.1	Identify and delivery sport and recreation facilities to service the community into the future	2.1.1	Implement the renewal and enhancement of recreational assets	<p>During the year work began on the provision of a new amenities building on the Forest Rd side of Sir Jack Brabham Park. Eight new player shelters with tiered bench seating have been installed at 4 soccer fields at Brabham. A new playground was installed on the Huntley Rd side of Brabham which is being used regularly by the community.</p> <p>There was steady progress on construction of the Wade Park indoor cricket centre.</p> <p>New floodlights were installed at Brendon Sturgeon Oval improving the illumination across the playing fields.</p> <p>The timber bridge replacement program in Moulder Park continued with a new bridge being installed near the corner of Clinton and Lamrock Avenue.</p> <p>Planning work commenced for an expansion of the ANZAC Park indoor sports facilities and outdoor netball courts and the Bloomfield Sporting Precinct.</p>
2.2	Ensure the sporting and recreational facilities, programs and activities are accessible and affordable to support healthy lifestyle choices	2.2.1	Operate the Orange Aquatic Centre	<p>Council routinely reviewed the operation of the Aquatic Centre to ensure the implementation of policies, procedures and programs. Regular staff training and operations meetings were conducted on a regular basis. The Centre responded to and complied with the requirements of health authorities managing the COVID-19 pandemic. Re-opening after a period of complete closure, a system of bookings for lap swimming was developed to ensure COVID-safe operations.</p>
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.1	Maintain and implement the Disability Inclusion Action Plan 2017/21	<p>DIAP actions were assessed and reported in an annual DIAP Report to be forwarded to NSW Minister for Families, Communities and Disability Services and Disability Council. A summary report is also included as an appendix to this Council Annual Report.</p>
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.2	Increase and improve public open space accessibility and facilities for a broad range of members of the community	<p>The community through various means, social media, written correspondence and face to face provide feedback and suggestions for how Council can meet the needs and expectation for recreational activities. Opportunities are prioritized and programmed within budgets for future implementation.</p>





Strategy Code	Strategy	Action Code	Action Name	Annual Comment
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.3	Increase use and functionality of the Orange Showground	There was a steady amount of community use over the past 12 months before the COVID 19 period. The Naylor Pavillion was used for regular farmers' markets and as wet-weather back-up area for a range of community event. Upgrades to the showground have taken place to increase the functionality of this space. Council continues to seek funding to assist with installation of new kiosk and amenities facilities at Naylor Pavilion.
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.4	Work with existing and emerging groups to enhance and develop sporting and recreational infrastructure and activities	Council continues to work with existing and emerging groups to enhance the development of sporting and recreational infrastructure and activities. The construction of the Cricket Centre of Excellence at Wade Park was identified as a need of the community. Work commenced in January with the demolition and commencement of construction. Works progressed during the period.
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.5	Develop recreational facilities at the Mt Canobolas precinct	Mt Canobolas Plan of Management was approved by Minister allowing further progression of facilities.
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.6	Upgrade recreational and accommodation facilities at the Lake Canobolas Scout Camp	The upgrade of the Scout Camp continues with electrical, hydraulic, gas and communications reticulation as well as new buildings being designed. A consultant has been engaged to create a Lake Canobolas Precinct Master Plan and the consultation process includes all the relevant stakeholders across the Lake Canobolas, Canobolas Scout Camp and Mountain Bike Park sites. The Master Plan will address activities and infrastructure that meet the needs of current users and increase the appeal of the precinct to other residents and visitors.
2.3	Partner with community groups and government agencies to provide recreational activities and programs that are inclusive and meet the needs of the community	2.3.7	Support and work with community organisations and agencies to develop and operate programs that have a positive impact on community health	Council has worked closely with a number of organisations during the reporting period to provide opportunities for the City's youth to participate in a variety of sporting camps and clinics, with the objective of increasing physical activity and enhancing sports specific knowledge and skills.  Clinics were conducted in football, rugby league and mountain biking with support provided to sport governing bodies to attract future events and programs to Orange. Unfortunately plans for additional events needed to be cancelled due to COVID-19 restrictions.



### 3: A friendly environment where people feel safe and included

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
3.1	Support projects and programs that address crime and safety and contribute to an increased sense of safety in our homes and in the wider community	3.1.1	Engage the community in addressing crime	A Community Safety Survey was conducted in August 2019. An updated Community Safety Evaluation was developed and provided to Committee for feedback. The Operation Never Again safety promotion was conducted during the Christmas holiday period.
3.1	Support projects and programs that address crime and safety and contribute to an increased sense of safety in our homes and in the wider community	3.1.2	Evaluate the implementation of the Children (Protection and Parental Responsibility) Act 1997 using collected data and community-perception surveys	Approval was given by the office of the NSW Attorney General to extend the operation of the Children (Protection and Parental Responsibility) Act 1997 in the Orange LGA until June 2022.
3.1	Support projects and programs that address crime and safety and contribute to an increased sense of safety in our homes and in the wider community	3.1.3	Conduct the Orange and Cabonne Road Safety Program	Annual Work Plan commitments were achieved including the successful operation of these awareness campaigns: Free Cuppa for the Driver, Drive Fatigue Awareness Day, Be A Champ Stop for a Camp, Win a Swag (Drink Driving), Leave the Car at Home Use Taxi as Plan B, Be Seen Be Safe, free child car seat checking days, Traffic Offenders Program. The Work Plan for 2020 to 2023 was submitted to Transport NSW and approved with an increase in funding.
3.2	Partner with key stakeholders to deliver infrastructure and activities that improve the safety and security of the community	3.2.1	Support the Community Safety and Community Crime Prevention Committee	Council continues to support the Community Safety and Crime Prevention Committee with 3 representatives from Council forming part of the Committee. Identified actions from this group were actioned including a CCTV upgrade and work commencing on installation of lighting across identified parks.



## 4: A creative community participating in arts and cultural activities

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
4.1	Engage with the community to ensure creative and cultural facilities and services meet changing needs	4.1.1	Engage the community in the development of the Region Art Gallery's programs	The Gallery developed a comprehensive forward exhibition plan for the 2021 - 2023 exhibition cycle. The Gallery team also developed a detailed set of long, medium and short term outcomes using the Program Logic system. This has given the team a detailed set of tasks to complete over the coming years to coincide with the re-launch of the Gallery in 2021, following the completion of a new extension.
4.1	Engage with the community to ensure creative and cultural facilities and services meet changing needs	4.1.2	Profile the Gallery and engage the community in its programs through media coverage, advertising and promotional elements	The Gallery regularly promoted its exhibitions and programs in local and national press, advertising regularly in art media such as Artist Profile Magazine and also extensively via digital platforms.
4.1	Engage with the community to ensure creative and cultural facilities and services meet changing needs	4.1.3	Engage the community in the development of programs for the Orange Regional Museum	Due to the COVID Shutdown, engagement activities on site have been limited during the period. The museum opened two temporary exhibitions following easing of restrictions on 1 June, 2020. This included the exhibition component of the SPARK engagement project which 3000 students from 14 schools to learn about and create artwork related to the regeneration of the environment of Mt Canobolas following the 2018 fire. During lockdown the Museum developed several online learning and engagement offers which it pushed out through social media network and on the website. Following reopening, no in person events or programs have taken place however online engagement opportunities are available.
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.1	Link visual arts with other organisations via partnerships and other innovative shared events	Partnerships are now confirmed with National Art School, Corridor Project and the Museum of Contemporary Art. The Arts and Health Partnership with Orange Health Service continues. Each of these will see additional funds or in-kind support for specific projects in the future





Strategy Code	Strategy	Action Code	Action Name	Annual Comment
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.2	Foster community participation in the Gallery through education and public engagement	<p>Prior to COVID, the Gallery has seen a strengthening of its public engagement and education programs, which are designed to complement and enhance our exhibitions. See attached images from the year.</p> <p>School holiday programs have been fully subscribed before and after COVID-19.</p> <p>A particular highlight has been the Regenerate project and this has enabled the Gallery to connect with its audiences during the COVID-19 shutdowns. Education and public engagement events were delivered, while others were cancelled due to COVID-19 closures. Content has been shifted to online platforms where possible and engagement remains strong despite closures.</p>
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.3	Development of options for new Planetarium and Conservatorium	Architectural design was completed and the Development Application was finalized in preparation for lodging. \$10 million funding has been secured. Council is seeking funding for the remainder of the project cost (\$5m).
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.4	Develop a Regional Museum program for Orange	Research on the proposed Bushranger Trail has begun. Approximately 700 items have been catalogued on the e-hive collection management system as part of the Regional Museum digitisation project.
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.5	Implement the Aboriginal Heritage Strategy	Council has worked with the Orange Local Aboriginal Lands Council and the elders group on a number of initiatives. These include, development of an Aboriginal Heritage Trail, engagement of an Aboriginal Artist to develop artwork to be used by Council and filmed interviews with elders.
4.2	Partner with key stakeholders to deliver cultural facilities and services that reflect the interests of a culturally-diverse community	4.2.6	Deliver library services to Central West participating councils in accord with the service-level agreements	All actions detailed in the Service Level Agreements between individual Central West Libraries participating councils and Orange City Council for the year have been met. These will be reported in full to the participating councils (Blayney, Cabonne, Cowra, Forbes and Orange) in the Library's Annual Report. Staff from all service points were engaged in the Library's strategic planning processes during the year and the needs of individual communities prioritised.



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
4.3	Maintain and renew cultural facilities and programs	4.3.1	Implement the Orange Civic Theatre and Orange Function Centre strategic plan	Orange Civic Theatre recognises the important role that cultural activity makes in supporting a diverse and healthy economy in the region. The opportunity incurred by the COVID pandemic was taken up with efforts devoted to future planning , reviewing processes and assessing the theatre's long-running subscription series.
4.3	Maintain and renew cultural facilities and programs	4.3.2	Ensure Orange Civic Theatre is a well-equipped and facilitated community resource able to accept and develop touring performing arts product	Orange Civic Theatre is a well-equipped and facilitated community resource able to accept and develop touring performing arts product by keeping up to date with today's technology and looking at ways to continually improve the back of house operations, through staff training and updating equipment to the latest technology. During the period a number of innovations included the installation of a new sound desk and new programmable stage lighting together with routine maintenance and asset reviews.
4.3	Maintain and renew cultural facilities and programs	4.3.3	Deliver the Orange Library Service	During the period July 2019 to June 2020 the Library offered a rich mix of programs for the community based on our promotional calendar. These included: early childhood literacy programs; school holiday activities; STEAM initiatives such as code club; book discussion clubs; family history clinics; author visits; and workshops and seminars. The COVID 19 pandemic halted most of these programs due to shutdown and social distancing requirements. Library staff created online content for some target groups such as online Storytime and engaged with members through social media.
4.3	Maintain and renew cultural facilities and programs	4.3.4	Make the Library's heritage collections available online	<p>One of Orange's previous historic newspapers. <i>The Orange Leader</i> was digitized and made available through the National Library's Trove portal making it widely accessible. It is now available online for the period 1899 to 1945.</p> <p>An audit of the Library's local studies collection commenced in preparation for the implementation of the Recollect software which will increase access to these resources.</p> <p>Staff attended oral history workshops at the State Library of NSW to facilitate the collection and sharing of stories online and support volunteers.</p> <p>Family history research files were entered onto Spydus database.</p>
4.3	Maintain and renew cultural facilities and programs	4.3.5	Improve the visitor experience through increased functionality of galleries and associated public spaces	<p>The Gallery extension plans were finalized and the DA submitted. The construction tender is still to be appointed. Additional \$1 million funding from Council and the community was secured to add to the \$4 Million from the State Government.</p> <p>The design of the extension aims to improve visitor experience through increased functionality of galleries as well as allow for public access to the storage and conservation areas.</p>



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
4.3	Maintain and renew cultural facilities and programs	4.3.6	Reduce the carbon footprint of the Gallery	Gallery extension will be substantially lit using Solatube technology. This is included in the design updates.
4.3	Maintain and renew cultural facilities and programs	4.3.7	Manage and preserve the Gallery's permanent collection in line with industry standards	Acquisitions, photography, preservation and documentation of collections is ongoing.  Designs were finalized for the extension to the north with Architect Marshall, with the primary purpose of caring for and presenting the permanent collection and attracting more donations as a result.
4.3	Maintain and renew cultural facilities and programs	4.3.8	Deliver the Orange Regional Gallery Exhibition, Education and Public programs	All exhibitions pre-COVID shutdown were highly successful. The Gallery team also used this year to develop a detailed exhibition schedule for 2021 - 2023.
4.3	Maintain and renew cultural facilities and programs	4.3.9	Deliver the Civic Theatre Annual Performing Arts Program	The theatre offers an annual program of a professional theatre subscription season community and commercial hiring program and childrens workshops. The programming and hiring of the facilities are supported by a professional team of staff and the services including a Ticketek agency. Up until to the COVID shut-down which began in March, 26,500 tickets were sold for performances in the theatre.
4.3	Maintain and renew cultural facilities and programs	4.3.10	Manage the Museum collection to museum industry standards	Orange Regional Museum acquired and accessioned 252 new objects into the collection in the 2019/2020 financial year, along with 192 inward loans from 26 different lenders. Every object was documented, catalogued, cleaned, stored and displayed to the best possible museum industry standard. Work continues on implementing public access to the Museums collection via an online catalogue.



# LIVE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
4.3	Maintain and renew cultural facilities and programs	4.3.11	Develop a Regional Museum program for Orange	<p>This year the Museum has delivered a diverse range of exhibitions and programs, interpreting the stories, cultures and environment of our region as well as offering visitors access to outstanding exhibitions from beyond the Central West. Key exhibitions to March 2020 include the award-winning All in a Days Work, produced in collaboration with the Orange and District Historical Society, Underworld: Mugshots from the Roaring Twenties from Sydney Living Museums, a foyer display exploring the work of Orange studio photographer W.H. Bursle and an interactive display featuring a 1907 Orange panorama.</p> <p>Preparations began during 2019-20 for the long-term exhibition, Inherit: old and new histories, which will highlight objects and stories from across the region and will offer visitors and locals a chance to connect with the history of the Central West, its diverse cultures, experiences and voices.</p> <p>Due to COVID-19 restrictions, the Museum closed to the public between 25 March and 31 May 2020. The Museum's COVID-safe plan was developed during that time, allowing the Museum to open when restrictions eased on 1 June 2020 with two new temporary exhibitions, Capturing Nature: Early scientific photography from the Australian Museum 1857-1893 from the Australian Museum and Regenerate, an internal project developed in collaboration with the Orange Regional Gallery. Approximately 3,000 school children from across the region took part via the Spark network.</p> <p>The Museum has actively engaged with communities via its social media networks and has delivered programs associated with its temporary exhibitions including a Mondays at the Museum (at home!) initiative and school holiday activity packs.</p> <p>In addition, All in a Days Work, went on display at the Orange Hospital as part of the Arts and Health partnership, facilitated by Gallery staff.</p>
4.4	Celebrate and conserve the diverse cultural heritage of the urban, village and rural communities	4.4.1	Implement the Aboriginal heritage strategy	A recent project to document and conserve 'The Springs' an Aboriginal and non-Aboriginal Fringe camp from the 1930s and 1940s on the outskirts of south Orange has been implemented.
4.4	Celebrate and conserve the diverse cultural heritage of the urban, village and rural communities	4.4.2	Support a range of community events	The implementation of social distancing and other restrictions due to Covid-19 has canceled almost all events for more than four months of the year, drastically reducing the total number of events held.





## 5: Responsive programs and services that support our community's lifestyle and social needs

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
5.1	Engage with the community to ensure facilities and programs meet changing lifestyle and social needs	5.1.1	Conduct an annual planning and consultative process to assess the needs of our ageing population in line with the principles of an aged-friendly community	The promotion of well-being options for older people in the community were provided throughout the year, with a change of focus during the COVID-19 period.  A new range of social activities was developed and a partnership began with Café Connect (Livebetter) to provide hot meals to clients. The Spark a Connection program for people living with dementia continued.
5.1	Engage with the community to ensure facilities and programs meet changing lifestyle and social needs	5.1.2	Engage with the local culturally and linguistically diverse community to identify needs and opportunities	Support for new migrants was provided across the Central West. Group activities continue to provide excellent opportunities for conversational English and connections with local support organisations.
5.1	Engage with the community to ensure facilities and programs meet changing lifestyle and social needs	5.1.3	In line with Council's Statement of Commitment to the Aboriginal community, work with the Community Working Party to achieve the outcomes of the Orange Aboriginal Social Development Plan	A successful NAIDOC Week was held in October 2019. Partnerships with schools, local NGOs and community organisations ensured a good attendance for the 21 activities.  Community Working Party meetings were postponed due to new Chairperson requirement.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.1	Provide recreational activities for older people, people with disability and younger people to support healthy and active living	A range of activities were held until restrictions were put in place: seniors week, Spark a Connection, social outings, healthy lifestyle activities and community restaurant for older people, Youth Hub holiday programs and Before and After School and Vacation Care programs.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.2	Implementation of wellness and reablement in the Commonwealth Home Support Program	Deliverables met across the year with capacity increased to provide emergency monitoring systems to older isolated people. Meals, social support and lawn mowing programs all operated at required levels.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.3	Provide support to the Commonwealth Home Support Program in the Central West	A wide range of training and support was provided to Central West services through out the year. Three round table events were held with a focus on subjects requested from the services.



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.4	Deliver quality children's services	All children's services options operated at high capacity until the COVID-19 period. Services that were assessed against the National Standards achieved, met or exceeded ratings. Orange Public Out of School Hours Care increased capacity from 45 to 60 places.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.5	Use available government funding to support the delivery of accessible and affordable services for older people and people with a disability	A number of grant applications were submitted and were successful throughout the year, including Youth Hub, Seniors COVID Activity, Commonwealth Home Support Program COVID, Continuity of Support COVID, Drought Support for Childcare Centres, Quality Learning Environment and Community Support Grant.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.6	Provide supported accommodation services to adults with an intellectual disability	All residents were supported with daily living and recreation activities in a person-centred manner. NDIS registration was achieved.
5.2	Ensure the community services provided by Council are professionally managed, integrated and meet demonstrated needs	5.2.7	Operate the Orange Cemetery	Administration of Cemetery operations has been provided in accordance with legal requirements. Construction of a new road began during the last two quarters of the year and has now been completed, which permits access to new areas of the Cemetery. This will allow for the future needs of the community.
5.3	Work with government agencies and non-profit organisations to reduce the incidence of homelessness by supporting the need for affordable and social housing	5.3.1	Support agencies in delivering affordable and social housing	Continued cooperation with Housing Plus to enable the new Domestic Violence Centre to be built and additional housing throughout Orange. Council is exploring options with external agencies for increasing the availability and affordability of housing in Orange.



## 6: A community that values and protects domestic animals and the role they play in residents’ wellbeing - physically, socially and psychologically

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
6.1	Provide services and facilities that enable Council to fulfil its obligations under the Companion Animals Act	6.1.1	Establish a new pound	The construction of a new pound shed was completed during the 2019/2020 year. The fitout of the pound will be undertaken in the first two quarters of 2020/2021. A high level of service is still provided to the community from Ranger Services including public drop off services through Canobolas Vets and boarding at a private contract site.
6.2	Ensure that infrastructure exists for the safe exercising of domestic dogs	6.2.1	Maintain leash-free areas	During the 2019/2020 year, two new off-leash areas were provided within the Council area: the North Orange Off-Leash Area and also the Spring Hill Off-Leash area. All off-leash areas have been well used over the year, particularly in the past 6 months during the COVID restrictions.
6.3	Partner with key stakeholders to deliver education and services relating to animal health and wellbeing	6.3.1	Support Companion Animals Community Committee	Support and administration of the Companion Animals Community Committee has been provided.
6.3	Partner with key stakeholders to deliver education and services relating to animal health and wellbeing	6.3.2	Manage companion animals	Different key stakeholders have been engaged with over the year in order to deliver education and services relating to animal health and wellbeing.

# Preserve

## **Balancing the natural and built environment.**

This theme ensures that the unique natural, cultural, social and historical aspects of our community are preserved while recognising the need for growth and development. The community was strong in its desire to be more sustainable by promoting renewable energy, reducing waste and protecting our natural resources. There is also an expectation for infrastructure to support a growing city, with roads, footpaths, parking and a vibrant CBD seen as priorities.







## 7: Sustainable growth and respectful planning that values the natural environment

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
7.1	Engage with the community to develop plans for growth and development that value the local environment	7.1.1	Provide a framework for development in the City through the Orange Local Environmental Plan 2011, plans of management and Council's development control plan	<p>Council staff continue to work on a range of strategic planning initiatives:</p> <p>The Local Housing Strategy has progressed to Stage 3, with GHD now carrying out that aspect of the study.</p> <p>The Cabonne-Orange-Blayney Rural and Industrial Land Use Strategy was partly deferred (for six months) by Council due to COVID-19. Work will progress on this Strategy once the deferral period has ended.</p> <p>Council staff continue to liaise with the Department of Planning regarding several amendments to the Local Environmental Plan. These include the administrative amendment, the Bloomfield Hospital site commercial rezoning, and the truck stop in North Orange.</p> <p>The Heritage Study Review has progressed to exhibition. The exhibition closes at the end of July 2020, after which Council staff will evaluate submissions in consultation with Council's heritage consultants and progress to a final recommendation to Council.</p>
7.1	Engage with the community to develop plans for growth and development that value the local environment	7.1.2	Provide efficient and effective development assessment and compliance service in a timely manner	<p>For the financial year, the following numbers of applications were determined (with median processing days shown):</p> <p>Development applications: 435 determined - 35 median processing days.</p> <p>Modification applications: 104 determined - 28 median processing days.</p> <p>Complying Development Certificate applications: 13 determined - 21 median processing days.</p> <p>Construction Certificate Applications: 147 determined - 31 median processing days.</p>
7.1	Engage with the community to develop plans for growth and development that value the local environment	7.1.3	Provide property information in a timely manner	<p>For the financial year:</p> <p>1,442 planning certificates were issued, comprising 1287 x 10.7(2)s and 155 x 10.7(5)s. 1302 of these were issued with a median processing time of 4 days. Urgency fees were paid for the other 140 - these were issued with a median processing time of 1 day.</p> <p>30 Building Information Certificates were issued with a median processing time of 8 days.</p>





Strategy Code	Strategy	Action Code	Action Name	Annual Comment
7.2	Ensure best practice use of renewable energy options for Council and community projects	7.2.1	Increase solar power	Planning and design of pans for significant solar installation on Council buildings was undertaken, with grant applications made to the Government for this work. Progress on the physical installation of solar is planned for 2020/21.
7.2	Ensure best practice use of renewable energy options for Council and community projects	7.2.2	Maintain Cities Power Partnership membership	Membership of the Cities Power Partnership has been maintained during the year.
7.3	Ensure that policies and practices are in place to protect the sustainability and security of water destined for potable supply from the water catchment area	7.3.1	Comply with relevant water quality legislation	Annual State of the Environment Report was prepared and submitted in November 2019. A copy is attached as an appendix to this report.



