



**Wollondilly**  
Shire Council

---

ANNUAL REPORT

2018/19





# Create WOLLONDILLY

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“Growth, development and change is inevitable and much of the time, out of our control. What we can control is how we respond to it and the direction that it takes. The challenge for Wollondilly's future will be 'balance' between the past, the present and the future. Wollondilly is unique. It is Sydney's water bowl and a large part of its food bowl.

It's a beautiful rural setting and rural lifestyle with towns and villages, a strong sense of community, a rich and diverse environment including green space, rolling hills, rivers, lakes, mountains, heritage and agriculture. The challenge for Wollondilly will be the preservation of these treasured aspects of living in our Shire. I want our future generations to still have these views, to enjoy what we have now and what we possibly take for granted. Once it's gone, it's gone. You can't get it back.”

*Karen Burgess, Winner of the Create Wollondilly 2033 Art Competition (16 years and older category)*

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# Annual Report

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SECTION 1

# Introduction



# Acknowledgement\*

Wollondilly Shire Council acknowledges the traditional custodians of the land in Wollondilly, the Dharawal and Gundungurra peoples.

We acknowledge the living culture and spiritual connections to the land for the Dharawal and Gundungurra people and that Wollondilly is remarkably placed as the intersection of these two tribal lands.

We recognise the traditional Custodians have occupied and cared for this Country over countless generations and celebrate their continuing contribution to the Shire.

We also acknowledge and remember the Dharawal and Gundungurra peoples who were killed in the Appin Massacre on 17 April 1816.

*\*We acknowledge our collaboration with the Tharawal Local Aboriginal Land Council*

# WE ARE Wollondilly

Wollondilly, on the south western outskirts of Sydney and at the foothills of the Southern Highlands, is surrounded by spectacular, natural beauty and rural pastures. Its 2,560 square kilometres stretch from Yanderra in the south, Appin and Menangle in the east, Warragamba in the north with the Nattai wilderness, Yerranderie and Burragorang Valley to the west.

The district is rich in Aboriginal and European history. The earliest known inhabitants of the district were the Gundungurra Tribe, who gave the area its name. The word Wollondilly is attributed to having three meanings. "A place where spirits dwell", "Water trickling over rocks" and the third meaning is connected to a legend about the burning black coal that was carried inside the skull of a bunyip, within a basket woven of waratah stems. "Worron" means black coal and "dilly" means carry basket.

A colourful tapestry interweaves the Dreamtime legends of the Gundungurra and Tharawal people on a backdrop of gorges, ranges and plains with a rural patchwork created by the white settlers who followed the first fleet's famous straying cattle to the Cowpastures.

Each of the towns and villages have their own stories to tell and personalities to meet but the rural charm with country hospitality is found everywhere. Balancing what we value as a community against the future growth projected for NSW is, and will remain, the biggest challenge and commitment for Council over the next 15 years.

MESSAGE FROM

# The Mayor & Chief Executive Officer

CR MATTHEW DEETH

BEN TAYLOR



This year has seen Council continue to deliver great outcomes for the Wollondilly Shire.

Council is in a strong financial position and is investing wisely in priority infrastructure and services for the community. We're setting the foundations for our organisation so that we are well placed to protect and enhance all that our community loves about Wollondilly and shape the future of our Shire.

#### Some of the highlights from the year include:

- A record breaking \$21 million Capital Works Program, including investing \$14.6 million on our roads, bridges, kerb & gutter, footpaths and transport/traffic facilities, \$4 million on open space projects and \$1 million on buildings.
- Developing master plans for many of our parks and sportsfields, such as Telopea Park, Wilton Sportsground, The Oaks, Appin Park, Redbank Reserve and the Menangle Old School site, putting us in a great position to access future funding to develop these sites to their potential.
- Improving DA turn-around times and creating a new DA tracking and lodgement system which will allow DA documentation to be viewed online and greatly improve transparency and communication with customers.
- Advocating strongly for the local area, including for the local disease free koala population with the #SaveOurKoalas campaign and Summit, and opposing the proposed raising of the Warragamba Dam Wall in partnership with Blue Mountains City Council.
- Holding the rejuvenated Illuminate Wollondilly Festival, attracting thousands of visitors throughout the day and night to enjoy the fifth year of the popular arts and cultural festival, showcasing many of the town's historical buildings and new elements including a silent disco, neon putt-putt golf and LED dancers.