## 8: Managing our resources wisely

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identify and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.1	Implement water conservation strategies	<p>Level 5 water restrictions were introduced on Sunday 6 October 2019.</p> <p>A dedicated Demand Management Team was established with a prime purpose of developing and implementing water conservation strategies across the city. The approach is organization-wide and the team consists of water management, communications, customer service, parks and gardens and building facilities staff. Both residential and non-residential strategies were developed and implemented by this team.</p> <p>Council committed extensive resources implementing the Water Conservation Strategy throughout the entire year. Due to the increased activity in this program, expenditure has been high compared to previous years.</p> <p>The water conservation strategy was extremely successful in that the residential usage target of 160 litres per person per day (under Level 5 water restrictions) was continually achieved by the Orange Community.</p> <p>Four successful public water forums targeted at both the residential and business sectors were held. Those in attendance left the forums much better informed about previous and current work that is being carried out by Council.</p> <p>Other strategies included:</p> <ul style="list-style-type: none"> <li>Assisting targeted high water use businesses with water audits and developing Water Savings Action Plans;</li> <li>Employing a Water Ranger to enforce compliance with water restrictions;</li> <li>Council facility audits (including Parks and Gardens);</li> <li>Implementing a Leak Detection Program;</li> <li>Water solutions were a strong focus for our communications team</li> </ul>
8.1	Identify and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.2	Work with the Centroc Water Utilities Alliance and the NSW Water Directorate on various strategic and operational projects, including advocating for the Urban Water Industry in Regional NSW	<p>All meetings of the NSW Water Directorate and Central NSW Joint Organisation Water Utilities Alliance were attended with valued contributions on all regional and statewide water supply and sewerage issues by Council. Due to the impact of the COVID pandemic, meetings from February were held remotely via Zoom. A high level of collaboration amongst Water Management staff continues both at a regional and a statewide level through these organisations. In particular, collaboration on the response to the pandemic (and associated Business Continuity Plans), drought (town water security) and water quality was invaluable to all Local Water Utilities.</p>





Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.3	Mid-term review of water and sewer strategic business plan (including financial plan)	This long term project was deferred due to other short term operational water supply priorities (drought, water shortage). It is proposed to undertake the mid-term review of Council's Water and Sewer Strategic Business Plan (including Financial Plan) after completion of Council's Integrated Water Cycle Management Study.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.4	Implement Council's drought management plan	<p>Level 5 water restrictions were introduced on 6 October 2019. Combined storage levels dropped to their lowest point (21%) in February 2020. (By 1 July 2020 the combined storage level was above 35%).</p> <p>The Water Supply (Critical Needs) Bill 2019 was passed by both Houses of NSW Parliament on Thursday 14 November 2019. The temporary (2 year) legislation references a number of key projects around the State, including the Macquarie River to Orange pipeline. The Bill allowed Council to seek authorisation to amend operation conditions for the existing Macquarie River to Orange pipeline. Council applied for a reduction in the flow rate trigger from 108 ML/day to 38 ML/day (the latter being the level at which the environmental assessment for the project was initially conducted). A conditional approval was granted by the Water Minister and became effective on 14 January 2020. Lowering of the Macquarie River to Orange Pipeline Project pumping trigger has allowed the Pipeline to operate more frequently throughout the year.</p> <p>An amended licence approval modifying the requirement to release environmental flows from Suma Park Dam was also received from the Natural Resources Access Regulator on 25 October 2019. Under this amendment, Council must resume operation according to the existing environmental flow conditions when the combined storage capacity reaches 40%.</p> <p>Good rainfall since February has also allowed both Ploughmans Creek and Blackmans Swamp Creek Stormwater Harvesting Schemes to capture and transfer water into Suma Park Dam.</p>



# PRESERVE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.5	Implement water mains extension/realignment program	<p>In this financial year, Council completed the implementation of its water mains extension/realignment program. Projects included:</p> <ul style="list-style-type: none"> <li>the relocation of the 100 mm water reticulation main around the roundabout constructed Matthews Avenue and Hill Street intersection.</li> <li>relocation of the water main around the roundabouts at McLachlan Street and March Street and the bypass/William Maker Drive intersection.</li> <li>the water main relocation around McLachlan Street and March Street, with works that involved the renewal of the 375 mm Water Trunk Main and relocation of 150 mm water mains</li> </ul>
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.6	Conduct routine operation and maintenance of water and sewerage infrastructure	<p>All Water and Sewer assets have been managed in accordance with statutory requirements and meeting Levels of Service outlined in Council's Water Supply and Sewerage Asset Management Plans.</p> <p>Council's Annual Water Supply and Sewerage Performance Monitoring Report was completed and submitted to Department of Planning, Industry and Environment Water (DPIE Water) in September 2019. The report collates various information about Council's performance in delivering water supply and sewerage services to the Orange community for the 2018/19 financial year. As Council is a larger regional Water Utility (greater than 10,000 connections) it is also required to undertake a 3 yearly audit of all performance data presented in the Performance Monitoring Report. The audit was undertaken and all data was considered accurate and reliable, with a few recommendations for improvement.</p> <p>The Water Supply and Sewerage Performance Monitoring Report is available online via a link from Council's website.</p>
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.7	Deliver sewer mains relining program	<p>Works have been completed on the sewer relining program with 3,781 metres of 150mm sewer main relined and 167 sewer junctions resealed. All works were completed by the end of June 2020.</p>
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.8	Implement water loss management program	<p>The water loss management program was completed for this financial year. During the year, Council engaged Water Intelligence to undertake a leak-detection program for Orange's Water Network. The completion of the leak-detection program located over 170 water leaks.</p>



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.9	Deliver water services renewals program	Council has completed 37 water services renewals during the 2019/2020 period. The services that are renewed are in a poor condition or may have been repeatedly failing.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.10	Deliver water meter replacement program	Council completed the replacement of 1,368 water meters in the 2019/2020 financial year. Within the 1,368, Council replaced of 192 large water meters that service high-water-use customers.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.11	Deliver water mains renewal program	Council has completed the renewal of 280m of 100mm water and 460m of 150mm water mains. This program has not met deliverables due to other emerging water projects. Council has implemented a Construction Team within Water and Sewer which worked on Icely Road water main renewal. It is anticipated that the team will continue the complete the water mains renewals program.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.12	Lake Canobolas sewer upgrade	Council has completed the design for the Lake Canobolas Sewer Upgrade with some minor design modifications completed. The Review of Environmental Factors is in draft with design changes to be incorporated. Landholder discussions are currently in progress.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.13	Smart Water Metering	<p>The Smart Metering Pilot Program involves the installation of 251 smart water meters on the highest water use customers in Orange. Council commenced the Program with the engagement of contractors, Taggle Systems, via Local Government Procurement (LGP). The installation of the receiver network and setup of the customer and administrator online portals has been completed. These portals will provide Council with near real time water consumption information for high water users. Monitoring water use within the Council network will assist in minimising water losses/leakage throughout the system. The water use information will also assist customers with leak detection and understanding their water usage patterns.</p> <p>Development and implementation of the Smart Metering Data Management System is under way with Council providing the relevant data to Taggle for the establishment of the MiWater Meter Data Management System. Council has experienced supply chain delays in the delivery of this project.</p>



# PRESERVE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.14	Telemetry and SCADA Upgrade	Project to be further researched and investigated in 2020/2021 (Year 2).
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.15	Lake Canobolas potable water upgrade	Council has completed the design for the Lake Canobolas Water Upgrade with some minor design modifications completed. The Review of Environmental Factors is in draft with design changes to be incorporated. Landholder discussions are currently in progress.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.16	Install reservoir mixers	Due to competing priorities and emergent work in the water supply area, the installation of reservoir mixers has been deferred until 2020/2021 and 2021/2022.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.17	North Orange water supply strategy	<p>The North Orange Water Supply Strategy project has been prioritised to occur after the North Orange Sewer Strategy has been completed. This Strategy requires water modelling for the North Orange area to be undertaken.</p> <p>Both of these servicing strategies are to align with the Orange Local Housing Strategy and Council's Water and Sewer Development Servicing Plans, currently under development.</p>
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.18	North Orange Sewer Strategy	<p>Council Engineering staff have identified sewer catchments in the North Orange area. Sewer loading estimates are currently under review taking into consideration all constraints to development in the North Orange area. High level Infrastructure requirements and estimates are currently being undertaken.</p> <p>This servicing strategy is to align with the Orange Local Housing Strategy and Council's Water and Sewer Development Servicing Plans, currently under development.</p>
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.19	Redmond Place Sewer Pump Station Design	The Redmond Place Sewer Pump Station design is not due to start until 2020/2021 (Year 2) for construction in 2022/2023





Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.20	Spring Hill Lucknow Sewer Pump Station design and construction	The Spring Hill Lucknow Sewer Strategy (including Sewer Pump Station design) is due to be completed in 2020/2021 (Year 2)
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.21	Deliver manhole rehabilitation program	Works deferred to 2020/21 due to drought programs and COVID-19.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.22	Manage Ophir Road and Euchareena Road resource recovery centres in accordance with landfill environmental management plans and licences	Ophir Road & Euchareena Road Resource Recovery Centres operated in accordance with license and Operational Environmental Management Plans with scheduled monitoring and reporting completed and submitted to the Biodiversity Conservation Trust, DPIE and EPA. Stage 3 landfill cell at Euchareena Road began receiving waste in October 2019 while staged phytocapping of the Ophir Road eastern face of landfill continued throughout the year.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.23	Deliver planned flood-mitigation strategies across the City	Council has reviewed and adopted a new flood plan for the city in 2020. A risk hierarchy will be developed to determine a priority for future works programmes. It is anticipated that works will commence in the 2021/22 financial year.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.24	Provide safe drinking and re-use water	Drinking water continued to be provided to customers at a high standard and in accord with regulatory requirements. The drought presented few challenges to quality, though it did result in the Spring Hill/Lucknow supply from Orange being temporarily switched back to bores. Recycled water was also provided to customers in accord with quality standards through management system implementation.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.25	Orange Sewage Treatment Plant works inlet upgrade	The Concept Design progressed to near completion following the addition of a pump station and improved layout. Once finalised in early 2020/21 the major equipment will be purchased and detailed design progressed.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.26	Orange Sewage Treatment Plant primary settling tank coating	The Orange Sewage Treatment Plant primary settling tank coating has been re-scheduled to 2025/26.



# PRESERVE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.27	Suma Park Dam back-up pumps	The contingency benefits provided by the Spring Creek Dam to Icely Road Water Treatment Plant pipeline project provide opportunity to re-prioritise water supply energy back-up options. The power investigation funding in the 2020/21 budget will focus on the Suma Park Dam pump station and Icely Road Water Treatment Plant.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.28	Stormwater harvesting rehabilitation of Stage 1	The detailed design for the rehabilitation of Blackmans Swamp Creek Stormwater Harvesting Stage 1 was finalised. The on-ground works phase will be re-scheduled for an opportune time, including ongoing investigation into external funding.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.29	Orange Sewage Treatment Plant aeration upgrade	The design phase of the aeration upgrade is scheduled for 2020/21, followed by construction in 2022/23.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.30	Icely Road Water Treatment Plant stormwater earthworks and administration building	Design and construct of the new stormwater earthworks is not due until June 2022, with the new administration building to follow by June 2023.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.31	Design new ultraviolet disinfection system for Orange Sewage Treatment Plan	Detailed design of the new ultraviolet system at the Orange STP is not due until June 2023.
8.1	Identity and deliver essential water, waste and sewer infrastructure to service the community into the future	8.1.32	Undertake ongoing condition assessment on Council's stormwater network	Work complete - Request For Quotation (RFQ) has been sent for next year's work.



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.1	Review and report on the five key areas of our environment (water, air, biodiversity, soil, salinity) through preparation of the State of Environment report	Regional State of the Environment Report Completed in November 2019. The report is presented as an appendix to this report.
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.2	Implement the landfill gas management plan for Euchareena Road Resource Recovery Centre	Ongoing monitoring for gas levels at the Euchareena Road RRC was undertaken during the year for reporting in the Annual Review documentation to the EPA and DPIE in August 2019. Installation of landfill gas monitoring system was rescheduled for 2020/2021 and beyond.
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.3	Engage the community in the Parks Alive program and environmental activities	While the Orange community experienced one of the driest years on record followed by the COVID-19 pandemic, during the year the Parks Alive program held 45 community events which attracted 1186 community members totaling approximately 4500 hours of community service. Throughout the year 2950 native tube stock trees and bushes were planted on Council managed lands. Of the 45 events held 28 were hands-on events, 11 were educational and 6 were attended by local schools including Orange Christian School, Kinross Wolaroi and Canobolas High School or children from the Nature Kids program.



# PRESERVE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.4	Participate in the NSW Tidy Towns sustainable program	<p>The last 12 months has been very rewarding for Orange's Tidy Towns Program with the local community receiving 5 awards at last year's State awards and coming first in the population category of over 20,001. Orange received highly commended for the Habitat and Conservation category, (Ploughmans Wetlands CareGroup), Community Spirit and Inclusion, (Hospital Auxiliary) and Heritage and Culture, (Refurb of the Carrington) while Orange won the Heritage and Culture Award for Rotary's Banjo Paterson Festival.</p> <p>The annual Clean Up Australia Day event held in March 2020 attracted 65 local community members who attended 6 local sites. These numbers are on par with recent years attendances.</p>
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.5	Monitor and implement awareness events and campaigns for priority weeds	<p>Over the past 12 months Council's Weed Management Officers undertook 484 property inspections with 230 being on private property, 214 on Council managed lands, 27 on State Government managed lands and 13 high risk pathways. There was a major weed display and information site established at the Australian National Field Days with 200 enquiries and a Landholders workshop held at Clifton Grove in October targeting weeds amongst other relevant issues. Council participated in a local television weeds campaign in September, October and November covering central and western NSW with over 800 ads screened on Southern Cross Austereo and Imparja television. Staff also assisted Cowra Council twice with inspections for a new weed incursion known as Frogbit and assisted NSW DPI with inspections of high risk pathways targeting parthenium weed. Several posts regarding weeds were also placed on Council's Wetlands, Weeds and Wildlife Facebook page.</p>
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.6	Manage abandoned articles within the City	<p>Impounding Services have been provided with items including abandoned vehicles; shopping trolleys and stock being impounded throughout the year.</p>



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
8.2	Develop and promote initiatives to reduce water, energy and waste in consultation with the community	8.2.7	Enforce environmental legislation	Council created a new position of Water Ranger to engage with residents to reduce the use of town water during the year. A particular focus was given to the high water users. Regulation and education programs have saved on average 355,000 litres per day from 186 properties identified as high water users. This is a significant impact from a successful program.
8.3	Promote the range of recycling services	8.3.1	Deliver waste and recycling services	The Community Recycling Centre received Household Hazardous Wastes during the year and reported monthly to the EPA to arrange servicing of the stillages. The Annual Household Hazardous Waste Collection of chemicals etc. was promoted in the lead up to the scheduled event in October 2019. Due to COVID restrictions, outreach to Orange residents, businesses and schools from March 2020 to promote the range of waste services has been limited to electronic means. Work commenced in the April-June quarter with building contractors and Councils consultant, Envirocom, to audit building site wastes and assist in the development of Waste Management Plan templates for issue by Development Services staff with building contractors to assist in diverting valuable recyclable product from landfill.



## 9: Infrastructure for our growing community

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
9.1	Construct and maintain a road network that meets the community's transport and infrastructure needs	9.1.1	Promote the construction of the Southern Feeder Road	Works on Stage 2 of the Southern Feeder Road progressed and was opened to traffic in June 2020. Stage 3 underwent a tender process for the civil works component with all submissions exceeding the available budget. Following negotiations with tenderers and an increase to the budget, works were awarded to Hamcon Civil. Stage 4 is subject to a Review of Environmental Factors and while Council has secured part grant funding from Restart NSW, additional grant funding is being sought from the Heavy Vehicle Safety and Productivity Programme. Council was advised it was unsuccessful in gaining funding under the Building Better Regions Programme.
9.1	Construct and maintain a road network that meets the community's transport and infrastructure needs	9.1.2	Deliver works program for upgrades, road rehabilitation and re-seals as identified in the Transport Asset Management Plan	Road rehabilitation and reseal program delivered as scheduled.  Road upgrade highlights include Burrendong Way, south of the bypass and Forest Road between Orchard Road and Kelly Lane
9.2	Ensure that adequate car parking spaces are available to support growth	9.2.1	Provide and manage public car parking in the Orange Central Business District	A renewal program for disabled parking spaces and other identified parking areas in the City has been carried out.  A new residential parking scheme area was adopted for a section of Dora Street due to a 2 hour time limit being introduced in front of residences.  Due to the COVID pandemic, it was necessary to suspend patrols of several car parks and there was a significant change in focus in car parking enforcement across the board. The key focus was on safety, with more lenience being given to Level 1 parking offences. Additionally, the Ophir Car Park became a free parking area for approximately 4 months.



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
9.3	Ensure that an appropriate level of pedestrian amenity is provided throughout the community	9.3.1	Deliver program of footpath upgrading and new construction works as identified in the Transport Asset Management Plan	<p>Footpath reconstruction work was completed on the following streets:</p> <ul style="list-style-type: none"> <li>• Nile Street - Byng to March</li> <li>• Nile Street - Summer to Byng</li> <li>• Churchill Ave - Tobruk to Glenroi</li> <li>• March Street - Sampson to Woodward</li> <li>• Glenroi Avenue - Moad to Churchill</li> <li>• Byng Street - Sampson to Clinton</li> <li>• Clinton Street - Byng to March</li> <li>• March Street - Sampson to Clinton</li> <li>• Sale Street - Prince to March</li> <li>• Autumn Street - March to Byng</li> <li>• Shared path - McLachlan to Spring Street</li> <li>• New footpath construction was undertaken on:</li> <li>• Peisley Street - Franklin to East Fork</li> <li>• Forest Road - East Fork to SFR</li> <li>• Frederica Street - Wakeford to existing</li> <li>• Hill Street - Franklin to existing</li> </ul>
9.4	Develop a vibrant civic and commercial precinct as a centre for the community	9.4.1	Undertake master planning for the upgrade of the CBD (FutureCity), to position Orange as a premier regional city supporting existing and new commercial opportunities	<p>The OC Future City Strategy included a number of community consultations both online and face to face. A 30 member Community Reference Group was established representing a broad cross section of the community. The group was both influential and generous in providing time to the project.</p> <p>More than 100 ideas have been developed and several precinct project areas identified.</p> <p>There has been three strong themes:</p> <ul style="list-style-type: none"> <li>• Attract more people</li> <li>• Increase the number of people living and working in the City Centre</li> <li>• Make the City Centre more walkable - addressing the dominance of private vehicles in the City Centre, reducing reliance on the use of private vehicles as the primary mode of transport and making the City Centre more attractive, comfortable and safe to walk around.</li> </ul>

## 10: Celebrate our cultural, social, natural and built heritage assets

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
10.1	Engage with the community to ensure plans for growth and development are respectful of our heritage	10.1.1	Provide a heritage advisory service to the community to protect and enhance heritage assets and to promote quality urban design	A total of 109 lots of heritage advisory services were provided by Council's Heritage Advisor for the year.  The draft Heritage Study Review compiled by Council's heritage consultants was completed and placed on public exhibition.
10.2	Preserve our diverse social and cultural heritage	10.2.1	Maintain local heritage assistance program	The Local Heritage Assistance Fund continues to be received with interest and enthusiasm from owners of heritage houses. Nine applications were received for the current grant round.
10.2	Preserve our diverse social and cultural heritage	10.2.2	Develop heritage strategy	The Heritage Strategy is reviewed and implemented as part of the Heritage Office reporting for annual funding.
10.3	Preserve the unique way of life of our surrounding villages	10.3.1	Support the Spring Hill and Lucknow Community Committees	Outcomes for Lucknow, Spring Hill and Clifton Grove Community Committees include installation of additional entrance signs, installation of solar lighting at entrances, laying of asphalt on roadway at Clifton Grove Mud Hut, installation of rock bollards at Watts Reserve, general tidy of Hall at Spring Hill, installation of seating and opening of poppet head lighting at Lucknow.





# Prosper

**A smart, innovative and resilient economy.**

This theme focuses on providing the community with positive choices for investment, employment and study. It includes strengthening and diversifying our economy by targeting new and innovative industries, as well as fostering our existing strengths such as medical services, mining, local food and wine production and tourism. Orange residents are keen to see more engagement between Council, local business and industry and the education providers.







## 11: Sustainable tourism, events and visitor experiences

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
11.1	Capitalise on the character and lifestyle of Orange to remain a destination of choice	11.1.1	Deliver visitor information services	The total number of visitors to the Centre over the year was reduced as the forced closure from the COVID Pandemic responses prevented visitors coming in. Staff instead moved to online communication platforms to stay in touch with potential visitors. This action was rewarded when the lifting of restrictions saw a large rise in visitor numbers compared with previous years.
11.1	Capitalise on the character and lifestyle of Orange to remain a destination of choice	11.1.2	Monitor the implementation of the Orange Region Tourism Strategy by Orange360	The organisation started the year strongly but then faced increased restrictions within the visitor market from drought, then bushfire and finally the COVID pandemic. Some of the actions could not be achieved due to NSW Health Orders preventing events from going ahead.
11.2	Develop and attract a variety of events, festivals, venues and activities for locals and visitors, ensuring accessibility for all	11.2.1	Provide a range of quality accommodation and services and maintenance of all infrastructure at the Colour City Caravan Park	As with the rest of the visitor economy, the caravan park has seen a significant downturn in activity due to COVID restrictions. Over the period of early March to early June the only people using the park were permanent residents (not included in occupancy figures) and workers who were mostly lodged in cabins, although some did have their own vans.
11.2	Develop and attract a variety of events, festivals, venues and activities for locals and visitors, ensuring accessibility for all	11.2.2	Support and work with sporting organisations to secure events for the Orange region	<p>To ensure Orange is well positioned to secure a greater market share of sporting events, Council continues to be supported by Sports Marketing Australia to operate the Major Sporting Event Attraction Program. This aims to promote the city' sporting organisations and facilities to governing bodies and other event owners.</p> <p>This program continues to be extremely successful in attracting a large number of state and national level events to Orange each year. 2019/2020 was another positive year for the Program with 10 major events being hosted in Orange which attracted over 8,000 visitors.</p> <p>Unfortunately an additional 6 major sporting events needed to be cancelled or postponed due to COVID restrictions however it is pleasing to note that 5 of these events have been rescheduled for 2020/2021.</p>



## 12: A smart, innovative and resilient industry sector

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
12.1	Attract and grow strategic investment	12.1.1	Develop, maintain and provide information resources appropriate for business development, expansion and/or relocation - including web-based and mobile application platforms	The banking royal commission had a significant impact on Council's ability to access the spending data through Spendmapp. Staff continue to develop multiple sources of information relevant to business development and attraction.
12.1	Attract and grow strategic investment	12.1.2	Undertake refurbishment of the Central Business District	The Future City report has come up with a list of both aspirational and achievable projects for the Orange CBD refurbishment that Council can now deliver either on its own or in partnership with other tiers of government and private industry. Replacement of festoon lighting strands zig zagging above our CBD in Summer Street and the commencement of white way lighting along CBD footpaths has already given an immediate uplift.
12.1	Attract and grow strategic investment	12.1.3	Upgrade under-awning lighting in the Central Business District	Works on Stage 1 under way. Still seeking funding for Stage 2
12.1	Attract and grow strategic investment	12.1.4	Develop and manage Council's residential relocation program	Enquiries around relocation have been strong other than during the COVID pandemic.
12.1	Attract and grow strategic investment	12.1.5	Manage the issues arising from telecommunications opportunities	Council continues to support the work of Regional Development Australia and the Joint Organisation in telecommunications issues. Staff have also been working directly with private providers on other projects that may improve connectivity for residents.
12.2	Support innovative industry sectors	12.2.1	Facilitate industry engagement	While the COVID pandemic affected industry based face to face meetings, staff have maintained contact with industry leaders through the Economic Development Community Committee and the COVID Rebound group.
12.2	Support innovative industry sectors	12.2.2	Operate the Orange Airport	The obstacle-limitation surface survey was completed.  TheA annual Emergency-training exercise was completed In November 2019.  The technical Inspection could not be completed due to COVID Restrictions. This is scheduled for completion in July 2020.
12.2	Support innovative industry sectors	12.2.3	Undertake upgrades of Airport precinct	The car park was re-sealed and line marked. Light pole delivery was delayed due to the COVID pandemic.



# PROSPER

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
12.3	Support educational and training opportunities that retain young people, attract new workers and provide local employment	12.3.1	Work with industry, business and training organisations to identify current or developing skills shortages and implement strategies to address them	The key industries assisted over the year have been agriculture and mining, particularly in relation to accommodation and ensuring that the supply of accommodation to these workers does not have an adverse effect on the visitor economy.
12.4	Partner with key stakeholders to enhance opportunities for local business to grow and prosper	12.4.1	Explore avenues to assist business development in the City in conjunction with the Orange Business Chamber or other peak industry organisations	Council continues to support business by hosting information sessions.



# 13: Transport services, connectivity and infrastructure that support community, tourism, business and industry

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
13.1	Support public and private rail, coach and air services	13.1.1	Lobby relevant government authorities for improved transport linkages	<p>Council continued to monitor opportunities for improved transport linkages and liaised with the Orange Rail Action Group on the matter.</p> <p>Prior to the Federal election earlier this year \$8 million was announced towards an investigation into fast rail for the Central West.</p> <p>With the support of the Orange Rail Action Group this opportunity has been raised with the Member for Calare Andrew Gee. Mr Gee advised Orange City Council would have an opportunity to contribute to the business case for the fast rail business case assessment.</p>
13.2	Support initiatives for improved connectivity between Orange and capital cities and regional towns	13.2.1	Investigate opportunities for private sector and public transport improvements	<p>The start of a Qantas service from Orange service was delayed by COVID 19. However, discussions with Qantas continued and a new start date was set for July 2020.</p> <p>Council staff have attended meetings on the roll out of the inland rail project.</p>



# Collaborate

## **Leadership and partnership**

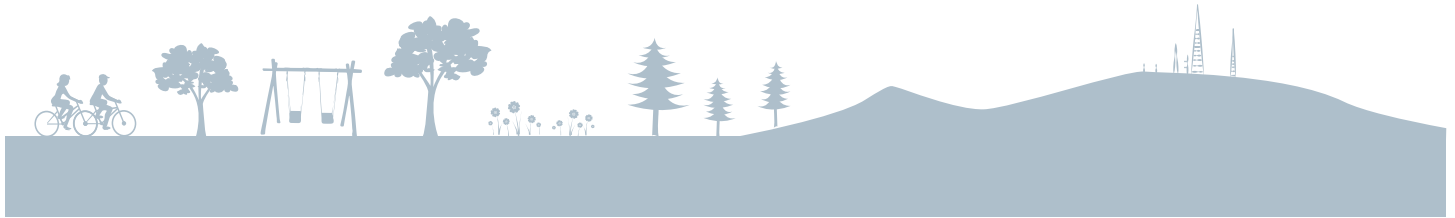
This theme looks at forging a collaborative community that engages with open and ongoing decision making. Developing future leaders and supporting community groups to deliver services and programs were identified as priorities during the consultation. The community is looking to Council to provide leadership, guidance and responsible governance.





## 14: An informed community

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
14.1	Deliver communication that is open, accessible, meaningful and regular across a range of media	14.1.1	Promote Council's activities through a range of mediums and media	Orange City Council continues to maintain a high profile in traditional media (newspaper, TV & radio). The key tool in this area was the distribution of media releases covering key announcements and projects. More than 200 releases were issued during the year. These releases also provided fresh content for the news section of the council website. Traffic on the the Council website was steady for the first three quarters before dipping noticeably due to the impact of COVID-19 restrictions at the theatre and in staging community events. During the year, there were more than 4,000 visits to the Council's community engagement website, <i>YourSay Orange</i> . Here residents could find out about key proposals and matters on public exhibition for comment, leave comments and have their say by completing surveys.
14.1	Deliver communication that is open, accessible, meaningful and regular across a range of media	14.1.2	Ensure Council maintains an internet and social media presence	Orange City Council's social media presence continued to be maintained during the year, with content created for media releases and online news coverage reaching new audiences through platforms including Facebook, Twitter and Instagram. There were positive signs of growth during the year, with the number of 'followers' on the main Council Facebook page growing by more than 900 people to 9,757. The launch of a Council podcast, titled 'The Orange Podcast' is a new direction, begun in May as part of the response to the COVID-19 pandemic. The nine weekly episodes produced during the period prompted more than 500 downloads.
14.2	Promote organisational culture that delivers excellent customer service and continuous improvement	14.2.1	Provide a highly-responsive customer service function	It has been a productive year for Customer Service with the total number of calls answered for the financial year 2019/2020 reaching 30,766 with 9764 customer service requests entered. Procedures have been updated and two E-Learning Modules were created to enhance customer service skills for frontline staff.
14.3	Provide opportunities for widespread and quality engagement and, where appropriate, shared decision-making	14.3.1	Establish and support Council meetings, policy committees and Council's community committee network	Administrative support was provided for Council meetings, policy committees and Council's community committee network.