- Supporting the Dilly Youth Advisory Committee to run the 'Branch Out' Pool Party at the Wollondilly Leisure Centre, raising awareness about wellbeing in the community
- Providing the Summer Beach Bus, popular amongst the Shire's young people as well as families and seniors, overflowing every Friday with residents keen to take advantage of the warm weather to visit the beach in Wollongong.
- For the NSW Seniors Festival, offering free pool entry for seniors to the Wollondilly Leisure Centre and Warragamba Pool for the month of February for as a Seniors Festival booklet outlining all the free or low cost activities and events available to seniors during February/March.
- Improved community resilience and safety with Get Ready Wollondilly website as part of the Climate Wise Communities initiative in partnership with Ku-ring-gai Council.
- Playing a leading role in the Western Sydney City Deal, including coordinating the Western Sydney Digital Action Plan as well as the establishment of the Western Sydney Health Alliance, and participating in the Integrated Intensive Production Hub workshop and associated initiatives with the Western Sydney Aerotropolis Agribusiness Precinct.
- Engaging the community on a number of projects as part of the Western City Parkland Liveability Program, including the Wollondilly Community, Cultural & Civic Precinct, Tahmoor Sportsground and the installation of exercise equipment in eight locations across the Shire.

There are some big opportunities ahead as our Shire moves into the future. Our focus is on maximising these opportunities, continuing to deliver outstanding infrastructure and services and improving our financial sustainability for the benefit of all of our community.



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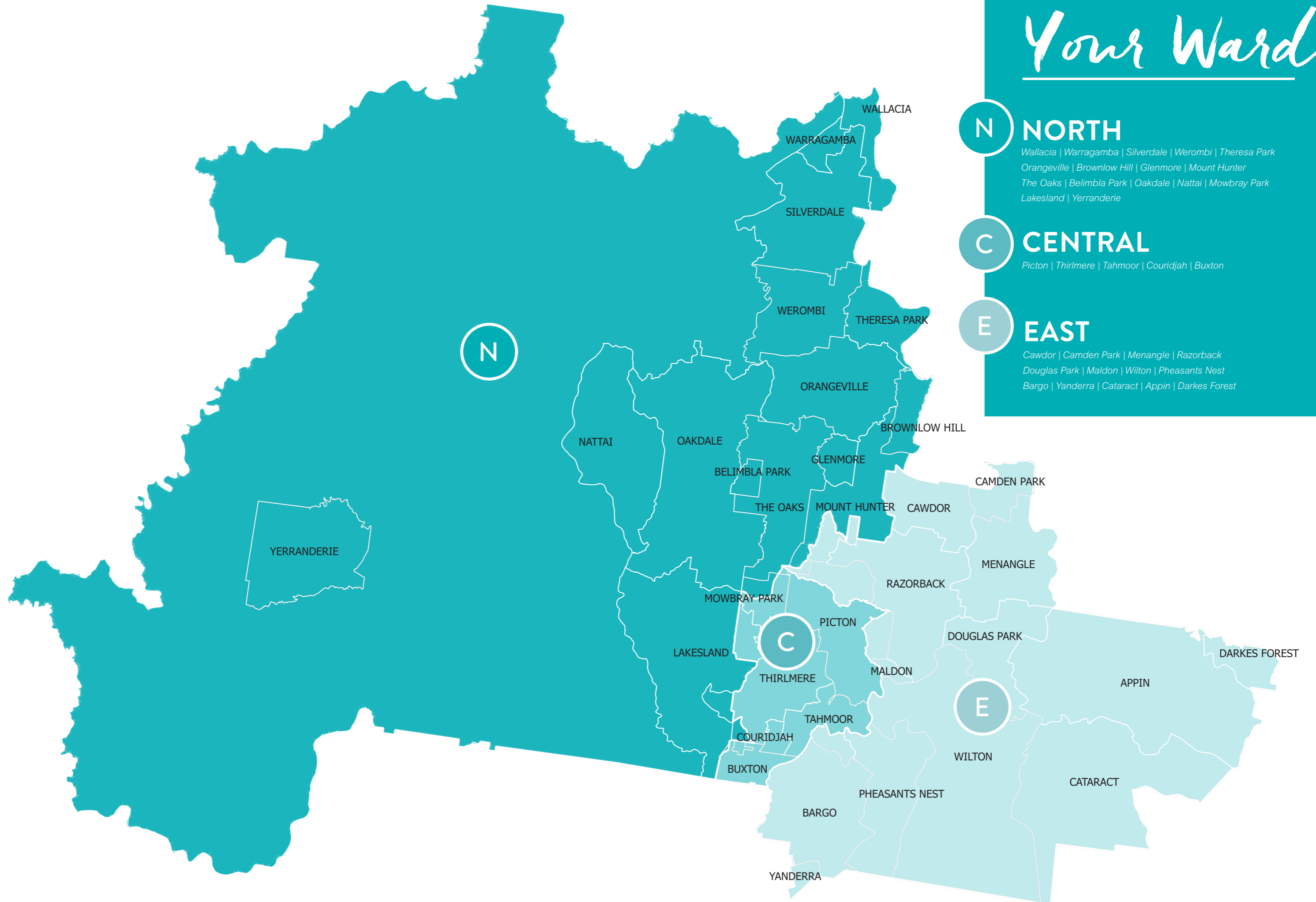