## 15: Leaders in our community

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
15.1	Encourage and support residents to pursue leadership roles at Council	15.1.1	Establish and support Council meetings, policy committees and Council's community committee network	The annual Policy Committee Structure and community-committee network was adopted by Council at its meeting on 17 September 2019.
15.2	Support community organisations and groups to deliver services and programs	15.2.1	Apply Council's adopted donations and grants policy to support the community	<p><b>Small Donations Program</b></p> <p>- \$100,000.00 budget; \$100,000.00 donated - 48 applicants received donations</p> <p><b>Major Event Sponsorship</b></p> <p>- \$100,000.00 budget; \$98,148.95 donated - 22 applicants received donations</p> <p>- \$5,437.00 donated from Other Sources - 3 applicants received donations</p> <p><b>Sports Facility Program</b></p> <p>- \$50,000.00 budget; \$50,000.00 donated - 5 applicants received donations</p> <p><b>Sport Participation Program</b></p> <p>- \$13,900.00 budget; \$13,853.00 donated - 30 applicants received donations</p>
15.3	Engage and train young people to develop our future leaders	15.3.1	Support the Youth Advisory Council	<p>The Youth Advisory Council continues to have high levels of engaged activity. The Youth Action Council planned and held the night fun run, Christmas Festival at Glenroi Oval, Youth Health Challenge. Youth Week activities were cancelled this year due to COVID-19.</p> <p>A range of holiday activities were held at the Youth Hub, supported by Youth Action Council members. Funding to provide an evaluated program was successful for the Youth Hub.</p>
15.3	Engage and train young people to develop our future leaders	15.3.2	Support work experience and community and school careers events	19 students were accommodated during they year for work experience. The numbers were down on previous years due to the COVID pandemic. In addition, a school based trainee program was developed and implemented with 5 trainees commencing in 2019/20.



## COLLABORATE

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
15.4	Develop and encourage staff to pursue leadership within Council	15.4.1	Implement the Workforce Management Plan	<p>Actions completed during 2019/2020 included:</p> <ul style="list-style-type: none"> <li>• Staff Survey Action Plan - actions included the setup of an Internal Communications Working Party, development of a staff newsletter, email message to all staff on content and decisions from Council meeting, new Supervisors Forum commenced, review of the Grievance and Employee Recognition Policies and leadership training provided to Supervisors.</li> <li>• Gender Equality - The Gender Equity Committee developed a Gender Equity Strategy, Human Resources attended a public event for International Women's Day and Code of Conduct and Preventing Bullying and Harassment training undertaken by all staff.</li> <li>• Corporate Values - The Staff Consultative Committee reviewed a proposed update to the Corporate Values.</li> <li>• Staff Health and Wellbeing - reports on the workforce impacts of COVID-19 were provided to the Staff Consultative and Safety Committees, Council was successful in obtaining WHS accreditation under AS4801 for a three year period, the Work Health and Safety, Volunteer, Working from Home, Managing Noise, Sun Safe, Critical Incident and Chemical Management Policies were reviewed, safety inspections undertaken across all Council workplaces and 595 work health and safety courses were undertaken by staff.</li> <li>• Staff Capability - Workforce Plan for 2020/21 developed, Learning and Development Plan for 2020/21 developed and LGNSW Capability Framework reviewed and customised for potential use at Council in 2020/21.</li> </ul>





## 16: Strong relationships

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
16.1	Work in partnership with other councils, regional organisations and State and Federal governments	16.1.1	Support the Local Emergency Management Committee	Support was provided to the Local Emergency Services Agencies. Staff attended and chaired the Local LEMC Meetings. Council provided administration support through minute taking, agenda and update of contact list.
16.1	Work in partnership with other councils, regional organisations and State and Federal governments	16.1.2	Support the Rural Fire Service	Support was offered to the Rural Fire Service (RFS) through out the year. Staff attended RFS meetings. Council also supported the RFS through Financial Administration.
16.1	Work in partnership with other councils, regional organisations and State and Federal governments	16.1.3	Engage with State and Federal Governments on funding and policy matters	Advocacy to the State Government in the first half of this year centered around funding opportunities for major projects and in the later half of the year discussions centred around the economic stimulus packages that were being offered to aid recovery from the COVID-19 pandemic.
16.2	Advocate for the community to attract external funding to deliver services, facilities and programs	16.2.1	Maintain membership of key lobby groups to advance regional priorities	Councillors and Council staff continue to advance regional priorities through collaboration with many regional associations and neighbouring Councils.
16.2	Advocate for the community to attract external funding to deliver services, facilities and programs	16.2.2	Maintain sister-cities relationships with: Timaru, New Zealand; Ushiku, Japan; Orange, California; and Mt Hagen, Papua New Guinea	Opportunities were taken during the year to explore cultural exchange with a number of sister cities. Under the umbrella of the Ushiku program, there was a school exchange visit, the production of a new 'Welcome' banner to be used at the time of visits, and the staging of the annual Japanese Speaking contest. Relationships with Timaru were renewed when planning began for an exchange of council staff. The scheduled visit in April was postponed by COVID-19 restrictions. Opportunities to seek funding to review planning strategies for Mt Hagen District Council were examined. Work was put on-hold due to the pandemic. Efforts to renew the relationship with the City of Orange, California have not borne fruit to date.

## 17: Responsible governance

Strategy Code	Strategy	Action Code	Action Name	Annual Comment
17.1	Provide representative, responsible and accountable community governance	17.1.1	Provide information to Councillors on training and development opportunities	Information on training and conference opportunities were provided to Councillors during the first half of this year and taken up by those who were interested at the time.
17.1	Provide representative, responsible and accountable community governance	17.1.2	Ensure Councillors are made aware of key policy requirements	Advice on key policy and legislative changes was provided throughout the period where required.
17.1	Provide representative, responsible and accountable community governance	17.1.3	Maintain a framework of relevant policies and procedures	Council maintains a register of Operational and Strategic Policies together with their individual procedures which are reviewed periodically throughout the year to ensure compliance and best practice across the organisation.
17.1	Provide representative, responsible and accountable community governance	17.1.4	Maintain the delegations and sub-delegations register	The Delegations Register for the Chief Executive Officer and the Sub-delegations Register to Staff has been reviewed and updated during the year to ensure a correct and accurate record of delegations.
17.1	Provide representative, responsible and accountable community governance	17.1.5	Manage Council's records system	Council's Electronic Records Management System was maintained over the year with a total of 28,221 incoming correspondence documents registered and staff created in excess of 70,000 documents.
17.1	Provide representative, responsible and accountable community governance	17.1.6	Develop and implement the suite of integrated planning and reporting documents	The Integrated Planning and Reporting documents were reviewed, amended and adopted.
17.2	Ensure financial stability and support efficient ongoing operation	17.2.1	Achieve maximum return on the investment of Council's funds whilst adhering to all applicable legislative requirements and Council's policy	Monthly investment reports were presented to Council each month of financial year. Returns were above the set benchmark.
17.2	Ensure financial stability and support efficient ongoing operation	17.2.2	Review and implement operational efficiency opportunities	Operational and efficiency opportunities were continually reviewed, via organisational strategic planning.



Strategy Code	Strategy	Action Code	Action Name	Annual Comment
17.2	Ensure financial stability and support efficient ongoing operation	17.2.3	Undertake testing of Council's business continuity plan	The COVID-19 pandemic created a real-life testing of this sub-plan and its Business Continuity Plans and will inform the review on these documents when we are in the recovery period after the pandemic is over.
17.2	Ensure financial stability and support efficient ongoing operation	17.2.4	Maintain the enterprise risk management system	Council's enterprise risk management system includes the risk register in Council's software (Pulse), risk controls such as policies and procedures, internal audit and compliance. During 2019/2020, a Risk Framework and Risk Register Review project was undertaken by a risk consultant. Council's operational register was recreated based on Council's 27 Business Units, a report with recommendations was handed over for consideration by Council's Executive Leadership Team and a new Enterprise Risk Management (ERM) policy and plan and a new procedure for the ERM module in Pulse was also created by the consultant. This project and its way forward is aimed at revitalising risk management in Council.
17.2	Ensure financial stability and support efficient ongoing operation	17.2.5	Provide financial reporting with reference to the long-term financial plan and the delivery and operational plan requirements	The September quarterly review was presented to Council in November 2019. December quarterly review went to a Council meeting in February 2020. March quarterly review will be presented to Council in May 2020. Annual statements were lodged with OLG by due date of 31 October 2019.
17.2	Ensure financial stability and support efficient ongoing operation	17.2.6	Implement information technology strategy initiatives	There was a focus over the 2019/20 reporting period on strengthening Council's cyber security and base-line infrastructure, implementing the core requirements for Office 365 Email and MS Teams, preparing base-line infrastructure for mobile device management and multi-factor authentication and reviewing core enterprise applications (most particularly Authority and CM9/Trim) against the draft strategy via an extensive business process review and gap analysis. During this period staff also navigated the challenges of COVID-19 and Work from Home while undertaking a number of significant operational projects such as hardware refreshes for production/DR infrastructure, WHS system analysis, NAR and security roles cleanup, aerial imagery refresh and application implementations (MEX, LGHub V1 and Promaster).

# State of the environment snapshot

2018/19

A State of the Environment (SoE) Report is an important management tool which aims to provide the community and Local Council with information on the condition of the environment in the local area to assist in decision-making.

Since 2007, the Councils of the Greater Central West Region of NSW (see map) have joined to produce Regional SoE Reports as part of Council reporting requirements.

Changes to NSW legislation mean that Councils are no longer required to produce SoE Reports each year, but only once every four years, in the year of the Council election. However, the participating Councils have decided to continue reporting on an annual basis so that they can provide a detailed Regional SoE report that covers trends in the intervening years. It should be noted that the planned 2020 NSW Council elections were postponed until 2021.

This is a brief snapshot of data for the Orange Local Government Area in 2019-20 across a range of environmental indicators as shown in the tables below. The tables provide an understanding of trends by comparing this year's data with an average of previous years.

## 2019-20 Highlights

- ↑ The consumption of town water was at its lowest level in the past four years.
- ↓ There was a large increase in the number of drinking water complaints made to Council.
- ↑ The average total waste generated per person was at its lowest level in the past four years.
- ↓ Council's greenhouse gas emissions were at the highest level in the past four years.
- ↑ The uptake of small-scale renewable energy has risen dramatically in the past four years.

## Land

Issue	Indicator	2016-17	2017-18	2018-19	2019-20	Trend
Contamination	Contaminated land sites - Contaminated Land Register (number)	1	1	2	2	↓
	Contaminated land sites - potentially contaminated sites (number)	249	249	255	249	↑
	Contaminated sites rehabilitated (number)	0	0	2	6	↑
Erosion	Erosion affected land rehabilitated (ha)	0	0.4	0	0	↓
Land use planning and management	Number of development consents and building approvals	672	694	711	702	↓
	Landuse conflict complaints (number)	10	10	8	10	→
	Loss of primary agricultural land through rezoning (ha)	0	10	0	257	↓
Minerals & Petroleum	Number of mining and exploration titles	19	3		15	↓
	Area covered by mining and exploration titles (ha)	21,633	21,726	21,665	20,227	↑

↑ improvement   → no or little change   ↓ worsening trend

Note - the trend is based on comparing the average of the previous three years of reporting with 2019-20

# Biodiversity

Issue	Indicator	2016-17	2017-18	2018-19	2019-20	Trend
Habitat Loss	Total area in the National Parks Estate (ha)	0	0	0	0	→
	Total area of State Forests (ha)	578	578	578	578	→
	Total area protected in Wildlife Refuges (ha)	499			497	→
	Area protected in conservation reserves & under voluntary conservation agreements (ha)	0	0	0	0	→
	Extent of Traveling Stock Reserves in LGA (ha)	15		26	26	↑
	Proportion of Council reserves that is bushland/remnant vegetation	42%	41%	41%	41%	→
	Habitat areas revegetated (ha)	5	4	4	5	↑
	Roadside vegetation management plan (Yes/No)	Yes	Yes	Yes	Yes	→
	Roadside vegetation rehabilitated (ha)	0	0	0	0	→
Threatened Species	Threatened species listed (number)				63	
	Threatened species actions implemented (e.g. PAS, recovery plans) (number)	1	1	0	0	↓
	Fish restocking activities: native species (number)	6,000	3,000	3,020	3,000	↓
Priority weeds and feral animals	Fish restocking activities: non-native species (number)	8,300	800	6,800	1,500	↑
	Number of declared priority weeds	95	95	96	98	↓
	Invasive species (listed priority or WONS) under active management	8	8	8	8	→

# Water and Waterways

Issue	Indicator	2016-17	2017-18	2018-19	2019-20	Trend
Riparian	Riparian vegetation recovery actions (number)	3	3	1	1	↓
	Riparian vegetation recovery area (ha)	0.5	4	1	2	↑
Industrial/ Agricultural Pollution	Load Based Licencing Volume (kg)	130,236	23,937	6,904	20,020	↑
	Exceedances of license discharge consent recorded (number)	4	5	1	1	↑
	Erosion & Sediment Control complaints received by Council (number)	2	0	20	10	↓
Stormwater Pollution	Number of gross pollutant traps installed	2	2	2	2	→
	Total catchment area of GPTs (ha)	2,444	2,444	2,444	2,444	→
	Water pollution complaints (number)	3	5	5	2	↑
Town Water Quality	Number of instances drinking water guidelines not met	0	0	0	0	→
	Number of drinking water complaints	52	46	38	70	↓
Water extraction	Number of Water Supply Work Approvals from surface water sources	99			93	↑
	Volume of surface water permissible for extraction under licences (GL)	13			12	↑
	Number of Water Supply Work Approvals from groundwater resources	1,216			1,361	↓
	Volume of groundwater permissible for extraction under licences (GL)	4.2			3.9	↑
	Actual volume extracted through groundwater licences (GL)				0.23	
Council water consumption	Area of irrigated Council managed parks, sportsgrounds, public open space (ha)	240	198	175	243	↓
	Water used by council for irrigation (including treated and untreated) (ML)	79	147	125	29	↑
Town water consumption	Annual metered supply (ML)	3,990	4,438	4,061	3,286	↑
	Annual consumption (Total from WTP) (ML)	5,196		5,428	5,013	↑
	Average annual household mains potable water usage (kL)	169	172	169	145	↑
	Average level of water restrictions implemented	2	2	4	5	↓
	Water conservation programs (number)	2	4	4	6	↑



# Towards Sustainability

Issue	Indicator	2016-17	2017-18	2018-19	2019-20	Trend
Waste Generation	Total waste entombed at primary landfill (tonnes)	394	9,647	2,287	862	↑
	Total waste entombed at other landfills (exc recyclables) (tonnes)	30,618	30,002	30,336	30,147	↑
	Average total waste generated per person (tonnes)	0.75	0.95	0.78	0.73	↑
	Average cost of waste service per residential household	\$233				→
Hazardous/Liquid Waste	DrumMuster collections (number of drums)	1,319	1,257	2,317	1,119	↓
	Household Hazardous Wastes collected (kg)	12396	10,614	25,728	535	↓
Reduce	Organics collected (diverted from landfill) (tonnes)	15,255	14,783	6,315	10,246	↓
	E-Waste collected (diverted from landfill) (tonnes)	0	0	0	0	→
Recycle	Volume of material recycled (tonnes)	3,465	5,298	2,655	3,975	↑
	Volume of material recycled per person (kg)	84	127	63	94	↑
Littering and illegal dumping	Number of illegal waste disposal complaints to Council	97	95	74	62	↑
Engineering, Infrastructure and Civil Works	New road construction (km)	2		0	1	↓
	Road upgrades (km)	17		14	7	↑
Risk Management	Flood management plans/ flood mapping - increase in area covered (ha)	0		0	593	↑
	Hazard reduction burns (number)	0		0	0	→
Climate Change Mitigation	Office paper used by Council (A4 & A3 reams)	4,072	3,792		3,156	↑
	Council sustainability initiatives (number)	6	6		6	→
	Council mitigation initiatives (number)	5	5		1	↓
Council Greenhouse Gas Emissions	Annual electricity consumption for Council controlled facilities (MWh)	15,062	15,491		17,992	↓
	Annual natural gas consumption for Council controlled facilities (Gj)	15,891	15,594	15,608	15,674	→
	Annual bottled gas consumption for Council controlled facilities (L)	10,443	3,265	3,202	3,100	↑
	Total fuel consumption (KL)	461	477	469	458	↑
	Proportion of Council's electrical energy demand met from council-owned renewable energy infrastructure	2.0%	2.0%		0.0%	↓
	Council total operational greenhouse gas emissions (tCO <sub>2</sub> -e/year)	50,752	47,164		51,561	↓
Community Greenhouse Gas Emissions	Small scale renewable energy uptake (kW installed)	1,440	2,381	4,246	5,547	↑
	Number of solar water heaters and heat pumps installed	22	32	24	15	↓

# People and Communities

Issue	Indicator	2016-17	2017-18	2018-19	2019-20	Trend
Active community involvement	Environmental volunteers working on public open space (hours)	1,092	1,902	1,980	1,300	↓
	Number of environmental community engagement programs	5	5	7	5	↓
	Number of growers' markets/local food retailers specialising in local food	22	22	25	25	↑
Community Impacts	Number of days that air pollution maximum goals for particulate matter were exceeded*			5	85	↓
Indigenous Heritage	Number of Indigenous sites on AHIMS register	38	38	47	48	↑
	Inclusion in DCPs & rural strategies (Yes/No)	Yes	Yes	Yes	Yes	→
	Extent of liaison with Indigenous communities (self-assessed from 0 = none to 3 = High)	1.0	2.0	2.0	2.0	↑
	Development approvals on listed Indigenous sites (number)	1	0	0	0	↑
	Number of indigenous heritage management actions/responses	0	0	1	1	↑
Non-Indigenous Heritage	NSW Heritage Items (number)	8	8	10	10	↑
	Locally listed heritage items (number)	340	340	340	340	→
	Actions to protect non-Indigenous heritage (including management plans) (number)	0	3	14	4	↓
	Heritage buildings on statutory heritage lists demolished/degraded in past year (number)	0	0	0	0	→
	Heritage buildings on statutory heritage lists renovated/improved in past year (number)	16	33	55	97	↑

## CASE STUDY: Orange Efficient LED Street Lighting Upgrades (Orange LGA)

Public lighting plays an important role in providing safe, secure, and attractive public areas for both pedestrians and motorists in the Orange Council area. It also represents around 35% of Council's corporate energy consumption and greenhouse gas emissions.

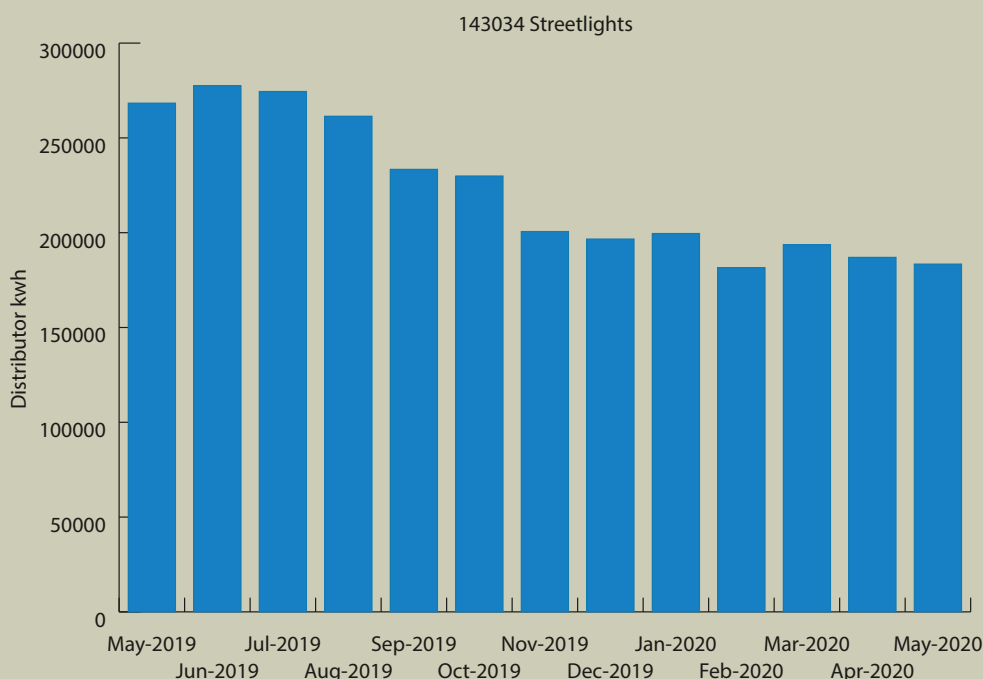
In 2013, street lighting was costing council more than \$800,000 each year, however light brightness for security and lighting failures were concerning the community and councillors. At the end of 2019, Council voted to have Essential Energy switch the top section of Orange's 4,900 streetlights with new efficient LED lighting, at a cost of \$2.5 million. The project is expected to save \$500,000 annually in energy costs.

Orange City Council continuously tracks energy use and emissions across all facilities and infrastructure including street lighting. The graph shows electricity use by month over a year (2019-2020) for Orange City Council's Street lighting.

Orange City Council Street lighting electricity use by month over a year. Source: E21 Energy Plus

The lights started to be replaced at the end of December 2019. Since that time, Council has already seen significant savings. In May 2019 street lighting consumed up to 270,000 KWh of electricity for the month at a cost of \$120,000, producing 241 tonnes of CO<sub>2</sub> (equivalent) emissions. In May 2020 street lighting consumed 180,000 KWh of electricity at a cost of \$34,000, producing 165 tonnes of CO<sub>2</sub> (equivalent) emissions. Council was able to see a reduction of up to 90,000 KWh of electricity, reducing up to 76 tonnes of CO<sub>2</sub> emissions and saving up to \$86,000 for that month alone.

Additional benefits to the community are that these lights are 'Smart Ready', meaning that future technology such as security cameras for example can easily be fitted to the lights to provide further security to the community and provide flexible options for Council.



# Disability inclusion action plan

## DIAPREPORT by Orange City Council 2019-2020

Orange City Council adopted the Orange, Blayney and Cabonne Disability Inclusion Action Plan 2017-2021. The plan identified actions to build on work currently undertaken by Council to improve access and inclusion for people with varying levels of ability through:

- an ongoing dialogue with people with disability.
- improved access to public services and facilities.
- increased awareness and understanding of access and inclusion issues across the local government areas.

The actions were developed in line with the NSW Disability Inclusion Act 2014 including its four focus areas and council is pleased to report the following achievements across the 2019-2020 financial year.

### Create Liveable Communities

- Council's Future City project was launched. The project addresses barriers and inclusion in design considerations for the future development of the city including renewed street furniture in the CBD.
- A new concrete path has been installed along the Autumn Street frontage of Newman Park linking the amenities, accessible picnic table and children's play facility.
- Accessible play equipment (with consideration to the NSW "Everyone Can Play" guidelines) has been installed at Cook Park and at Lake Canobolas Reserve.
- Ramp at Lucknow Men's Shed ramp brought into compliance with new design.
- Renovations to the Jack Brabham sportsground amenities block to include an accessible toilet.

### Attitudes and Behaviours

- Business group meetings included awareness of the importance of inclusion for people with disability for business outcomes. A "Missed Business" guide was developed to provide to local business owners.
- The Council Event Kit and application form provide requirements for access and inclusion.
- The Disability Inclusion Action Plan is covered in the employee induction including a video on diversity and inclusion.
- Staff completed online disability inclusion training during the period.
- Council developed a comprehensive annual training plan for all staff. Council's Learning and Development Officer can also provide career development advice and support to staff.

## Employment

- Information on Council's recruitment processes are available on our website. Human Resources also includes both phone numbers and email addresses on all job advertisements so interested candidates can make contact if they have any questions or require any assistance.
- Council considers and supports a broad range of requests for work experience placements for students enrolled in education institutions.
- The Volunteer Policy includes reference to equal employment legislation and ensuring volunteers are appropriately supported. Each area promotes their volunteering opportunities and applications are assessed on a case by case basis in accordance with the policy. If necessary and deemed appropriate, reasonable adjustments are made to the work environment to suit the needs of the individual.
- All job candidates are asked when applying for positions to outline any reasonable adjustments they may require to participate in the recruitment process.

## Systems and processes

- The Access and Inclusion Learn to Swim program members were integrated with routine Learn to Swim classes.
- Audio loops were regularly maintained.
- Mobility Map update was funded.
- Hoist maintenance was conducted and repairs were completed in the Changing Places accessible bathroom at the Orange Aquatic Centre.
- After School and Vacation Care program for young people with disability was expanded to a younger age group.
- Council continues to support people with disability through providing group homes for adults with intellectual disability, services to provide in-home support for people with disability and after school and vacation care for people with disability.