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# Your Ward



**N NORTH**  
 Wallacia | Warragamba | Silverdale | Werombi | Theresa Park  
 Orangeville | Brownlow Hill | Glenmore | Mount Hunter  
 The Oaks | Belimbla Park | Oakdale | Nattai | Mowbray Park  
 Lakesland | Yerranderie

**C CENTRAL**  
 Picton | Thirlmere | Tahmoor | Couridjah | Buxton

**E EAST**  
 Cawdor | Camden Park | Menangle | Razorback  
 Douglas Park | Maldon | Wilton | Pheasants Nest  
 Bargo | Yanderra | Cataract | Appin | Darkes Forest



# OUR VISION, Mission and Values

## VISION

COUNCIL'S VISION REFLECTS THE COMMUNITY'S DESIRE TO MAINTAIN WOLLONDILLY SHIRE'S RURAL CHARACTER TOGETHER WITH THE SENSE OF BELONGING TO CARING COMMUNITIES THAT HAVE BEEN AT ITS CORE FOR GENERATIONS.

The concept of rural living is often put forward as a justification in debates about property development issues. By understanding the characteristics of rural living, we are better able to appreciate that the vision of rural living is not just about development issues, but about a wider set of values that reflects the Community's desire to maintain the Shire's rural character together with the sense of belonging to caring communities that have been at its core for generations.

FOR WOLLONDILLY, RURAL LIVING IS DEFINED BY SIX KEY CHARACTERISTICS:

### 1. Rural setting and character

The rural setting is obvious with farmland and natural areas located between separate towns and villages with residents experiencing and valuing this setting irrespective of where and how they live.

### 2. Viable agriculture

Agriculture and associated industries are encouraged and supported and continue to be a productive, sustainable and integral part of our economy, our Community and our landscape.

### 3. Community lifestyle

Our Community values its sense of community spirit, which is fostered through a strong identity with village life, a sense of belonging, and commitment to community participation and co-operation.

### 4. Diverse environment

The Shire's diverse environmental assets, including its waterways and catchments, riparian land, groundwater and dependent ecosystems natural areas, biodiversity and agricultural lands are valued and protected because of their environmental significance. Degraded natural resources are enhanced and maintained.

### 5. Heritage

The Shire's wealth of aboriginal and non-aboriginal heritage is valued and protected because of its cultural significance and its contribution to our sense of place.

### 6. Towns and villages

Development is carefully managed to maintain the separation of our towns and villages and their unique identities and strives to enhance their role as focal points which provide opportunities – housing, jobs, shopping, business, leisure, civic events, community facilities, education and social interaction.

## MISSION

BUILD A RESILIENT, SAFE AND SUPPORTED WORKPLACE THAT PROVIDES RESPECTFUL, EFFICIENT AND EFFECTIVE SERVICES FOR OUR CUSTOMERS NOW AND FOR THE FUTURE.

## VALUES

### INTEGRITY

We act with honesty, always doing the right thing.

### COLLABORATION

We openly share and partner with others to deliver results.

### ACCOUNTABILITY

We own our work and take responsibility for our actions and results.

### RESPECT

We show mutual consideration for others and acknowledge our difference.

### EMBRACE INNOVATION

We encourage new ideas, welcome change and continuously improve.