# Annual Report 2019-2020

Government Information (Public Access) Act 2009





## Contents

<b>Purpose of GIPA Annual Report .....</b>	<b>3</b>
<b>1 Review of proactive release program (Clause 8(a) GIPA Regulation 2018).....</b>	<b>4</b>
<b>2 Number of access applications received (Clause 8(b) GIPA Regulation 2018).....</b>	<b>6</b>
<b>3 Number of refused applications for Schedule 1 Information (Clause 8(c) GIPA Regulation 2018) .....</b>	<b>6</b>
<b>4 Statistical information about access applications (Clause 8(d) and Schedule 2 GIPA Regulation 2018).....</b>	<b>7</b>
<b>Table A:</b> Number of application by type of applicant and outcome .....	<b>7</b>
<b>Table B:</b> Number of applications by type of application and outcome.....	<b>7</b>
<b>Table C:</b> Invalid applications .....	<b>8</b>
<b>Table D:</b> Conclusive presumption of overriding public interest against disclosure .....	<b>8</b>
<b>Table E:</b> Other public interest considerations against disclosure: matters list in Schedule 1 to Act.....	<b>9</b>
<b>Table F:</b> Timelines .....	<b>9</b>
<b>Table G:</b> Number of applications reviewed under Part 5 of the Act (by type of review and outcome) .....	<b>9</b>
<b>Table H:</b> Applications for review under Part 5 of the Act (by type of applicant).....	<b>10</b>
<b>Table I:</b> Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer) .....	<b>10</b>

## **Purpose of GIPA Annual Report**

In accordance with Section 125 (1) of the Government Information (Public Access) Act 2009 (GIPA), Orange City Council is required to report annually on its obligations under the GIPA Act and submit this report to the Minister of Local Government by 31 October each year. A copy of the report is to be provided to the Information Commissioner.

The GIPA Act replaced the Freedom of Information Act 1989 on 1 July 2010. The GIPA Act creates rights to information that are designed to meet the community's expectations of more open and transparent government. It encourages the routine and proactive release of government information including information held by providers of goods and services contracted by government agencies.

The annual report that Council is required to prepare under Section 125 of the Act must include the following (as stipulated in Clause 8 of the GIPA Regulations):

- 1 Details of the review carried out by Council under section 7(3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review;
- 2 The total number of access applications received by Council during the reporting year (including withdrawn applications but not including invalid applications);
- 3 The total number of access applications received by Council during the reporting year that Council refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (Information for which there is conclusive presumption of overriding public interest against disclosure);
- 4 Information, as set out in the form required by the tables in Schedule 2 of the GIPA Regulations, relating to the access applications (if any) made to Council during the reporting year.

The following information is provided in accordance with the above requirements for the reporting year, 1 July 2019 to 30 June 2020.

**1 Review of proactive release program (Clause 8(a) GIPA Regulation 2018)**

Under Section 7(3) of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

Orange City Council is committed to providing the community open and transparent access to information about our services, activities and business operations. Much of this information is routinely provided, which is identified in our Agency Information Guide, publicly available on Council's website.

As part of Council's review of its proactive release program, the following actions were undertaken throughout the reporting period (1 July 2019 to 30 June 2020):

- i) Ongoing review/updating of:
  - Council's Agency Information Guide
  - Council's Access to Information Policy
  - Council's Public Registers including Contracts Register and Graffiti Register
- ii) An Informal Applications Log Register has been maintained to capture the types of information requested informally. The main objective of this register is to identify information repeatedly requested which Council could consider releasing proactively on its website. Council received 454 informal Access to Information applications for the 2019/2020 reporting year. It was found the following information has been predominantly requested:
  - a) Drainage Diagrams
  - b) Deposited Plans
  - c) Final Occupation Certificates
  - d) Home Warranty Insurance Certificates
  - e) Building Approvals/DA Determinations
  - f) Construction Certificates
  - g) Planners' reports
  - h) Elevation, site and engineering plans
  - i) Internal floor plans, both residential and commercial

After consideration of the above it was determined as follows:-

- Although the requested information noted in a) to g) above is freely available for viewing (and, in cases where a copy is requested, for a charge not exceeding reasonable photocopying costs), due to insufficient

technological capability and costs and resources involved, it was not possible to provide this type of information on Council's website.

- In respect of h) and i) above, these documents are subject to copyright and, in compliance with Section 6(6) of the Act, cannot be posted on Council's website due to breach of copyright. Plans (with exception of residential internal floor plans) may be viewed at Council's offices and copies provided, conditional upon written consent of the copyright owner being provided.
  - In respect of i) above, internal residential floor plans may be viewed by an applicant, conditional upon the applicant providing written consent of the property owner and the property owner providing evidence of ownership. If copies of internal floor plans are required, additional written consent of the copyright owner is required.
- iii) Regularly reviewing on-line content and updating as required.
- iv) Media releases are posted on Council's website regularly (which are forwarded to TV, radio stations and newspapers) which gives details about Council projects and services and the direction Council is taking (and, in the spirit of GIPA, are a tool keeping the community informed of what is happening in the City).
- v) Council has released information on a number of projects, initiatives and developments on its website including:
- Major road upgrades for Forest Road, Cargo Road and Burrendong Way
  - Construction of road and associated drainage extension to open up new plots at the Orange Cemetery
  - Construction and replacement of footpaths
  - Construction of new roundabout at March Street and McLachlan Street
  - Progression of Icely Road Water Main Renewal
  - Progression of the Shiralee sewer reticulation
  - Progression of the Spring Creek to Icely Road Water Treatment Plant Water Security Pipeline
  - Progression of the CBD Whiteway lighting
  - Launch of the "Orange Podcast" being new online information service touching on wide range of issues, large scale projects and general information
  - Completion of Robertson Park public toilets
  - Construction of Southern Feeder Road Stage 2

- vi) Council has reviewed information held in its document management system and concluded that this information is not able to be published on the web, due to the costs and resources involved, and concerns in relation to privacy once the information is made publicly available. Therefore, an assessment will be carried out upon request for such information, on whether to make it available to the public.
- vii) Council's customer service staff continue to proactively release many categories of easily accessible information such as mapping and spatial information via the telephone, email or in person without the requirement of the applicant completing an informal Request for Information application form.
- viii) Many exhibits of various projects are set up in the foyer at Council's Administration Building for public viewing.
- ix) Council-managed and community activities and events regularly promoted via social media.

Council is satisfied that all relevant and applicable information is being made available to the public.

## **2 Number of access applications received (*Clause 8(b) GIPA Regulation 2018*)**

During the reporting period, **1 July 2019 to 30 June 2020**, Orange City Council received a total number of **4** formal access applications (including withdrawn applications but not invalid applications).

## **3 Number of refused applications for Schedule 1 Information (*Clause 8(c) GIPA Regulation 2018*)**

During the reporting period, Orange City Council received a total number of **0** formal access applications that were refused, either wholly or in part, because the information requested was for information referred to in Schedule 1 of GIPA Act.



#### 4 Statistical information about access applications (*Clause 8(d) and Schedule 2 GIPA Regulation 2018*)

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Member of the public (application by legal representative)	0	3	0	1	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

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

**Table B: Number of applications by type of application and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	2	0	1	0	0	0	0
Access applications that are partly	0	1	0	0	0	0	0	0

**Table C: Invalid applications**

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is not excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
<b>Total number of invalid applications received</b>	<b>0</b>
<b>Invalid applications that subsequently became valid applications</b>	<b>0</b>

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under Electricity Network Assets (authorised Transactions) Act 2015	0
Information about authorised transaction under Land and Property Information NSW (Authorised Transaction) Act 2016	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

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

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	1
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timelines**

	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	3
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>4</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number Of Applications For Review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see Section 54 of the Act)	0
<b>Total</b>	<b>0</b>

**Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)**

	Number Of Applications For Review
Agency-initiated transfers	0
Applicant-initiated transfers	0
<b>Total</b>	<b>0</b>

# Orange City Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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*A proud, vibrant community that embraces, fosters and  
supports natural, social, cultural and economic diversity*





# Orange City Council

## GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2020

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*A proud, vibrant community that embraces, fosters and  
supports natural, social, cultural and economic diversity*



# General Purpose Financial Statements

for the year ended 30 June 2020

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Contents	Page
<b>1. Statement by Councillors &amp; Management</b>	<b>3</b>
<b>2. Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>3. Notes to the Financial Statements</b>	<b>9</b>
<b>4. Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	86
On the Financial Statements (Sect 417 [3])	89

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## Overview

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

135 Byng Street  
ORANGE NSW 2800

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

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

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

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

# Orange City Council

## General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

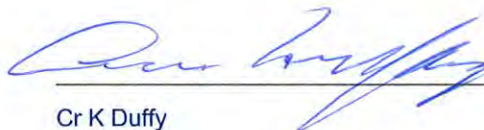
Signed in accordance with a resolution of Council made on 15 September 2020.



Cr R Kidd

Mayor

15 September 2020



Cr K Duffy

Councillor

15 September 2020



Mr T D Waddell

Chief Executive Officer

15 September 2020



Mr J Cooke

Responsible Accounting Officer

15 September 2020

## Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Income from continuing operations</b>				
44,934	Rates and annual charges	3a	46,133	43,936
34,969	User charges and fees	3b	34,250	37,116
4,307	Other revenues	3c	3,830	4,498
12,322	Grants and contributions provided for operating purposes	3d,3e	14,688	13,876
42,932	Grants and contributions provided for capital purposes	3d,3e	23,920	19,142
2,903	Interest and investment income	4	3,566	4,603
–	Net gains from the disposal of assets	6	312	2,798
1,003	Rental income	12e	1,505	–
143,370	<b>Total income from continuing operations</b>		128,204	125,969
<b>Expenses from continuing operations</b>				
40,356	Employee benefits and on-costs	5a	38,897	37,942
1,260	Borrowing costs	5b	996	1,061
30,407	Materials and contracts	5c	32,571	30,498
17,969	Depreciation and amortisation	5d	17,840	17,532
8,039	Other expenses	5e	5,901	6,402
–	Revaluation decrement / impairment of IPP&E	5d	50	–
98,031	<b>Total expenses from continuing operations</b>		96,255	93,435
45,339	<b>Operating result from continuing operations</b>		31,949	32,534
45,339	<b>Net operating result for the year</b>		31,949	32,534
42,618	Net operating result attributable to council		31,949	32,534
(314)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		8,029	13,392

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

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

## Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Net operating result for the year (as per Income Statement)</b>		<b>31,949</b>	<b>32,534</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	31,744	16,068
Transfer out Central West Library net assets - Joint Venture		—	(556)
Transfer in Central West Library net assets - Full Council operation		—	1,046
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>31,744</b>	<b>16,558</b>
<b>Total other comprehensive income for the year</b>		<b>31,744</b>	<b>16,558</b>
<b>Total comprehensive income for the year</b>		<b>63,693</b>	<b>49,092</b>

Total comprehensive income attributable to Council	63,693	49,092
----------------------------------------------------	--------	--------

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

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



# Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	24,499	12,929
Investments	7(b)	104,950	128,750
Receivables	8	17,836	17,422
Inventories	9	968	675
Other	9	38	22
<b>Total current assets</b>		<b>148,291</b>	<b>159,798</b>
<b>Non-current assets</b>			
Investments	7(b)	54,426	22,217
Receivables	8	283	283
Inventories	9	17,373	17,583
Infrastructure, property, plant and equipment	10	1,182,105	1,126,484
Right of use assets	12a	558	—
<b>Total non-current assets</b>		<b>1,254,745</b>	<b>1,166,567</b>
<b>Total assets</b>		<b>1,403,036</b>	<b>1,326,365</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	10,854	7,142
Income received in advance	13	—	3,314
Contract liabilities	11	6,571	—
Lease liabilities	12b	292	—
Borrowings	13	4,298	2,611
Provisions	14	8,185	7,585
<b>Total current liabilities</b>		<b>30,200</b>	<b>20,652</b>
<b>Non-current liabilities</b>			
Lease liabilities	12b	397	—
Borrowings	13	26,643	19,682
Provisions	14	1,730	1,679
<b>Total non-current liabilities</b>		<b>28,770</b>	<b>21,361</b>
<b>Total liabilities</b>		<b>58,970</b>	<b>42,013</b>
<b>Net assets</b>		<b>1,344,066</b>	<b>1,284,352</b>
<b>EQUITY</b>			
Accumulated surplus	15	801,768	773,798
Revaluation reserves	15	542,298	510,554
<b>Council equity interest</b>		<b>1,344,066</b>	<b>1,284,352</b>
<b>Total equity</b>		<b>1,344,066</b>	<b>1,284,352</b>

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

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

## Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		773,798	510,554	1,284,352	740,774	494,486	1,235,260
Changes due to AASB 1058 and AASB 15 adoption	15	(3,978)	–	(3,978)	–	–	–
Changes due to AASB 16 adoption	15	(1)	–	(1)	–	–	–
<b>Restated opening balance</b>		<b>769,819</b>	<b>510,554</b>	<b>1,280,373</b>	<b>740,774</b>	<b>494,486</b>	<b>1,235,260</b>
Net operating result for the year		31,949	–	31,949	32,534	–	32,534
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of IPP&E	10	–	31,744	31,744	–	16,068	16,068
Transfer out Central West Library net assets - Joint Venture		–	–	–	(556)	–	(556)
Transfer in Central West Library net assets - Full Council operation		–	–	–	1,046	–	1,046
<b>Other comprehensive income</b>		<b>–</b>	<b>31,744</b>	<b>31,744</b>	<b>490</b>	<b>16,068</b>	<b>16,558</b>
<b>Total comprehensive income</b>		<b>31,949</b>	<b>31,744</b>	<b>63,693</b>	<b>33,024</b>	<b>16,068</b>	<b>49,092</b>
<b>Equity – balance at end of the reporting period</b>		<b>801,768</b>	<b>542,298</b>	<b>1,344,066</b>	<b>773,798</b>	<b>510,554</b>	<b>1,284,352</b>

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

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

## Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
46,350	Rates and annual charges		45,542	43,804
35,882	User charges and fees		33,061	38,200
2,620	Investment and interest revenue received		4,057	4,350
52,776	Grants and contributions		38,719	32,388
6,238	Other		10,726	5,729
<b>Payments:</b>				
(42,281)	Employee benefits and on-costs		(38,180)	(37,250)
(28,387)	Materials and contracts		(33,048)	(34,921)
(902)	Borrowing costs		(981)	(1,077)
–	Bonds, deposits and retention amounts refunded		–	(8)
(8,008)	Other		(8,485)	(6,880)
64,288	<b>Net cash provided (or used in) operating activities</b>	16b	51,411	44,335
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
–	Sale of investment securities		117,750	54,294
3,050	Sale of real estate assets		–	9,005
1,436	Sale of infrastructure, property, plant and equipment		1,268	33
–	Deferred debtors receipts		11	55
<b>Payments:</b>				
–	Purchase of investment securities		(126,159)	(79,980)
(73,134)	Purchase of infrastructure, property, plant and equipment		(41,061)	(25,512)
–	Purchase of real estate assets		(111)	(4,760)
(68,648)	<b>Net cash provided (or used in) investing activities</b>		(48,302)	(46,865)
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
12,700	Proceeds from borrowings and advances		11,500	–
<b>Payments:</b>				
(2,736)	Repayment of borrowings and advances		(2,852)	(3,400)
–	Lease liabilities (principal repayments)		(187)	–
9,964	<b>Net cash flow provided (used in) financing activities</b>		8,461	(3,400)
5,604	<b>Net increase/(decrease) in cash and cash equivalents</b>		11,570	(5,930)
–	Plus: cash and cash equivalents – beginning of year	16a	12,929	18,859
5,604	<b>Cash and cash equivalents – end of the year</b>	16a	24,499	12,929

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Basis of preparation	10
2(a)	Council functions/activities – financial information	12
2(b)	Council functions/activities – component descriptions	13
3	Revenue from continuing operations	14
4	Interest and investment income	24
5	Expenses from continuing operations	25
6	Gain or loss from disposal of assets	30
7(a)	Cash and cash equivalents	31
7(b)	Investments	31
7(c)	Restricted cash, cash equivalents and investments	32
8	Receivables	34
9	Inventories and other assets	36
10	Infrastructure, property, plant and equipment	38
11	Contract assets and liabilities	41
12	Leases	42
13	Payables and borrowings	46
14	Provisions	48
15	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	51
16	Statement of cash flow information	57
17	Interests in other entities	58
18	Commitments	59
19	Contingencies	60
20	Financial risk management	63
21	Material budget variations	67
22	Fair Value Measurement	69
23	Related party disclosures	75
24	Events occurring after the reporting date	77
25	Statement of developer contributions	78
26	Result by fund	81
27(a)	Statement of performance measures – consolidated results	84
27(b)	Statement of performance measures – by fund	85

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation

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These financial statements were authorised for issue by Council on 30 November 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

#### (a) Historical cost convention

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

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

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

#### Monies and other assets received by Council

##### (a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

##### (b) The Trust Fund

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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

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Trust monies and property not subject to Council's control have not been included in these reports.

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

#### Goods and Services Tax (GST)

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

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

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

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

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

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

##### **AASB 1059 Service Concession Arrangements: Grantors**

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

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

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

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

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

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

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

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

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

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

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

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

#### New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2020.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Notes 3 and 12.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Functions or activities</b>										
Collaborate	57,606	51,619	24,922	22,952	32,684	28,667	4,257	4,638	86,710	72,266
Live	16,121	15,157	30,593	30,691	(14,472)	(15,534)	4,032	5,775	62,880	57,865
Prosper	2,893	10,250	5,079	5,897	(2,186)	4,353	442	74	160,481	241,014
Preserve	51,584	48,943	35,661	33,895	15,923	15,048	15,789	8,321	1,092,965	955,220
<b>Total functions and activities</b>	<b>128,204</b>	<b>125,969</b>	<b>96,255</b>	<b>93,435</b>	<b>31,949</b>	<b>32,534</b>	<b>24,520</b>	<b>18,808</b>	<b>1,403,036</b>	<b>1,326,365</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

#### **Collaborate**

The Orange community will embrace and support strong, accountable leadership to ensure effective, long-term, inclusive planning and decision making within the region. Functional areas - Governance, Finance, Human Relations, Communications, Information Technology and Executive management.

#### **Live**

The Orange community will support and enhance a healthy, safe and liveable City with a range of recreational, cultural and community services to cater for a diverse population. Functional areas - Parks and Sportsgrounds management, Aged and Disability Services, Children's Services, Theatre and Function Centre management, Library Services, Art Gallery and Museum, Aquatic Centre management.

#### **Prosper**

The Orange community will plan and grow an innovative, diverse and balanced economy while protecting the character of the City and region. Functional areas - Land Development, Colour City Caravan Park, Airport and Visitor Services.

#### **Preserve**

The Orange Community will pursue the balance of growth and development with the protection and enhancement of the built and natural environment while recognising climate impacts and the diverse needs of the urban, village and rural communities. Functional areas - Roads and Traffic management, Building services, Waste services, Water supply management and Sewer operations.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential	1058 (1)	23,991	22,935
Farmland	1058 (1)	704	684
Business	1058 (1)	8,065	7,782
Less: pensioner rebates (mandatory)	1058 (1)	(315)	(315)
Less: pensioner rebates (Council policy)	1058 (1)	(558)	(553)
<b>Rates levied to ratepayers</b>		<b>31,887</b>	<b>30,533</b>
Pensioner rate subsidies received	1058 (1)	315	315
<b>Total ordinary rates</b>		<b>32,202</b>	<b>30,848</b>
<b>Special rates</b>			
Town improvement	1058 (1)	693	671
<b>Rates levied to ratepayers</b>		<b>693</b>	<b>671</b>
<b>Total special rates</b>		<b>693</b>	<b>671</b>
<b>Annual charges</b>			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1058 (1)	8,037	7,541
Water supply services	1058 (1)	5,403	5,131
Section 611 charges	1058 (1)	53	—
Less: pensioner rebates (mandatory)	1058 (1)	(208)	(206)
Less: pensioner rebates (Council policy)	1058 (1)	(255)	(255)
<b>Annual charges levied</b>		<b>13,030</b>	<b>12,211</b>
Pensioner subsidies received:			
– Water	1058 (1)	131	131
– Domestic waste management	1058 (1)	77	75
<b>Total annual charges</b>		<b>13,238</b>	<b>12,417</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>46,133</b>	<b>43,936</b>

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

#### **Accounting policy for rates and charges**

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

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

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

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

#### **2019 accounting policy**

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB	2020	2019
<b>(b) User charges and fees</b>			
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (2)	8,255	10,043
Sewerage services	15 (2)	10,389	10,432
Waste management services (non-domestic)	15 (2)	2,944	3,075
Stormwater levy	15 (2)	430	422
<b>Total specific user charges</b>		<b>22,018</b>	<b>23,972</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Private works – section 67	15 (1)	521	539
Section 10.7 certificates (EP&A Act)	15 (1)	89	91
Section 603 certificates	15 (1)	93	90
Other	15 (1)	1	–
Building approvals	15 (1)	457	444
Companion animals	15 (1)	90	93
Development assessments	15 (1)	563	571
<b>Total fees and charges – statutory/regulatory</b>		<b>1,814</b>	<b>1,828</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	15 (1)	906	1,134
Aged care	15 (1)	640	218
Caravan park	15 (1)	472	549
Cemeteries	15 (1)	288	379
Child care	15 (1)	4,624	4,708
Library and art gallery	15 (1)	1	1
RMS (formerly RTA) charges (state roads not controlled by Council)	15 (1)	96	113
Aquatic centre	15 (1)	901	928
Carparks	15 (1)	1,055	1,011
Development contribution administration	15 (1)	249	234
Drainage service diagrams	15 (1)	116	111
Environmental health	15 (1)	6	5
Function centre	15 (1)	24	69
Heritage and promotion	15 (1)	5	4
Library	15 (1)	20	31
Parks / sportsgrounds	15 (1)	41	45
Showground	15 (1)	8	12
Other	15 (1)	120	534
Theatre	15 (1)	843	1,227
Hall hire	15 (1)	3	3
<b>Total fees and charges – other</b>		<b>10,418</b>	<b>11,316</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>34,250</b>	<b>37,116</b>

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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#### **Accounting policy for user charges and fees**

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

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

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

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

#### **2019 accounting policy**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB	2020	2019
<b>(c) Other revenues</b>			
Rental income – other council properties (2019 only)	15 (1)	–	1,082
Legal fees recovery – rates and charges (extra charges)	15 (1)	43	58
Legal fees recovery – other	15 (1)	–	1
Diesel rebate	15 (1)	166	71
Insurance claims recoveries	15 (1)	122	92
Aged and disability services	15 (1)	157	161
Airport	15 (1)	1	218
Aquatic centre	15 (1)	268	252
Caravan park	15 (1)	8	10
Carpark management	1058 (1)	100	101
Childcare	15 (1)	20	28
State waste rebate	15 (1)	–	78
Other	15 (1)	889	721
Community development	15 (1)	4	1
Enterprise growth and development	15 (1)	317	310
Environmental administration	15 (1)	3	12
Function centre	15 (1)	60	98
Gallery	15 (1)	11	28
Heritage promotion	15 (1)	4	87
Library	15 (1)	20	27
Migrant services	15 (1)	–	2
Parks / sportsgrounds	15 (1)	–	30
Private works	15 (1)	44	43
Public halls and community centres	15 (1)	3	10
Road safety program	15 (1)	89	93
Roads	15 (1)	37	100
Rural fire service	15 (1)	94	285
Sewerage services	15 (1)	105	47
Staff development and training	15 (1)	–	5
Theatre	15 (1)	71	71
Tourism	15 (1)	150	172
Waste	15 (1)	223	165
Water supply	15 (1)	27	4
Weeds management	15 (1)	8	34
Youth services	15 (1)	–	1
Southern Phone proceeds on AGL acquisition	15 (1)	786	–
<b><u>TOTAL OTHER REVENUE</u></b>		<b>3,830</b>	<b>4,498</b>

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

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

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

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

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

**Accounting policy for other revenue**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

**2019 accounting policy:**

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(d) Grants</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance	1058 (1)	1,761	1,710	–	–
Financial assistance – local roads component	1058 (1)	594	567	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1058 (1)	1,859	1,772	–	–
Financial assistance – local roads component	1058 (1)	637	589	–	–
<b>Total general purpose</b>		<b>4,851</b>	<b>4,638</b>	<b>–</b>	<b>–</b>
<b>Special purpose (tied)</b>					
Water supplies	1058 (2)	–	–	1,083	(603)
Aged care	15 (2)	1,956	2,082	–	136
Bushfire and emergency services	15 (1)	254	–	–	–
Child care	15 (1)	956	383	14	58
Community care	1058 (2)	–	283	2	–
Economic development	1058 (2)	–	49	86	25
Heritage and cultural	15 (2)	266	140	42	–
Library	15 (1)	172	125	–	31
LIRS subsidy	15 (1)	147	168	–	–
Noxious weeds	15 (2)	54	51	–	–
Street lighting	15 (1)	130	117	–	–
Traffic route subsidy	15 (1)	729	545	–	–
Transport (roads to recovery)	15 (1)	290	–	–	–
Transport (other roads and bridges funding)	1058 (2)	–	–	11,589	7,634
Airport	1058 (2)	–	–	93	–
Art gallery	15 (1)	36	96	–	1,621
Community development	15 (1)	136	159	–	–
Other	15 (1)	55	104	1,165	295
Migrant services	15 (1)	113	110	–	–
Parks and sportsgrounds	1058 (2)	–	–	244	391
Waste	15 (1)	36	42	–	19
Youth services	15 (1)	21	109	–	–
<b>Total Special purpose (tied)</b>		<b>5,351</b>	<b>4,563</b>	<b>14,318</b>	<b>9,607</b>
<b>Total grants</b>		<b>10,202</b>	<b>9,201</b>	<b>14,318</b>	<b>9,607</b>
<b>Grant revenue is attributable to:</b>					
– Commonwealth funding		5,860	7,385	342	283
– State funding		2,833	1,702	12,809	9,324
– Other funding		1,509	114	1,167	–
		<b>10,202</b>	<b>9,201</b>	<b>14,318</b>	<b>9,607</b>