# Organisational STRUCTURE

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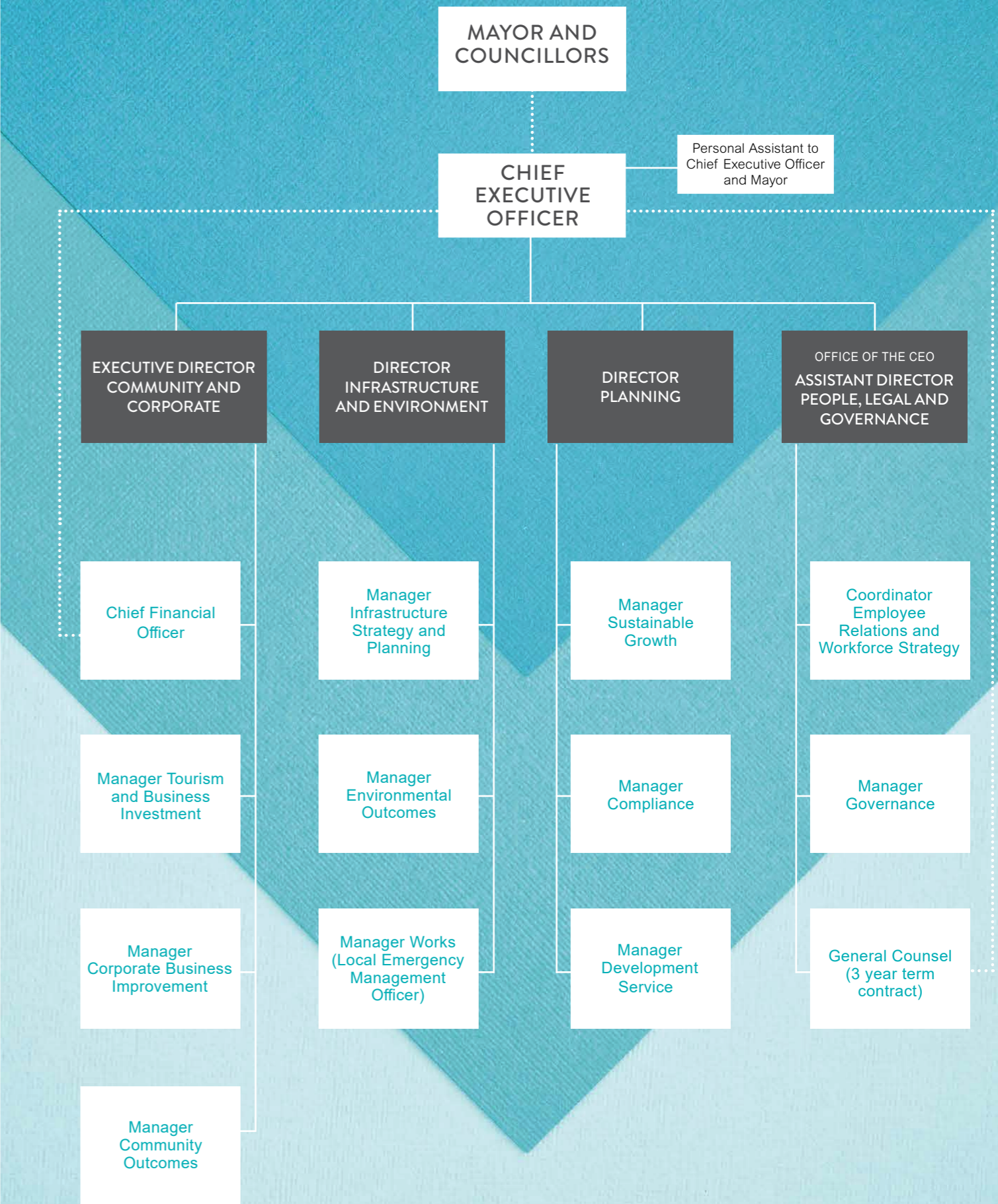
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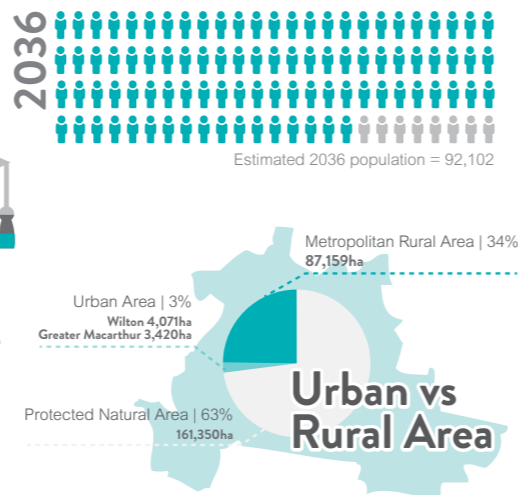
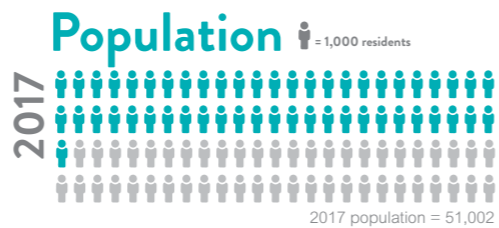
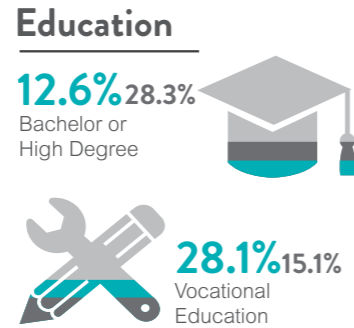