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(e) Contributions</b>						
<b>Developer contributions:</b>						
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.4 – contributions using planning agreements		1058 (1)	177	175	–	1,582
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	3,689	1,735
S 64 – water supply contributions		1058 (1)	–	–	2,417	1,485
S 64 – sewerage service contributions		1058 (1)	–	–	1,609	1,010
<b>Total developer contributions – cash</b>			<b>177</b>	<b>175</b>	<b>7,715</b>	<b>5,812</b>
<b>Non-cash contributions</b>						
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	823	1,312
S 64 – water supply contributions		1058 (1)	–	–	52	–
S 64 – sewerage service contributions		1058 (1)	–	–	76	–
Artworks		1058 (1)	–	–	393	–
<b>Total developer contributions non-cash</b>			<b>–</b>	<b>–</b>	<b>1,344</b>	<b>1,312</b>
<b>Total developer contributions</b>	25		<b>177</b>	<b>175</b>	<b>9,059</b>	<b>7,124</b>
<b>Other contributions:</b>						
<b>Cash contributions</b>						
Bushfire services		1058 (1)	1,719	1,616	–	–
Drainage		1058 (1)	5	–	–	–
Heritage/cultural		1058 (2)	–	–	–	13
Roads and bridges		1058 (2)	–	–	198	–
Sewerage (excl. section 64 contributions)		1058 (1)	11	–	1	3
Other		1058 (2)	4	–	329	9
Contributions to salaries		1058 (1)	18	54	–	–
Internal auditor		1058 (1)	95	107	–	–
Parks and sportsgrounds		1058 (2)	1	2	15	6
Weeds		1058 (2)	19	10	–	–
Land Development		1058 (2)	–	–	–	2,380
Contributions to Library service		1058 (1)	2,437	2,711	–	–
<b>Total other contributions – cash</b>			<b>4,309</b>	<b>4,500</b>	<b>543</b>	<b>2,411</b>
<b>Total other contributions</b>			<b>4,309</b>	<b>4,500</b>	<b>543</b>	<b>2,411</b>
<b>Total contributions</b>			<b>4,486</b>	<b>4,675</b>	<b>9,602</b>	<b>9,535</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>			<b>14,688</b>	<b>13,876</b>	<b>23,920</b>	<b>19,142</b>

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

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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

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#### Accounting policy for grants and contributions

##### Accounting policy from 1 July 2019

##### Grant income under AASB 15

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

The performance obligations are varied based on the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

##### Grant income

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

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

##### Capital grants

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

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

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

##### Contributions

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

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

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

##### Accounting policy prior to 1 July 2019

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
<b>(f) Unspent grants and contributions – external restrictions</b>		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	4,156	3,849
<b>Add:</b> operating grants recognised as income in the current period but not yet spent (2019 only)	–	2,228
<b>Add:</b> operating grants received for the provision of goods and services in a future period	2,573	–
<b>Less:</b> operating grants recognised in a previous reporting period now spent (2019 only)	–	(1,921)
<b>Less:</b> operating grants received in a previous reporting period now spent and recognised as income	(1,419)	–
<b>Unexpended and held as externally restricted assets (operating grants)</b>	<b>5,310</b>	<b>4,156</b>

This contains:

- Financial assistance grants received in advance - both the untied (general) component and the Roads component
- A number of small grants for the provision of services within the Aged Disability and Children's services provided by Council

**Capital grants**

Unexpended at the close of the previous reporting period	3,303	1,751
<b>Add:</b> capital grants recognised as income in the current period but not yet spent (2019 only)	–	1,997
<b>Add:</b> capital grants received for the provision of goods and services in a future period	167	–
<b>Less:</b> capital grants recognised in a previous reporting period now spent (2019 only)	–	(445)
<b>Less:</b> capital grants received in a previous reporting period now spent and recognised as income	(1,340)	–
<b>Unexpended and held as externally restricted assets (capital grants)</b>	<b>2,130</b>	<b>3,303</b>

This contains:

- Grants received for the Art Gallery expansion project, Amenities at Sir Jack Brabham Park, Stronger Communities funding, and Emergency Water projects

**Contributions**

Unexpended at the close of the previous reporting period	40,946	39,023
<b>Add:</b> contributions recognised as income in the current period but not yet spent	–	8,038
<b>Add:</b> contributions received for the provision of goods and services in a future period	15,347	–
<b>Add:</b> contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate (2019 only)	–	–
<b>Less:</b> contributions recognised in a previous reporting period now spent	(10,273)	(6,115)
<b>Unexpended and held as externally restricted assets (contributions)</b>	<b>46,020</b>	<b>40,946</b>

This contains:

- Developer contributions for the construction of infrastructure assets in new land development areas.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	AASB 15 2020	AASB 1058 2020
<b>(g) Disaggregation of material revenue streams</b>		
The following shows the revenue recognition pattern for the material revenue streams of Council.		
<b>Revenue recognition at a point in time</b>		
Rates and annual charges	13,030	33,103
Financial assistance grants	–	4,851
User charges and fees	34,250	–
Grant revenue and non-developer contributions	23,330	–
Developer contributions	–	8,843
Fines	100	–
Other	3,730	–
	<b>74,440</b>	<b>46,797</b>

## Note 4. Interest and investment income

\$ '000	2020	2019
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	236	270
– Cash and investments	3,330	4,333
<b>Total Interest and investment income</b>	<b>3,566</b>	<b>4,603</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	108	270
General Council cash and investments	1,103	1,447
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	160	345
– Section 64	574	843
Water fund operations	871	835
Sewerage fund operations	750	863
<b>Total interest and investment revenue</b>	<b>3,566</b>	<b>4,603</b>

**Accounting policy for interest and investment revenue**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations

\$ '000	2020	2019
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	30,199	29,320
Employee termination costs	13	–
Travel expenses	2	2
Employee leave entitlements (ELE)	5,135	5,021
Superannuation	3,440	3,553
Workers' compensation insurance	946	811
Fringe benefit tax (FBT)	139	105
Payroll tax	166	301
Training costs (other than salaries and wages)	–	5
Other	244	209
<b>Total employee costs</b>	<b>40,284</b>	<b>39,327</b>
Less: capitalised costs	(1,387)	(1,385)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>38,897</b>	<b>37,942</b>
Number of 'full-time equivalent' employees (FTE) at year end	441	424

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

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

*Retirement benefit obligations*

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

*Superannuation plans*

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

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

\$ '000	Notes	2020	2019
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on leases		27	–
Interest on loans		959	1,051
<b>Total interest bearing liability costs</b>		<b>986</b>	<b>1,051</b>
<b>Total interest bearing liability costs expensed</b>		<b>986</b>	<b>1,051</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	10	10
<b>Total other borrowing costs</b>		<b>10</b>	<b>10</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>996</b>	<b>1,061</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

**Accounting policy for borrowing costs**

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

\$ '000	2020	2019
<b>(c) Materials and contracts</b>		
Raw materials and consumables	68,393	56,222
Auditors remuneration <sup>2</sup>	93	88
<b>Legal expenses:</b>		
Planning and development	10	(69)
Other	159	367
<b>Leases:</b>		
Expenses from leases of low value assets (2020 only)	220	—
Expenses from short-term leases (2020 only)	12	—
<b>Operating leases expense (2019 only):</b>		
— Operating lease rentals: minimum lease payments <sup>1</sup>	—	573
<b>Total materials and contracts</b>	<b>68,887</b>	<b>57,181</b>
Less: capitalised costs	(36,316)	(26,683)
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>32,571</b>	<b>30,498</b>

**Accounting policy for materials and contracts**

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

**Operating leases (2019 only)**

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

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

Computers	—	185
Motor vehicles and plant	—	271
Other	—	117
	<b>—</b>	<b>573</b>

**2. Auditor remuneration**

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

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

Audit and review of financial statements	93	88
<b>Remuneration for audit and other assurance services</b>	<b>93</b>	<b>88</b>
<b>Total Auditor-General remuneration</b>	<b>93</b>	<b>88</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>Total Auditor remuneration</b>	<b>93</b>	<b>88</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
<b>Depreciation and amortisation</b>			
Plant and equipment		1,925	1,640
Office equipment		178	115
Furniture and fittings		54	190
<b>Infrastructure:</b>	10		
– Buildings		3,195	3,136
– Other structures		898	757
– Roads		2,394	2,654
– Bridges		100	106
– Footpaths		139	178
– Stormwater drainage		925	956
– Water supply network		4,001	4,003
– Sewerage network		2,670	2,708
– Swimming pools		43	42
– Other open space/recreational assets		802	798
<b>Right of use assets</b>	12	318	–
<b>Other assets:</b>			
– Library books		175	224
Other assets		–	1
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets		23	24
<b>Total gross depreciation and amortisation costs</b>		<b>17,840</b>	<b>17,532</b>
<b>Total depreciation and amortisation costs</b>		<b>17,840</b>	<b>17,532</b>
<b>Impairment / revaluation decrement of IPP&amp;E</b>			
Community Land		(174)	–
<b>Infrastructure:</b>	10		
– Buildings		224	–
<b>Total gross IPP&amp;E impairment / revaluation decrement costs / (reversals)</b>		<b>50</b>	<b>–</b>
<b>Total IPP&amp;E impairment / revaluation decrement costs / (reversals) charged to Income Statement</b>		<b>50</b>	<b>–</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</b>		<b>17,890</b>	<b>17,532</b>

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

## Depreciation and amortisation

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

## Impairment of non-financial assets

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

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria



## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
<b>(e) Other expenses</b>		
Contributions/levies to other levels of government		
Councillor expenses – mayoral fee	44	47
Councillor expenses – councillors' fees	243	237
Councillors' expenses (incl. mayor) – other (excluding fees above)	65	131
Donations, contributions and assistance to other organisations (Section 356)	60	65
Electricity and heating	3,433	3,550
Insurance	715	678
Office expenses (including computer expenses)	1	–
Street lighting	953	1,315
Telephone and communications	381	368
Other	6	11
<b>Total other expenses</b>	<b>5,901</b>	<b>6,402</b>
<b>TOTAL OTHER EXPENSES</b>	<b>5,901</b>	<b>6,402</b>

**Accounting policy for other expenses**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
<b>Infrastructure assets</b>	10		
Proceeds from disposal – Infrastructure assets		1,268	33
Less: carrying amount of infrastructure assets sold/written off		(956)	(3)
<b>Net gain/(loss) on disposal</b>		<b>312</b>	<b>30</b>
<b>Real estate assets held for sale</b>	9		
Proceeds from disposal – real estate assets		–	9,005
Less: carrying amount of real estate assets sold/written off		–	(6,237)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>2,768</b>
<b>Investments</b>	7(b)		
Proceeds from disposal/redemptions/maturities – investments		117,750	54,294
Less: carrying amount of investments sold/redeemed/matured		(117,750)	(54,294)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>312</b>	<b>2,798</b>

**Accounting policy for disposal of assets**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	387	708
Cash-equivalent assets		
– Deposits at call	17,007	12,221
– Short-term deposits	7,105	–
<b>Total cash and cash equivalents</b>	<b>24,499</b>	<b>12,929</b>

**Accounting policy for cash and cash equivalents**

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

## Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Investments</b>				
a. 'Financial assets at fair value through profit and loss'				
– 'Designated at fair value on initial recognition'	9,200	25,426	14,250	15,717
b. 'Financial assets at amortised cost'	95,750	29,000	114,500	6,500
<b>Total Investments</b>	<b>104,950</b>	<b>54,426</b>	<b>128,750</b>	<b>22,217</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>129,449</b>	<b>54,426</b>	<b>141,679</b>	<b>22,217</b>
<b>Financial assets at fair value through the profit and loss</b>				
Floating Rate Notes (with maturities > 3 months)	9,200	25,426	14,250	15,717
<b>Total</b>	<b>9,200</b>	<b>25,426</b>	<b>14,250</b>	<b>15,717</b>
<b>Financial assets at amortised cost</b>				
Long term deposits	95,750	29,000	114,500	6,500
<b>Total</b>	<b>95,750</b>	<b>29,000</b>	<b>114,500</b>	<b>6,500</b>

**Accounting policy for investments**

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

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

**Financial assets**

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

**Classification**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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

\$ '000	2020	2020	2019	2019
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	129,449	54,426	141,679	22,217
<b>attributable to:</b>				
External restrictions	90,588	54,426	102,996	22,217
Internal restrictions	25,074	–	23,355	–
Unrestricted	13,787	–	15,328	–
	129,449	54,426	141,679	22,217

\$ '000	2020	2019
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## Details of restrictions

**External restrictions – included in liabilities**

Specific purpose unexpended grants – general fund (2020 only)	3,484	–
Specific purpose unexpended loans – general	1,170	1,170
Specific purpose unexpended loans – water	–	292
<b>External restrictions – included in liabilities</b>	<b>4,654</b>	<b>1,462</b>

**External restrictions – other**

Developer contributions – general	13,820	11,097
Developer contributions – water fund	20,215	18,279
Developer contributions – sewer fund	11,984	11,574
Specific purpose unexpended grants (recognised as revenue) – general fund	2,173	3,224
Specific purpose unexpended grants (recognised as revenue) – water fund	613	613

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
Specific purpose unexpended grants (recognised as revenue) – sewer fund	–	141
Water supplies	40,126	34,235
Sewerage services	41,198	35,518
Stormwater management	998	48
Domestic waste management	9,233	9,022
<b>External restrictions – other</b>	<b>140,360</b>	<b>123,751</b>
<b>Total external restrictions</b>	<b>145,014</b>	<b>125,213</b>
<b>Internal restrictions</b>		
Plant and vehicle replacement	2,607	1,972
Infrastructure replacement	402	642
Employees leave entitlement	3,489	3,598
Ageing/disability services	476	462
Airport operations	966	617
Asset renewal/capital reserve	4,232	5,243
Childrens services	14	39
Community safety	9	9
Election expenses	225	150
Heritage and tourism promotion	60	60
Insurance incentive bonus	141	178
Land development	3,750	4,720
Library	4	4
Parks/sportsgrounds/recreation	40	40
Pool redevelopment	125	125
Quarry operation	89	73
Regional art gallery	46	95
Rural fire service	102	103
Other	8,297	5,225
<b>Total internal restrictions</b>	<b>25,074</b>	<b>23,355</b>
<b>TOTAL RESTRICTIONS</b>	<b>170,088</b>	<b>148,568</b>



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Purpose</b>				
Rates and annual charges	3,216	–	2,625	–
Interest and extra charges	191	–	331	–
User charges and fees	2,338	–	2,481	–
Private works	–	–	51	–
Accrued revenues				
– Interest on investments	593	–	944	–
Deferred debtors	–	283	11	283
Net GST receivable	1,351	–	980	–
Airport	80	–	275	–
City presentation	–	–	53	–
Community amenity	179	–	7	–
Community facilities	3	–	–	–
Community services and education	198	–	255	–
Finance	117	–	266	–
Food premises registration fees	1	–	2	–
Housing/community	–	–	2	–
Infrastructure	1	–	1	–
Local approvals	1	–	2	–
Organisational services	6	–	–	–
Property services	–	–	58	–
Recreation/culture	15	–	61	–
Rural fire service	475	–	105	–
Sewerage supplies	8	–	18	–
Staff account	18	–	24	–
Traffic and transport	3,980	–	2,157	–
Trust	–	–	759	–
Wages in advance	35	–	36	–
Water supplies	620	–	128	–
Tourism and promotion	1	–	33	–
Enterprise Development	5,669	–	5,807	–
Other debtors	200	–	131	–
<b>Total</b>	<b>19,296</b>	<b>283</b>	<b>17,603</b>	<b>283</b>
<b>Less: provision of impairment</b>				
Other debtors	(1,460)	–	(181)	–
<b>Total provision for impairment – receivables</b>	<b>(1,460)</b>	<b>–</b>	<b>(181)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>17,836</b>	<b>283</b>	<b>17,422</b>	<b>283</b>

\$ '000	2020	2019
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 9)	181	181
+ new provisions recognised during the year	1,300	–
– amounts already provided for and written off this year	(21)	–
<b>Balance at the end of the year</b>	<b>1,460</b>	<b>181</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 8. Receivables (continued)

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#### Accounting policy for receivables

##### Recognition and measurement

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

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

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

##### Impairment

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Inventories</b>				
<b>(i) Inventories at cost</b>				
Real estate for resale	321	17,373	–	17,583
Stores and materials	523	–	537	–
Trading stock	124	–	138	–
<b>Total inventories at cost</b>	<b>968</b>	<b>17,373</b>	<b>675</b>	<b>17,583</b>
<b><u>TOTAL INVENTORIES</u></b>	<b><u>968</u></b>	<b><u>17,373</u></b>	<b><u>675</u></b>	<b><u>17,583</u></b>
Prepayments	38	–	22	–
<b><u>TOTAL OTHER ASSETS</u></b>	<b><u>38</u></b>	<b><u>–</u></b>	<b><u>22</u></b>	<b><u>–</u></b>

#### (i) Other disclosures

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>(a) Details for real estate development</b>				
Residential	–	7,500	–	7,411
Industrial/commercial	321	9,873	–	10,172
<b>Total real estate for resale</b>	<b>321</b>	<b>17,373</b>	<b>–</b>	<b>17,583</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition costs	6	11,523	–	14,057
Development costs	315	5,850	–	3,526
<b>Total costs</b>	<b>321</b>	<b>17,373</b>	<b>–</b>	<b>17,583</b>
<b>Total real estate for resale</b>	<b>321</b>	<b>17,373</b>	<b>–</b>	<b>17,583</b>
<b>Movements:</b>				
Real estate assets at beginning of the year	–	17,583	788	18,272
– Purchases and other costs	–	111	4,760	–
– WDV of sales (expense)	–	–	(6,237)	–
– Transfer between current/non-current	321	(321)	689	(689)
<b>Total real estate for resale</b>	<b>321</b>	<b>17,373</b>	<b>–</b>	<b>17,583</b>

#### Accounting policy for inventories and other assets

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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#### **Real Estate for resale**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	as at 30/06/19			Asset movements during the reporting period								as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment / revaluation (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation adjustments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	32,398	–	32,398	–	26,949	–	–	–	(7,629)	–	–	51,718	–	51,718
Plant and equipment	19,648	(11,728)	7,920	–	2,155	(545)	(1,925)	–	657	158	49	21,287	(12,818)	8,469
Office equipment	1,763	(1,275)	488	–	193	–	(178)	–	–	–	–	1,956	(1,453)	503
Furniture and fittings	1,469	(708)	761	–	86	–	(54)	–	10	–	–	1,565	(762)	803
<b>Land:</b>														
– Crown land	13,748	–	13,748	–	–	–	–	–	–	894	85	14,727	–	14,727
– Operational land	94,775	–	94,775	–	942	(411)	–	–	236	156	(4,174)	91,524	–	91,524
– Community land	28,728	–	28,728	–	687	–	–	174	–	(894)	2,177	30,872	–	30,872
– Land under roads (post 30/6/08)	4,352	–	4,352	–	8	–	–	–	–	–	–	4,360	–	4,360
Land improvements – non-depreciable	34	–	34	–	313	–	–	–	–	(34)	–	313	–	313
<b>Infrastructure:</b>														
– Buildings	166,597	(60,548)	106,049	–	999	–	(3,195)	(224)	938	–	(175)	167,373	(62,981)	104,392
– Other structures	45,589	(12,645)	32,944	–	415	–	(898)	–	399	819	–	47,493	(13,814)	33,679
– Roads	360,701	(121,333)	239,368	348	2,864	–	(2,394)	–	4,682	(1,180)	229	386,526	(142,609)	243,917
– Bridges	18,497	(5,157)	13,340	–	–	–	(100)	–	–	–	525	19,779	(6,014)	13,765
– Footpaths	19,203	(7,263)	11,940	407	317	–	(139)	–	67	(69)	3,358	27,160	(11,279)	15,881
– Bulk earthworks (non-depreciable)	34,170	–	34,170	–	1,840	–	–	–	–	–	–	36,010	–	36,010
– Stormwater drainage	151,100	(59,634)	91,466	–	1,387	–	(925)	–	106	–	25,909	180,346	(62,403)	117,943
– Water supply network	337,576	(121,568)	216,008	110	180	–	(4,001)	–	330	148	2,195	341,731	(126,761)	214,970
– Sewerage network	236,866	(68,623)	168,243	9	486	–	(2,670)	–	140	1,260	1,566	241,025	(71,991)	169,034
– Swimming pools	4,432	(1,059)	3,373	–	–	–	(43)	–	–	(3)	–	4,425	(1,098)	3,327
– Other open space/recreational assets	21,987	(7,621)	14,366	–	293	–	(802)	–	51	(458)	–	21,608	(8,158)	13,450
<b>Other assets:</b>														
– Library books	3,841	(3,175)	666	–	227	–	(175)	–	13	–	–	4,081	(3,350)	731
– Other	10,620	(1)	10,619	–	393	–	–	–	–	–	–	11,012	–	11,012
<b>Reinstatement, rehabilitation and restoration assets (refer Note 14):</b>														
– Tip assets	885	(157)	728	–	–	–	(23)	–	–	–	–	885	(180)	705
– Quarry assets	64	(64)	–	–	–	–	–	–	–	–	–	64	(64)	–
<b>Total Infrastructure, property, plant and equipment</b>	<b>1,609,043</b>	<b>(482,559)</b>	<b>1,126,484</b>	<b>874</b>	<b>40,734</b>	<b>(956)</b>	<b>(17,522)</b>	<b>(50)</b>	<b>–</b>	<b>797</b>	<b>31,744</b>	<b>1,707,840</b>	<b>(525,735)</b>	<b>1,182,105</b>

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

	as at 30/06/18			Asset movements during the reporting period								as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation adjustments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	56,079	–	56,079	(1,042)	13,440	–	–	–	(35,177)	(902)	–	32,398	–	32,398
Plant and equipment	18,481	(11,102)	7,379	–	2,593	(649)	(1,640)	(23)	184	(15)	91	19,648	(11,728)	7,920
Office equipment	1,587	(1,160)	427	–	176	(7)	(115)	–	7	–	–	1,763	(1,275)	488
Furniture and fittings	1,016	(518)	498	–	(163)	–	(190)	–	176	440	–	1,469	(708)	761
<b>Land:</b>														
– Operational land	94,774	–	94,774	–	1	–	–	–	–	–	–	94,775	–	94,775
– Community land	31,926	–	31,926	–	839	(1,320)	–	–	–	(6,175)	3,458	28,728	–	28,728
– Crown land	–	–	–	–	–	–	–	(368)	–	5,816	8,300	13,748	–	13,748
– Land under roads (post 30/6/08)	3,933	–	3,933	–	–	–	–	–	–	–	419	4,352	–	4,352
Land improvements – non-depreciable	34	–	34	–	–	–	–	–	–	–	–	34	–	34
<b>Infrastructure:</b>														
– Buildings	166,057	(57,562)	108,495	–	737	(69)	(3,136)	–	(30)	246	(194)	166,597	(60,548)	106,049
– Other structures	43,055	(12,030)	31,025	–	739	(218)	(757)	(13)	2,044	82	42	45,589	(12,645)	32,944
– Roads	337,445	(118,709)	218,736	2,095	8,234	(357)	(2,654)	–	15,330	–	(2,016)	360,701	(121,333)	239,368
– Bridges	18,300	(5,051)	13,249	–	–	–	(106)	–	197	–	–	18,497	(5,157)	13,340
– Footpaths	17,499	(7,085)	10,414	–	1	–	(178)	–	1,703	–	–	19,203	(7,263)	11,940
– Bulk earthworks (non-depreciable)	34,170	–	34,170	–	–	–	–	–	–	–	–	34,170	–	34,170
– Stormwater drainage	149,358	(58,679)	90,679	–	336	–	(956)	–	1,407	–	–	151,100	(59,634)	91,466
– Water supply network	317,587	(115,797)	201,790	36	1,201	(262)	(4,003)	2	13,561	52	3,633	337,576	(121,568)	216,008
– Sewerage network	231,840	(64,816)	167,024	–	1,395	(37)	(2,708)	–	234	–	2,335	236,866	(68,623)	168,243
– Swimming pools	4,387	(1,017)	3,370	–	–	48	(42)	–	(3)	–	–	4,432	(1,059)	3,373
– Other open space/recreational assets	21,455	(6,822)	14,633	–	–	164	(798)	–	367	–	–	21,987	(7,621)	14,366
– Other infrastructure	–	–	–	–	–	–	–	11	–	–	–	–	–	–
<b>Other assets:</b>														
– Library books	2,881	(2,705)	176	–	257	–	(224)	–	–	457	–	3,841	(3,175)	666
– Other	10,518	–	10,518	–	102	–	(1)	–	–	–	–	10,620	(1)	10,619
<b>Reinstatement, rehabilitation and restoration assets (refer Note 14):</b>														
– Tip assets	886	(134)	752	–	–	–	(24)	–	–	–	–	885	(157)	728
– Quarry assets	64	(64)	–	–	–	–	–	–	–	–	–	64	(64)	–
<b>Total Infrastructure, property, plant and equipment</b>	<b>1,563,332</b>	<b>(463,251)</b>	<b>1,100,081</b>	<b>1,089</b>	<b>29,888</b>	<b>(2,707)</b>	<b>(17,532)</b>	<b>(391)</b>	<b>–</b>	<b>1</b>	<b>16,068</b>	<b>1,609,043</b>	<b>(482,559)</b>	<b>1,126,484</b>

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

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.

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

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	1 to 4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		<b>Stormwater assets</b>	
<b>Water and sewer assets</b>		Drains	80 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		<b>Other infrastructure assets</b>	
<b>Transportation assets</b>		Bulk earthworks	Infinite
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unsealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	15- 256		
Kerb, gutter and footpaths	10 - 300		

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

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

**Land under roads**

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

**Crown reserves**

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

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

**Rural Fire Service assets**

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land and buildings.

## Note 11. Contract assets and liabilities

\$ '000	Notes	2020 Current	2020 Non-current
<b>Contract liabilities</b>			
<b>Grants and contributions received in advance:</b>			
Unexpended capital grants (to construct Council controlled assets)	(i)	2,980	—
Unexpended operating grants (received prior to performance obligation being satisfied) AASB 15	(ii)	1,949	—
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	46	—
<b>Total grants received in advance</b>		<b>4,975</b>	<b>—</b>
Other		44	—
Rates in advance		1,552	—
<b>Total contract liabilities</b>		<b>6,571</b>	<b>—</b>

**(i) Contract liabilities relating to restricted assets****Externally restricted assets**

Water	613	—
Unspent grants held as contract liabilities (excl. Water & Sewer)	2,173	—
<b>Contract liabilities relating to externally restricted assets</b>	<b>2,786</b>	<b>—</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>2,786</b>	<b>—</b>
<b>Total contract liabilities relating to unrestricted assets</b>	<b>3,785</b>	<b>—</b>
<b>Total contract liabilities</b>	<b>6,571</b>	<b>—</b>

**Significant changes in contract assets and liabilities**

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and

## Notes to the Financial Statements

for the year ended 30 June 2020

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

capital grants received by Council to acquire or construct assets which will be under Council's control. Previously, revenue was recognised on receipt of the funds.

**Accounting policy for contract assets and liabilities**

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

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

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

## Note 12. Leases

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

**(i) Council as a lessee**

Council has leases over a range of assets including vehicles, machinery and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

**Vehicles**

Council leases vehicles and equipment with lease terms varying from 5 to 7 years; the lease payments are fixed during the lease term and there is generally no renewal option.

**Office and IT equipment**

Leases for office and IT equipment are generally for low value assets, except for one significant item - a printer. The leases are for between 3 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

\$ '000	Plant & Equipment	Office Equipment	Total
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	687	189	876
Depreciation charge	(276)	(42)	(318)
<b><u>RIGHT OF USE ASSETS Balance at 30 June 2020</u></b>	<b><u>411</u></b>	<b><u>147</u></b>	<b><u>558</u></b>

\$ '000	2020 Current	2020 Non-current
Lease liabilities	292	397
<b><u>TOTAL LEASE LIABILITIES</u></b>	<b><u>292</u></b>	<b><u>397</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Leases (continued)

#### (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

<b>\$ '000</b>	<b>&lt; 1 year</b>	<b>1 – 5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>	<b>Total per Statement of Financial Position</b>
Cash flows	292	397	–	689	<b>689</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

\$ '000	2020 Current	2020 Non-current
<b>(ii) Lease liabilities relating to restricted assets</b>		
Total lease liabilities relating to unrestricted assets	292	397
<u>Total lease liabilities</u>	<u>292</u>	<u>397</u>

\$ '000	2020
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**(c) Income Statement**

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

Interest on lease liabilities	33
Depreciation of right of use assets	318
Expenses relating to short-term leases	6
Expenses relating to low-value leases	220
	<u>577</u>

**(d) Statement of Cash Flows**

Total cash outflow for leases	443
	<u>443</u>

**Accounting policy****Accounting policies under AASB 16 – applicable from 1 July 2019**

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

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

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

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

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**

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

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.

## (ii) Council as a lessor

## (e) Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E in the Statement of Financial Position.

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

\$ '000	2020
<b>(i) Operating lease income</b>	
<b>Other lease income</b>	
Leaseback fees - council vehicles	338
Communication Tower Sites	223
Airport Hangar rentals	399
Land and Buildings	371
Other	174
<b>Total income relating to operating leases</b>	<b>1,505</b>

**Accounting policy**

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

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

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

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



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 13. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	7,900	–	5,189	–
Accrued expenses:				
– Borrowings	110	–	104	–
– Interest on bonds and deposits	5	–	6	–
– Salaries and wages	1,657	–	1,581	–
Security bonds, deposits and retentions	150	–	150	–
Net waste	60	–	112	–
Trust	932	–	–	–
Other	40	–	–	–
<b>Total payables</b>	<b>10,854</b>	<b>–</b>	<b>7,142</b>	<b>–</b>
<b>Income received in advance</b>				
Payments received in advance	–	–	3,314	–
<b>Total income received in advance</b>	<b>–</b>	<b>–</b>	<b>3,314</b>	<b>–</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	4,298	26,643	2,611	19,682
<b>Total borrowings</b>	<b>4,298</b>	<b>26,643</b>	<b>2,611</b>	<b>19,682</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>15,152</b>	<b>26,643</b>	<b>13,067</b>	<b>19,682</b>

(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 20.

## (a) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	22,293	8,648	–	–	–	–	30,941
Lease liabilities	–	137	–	–	–	552	689
<b>TOTAL</b>	<b>22,293</b>	<b>8,785</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>552</b>	<b>31,630</b>

\$ '000	as at 30/06/18		Non-cash changes				as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement		Closing balance
Loans – secured	25,693	(3,400)	–	–	–		22,293
<b>TOTAL</b>	<b>25,693</b>	<b>(3,400)</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>22,293</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 13. Payables and borrowings (continued)

\$ '000	2020	2019
<b>(b) Financing arrangements</b>		
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>		
Bank overdraft facilities <sup>1</sup>	1,000	1,000
Credit cards/purchase cards	113	113
<b>Total financing arrangements</b>	<b>1,113</b>	<b>1,113</b>
<b>Drawn facilities as at balance date:</b>		
– Credit cards/purchase cards	23	33
<b>Total drawn financing arrangements</b>	<b>23</b>	<b>33</b>
<b>Undrawn facilities as at balance date:</b>		
– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	90	80
<b>Total undrawn financing arrangements</b>	<b>1,090</b>	<b>1,080</b>

## 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 for payables and borrowings

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

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

## Payables

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

## Borrowings

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	3,437	–	3,072	–
Sick leave	225	–	219	–
Long service leave	3,649	673	3,258	632
Other employee benefits	874	–	1,036	–
<b>Sub-total – aggregate employee benefits</b>	<b>8,185</b>	<b>673</b>	<b>7,585</b>	<b>632</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	1,057	–	1,047
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>1,057</b>	<b>–</b>	<b>1,047</b>
<b><u>TOTAL PROVISIONS</u></b>	<b><u>8,185</u></b>	<b><u>1,730</u></b>	<b><u>7,585</u></b>	<b><u>1,679</u></b>

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

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

Provisions – employees benefits	2,879	2,458
	<u>2,879</u>	<u>2,458</u>

**(b) Description of and movements in provisions**

\$ '000	Other provisions	
	Asset remediation	Total
<b>2020</b>		
At beginning of year	1,047	1,047
Unwinding of discount	10	10
<b>Total other provisions at end of year</b>	<b>1,057</b>	<b>1,057</b>
<b>2019</b>		
At beginning of year	1,037	1,037
Unwinding of discount	10	10
<b>Total other provisions at end of year</b>	<b>1,047</b>	<b>1,047</b>

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

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

**Accounting policy for provisions**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions (continued)

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

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

#### Employee benefits

##### Short-term obligations

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

##### Other long-term employee benefit obligations

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

##### On-costs

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

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

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

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

##### Restoration

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

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

##### Rehabilitation

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions (continued)

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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

#### (a) Nature and purpose of reserves

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

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

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

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

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

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

##### **Costs incurred in fulfilling customers contracts**

Prior to adopting AASB 15 Council would recognise direct costs associated with fulfilling customer contracts as expenses when incurred, as they did not qualify for recognition as assets under any other accounting standards. Under AASB 15, as these costs relate directly to the contracts, generate resources used in satisfying the contracts, and are expected to be recovered, they are capitalised as 'costs to fulfil a contract' assets and released through profit and loss on the same basis as the revenue is recognised.

##### **Revenue recognition from contract modifications**

In relation to contract modifications, AASB 15 requires customer approval, which is a more prudent criteria than the probability requirement in the previous standards and has resulted in deferral of revenue where unapproved works have been performed.

##### **Principal v agent**

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

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party.

The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to recorded profit.

##### **Licences**

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

##### **Prepaid rates**

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

##### **Grants - operating**

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

##### **Grants - capital**

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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

is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

**(i) AASB 15 and AASB 1058**

<b>\$ '000</b>	<b>Balance at 1 July 2019</b>
<b>Opening contract balances at 1 July 2019</b>	
<b>Contract assets</b>	
– Under AASB 15	–
– Under AASB 1058	–
<b>Total Contract assets</b>	<b>–</b>
<b>Contract liabilities</b>	
– Under AASB 15	3,978
– Under AASB 1058	–
<b>Total Contract liabilities</b>	<b>3,978</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

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

## Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassification	Remeasurement	Carrying amount under previous revenue standards	Notes
<b>Current assets</b>					
Cash and cash equivalents	24,499	—	—	24,499	
Investments	104,950	—	—	104,950	
Receivables	17,836	—	—	17,836	
Inventories	968	—	—	968	
Other	38	—	—	38	
<b>Total current assets</b>	<b>148,291</b>	<b>—</b>	<b>—</b>	<b>148,291</b>	
<b>Current liabilities</b>					
Payables	10,854	—	—	10,854	
Income received in advance	—	—	1,552	1,552	
Contract liabilities	6,571	—	(6,430)	141	
Lease liabilities	292	—	(294)	(2)	
Borrowings	4,298	—	—	4,298	
Provisions	8,185	—	—	8,185	
<b>Total current liabilities</b>	<b>30,200</b>	<b>—</b>	<b>(5,172)</b>	<b>25,028</b>	
<b>Non-current assets</b>					
Investments	54,426	—	—	54,426	
Receivables	283	—	—	283	
Inventories	17,373	—	—	17,373	
Infrastructure, property, plant and equipment	1,182,105	—	—	1,182,105	
Right of use assets	558	—	(468)	90	
<b>Total non-current assets</b>	<b>1,254,745</b>	<b>—</b>	<b>(468)</b>	<b>1,254,277</b>	
<b>Non-current liabilities</b>					
Lease liabilities	397	—	(258)	139	
Borrowings	26,643	—	—	26,643	
Provisions	1,730	—	—	1,730	
<b>Total Non-current liabilities</b>	<b>28,770</b>	<b>—</b>	<b>(258)</b>	<b>28,512</b>	
<b>Net assets</b>	<b>1,344,066</b>	<b>—</b>	<b>4,962</b>	<b>1,349,028</b>	
<b>Equity</b>					
Accumulated surplus	801,768	—	4,962	806,730	
Revaluation reserves	542,298	—	—	542,298	
<b>Council equity interest</b>	<b>1,344,066</b>	<b>—</b>	<b>4,962</b>	<b>1,349,028</b>	
<b>Total equity</b>	<b>1,344,066</b>	<b>—</b>	<b>4,962</b>	<b>1,349,028</b>	

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2020

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

<b>\$ '000</b>	<b>Income Statement and comprehensive income under AASB 15 and AASB 1058</b>	<b>Reclassification</b>	<b>Remeasurement</b>	<b>Income Statement and comprehensive income under previous revenue standards</b>	<b>Notes</b>
<b><u>Income from continuing operations</u></b>					
Rates and annual charges	46,133	—	—	46,133	
User charges and fees	34,250	—	—	34,250	
Other revenues	3,830	—	—	3,830	
Grants and contributions provided for operating purposes	14,688	—	1,949	16,637	
Grants and contributions provided for capital purposes	23,920	—	2,928	26,848	
Interest and investment income	3,566	—	—	3,566	
Net gains from the disposal of assets	312	—	—	312	
Rental income	1,505	—	—	1,505	
<b>Total Income from continuing operations</b>	<b>128,204</b>	<b>—</b>	<b>4,877</b>	<b>133,081</b>	
<b><u>Expenses from continuing operations</u></b>					
Employee benefits and on-costs	38,897	—	—	38,897	
Borrowing costs	996	—	(27)	969	
Materials and contracts	32,571	—	219	32,790	
Depreciation and amortisation	17,840	—	(277)	17,563	
Other expenses	5,901	—	—	5,901	
Revaluation decrement / impairment of IPP&E	50	—	—	50	
<b>Total Expenses from continuing operations</b>	<b>96,255</b>	<b>—</b>	<b>(85)</b>	<b>96,170</b>	
<b>Total Operating result from continuing operations</b>	<b>31,949</b>	<b>—</b>	<b>4,962</b>	<b>36,911</b>	
<b>Net operating result for the year</b>	<b>31,949</b>	<b>—</b>	<b>4,962</b>	<b>36,911</b>	
<b>Total comprehensive income</b>	<b>63,693</b>	<b>—</b>	<b>—</b>	<b>63,693</b>	

**Statement of Cash Flows for the year ended 30 June 2020**

## Explanation

The adoption of AASB 15 and AASB 1058 has not materially changed the statement of cash flows for the year ended 30 June 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

## Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	–	–
<b>Total assets</b>	<b>1,326,365</b>	<b>–</b>	<b>1,326,365</b>
Contract liabilities	–	3,978	3,978
<b>Total liabilities</b>	<b>42,013</b>	<b>3,978</b>	<b>45,991</b>
Accumulated surplus	773,798	(3,978)	769,820
<b>Total equity</b>	<b>1,284,352</b>	<b>(3,978)</b>	<b>1,280,374</b>

## (iii) AASB 16 Leases

## Council as a lessee

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

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

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

\$ '000	Balance at 1 July 2019
<b>Operating lease commitments at 30 June 2019 per Council financial statements</b>	<b>510</b>

## Reconciliation of lease liabilities recognised on adoption of AASB 16 Leases

<b>Operating lease commitments discounted using the incremental borrowing rate at 1 July 2019</b>	<b>489</b>
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## Add:

Contracts not accounted for as operating lease commitments last year	–
----------------------------------------------------------------------	---

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Balance at 1 July 2019
Finance lease liabilities	876
Extension options reasonably certain to be exercised not included in the commitments note	–
Variable lease payments linked to an index	–
Other	–
<b>Less:</b>	
Short-term leases included in commitments note	(6)
Leases for low-value assets included in commitments note	(504)
Other	–
<b>Lease liabilities recognised at 1 July 2019</b>	<b>855</b>

**Council as a lessor**

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

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

## Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Rights-of-use assets	–	876	876
<b>Total assets</b>	<b>1,326,365</b>	<b>876</b>	<b>1,327,241</b>
Payables – accrued interest on leases (30/6/2019)	–	1	1
Lease liabilities	–	876	876
<b>Total liabilities</b>	<b>42,013</b>	<b>877</b>	<b>42,890</b>
Accumulated surplus	–	(1)	(1)
<b>Total equity</b>	<b>1,284,352</b>	<b>(1)</b>	<b>1,284,351</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
<b>(a) Reconciliation of cash and cash equivalents</b>			
Total cash and cash equivalents per Statement of Financial Position	7(a)	24,499	12,929
<b>Balance as per the Statement of Cash Flows</b>		<b>24,499</b>	<b>12,929</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		31,949	32,534
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		17,840	17,532
Net losses/(gains) on disposal of assets		(312)	(2,798)
Non-cash capital grants and contributions		(1,344)	(1,312)
Adoption of AASB 15/1058		(3,978)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		50	–
Unwinding of discount rates on reinstatement provisions		10	–
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(1,704)	(3,698)
Increase/(decrease) in provision for impairment of receivables		1,279	–
Decrease/(increase) in inventories		28	(108)
Decrease/(increase) in other current assets		(16)	11
Increase/(decrease) in payables		2,711	801
Increase/(decrease) in accrued interest payable		5	(16)
Increase/(decrease) in other accrued expenses payable		76	80
Increase/(decrease) in other liabilities		(2,395)	641
Increase/(decrease) in contract liabilities		6,571	–
Increase/(decrease) in provision for employee benefits		641	658
Increase/(decrease) in other provisions		–	10
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>51,411</b>	<b>44,335</b>
<b>(c) Non-cash investing and financing activities</b>			
Developer contributions 'in kind'		951	1,312
Artworks		393	–
<b>Total non-cash investing and financing activities</b>		<b>1,344</b>	<b>1,312</b>



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 17. Interests in other entities

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#### Subsidiaries, joint arrangements and associates not recognised

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

##### **Civic Risk West**

Council became a member of this Joint Venture as of 1 July 2018, as per the actuarial report, Council holds 0% of the net assets as at 30 June 2020

##### **Civic Risk Mutual**

Council became a member of this Joint Venture as of 1 July 2018, as per the actuarial report, Council holds 0% of the net assets as at 30 June 2020

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Commitments

\$ '000	2020	2019
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## (a) Capital commitments (exclusive of GST)

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

**Property, plant and equipment**

Plant and equipment	691	423
Southern Feeder Road	974	10,832
Road Works	–	798
Wade Park – Indoor Cricket Centre	1,538	19
Animal Shelter	66	–
Sir Jack Brabham Park Forest Road Amenities	115	66
Footpath construction	–	43
Bus shelters	–	15
Civic Centre works	–	651
Northern Distributor Road - William Maker Drive roundabout	3,460	–
Robertson Park amenities	14	–
CBD Awning lights	1,170	–
Spring Creek to Icely Road Treatment plant emergency pipeline	2,362	–
Shralee Sewer gravity main	314	–
Sewer operations shed	117	–
<b>Total commitments</b>	<b>10,821</b>	<b>12,847</b>

**These expenditures are payable as follows:**

Within the next year	10,821	12,847
<b>Total payable</b>	<b>10,821</b>	<b>12,847</b>

**Sources for funding of capital commitments:**

Unrestricted general funds	7,867	12,427
Asset sales	48	68
Section 7.11 and 64 funds/reserves	1,668	66
Internally restricted reserves	1,238	286
<b>Total sources of funding</b>	<b>10,821</b>	<b>12,847</b>

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

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

Within the next year	–	262
Later than one year and not later than five years	–	248
<b>Total non-cancellable operating lease commitments</b>	<b>–</b>	<b>510</b>

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

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

The assets leased under these operating leases include - photocopiers, printers, IT equipment and large equipment including the equipment used in the Waste facilities, together with some of the larger Road equipment.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19. Contingencies

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

#### LIABILITIES NOT RECOGNISED

##### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

Orange City 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 AASB 119 Employee Benefits for the following reasons:

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

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

##### *Description of the funding arrangements.*

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

The 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 standard employer contribution rates are:

Division B	1.9 times member contributions for non-180 point members and 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% of salaries 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 additional contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2020.

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

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

As stated above, each sponsoring employer 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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19. Contingencies (continued)

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 the 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 2020 was \$ 643,482. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$620,889..

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$356,800 as at 30 June 2020.

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

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

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

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.

#### (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 is named as a guarantor on the loan between the Commonwealth Bank and the Orange Indoor Tennis Club these loan funds were used to fund the upgrade the playing surface. Council's maximum liability is \$14,128.29.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19. Contingencies (continued)

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Council has provided a Bank Guarantee totalling \$100,000 required to provide security to Transport for NSW for performance obligations under a contract for the construction of the Railway Overbridge on the Southern Feeder Road route.

#### 2. Other liabilities

##### (i) Third party claims

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

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

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

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

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

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

##### (iii) Potential legal settlements

As at 30 June 2020, Council was aware of potential legal claims totalling \$1.44 million, one in regards to a contractual dispute for the Southern Feeder Road, estimated cost of \$560,000 - this matter was settled in August 2020. The second claim is in regards to incomplete works at Orange Aerodrome with an estimate cost of \$880,000.

#### 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.

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.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management

## Risk management

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

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

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

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

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

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
– 'Financial assets at amortised cost'	124,750	–	124,750	–
Lease liabilities	689	–	552	–
Fair value is determined as follows:				

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

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

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

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

The risks associated with the instruments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2020</b>				
Possible impact of a 10% movement in market values	228	3,691	(228)	(3,691)
Possible impact of a 1% movement in interest rates	23	369	(23)	(369)
<b>2019</b>				
Possible impact of a 10% movement in market values	460	2,997	(460)	(2,997)
Possible impact of a 1% movement in interest rates	46	300	(46)	(300)

## (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 and carries out credit checks on most non-rate debtors.

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



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

## Credit risk profile

## Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2020</b>						
Gross carrying amount	1,663	460	364	451	278	3,216
<b>2019</b>						
Gross carrying amount	1,164	422	366	429	244	2,625

## Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2020</b>						
Gross carrying amount	8,788	1,446	12	409	5,708	16,363
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	25.58%	8.92%
<b>ECL provision</b>	–	–	–	–	1,460	1,460
<b>2019</b>						
Gross carrying amount	9,350	–	–	62	5,849	15,261
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	3.10%	1.19%
<b>ECL provision</b>	–	–	–	–	181	181

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

## (c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team 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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2020</b>							
Trade/other payables	0.00%	150	10,704	–	–	10,854	10,854
Loans and advances	3.79%	–	4,299	19,404	7,238	30,941	30,941
<b>Total financial liabilities</b>		<b>150</b>	<b>15,003</b>	<b>19,404</b>	<b>7,238</b>	<b>41,795</b>	<b>41,795</b>
<b>2019</b>							
Trade/other payables	0.00%	150	6,992	–	–	7,142	7,142
Loans and advances	4.10%	–	2,611	13,761	5,921	22,293	22,293
<b>Total financial liabilities</b>		<b>150</b>	<b>9,603</b>	<b>13,761</b>	<b>5,921</b>	<b>29,435</b>	<b>29,435</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 25/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
<b>REVENUES</b>				
<b>Operating grants and contributions</b>	<b>12,322</b>	<b>14,688</b>	<b>2,366</b>	<b>19% F</b>
Due to Covid 19 Council saw a considerable increase in the amount of operational funding for its childcare centres, together with a increase in the amount received from the advance payment of the Financial Assistance Grant.				
<b>Capital grants and contributions</b>	<b>42,932</b>	<b>23,920</b>	<b>(19,012)</b>	<b>(44)% U</b>
During the budget process, there are capital grants that are speculative and are not received during the year				
<b>Interest and investment revenue</b>	<b>2,903</b>	<b>3,566</b>	<b>663</b>	<b>23% F</b>
Council's investment portfolio has continued to exceed benchmarks set, however, with the reduction in the Cash rate by the Reserve Bank in the past financial year this result will continue to soften into the new financial year.				
Council has always taken a conservative approach to estimating returns on investments				
<b>Rental income</b>	<b>1,003</b>	<b>1,505</b>	<b>502</b>	<b>50% F</b>
Council takes a conservative approach in budgeting for rental income				
<b>EXPENSES</b>				
<b>Borrowing costs</b>	<b>1,260</b>	<b>996</b>	<b>264</b>	<b>21% F</b>
This is due to the timing of the draw down of Council's loans and the ability to obtain better than budgeted interest rates.				
<b>Materials and contracts</b>	<b>30,407</b>	<b>32,571</b>	<b>(2,164)</b>	<b>(7)% U</b>
<b>Other expenses</b>	<b>8,039</b>	<b>5,901</b>	<b>2,138</b>	<b>27% F</b>
Council made significant savings in its Electricity and Heating charges against budget. There was also a budget misallocation between Other expenses and Materials and contracts of \$1.3 million for the expenditure incurred for Library operations				
<b>Revaluation decrement / impairment of IPP&amp;E</b>	<b>–</b>	<b>50</b>	<b>(50)</b>	<b>∞ U</b>
Revaluation decrements and impairments are not included in the budget considerations				

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Material budget variations

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

**STATEMENT OF CASH FLOWS**

<b>Cash flows from operating activities</b>	<b>64,288</b>	<b>51,411</b>	<b>(12,877)</b>	<b>(20)%</b>	<b>U</b>
---------------------------------------------	---------------	---------------	-----------------	--------------	----------

The budget contains a number of speculative grants for capital projects, that were not realised during the year.