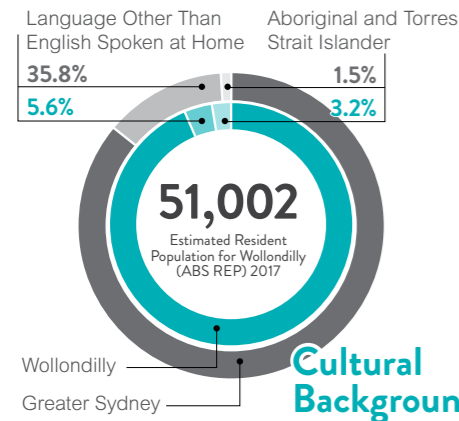
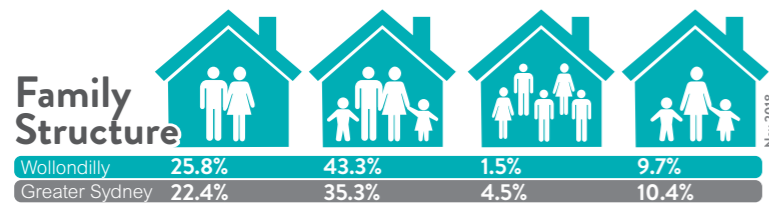
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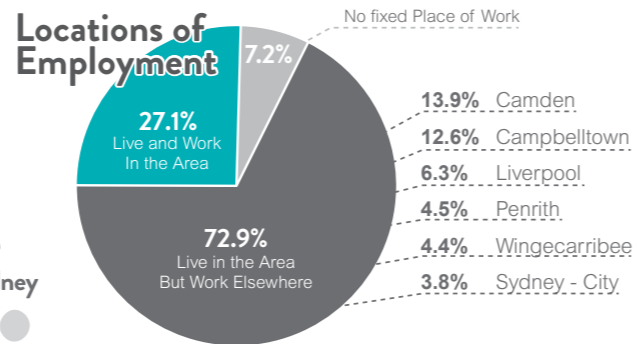
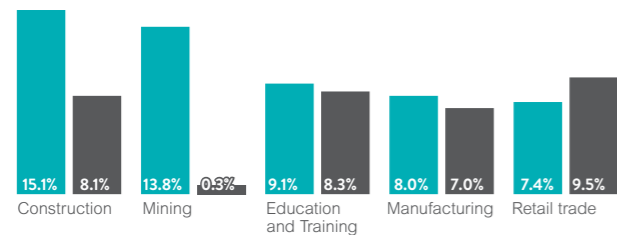
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# WHO WE ARE - Our Shire