<b>Cash flows from investing activities</b>	<b>(68,648)</b>	<b>(48,302)</b>	<b>20,346</b>	<b>(30)%</b>	<b>F</b>
---------------------------------------------	-----------------	-----------------	---------------	--------------	----------

This variation from budget comes about from the movement in investment securities that are not included in the original budget, together with a smaller than budgeted expenditure on the purchase of IPP&E

<b>Cash flows from financing activities</b>	<b>9,964</b>	<b>8,461</b>	<b>(1,503)</b>	<b>(15)%</b>	<b>U</b>
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Not all budgeted loan funds were drawn down during the year.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement

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

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

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

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

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

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

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

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

#### Recurring fair value measurements

2020	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>\$ '000</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
– 'Designated at fair value on initial recognition'	30/06/20	–	34,626	–	34,626
<b>Total financial assets</b>		<b>–</b>	<b>34,626</b>	<b>–</b>	<b>34,626</b>
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment, furniture and fittings and office equipment	30/06/20	–	–	9,775	9,775
Crown Land	30/06/20	–	–	14,727	14,727
Operational land	30/06/19	–	91,524	–	91,524
Community land	30/06/20	–	–	30,872	30,872
Land under roads	30/06/19	–	–	4,360	4,360
Land improvements – non depreciable	30/06/16	–	–	313	313
Buildings	30/06/18	–	104,392	–	104,392
Other structures	30/06/16	–	–	33,679	33,679
Roads, bridges and footpaths	30/06/20	–	–	309,573	309,573
Stormwater drainage	30/06/20	–	–	117,943	117,943
Water and sewerage networks	30/06/20	–	–	384,004	384,004
Swimming pools, other open space/recreational assets	30/06/16	–	–	16,777	16,777
Heritage collections	30/06/19	–	–	–	–
Library books	30/06/16	–	–	731	731
Other assets – art works	30/06/16	–	–	11,012	11,012
Remediation assets	30/06/20	–	–	705	705
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>195,916</b>	<b>934,471</b>	<b>1,130,387</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

2019	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
\$ '000					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
– 'Designated at fair value on initial recognition'	30/06/19	–	29,967	–	29,967
<b>Total financial assets</b>		<b>–</b>	<b>29,967</b>	<b>–</b>	<b>29,967</b>
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment, furniture and fittings and office equipment	30/06/19	–	–	9,169	9,169
Crown Land	30/06/19	–	–	13,748	13,748
Operational land	30/06/19	–	94,775	–	94,775
Community land	30/06/19	–	–	28,728	28,728
Land under roads	30/06/19	–	–	4,352	4,352
Land improvements – non depreciable	30/06/16	–	–	34	34
Buildings	30/06/18	–	106,049	–	106,049
Other structures	30/06/16	–	–	32,944	32,944
Roads, bridges and footpaths	30/06/15	–	–	298,818	298,818
Stormwater drainage	30/06/15	–	–	91,466	91,466
Water and sewerage networks	30/06/19	–	–	384,251	384,251
Swimming pools, other open space/recreational assets	30/06/16	–	–	17,739	17,739
Heritage collections	30/06/19	–	–	–	–
Library books	30/06/16	–	–	666	666
Other assets – art works	30/06/16	–	–	10,619	10,619
Remediation assets	30/06/19	–	–	728	728
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>200,824</b>	<b>893,262</b>	<b>1,094,086</b>

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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

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

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

#### Financial assets

Investments - Designated at Fair Value on Initial Recognition

This classification comprises of a portfolio of Floating Rate Notes

Classifying the Floating Rate Notes as a Level 2 Fair Value measurement, reliance has been upon the Bank Confirmations received through the annual audit request process

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

##### Plant and Equipment, Office Equipment and Furniture and Fittings

Plant and equipment, Office equipment and Furniture and fittings are valued at cost, however, are reported at fair value in the notes. The carrying amount of these assets is assumed to reasonably approximate fair value due to the nature of these asset classes.

Examples of assets within these classes are as follows:

Plant and equipment - Motor vehicles, heavy plant, Theatre audio equipment, electronic scoreboards, mowers and laundry equipment

Office Equipment - computer and communication equipment

Furniture and fittings - Charis, desks, soft furnishings and floor coverings.

The key unobservable input to the valuations is the remaining lives of each of these assets.

##### Crown Land

Crown Land parcels that have been identified as being under the control of Council have been revalued as at 30 June 2019, this valuation was performed in-house using the values supplied by the NSW Valuer General. Where this value has not been provided a City wide square metre rate has been calculated and applied to these parcels of land.

##### Operational Land

This asset class encompasses all of Council's land that has been classified as Operational Land in accordance with the Local Government Act 1993.

Operational Land was revalued as at 30 June 2019, this work was completed by Council using the 2019 Valuer General land valuations.

In accordance with the Local Government Code of Accounting Practice and Financial Reporting, Operational land should be valued at market value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price, for example: dimensions of the land, planning and development constraints and any potential alternative use.

The key unobservable input is the deficiency of observable market evidence to support the rates used.

##### Community Land

Community Land has been revalued as at 30 June 2020 this valuation has been performed in-house using the values provided by the NSW Valuer-General that were ascertained in their revaluation for rating purposes. Where this value has not been provided a City wide square metre rate has been calculated and applied to these parcels of land.

The key unobservable input is the deficiency of observable market evidence to support the rates used.



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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#### Land under Roads

Council elected to recognise Land under Roads where it has been acquired after 1 July 2008.

This class of asset has been revalued at 30 June 2019, using an average of the valuation supplied by the NSW Valuer General of the adjoining land parcels to provide a square metre rate that has then been applied to the area of the designated Land under Roads.

#### Land improvements - Depreciable and Non-depreciable

This asset class comprises of the Lake Canobolas Earth Sanctuary, walking trails, foreshore improvements at Gosling Creek Reserve and the site rehabilitation improvements at Wentworth Mine.

Land improvements have been valued at cost, however, reported at fair value in the notes. The carrying amount of these assets has been used to approximate fair value due to the nature of the assets within this class.

This asset class is scheduled for revaluation during the 2021 Financial year.

#### Buildings - Non specialised and specialised

Buildings were revalued as at 30 June 2018. They have been valued using a combination of external valuers and in-house expertise to provide valuations for the smaller buildings.

The external valuer used to complete the valuations of our larger buildings such as, the Civic Administration/Theatre complex, Art Gallery and Library and the Orange Regional Conservatorium building was Mr Scott Fullarton of Scott Fullarton Valuations Pty Ltd.

In-house valuations were made using Cordell's to approximate the current construction of each building.

Both the external and in-house valuer physically inspected all buildings with their respective brief.

As these methodologies provided rates that can be substantiated by market evidence, these assets have been classified as having being valued using Level 2 inputs.

#### Roads, Bridges and Footpaths

The asset class has been revalued as at 30 June 2020. Included within this asset class are Road surfaces, roundabouts, medians and kerb and gutters.

This class of asset was revalued using in-house valuation based upon unit rates that were Council's current construction rates at the time of valuation. The appropriate rates were applied to the square metre area of each component of each transport asset.

Civil Engineering consultants, Infrastructure Management Group (IMG) were engaged by Council to conduct testing and provide condition rating information for Transport assets.

Inspection of the assets is performed on a continuing basis.

Council's square metre rates are significantly lower than those observable in the market, as Council owns a significant amount of road rehabilitation equipment, it has been considered that these assets have been valued using Level 3 inputs as they are unable to be supported by current market evidence.

#### Stormwater Drainage

Stormwater drainage includes channels and detention basins. This class of asset has been revalued as at 30 June 2020.

The revaluation was performed in-house, using current construction unit rates and applying these to each drainage asset. As these rates are unable to be supported by market evidence, this asset class has been classified as being valued using Level 3 inputs.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

**Water supply and Sewerage network**

The Water supply and Sewerage network were revalued as at 30 June 2017, this revaluation was performed by Australis Asset Advisory Group, under a group co-ordinated by the CENTROC (Central NSW Councils) for Council's major water and sewer infrastructure assets.

Water supply and Sewerage network assets are indexed annually using the Modern Engineering Equivalent assets (MEERA) rates provided by the NSW Office of Water.

This valuation was performed using physical inspections and CCTV footage of the networks.

The methodology used in this valuation is a depreciated replacement costs using standard unit rates. It also considered the nature of the assets, their current condition and strategic considerations that may influence asset life. The reference rates used have been issued by the NSW Office of Water.

Water supply and Sewerage network assets are indexed annually using the Modern Engineering Equivalent assets (MEERA) rates provided by the NSW Office of Water.

**Library books**

Library books are valued at cost but are disclosed at fair value in the notes. The carrying value is assumed to approximate fair value due to the nature of the assets.

**Other assets**

This class of asset comprises of the Catalogued Art works owned by Council. This class of asset has been revalued during the 2016 Financial year. This revaluation was performed by ARTiFACTS - specialists in collection management, market advice, appraisals and valuations.

**Tip and Quarry remediation**

Council owns and operates the Ophir Road and Euchareena Road Resource Recovery facilities together with the Cullya and Phillip Street quarries.

Closure of any of these facilities will require Council to rehabilitate all sites; activities would include capping, site revegetation, leachate management and decommissioning.

The costs of remediation are considered at the end of each reporting period.

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

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

\$ '000	IPP&E Assets
<b>2019</b>	
Opening balance 1 July	840,733
Purchases (GBV)	17,841
Depreciation and impairment	(14,787)
Transfer from Work in progress and adjustments	35,804
Revaluation adjustments	16,309
Disposals (WDV)	(2,638)
<b>Closing balance 30 June</b>	<b>893,262</b>
<b>2020</b>	
Opening balance 1 July	893,262
Purchases (GBV)	12,718
Depreciation and impairment	(14,153)
Transfer from Work in progress and adjustments	7,096

continued on next page ...

Page 73

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

\$ '000	IPP&E Assets
Revaluation adjustments	36,093
Disposals (WDV)	(545)
<b>Closing balance 30 June</b>	<b>934,471</b>

**c. 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
<b>Financial assets</b>		
Fair value on initial recognition	Advisor report	Unit price
<b>Infrastructure, property, plant and equipment</b>		
Plant, equipment, furniture, fittings and office equipment	Cost used to approximate fair value	Gross replacement cost, Useful life
Crown Land	Information provided by the NSW Valuer General	Land Value, Land area
Community Land	Information provided by the NSW Valuer General	Land Value , Land area
Land Under Roads	Average unit rate	Land Value , Land area
Land Improvements	Unit rates per m2 or length	Asset condition, remaining lives, residual value
Other Structures	Unit rates per m2 or length	Asset condition, remaining lives
Roads	Unit rates per m2 or length	Asset condition, remaining lives
Library books	Cost used to approximate fair value	Asset condition, remaining lives
Other - Art Works	Insurance value	The level of appreciation of the asset
Stormwater Drainage	Unit rates per m2 or length	Asset condition, remaining lives
Swimming Pools, Other Open Space / Recreational Assets	Unit rates per m2 or length	Asset condition, remaining lives

**(4) Highest and best use**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 23. Related party disclosures

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#### (a) Key management personnel

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

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

\$ '000	2020	2019
<b>Compensation:</b>		
Short-term benefits	1,455	1,465
Other long-term benefits	10	30
Termination benefits	—	472
<b>Total</b>	<b>1,465</b>	<b>1,967</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 23. Related party disclosures (continued)

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

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

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
<b>\$ '000</b>						
<b>2020</b>						
Training Services	1	–	–	Council terms 30 days. Procurement processes followed for all purchases	–	–
Electrical Services	2	14	–	Council terms 30 days. Procurement process followed for all purchase	–	–
Catering Services	3	21	–	Council terms 30 days. Procurement process followed for all purchase	–	–
Communication services	4	4	–	Council terms 30 days. Procurement process followed for all purchase	–	–
<b>2019</b>						
Training Services	1	2	–	Council terms 30 days. Procurement processes followed for all purchases	–	–
Electrical Services	2	4	–	Council terms 30 days. Procurement process followed for all purchase	–	–
Catering Services	3	33	–	Council terms 30 days. Procurement process followed for all purchase	–	–

1 3 KMPs on Board and 1 as an employee of an entity that Council purchases training services from. Reported due to large number KMPs on Board.

2 A KMP is a principal in an electrical services business. All services provided have been done so in accordance with Council's purchasing policy. Arms length established.

3 A KMP has a close relative that provides catering services to Council. All services provided have been done so in accordance with Council's purchasing policy. Arms length established

4 A KMP has a close relative that provides communication services to Council. All services provided have been done so in accordance with Council's purchasing policy. Arms length established

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 23. Related party disclosures (continued)

#### (c) Other related party transactions

\$ '000	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
<b>2020</b>						
CENTROC - 1 of 14 Members	1	246	—		—	—
TDO Ltd - 4 KMPs on Board	2	461	—		—	—
<b>2019</b>						
CENTROC - 1 of 14 Members	1	338	—		—	—
TDO Ltd - 4 KMPs on Board	2	428	—		—	—

1 Council is a member with the other councils of CENTROC. Membership fees established by agreement with members

2 Council has representation on the Board of TDO Ltd totalling 3 of 11 members. Membership resolved by Council. TDO Ltd is a provider of Tourism services to Orange, Blayney and Cabonne Local Government Areas.

### Note 24. Events occurring after the reporting date

Council is owed \$5.2 million by an external party but this invoice is currently the subject of a dispute. Legal action may ensue in the future.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 25. Statement of developer contributions

#### Summary of contributions and levies

\$ '000	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	2,337	268	160	50	–	–	2,655	–
Roads	(850)	6,086	664	(44)	(4,713)	–	479	–
Parking	28	58	–	2	–	–	88	–
Open space	3,905	314	–	52	(34)	–	4,237	–
Community facilities	888	141	–	19	–	–	1,048	–
Legals	54	–	–	1	–	–	55	–
Survey/design/management	112	505	–	2	(90)	–	529	–
Plan preparation and administration	744	91	–	16	–	–	851	–
Local Area Facilities	3,403	3,100	–	60	(2,776)	–	3,787	–
<b>S7.11 contributions – under a plan</b>	<b>10,621</b>	<b>10,563</b>	<b>824</b>	<b>158</b>	<b>(7,613)</b>	<b>–</b>	<b>13,729</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>10,621</b>	<b>10,563</b>	<b>824</b>	<b>158</b>	<b>(7,613)</b>	<b>–</b>	<b>13,729</b>	<b>–</b>
S7.11 not under plans	90	–	–	2	–	–	92	–
S7.4 planning agreements	386	–	–	–	(386)	–	–	–
S64 contributions	29,853	3,481	127	574	(1,710)	–	32,198	–
<b>Total contributions</b>	<b>40,950</b>	<b>14,044</b>	<b>951</b>	<b>734</b>	<b>(9,709)</b>	<b>–</b>	<b>46,019</b>	<b>–</b>



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 25. Statement of developer contributions (continued)

\$ '000	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN – ORANGE CITY COUNCIL								
Drainage	2,337	268	160	50	–	–	2,655	–
Roads	(850)	6,086	664	(44)	(4,713)	–	479	–
Parking	28	58	–	2	–	–	88	–
Open space	3,905	314	–	52	(34)	–	4,237	–
Community facilities	888	141	–	19	–	–	1,048	–
Legals	54	–	–	1	–	–	55	–
Survey/design/management	112	505	–	2	(90)	–	529	–
Plan preparation and administration	744	91	–	16	–	–	851	–
Total	7,218	7,463	824	98	(4,837)	–	9,942	–
CONTRIBUTION PLAN – WARATAHS								
Local Area Facilities	3,987	959	–	76	(1,003)	–	4,019	–
Total	3,987	959	–	76	(1,003)	–	4,019	–
CONTRIBUTION PLAN – NW ORANGE								
Local Area Facilities	599	20	–	12	(101)	–	530	–
Total	599	20	–	12	(101)	–	530	–
CONTRIBUTION PLAN – PLOUGHMANS VALLEY								
Local Area Facilities	(593)	1,148	–	(11)	(381)	–	163	–
Total	(593)	1,148	–	(11)	(381)	–	163	–
CONTRIBUTION PLAN - SHIRALEE								
Local Area Facilities	(590)	973	–	(17)	(1,291)	–	(925)	–
Total	(590)	973	–	(17)	(1,291)	–	(925)	–

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 25. Statement of developer contributions (continued)

	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
<b>\$ '000</b>								
<b>S7.11 Contributions – not under a plan</b>								
<b>CONTRIBUTIONS NOT UNDER A PLAN</b>								
Traffic facilities	90	–	–	2	–	–	92	–
<b>Total</b>	<b>90</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>92</b>	<b>–</b>
 <b>S7.4 planning agreements</b>								
<b>VPA</b>								
Traffic facilities	386	–	–	–	(386)	–	–	–
<b>Total</b>	<b>386</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(386)</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 26. Result by fund

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
<b>Income Statement by fund</b>			
<b>Income from continuing operations</b>			
Rates and annual charges	40,586	5,547	–
User charges and fees	15,515	8,354	10,381
Interest and investment revenue	1,105	1,203	1,258
Other revenues	3,153	335	342
Grants and contributions provided for operating purposes	14,283	185	220
Grants and contributions provided for capital purposes	18,592	3,551	1,777
Net gains from disposal of assets	215	38	59
Rental income	1,505	–	–
<b>Total income from continuing operations</b>	<b>94,954</b>	<b>19,213</b>	<b>14,037</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	34,706	2,082	2,109
Borrowing costs	728	232	36
Materials and contracts	22,657	6,298	3,616
Depreciation and amortisation	10,762	4,182	2,896
Other expenses	3,495	1,596	810
Revaluation decrement /impairment of IPPE	50	–	–
<b>Total expenses from continuing operations</b>	<b>72,398</b>	<b>14,390</b>	<b>9,467</b>
<b>Operating result from continuing operations</b>	<b>22,556</b>	<b>4,823</b>	<b>4,570</b>
<b>Net operating result for the year</b>	<b>22,556</b>	<b>4,823</b>	<b>4,570</b>
<b>Net operating result attributable to each council fund</b>	<b>22,556</b>	<b>4,823</b>	<b>4,570</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>3,964</b>	<b>1,272</b>	<b>2,793</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 26. Result by fund (continued)

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
<b>Statement of Financial Position by fund</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	16,217	2,807	5,475
Investments	39,469	39,981	25,500
Receivables	10,330	3,023	4,483
Inventories	445	459	64
Other	15	23	—
<b>Total current assets</b>	<b>66,476</b>	<b>46,293</b>	<b>35,522</b>
<b>Non-current assets</b>			
Investments	14,053	18,166	22,207
Receivables	283	—	8,993
Inventories	17,373	—	—
Infrastructure, property, plant and equipment	757,434	247,738	176,933
Right of use assets	558	—	—
<b>Total non-current assets</b>	<b>789,701</b>	<b>265,904</b>	<b>208,133</b>
<b>TOTAL ASSETS</b>	<b>856,177</b>	<b>312,197</b>	<b>243,655</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	17,692	2,150	5
Contract liabilities	5,958	613	—
Lease liabilities	292	—	—
Borrowings	3,856	286	156
Provisions	7,003	831	351
<b>Total current liabilities</b>	<b>34,801</b>	<b>3,880</b>	<b>512</b>
<b>Non-current liabilities</b>			
Lease liabilities	397	—	—
Borrowings	16,527	9,427	689
Provisions	1,666	17	47
<b>Total non-current liabilities</b>	<b>18,590</b>	<b>9,444</b>	<b>736</b>
<b>TOTAL LIABILITIES</b>	<b>53,391</b>	<b>13,324</b>	<b>1,248</b>
<b>Net assets</b>	<b>802,786</b>	<b>298,873</b>	<b>242,407</b>
<b>EQUITY</b>			
Accumulated surplus	474,180	180,105	147,483
Revaluation reserves	328,606	118,768	94,924
<b>Council equity interest</b>	<b>802,786</b>	<b>298,873</b>	<b>242,407</b>
<b>Total equity</b>	<b>802,786</b>	<b>298,873</b>	<b>242,407</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 26. Result by fund (continued)

## Details of individual internal loans for the year ended 30 June 2020

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

Details of individual internal loans	Macquarie Pipeline (Interest only)	Emergency 24hr Hangar	Airport Properties
Borrower (by purpose)	Water Fund	General Fund	General Fund
Lender (by purpose)	Sewer Fund	Sewer Fund	Sewer Fund
Date of minister's approval	13/10/2010	16/11/2016	22/06/2017
Date raised	30/06/2015	16/11/2016	22/06/2017
Term (years)	20	24	10
Dates of maturity	30/06/2035	16/11/2040	22/6/2027
Rate of interest	2	2	2
Amount originally raised	\$8,166,000	\$3,300,000	\$2,493,000
Total repaid during year (principal and interest)	\$166,000	\$178,000	\$290,000
<b>Principal outstanding at end of year</b>	<b>\$8,166,000</b>	<b>\$2,955,000</b>	<b>\$1,760,000</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 27(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods 20192018		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	7,767	7.47%	10.18%	14.01%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	103,972				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	89,284	69.81%	72.77%	72.84%	>60.00%
Total continuing operating revenue <sup>1</sup>	127,892				
3. Unrestricted current ratio					
Current assets less all external restrictions	49,651	2.39x	3.41x	2.75x	>1.50x
Current liabilities less specific purpose liabilities	20,756				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	26,603	6.59x	6.54x	8.02x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,035				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	3,407	6.90%	6.35%	6.27%	<10.00%
Rates, annual and extra charges collectible	49,368				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	149,249	21.39 mths	19.24 mths	16.83 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	6,978				

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 27(b). Statement of performance measures – by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>4.99%</b>	6.04%	<b>7.90%</b>	16.97%	<b>22.41%</b>	24.88%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>65.30%</b>	66.04%	<b>80.52%</b>	91.27%	<b>85.71%</b>	91.34%	>60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>2.34x</b>	3.41x	<b>13.08x</b>	19.48x	<b>87.71x</b>	50.90x	>1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>4.57x</b>	3.90x	<b>11.14x</b>	30.52x	<b>30.46x</b>	32.63x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	<b>6.54%</b>	2.66%	<b>11.39%</b>	9.30%	<b>5.33%</b>	4.55%	<10.00%
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>12.23</b>	18.24	<b>56.15</b>	∞	<b>58.74</b>	∞	>3.00
Payments from cash flow of operating and financing activities	<b>mths</b>	mths	<b>mths</b>		<b>mths</b>		mths

(1) - (2) Refer to Notes at Note 26a above.

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





## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Orange City Council

To the Councillors of Orange City Council

### Opinion

I have audited the accompanying financial statements of Orange City 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 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

## Basis for Opinion

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

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

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

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

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

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

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

## Other Information

The Council's annual report for the year ended 30 June 2020 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](http://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 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 November 2020  
SYDNEY



Cr Reg Kidd  
Mayor  
Orange City Council  
PO Box 35  
ORANGE NSW 2800

Contact: Chris Harper  
Phone no: 02 9275 7374  
Our ref: D2027776/1774

30 November 2020

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2020  
Orange City Council**

I have audited the general purpose financial statements (GPFS) of Orange City Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 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.

The matter will be included in the Management letter as a high risk item in more detail:





### **Internal revaluation of Infrastructure, Property, Plant and Equipment (IPPE)**

Council performed a comprehensive revaluation of its roads, bridges, footpaths and stormwater drainage assets in 2019-20. These asset classes were last revalued in 2015. We observed issues relating to the application of incorrect unit rates, duplicated assets and inclusion of roads not controlled by Council.

This resulted in an overstatement of the value of IPPE by \$15 million, which was subsequently corrected. Council should perform more robust quality review procedures over the results of future revaluations, to ensure completeness and accuracy of the outcomes.

## INCOME STATEMENT

### Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	46.1	43.9	 5.0
Grants and contributions revenue	38.6	33.0	 17.0
Operating result from continuing operations	31.9	32.5	 1.8
Net operating result before capital grants and contributions	8.0	13.4	 40.3

The Council's operating result from continuing operations (\$31.9 million including depreciation and amortisation expense of \$17.8 million) was \$0.6 million lower than the 2018–19 result. The movement is not overly significant as increased revenues were largely offset by increased expenditure from continuing operations.

The net operating result before capital grants and contributions of \$8.0 million was \$5.4 million lower than the 2018–19 result. The movement was largely a result of a \$2.1 million increase in raw materials and contracts expenditure (\$32.6 million in 2019-20), a \$1.0 million increase in employee benefits and on-costs (\$38.9 million in 2019-20) and a reduction in user charges and fees of \$2.9 million (\$34.3 million in 2019-20).

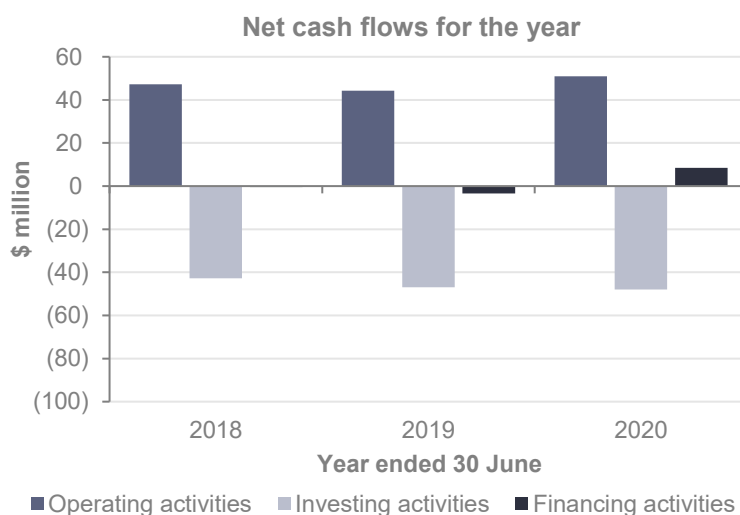
Rates and annual charges revenue (\$46.1 million) increased by \$2.2 million (5.0 per cent) in 2019–20 due to a 2.7 per cent increase in the rate peg allowed by IPART and an increase in the number of overall assessments.

Grants and contributions revenue (\$38.6 million) increased by \$5.6 million (17.0 per cent) in 2019–20. In 2019-20 Council received:

- \$4.9 million of 2019–20 financial assistance grants
- \$19.7 million of special purpose grants
- \$9.1 million of developer contributions
- \$4.9 million of other contributions.

## STATEMENT OF CASH FLOWS

Cash balances increased by \$11.6 million to \$24.5 million at 30 June 2020. The increase in cash was driven by an increase of \$8.5 million in additional borrowings and increased net cash received from operating activities during the year. Overall cash and investments have increased by \$20.0 million.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	145.0	125.2	Externally restricted balances include unexpended loans, grants, developer contributions, water, sewer and domestic waste management charges.
Internal restrictions	25.1	23.4	
Unrestricted	13.8	15.3	
<b>Cash and investments</b>	<b>183.9</b>	<b>163.9</b>	Balances are internally restricted due to Council policy or decisions for forward plans, including works program. Unrestricted balances provide liquidity for day-to-day operations.