## Top 5 Industries in the Shire



## Top 5 Industries We Work in



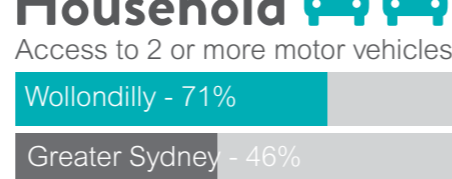
## Gender Profile



## Average People per dwelling



## Cars per Household

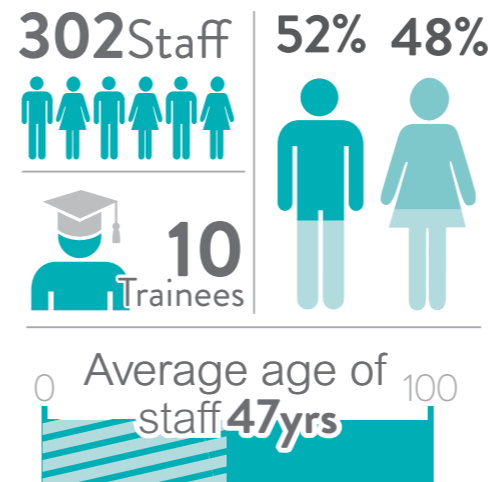


## Transport to Work



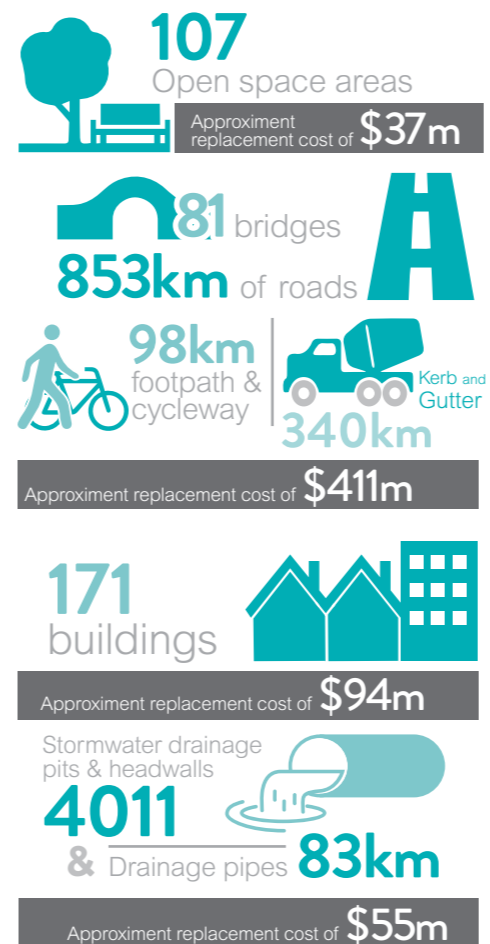
# SERVICE DELIVERY in a growing Shire

## Staff

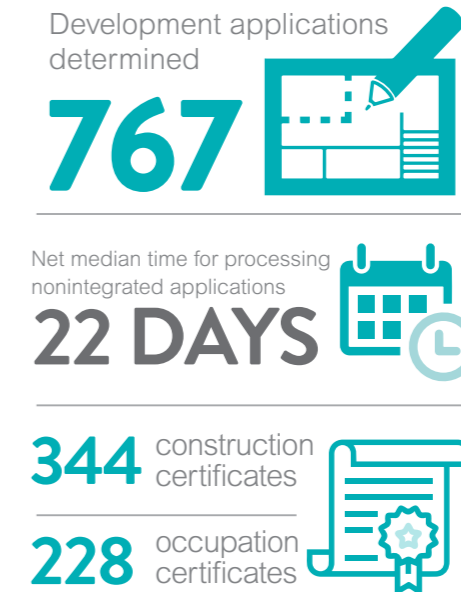


## Asset Management

Council has a significant asset portfolio. We are responsible for managing and maintaining:



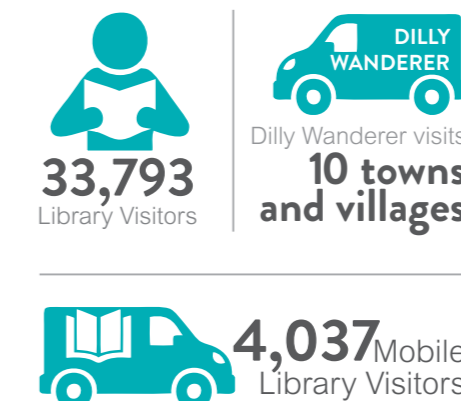
## Developments



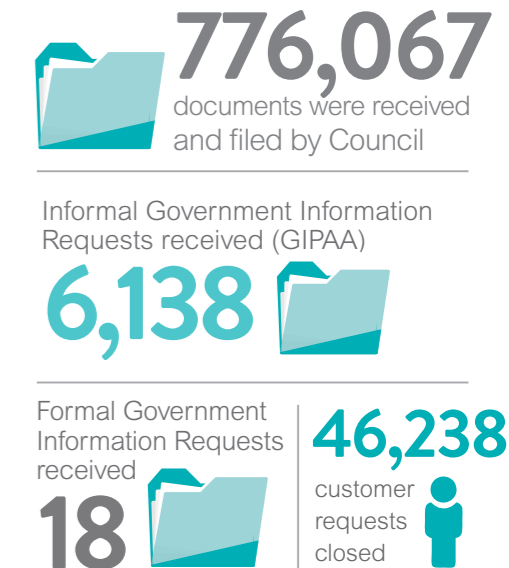
## Environment



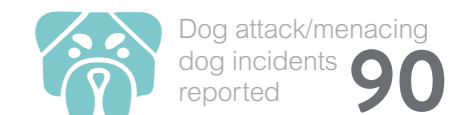
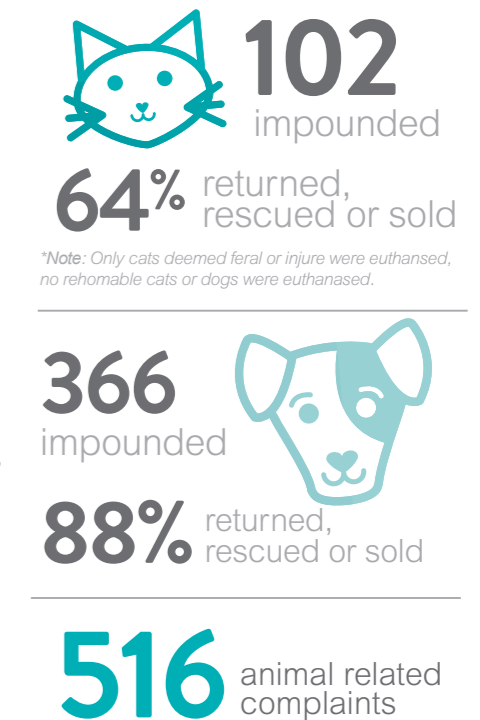
## Community



## Admin and correspondence



## Animals



# SERVICE *overview*



## MY VOICE

### Council Services

- Community Engagement and Communication
- Customer Service



## MY LIFESTYLE

### Council Services

- Leisure and Aquatic Centres
- Parks, Gardens and Recreation



## MY TRANSPORT

### Council Services

- Roads
- Footpaths and Cycleways



## MY HOME

### Council Services

- Strategic Land Use Planning
- Development Assessment and Certification



## MY ENVIRONMENT

### Council Services

- Environmental Sustainability
- Stormwater Management
- Waste Management
- Local Law Enforcement
- Animal Management
- Town Centre Amenity



## MY BUSINESS

### Council Services

- Economic Development and Business Investment
- Tourism



## MY COUNCIL EXPERIENCE

### Council Support Services

- Information Technology
- Information Management
- Payroll Services
- Workplace Health and Safety
- Enterprise Risk Management
- Internal Audit
- Governance and Council Support
- Legal Services
- Corporate Planning Strategy and Performance
- Fleet Management
- Contract Management and Procurement
- Financial Services
- Property Services
- Employee Relations



## MY COMMUNITY

### Council Services

- Events and Festivals
- Emergency Services
- Council Building Management
- Library Services



## MY FAMILY

### Council Services

- Children's Services
- Community Planning and Development

Growth represents both challenges and opportunities for Council to service a changing community. As our community diversifies, the requirements to meet community demand increases.

Ensuring that we deliver efficient and effective services now and into the future requires a greater emphasis on highlighting the full scope of what Council delivers.