### Debt

Council obtained additional financing during 2019-20, increasing its borrowings from \$22.3 million as at 30 June 2019 to \$30.9 million as at 30 June 2020.

## PERFORMANCE

### Performance measures

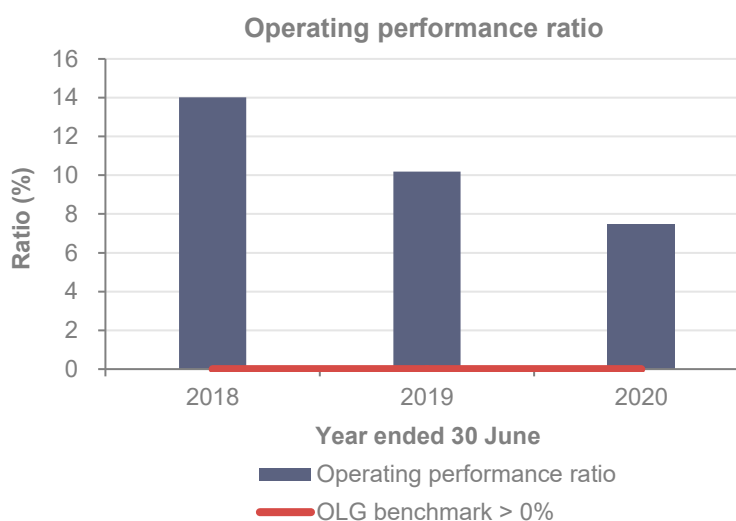
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

## Operating performance ratio

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

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

The decrease in Council's ratio is largely driven by a reduction of \$2.9 million in Council's user charges and fees as a result of COVID-19 restrictions, \$1.0 million lower interest and investment revenue due to reduced interest rates and \$2.1 million increase in materials and contracts expenditure.

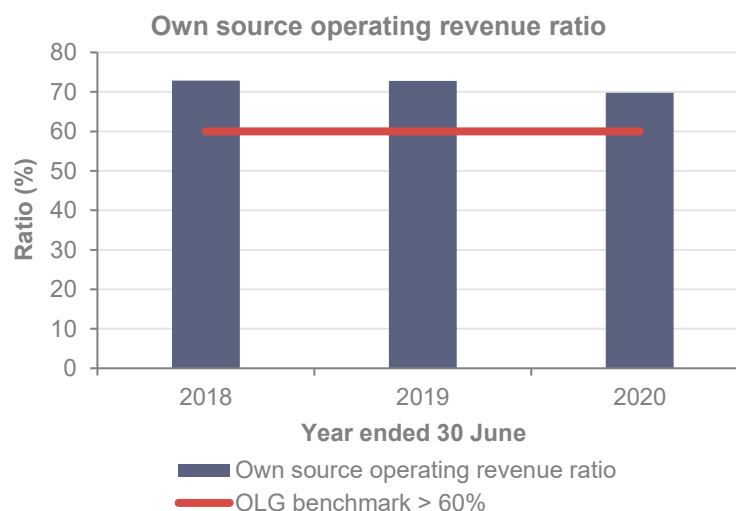


## Own source operating revenue ratio

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

Council continues to exceed the OLG benchmark for the current reporting period.

The ratio has remained relatively stable in recent years.



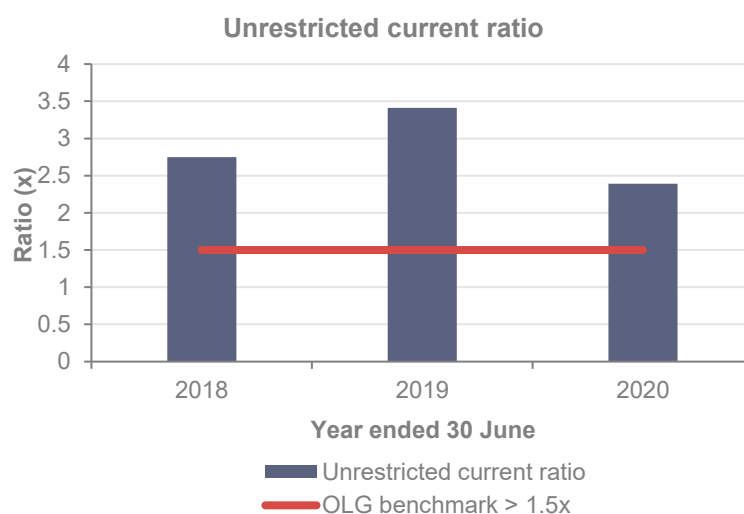


## Unrestricted current ratio

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

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

Council's ratio reduced in 2019-20 largely due to an increase in current borrowings of \$1.7 million.

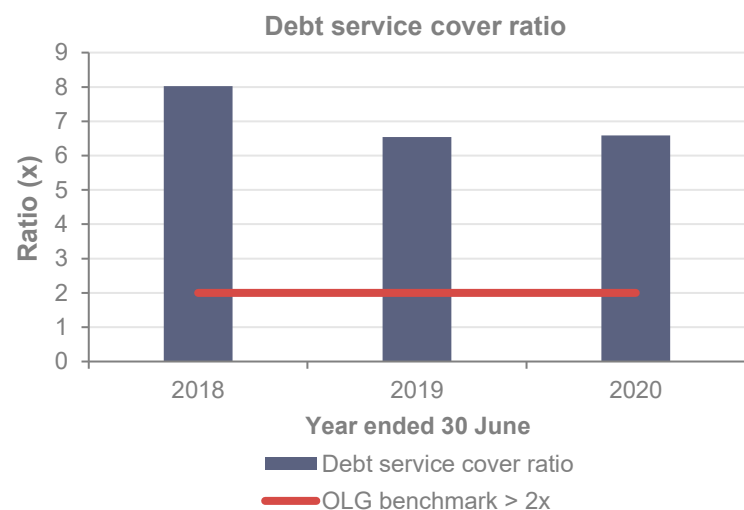


## Debt service cover ratio

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

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

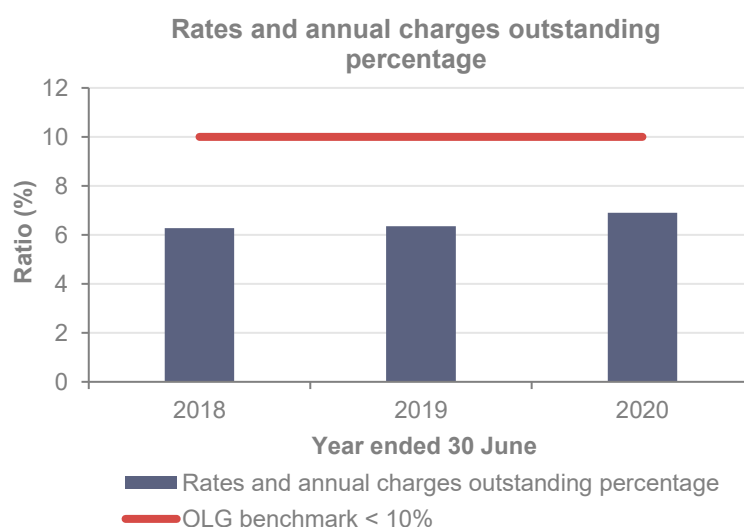
The primary reason for the reduction in the ratio in 2019-20 is due to increased current borrowings of \$1.7 million.



## Rates and annual charges outstanding percentage

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

The Council met the OLG benchmark for the current reporting period and remains relatively consistent with previous years.

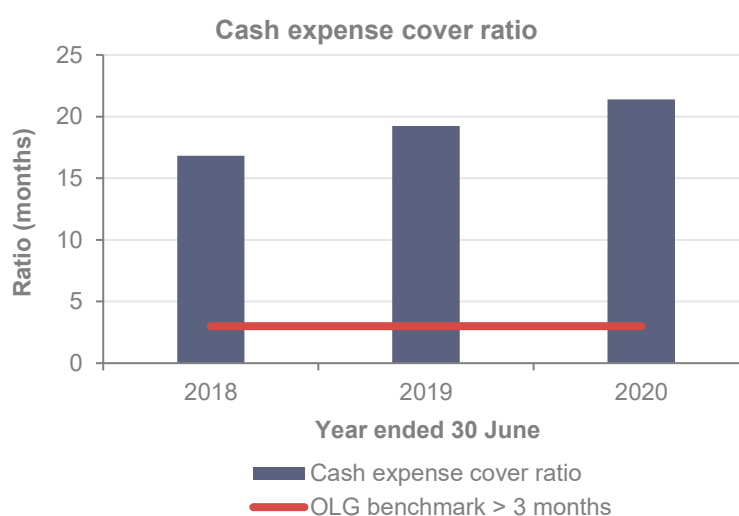


## Cash expense cover ratio

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

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

The improved ratio is due to an increase in investments as part of Council's financing strategy.



## Infrastructure, property, plant and equipment renewals

Council's performance is as follows:

- asset renewals were \$874,000 in 2019-20 compared to \$1.1 million in the prior year
- during 2019-20, \$40.7 million was spent on new assets, including \$2.8 million of roads infrastructure and \$26.9 million of various capital works.

## OTHER MATTERS

### Impact of new accounting standards

#### AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019-20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$4.0 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 15.

#### AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019-20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council recognised right-of-use assets of \$876,000 and lease liabilities of \$855,000 at 1 July 2019.

The Council disclosed the impact of adopting AASB 16 in Note 15.

## **Legislative compliance**

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

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



Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr David Waddell, Chief Executive Officer  
Mr Phil Burgett, Chair of Audit, Risk and Improvement Committee  
Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment

# Orange City Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2020

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*A proud, vibrant community that embraces, fosters and  
supports natural, social, cultural and economic diversity*



## Special Purpose Financial Statements

for the year ended 30 June 2020

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Contents	Page
<b>Statement by Councillors &amp; Management</b>	<b>3</b>
<b>Special Purpose Financial Statements</b>	
Income Statement – Water Supply Business Activity	4
Income Statement – Sewerage Business Activity	5
Income Statement – Caravan park	6
Income Statement – Child care	7
Statement of Financial Position – Water Supply Business Activity	8
Statement of Financial Position – Sewerage Business Activity	9
Statement of Financial Position – Caravan park	10
Statement of Financial Position – Child care	11
<b>Note 1 – Significant Accounting Policies</b>	<b>12</b>
<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>15</b>

## Orange City Council

### Special Purpose Financial Statements for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 15 September 2020.



Cr R Kidd  
Mayor  
15 September 2020



Cr K Duffy  
Councillor  
15 September 2020



Mr T D Waddell  
Chief Executive Officer  
15 September 2020



Mr J Cooke  
Responsible Accounting Officer  
15 September 2020

# Income Statement – Water Supply Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Income from continuing operations</b>		
Access charges	5,547	7,425
User charges	8,354	8,371
Interest	1,203	1,444
Grants and contributions provided for non-capital purposes	185	193
Profit from the sale of assets	38	15
Other income	335	290
<b>Total income from continuing operations</b>	<b>15,662</b>	<b>17,738</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,082	1,963
Borrowing costs	232	242
Materials and contracts	6,298	6,749
Depreciation, amortisation and impairment	4,182	4,133
Loss on sale of assets	–	122
Other expenses	1,596	1,518
<b>Total expenses from continuing operations</b>	<b>14,390</b>	<b>14,727</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,272</b>	<b>3,011</b>
Grants and contributions provided for capital purposes	3,551	1,485
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>4,823</b>	<b>4,496</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>4,823</b>	<b>4,496</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(350)	(828)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>4,473</b>	<b>3,668</b>
<b>Plus accumulated surplus</b>	<b>175,282</b>	<b>171,399</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	350	828
<b>Closing accumulated surplus</b>	<b>180,105</b>	<b>175,895</b>
<b>Return on capital %</b>	<b>0.6%</b>	<b>1.3%</b>
<b>Subsidy from Council</b>	<b>676</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	4,473	3,668
Less: capital grants and contributions (excluding developer contributions)	(3,551)	(1,485)
<b>Surplus for dividend calculation purposes</b>	<b>922</b>	<b>2,183</b>
<b>Potential dividend calculated from surplus</b>	<b>461</b>	<b>1,091</b>



# Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Income from continuing operations</b>		
User charges	10,381	10,523
Interest	1,258	1,516
Grants and contributions provided for non-capital purposes	220	164
Profit from the sale of assets	59	12
Other income	342	363
<b>Total income from continuing operations</b>	<b>12,260</b>	<b>12,578</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	2,109	1,958
Borrowing costs	36	42
Materials and contracts	3,616	3,716
Depreciation, amortisation and impairment	2,896	2,898
Loss on sale of assets	–	11
Other expenses	810	823
<b>Total expenses from continuing operations</b>	<b>9,467</b>	<b>9,448</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>2,793</b>	<b>3,130</b>
Grants and contributions provided for capital purposes	1,777	1,013
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>4,570</b>	<b>4,143</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>4,570</b>	<b>4,143</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(768)	(861)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>3,802</b>	<b>3,282</b>
<b>Plus accumulated surplus</b>	<b>142,913</b>	<b>138,911</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	768	861
<b>Closing accumulated surplus</b>	<b>147,483</b>	<b>143,054</b>
<b>Return on capital %</b>	<b>1.6%</b>	<b>1.8%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	3,802	3,282
Less: capital grants and contributions (excluding developer contributions)	(1,777)	(1,013)
<b>Surplus for dividend calculation purposes</b>	<b>2,025</b>	<b>2,269</b>
<b>Potential dividend calculated from surplus</b>	<b>1,012</b>	<b>1,135</b>

# Income Statement – Caravan park

for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
<b>Income from continuing operations</b>		
User charges	472	549
Other income	8	10
<b>Total income from continuing operations</b>	<b>480</b>	<b>559</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	468	446
Materials and contracts	162	181
Depreciation, amortisation and impairment	70	64
Other expenses	72	77
<b>Total expenses from continuing operations</b>	<b>772</b>	<b>768</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(292)</b>	<b>(209)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(292)</b>	<b>(209)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(292)</b>	<b>(209)</b>
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(292)</b>	<b>(209)</b>
<b>Plus accumulated surplus</b>	216	425
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>(76)</b>	<b>216</b>
<b>Return on capital %</b>	<b>(17.5)%</b>	<b>(12.6)%</b>
<b>Subsidy from Council</b>	<b>307</b>	<b>231</b>

# Income Statement – Child care

for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
<b>Income from continuing operations</b>		
User charges	4,800	4,920
Grants and contributions provided for non-capital purposes	875	324
Profit from the sale of assets	–	18
Other income	25	31
<b>Total income from continuing operations</b>	<b>5,700</b>	<b>5,293</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	3,392	3,311
Materials and contracts	1,494	1,568
Depreciation, amortisation and impairment	110	100
Other expenses	46	45
<b>Total expenses from continuing operations</b>	<b>5,042</b>	<b>5,024</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>658</b>	<b>269</b>
Grants and contributions provided for capital purposes	14	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>672</b>	<b>269</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>672</b>	<b>269</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(181)	(74)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>491</b>	<b>195</b>
<b>Plus accumulated surplus</b>	<b>2,468</b>	<b>2,199</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	181	74
<b>Closing accumulated surplus</b>	<b>3,140</b>	<b>2,468</b>
<b>Return on capital %</b>	<b>28.7%</b>	<b>11.8%</b>

## Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
<b>Current assets</b>		
Cash and cash equivalents	2,807	4,052
Investments	39,981	42,500
Receivables	3,023	2,974
Inventories	459	474
Other	23	23
<b>Total current assets</b>	<b>46,293</b>	<b>50,023</b>
<b>Non-current assets</b>		
Investments	18,166	6,867
Receivables	–	254
Infrastructure, property, plant and equipment	247,738	245,706
<b>Total non-current assets</b>	<b>265,904</b>	<b>252,827</b>
<b>TOTAL ASSETS</b>	<b>312,197</b>	<b>302,850</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	613	–
Payables	2,150	23
Borrowings	286	1,822
Provisions	831	723
<b>Total current liabilities</b>	<b>3,880</b>	<b>2,568</b>
<b>Non-current liabilities</b>		
Borrowings	9,427	8,166
Provisions	17	20
<b>Total non-current liabilities</b>	<b>9,444</b>	<b>8,186</b>
<b>TOTAL LIABILITIES</b>	<b>13,324</b>	<b>10,754</b>
<b>NET ASSETS</b>	<b>298,873</b>	<b>292,096</b>
<b>EQUITY</b>		
Accumulated surplus	180,105	175,895
Revaluation reserves	118,768	116,201
<b>TOTAL EQUITY</b>	<b>298,873</b>	<b>292,096</b>

## Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

<b>\$ '000</b>	<b>2020</b>	<b>2019</b>
<b>Current assets</b>		
Cash and cash equivalents	5,475	2,935
Investments	25,500	39,250
Receivables	4,483	1,419
Inventories	64	64
<b>Total current assets</b>	<b>35,522</b>	<b>43,668</b>
<b>Non-current assets</b>		
Investments	22,207	5,048
Receivables	8,993	13,247
Infrastructure, property, plant and equipment	176,933	175,942
<b>Total non-current assets</b>	<b>208,133</b>	<b>194,237</b>
<b>TOTAL ASSETS</b>	<b>243,655</b>	<b>237,905</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	5	392
Borrowings	156	150
Provisions	351	316
<b>Total current liabilities</b>	<b>512</b>	<b>858</b>
<b>Non-current liabilities</b>		
Borrowings	689	845
Provisions	47	–
<b>Total non-current liabilities</b>	<b>736</b>	<b>845</b>
<b>TOTAL LIABILITIES</b>	<b>1,248</b>	<b>1,703</b>
<b>NET ASSETS</b>	<b>242,407</b>	<b>236,202</b>
<b>EQUITY</b>		
Accumulated surplus	147,483	143,054
Revaluation reserves	94,924	93,148
<b>TOTAL EQUITY</b>	<b>242,407</b>	<b>236,202</b>

# Statement of Financial Position – Caravan park

as at 30 June 2020

<b>\$ '000</b>	<b>2020 Category 2</b>	<b>2019 Category 2</b>
<b>Current assets</b>		
Receivables	–	1
<b>Total current assets</b>	<b>–</b>	<b>1</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	1,664	1,660
<b>Total non-current assets</b>	<b>1,664</b>	<b>1,660</b>
<b>TOTAL ASSETS</b>	<b>1,664</b>	<b>1,661</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	440	134
Provisions	9	18
<b>Total current liabilities</b>	<b>449</b>	<b>152</b>
<b>Non-current liabilities</b>		
Provisions	19	21
<b>Total non-current liabilities</b>	<b>19</b>	<b>21</b>
<b>TOTAL LIABILITIES</b>	<b>468</b>	<b>173</b>
<b>NET ASSETS</b>	<b>1,196</b>	<b>1,488</b>
<b>EQUITY</b>		
Accumulated surplus	(76)	216
Revaluation reserves	1,272	1,272
<b>TOTAL EQUITY</b>	<b>1,196</b>	<b>1,488</b>

# Statement of Financial Position – Child care

as at 30 June 2020

<b>\$ '000</b>	<b>2020 Category 2</b>	<b>2019 Category 2</b>
<b>Current assets</b>		
Receivables	1,666	1,009
<b>Total current assets</b>	<b>1,666</b>	<b>1,009</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	2,289	2,277
<b>Total non-current assets</b>	<b>2,289</b>	<b>2,277</b>
<b>TOTAL ASSETS</b>	<b>3,955</b>	<b>3,286</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	–	56
Provisions	573	524
<b>Total current liabilities</b>	<b>573</b>	<b>580</b>
<b>Non-current liabilities</b>		
Provisions	48	44
<b>Total non-current liabilities</b>	<b>48</b>	<b>44</b>
<b>TOTAL LIABILITIES</b>	<b>621</b>	<b>624</b>
<b>NET ASSETS</b>	<b>3,334</b>	<b>2,662</b>
<b>EQUITY</b>		
Accumulated surplus	3,140	2,468
Revaluation reserves	194	194
<b>TOTAL EQUITY</b>	<b>3,334</b>	<b>2,662</b>



## Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

### Note 1. Significant Accounting Policies

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A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

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

##### Category 1

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

##### a. Water Operations

Reticulation & treatment of Water

##### b. Sewer operations

Treatment of Raw Sewerage

##### Category 2

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

##### a. Caravan Park

Provision of Caravan sites

## Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

### Note 1. Significant Accounting Policies (continued)

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#### b. Child Care

3 Day Care Centres, Family Day Care/Before & After School Care

#### Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars.

As required by Crown Lands and Water (CLAW), the amounts shown in the income statement are disclosed in whole dollars

#### (i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$900,000.

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

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

# Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

## Note 1. Significant Accounting Policies (continued)

### Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

### (iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

### Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

### (iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Planning, Industry and Environment.



## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Orange City Council**

To the Councillors of Orange City Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Orange City 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 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water operations
- Sewerage operations
- Caravan park
- Child care.

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 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

### **Other Information**

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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](http://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.



Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 November 2020  
SYDNEY

# Orange City Council

SPECIAL SCHEDULES  
for the year ended 30 June 2020

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*A proud, vibrant community that embraces, fosters and  
supports natural, social, cultural and economic diversity*



## Special Schedules

for the year ended 30 June 2020

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### Contents

### Page

#### **Special Schedules**

Permissible income for general rates

3

Report on Infrastructure Assets - Values

7



## Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	34,283	32,953
Plus or minus adjustments <sup>2</sup>	b	268	430
<b>Notional general income</b>	$c = a + b$	<b>34,551</b>	<b>33,383</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	$i = e \times (c + g)$	898	901
<b>Sub-total</b>	$k = (c + g + h + i + j)$	<b>35,449</b>	<b>34,284</b>
Plus (or minus) last year's carry forward total	l	1	7
<b>Sub-total</b>	$n = (l + m)$	<b>1</b>	<b>7</b>
<b>Total permissible income</b>	$o = k + n$	<b>35,450</b>	<b>34,291</b>
Less notional general income yield	p	35,449	34,283
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>1</b>	<b>8</b>
<b>Carry forward to next year <sup>3</sup></b>	$t = q + r + s$	<b>1</b>	<b>8</b>

## Notes

- (1) The "notional general income" will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule - Permissible income for general rates

#### Orange City Council

To the Councillors of Orange City Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Orange City Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (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 2020 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 2020.

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](http://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.

A handwritten signature in black ink, appearing to read 'CHarper', with a long, sweeping horizontal stroke extending to the right.

Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 November 2020  
SYDNEY

## Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost	Estimated cost	2019/20	2019/20	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	Required maintenance <sup>a</sup>	Actual maintenance			1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000							
(a) Report on Infrastructure Assets - Values												
Buildings	Other	5,542	5,542	1,119	1,119	104,392	166,500	19.0%	37.0%	28.0%	3.0%	13.0%
	Sub-total	5,542	5,542	1,119	1,119	104,392	166,500	19.0%	37.0%	28.0%	3.0%	13.0%
Other structures	Other structures	2,591	2,591	203	–	33,679	34,697	38.0%	18.0%	24.0%	19.0%	1.0%
	Sub-total	2,591	2,591	203	–	33,679	34,697	38.0%	18.0%	24.0%	19.0%	1.0%
Roads	Roads	9,889	9,889	1,328	1,328	330,129	414,108	39.0%	21.2%	33.4%	6.4%	0.0%
	Other	–	–	–	–	(20,556)	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	9,889	9,889	1,328	1,328	309,573	414,108	39.0%	21.2%	33.4%	6.4%	0.0%
Water supply network	Other	22,520	22,520	1,702	1,702	214,970	337,576	25.1%	39.9%	16.7%	13.8%	4.5%
	Sub-total	22,520	22,520	1,702	1,702	214,970	337,576	25.1%	39.9%	16.7%	13.8%	4.5%
Sewerage network	Other	6,657	6,657	1,127	1,127	169,034	236,866	25.9%	32.9%	21.3%	15.8%	4.1%
	Sub-total	6,657	6,657	1,127	1,127	169,034	236,866	25.9%	32.9%	21.3%	15.8%	4.1%
Stormwater drainage	Other	440	440	279	279	117,943	152,804	15.0%	55.0%	28.0%	2.0%	0.0%
	Sub-total	440	440	279	279	117,943	152,804	15.0%	55.0%	28.0%	2.0%	0.0%
Open space / recreational assets	Swimming pools	1,565	1,565	2,277	2,277	16,777	11,865	43.0%	40.0%	12.0%	5.0%	0.0%
	Sub-total	1,565	1,565	2,277	2,277	16,777	11,865	43.0%	40.0%	12.0%	5.0%	0.0%
TOTAL - ALL ASSETS		49,204	49,204	8,035	7,832	966,368	1,354,416	28.1%	33.7%	25.4%	9.3%	3.5%

(a) Required maintenance is the amount identified in Council's asset management plans.

### Infrastructure asset condition assessment 'key'

<b>1 Excellent/very good</b>	No work required (normal maintenance)	<b>4 Poor</b>	Renewal required
<b>2 Good</b>	Only minor maintenance work required	<b>5 Very poor</b>	Urgent renewal/upgrading required
<b>3 Satisfactory</b>	Maintenance work required		

## Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio <sup>1</sup>					
Asset renewals <sup>2</sup>	6,751	43.86%	7.10%	46.83%	>=100.00%
Depreciation, amortisation and impairment	15,391				
Infrastructure backlog ratio <sup>1</sup>					
Estimated cost to bring assets to a satisfactory standard	49,204	5.09%	3.76%	0.85%	<2.00%
Net carrying amount of infrastructure assets	966,368				
Asset maintenance ratio					
Actual asset maintenance	7,832	97.47%	100.00%	11.17%	>100.00%
Required asset maintenance	8,035				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	49,204	3.63%	2.51%	1.13%	
Gross replacement cost	1,354,416				

(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

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