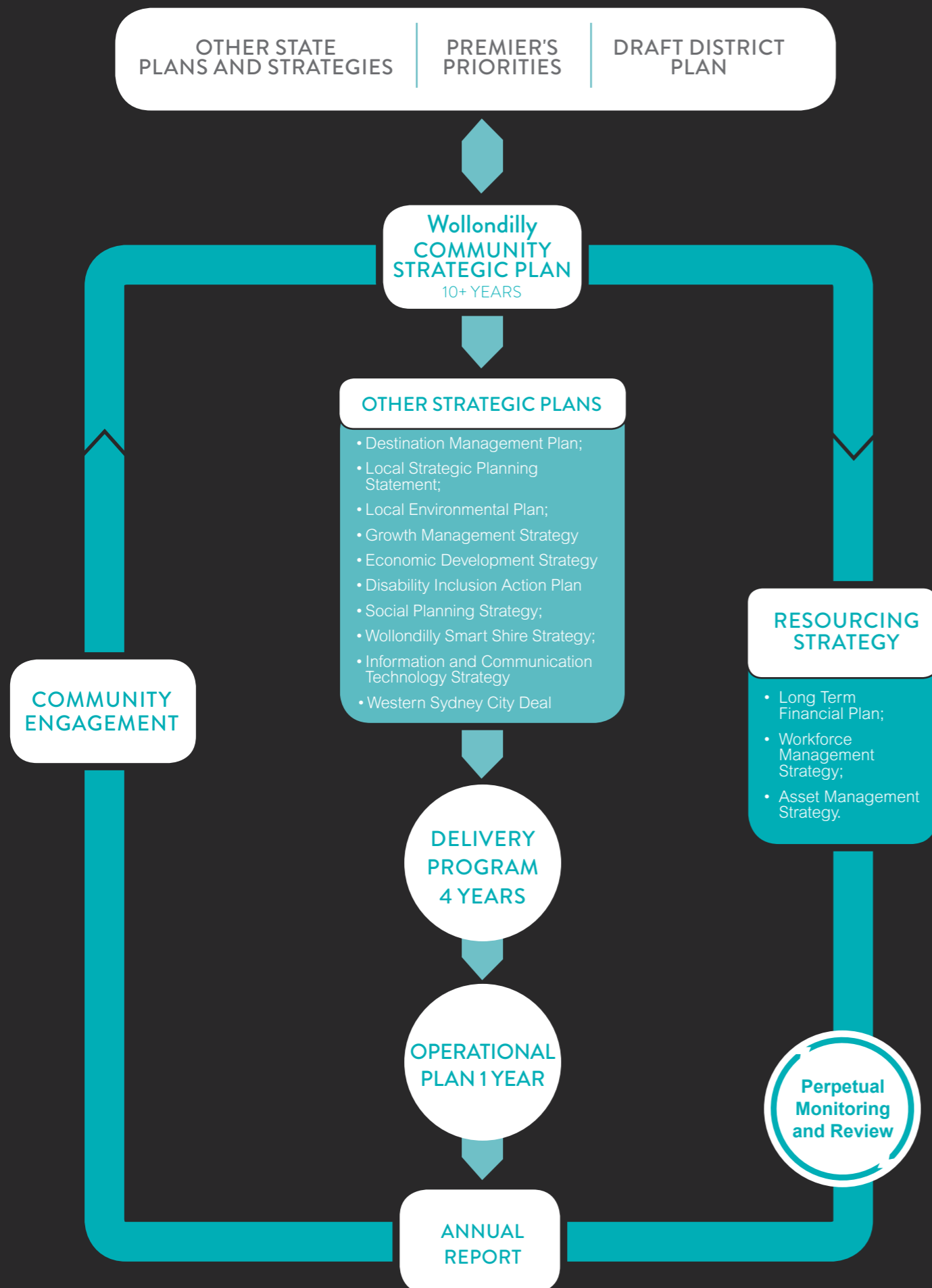
As community members, we all play our part in helping build the service offerings of Council. Into the future, Council will be focusing more on service delivery rather than a traditional functional or business unit view. This change will assist us to detail all Council deliverables and assess this with our community to ensure that we are meeting needs.

Within each of the Community's strategic focus areas, Wollondilly Shire Council delivers 36 services both in the form of external community facing and internal support services.

# Council Performance

## SECTION 2





## 2.1 INTEGRATED PLANNING AND REPORTING FRAMEWORK

Wollondilly Shire Council is committed to the delivery of detailed planning and reporting under the Integrated Planning and Reporting framework.

The suite of documents considered under this framework includes the Community Strategic Plan (CSP) - *Wollondilly2033*, the Resourcing Strategy and the 4 Year Delivery Program and Annual Operational Plan.

These plans are integrated to build the foundation for a sustainable future. The CSP is our Community's story. It is a story of our key strengths, challenges and opportunities for the future as a community.

It addresses four key questions:

- Where are we now?
- Where do we want to be in 10 years' time?
- How will we get there?
- How will we know we've arrived?

The Resourcing Strategy is a critical link when it comes to translating strategic objectives into actions.

The CSP articulates your vision as part of our community for the medium to long term; however they will not be achieved without sufficient resources to carry them out.

The 4 Year Delivery Program takes the community vision from the CSP and translates this into a comprehensive set of strategies and activities that Council has prioritised over its four year term to achieve the outcomes in the CSP. It addresses the full range of Council's operations. It is the critical link between the CSP and the Resourcing Strategy when it comes to translating strategic objectives into detailed activities.

The Annual Operational Plan shows detailed actions that align to Council's budget for the financial year.

Under the framework, Council has a statutory obligation to report progress back to our community periodically. The Annual Report must outline our achievements over the year in implementing the Delivery Program.

This report is prepared in accordance with Section 428 of the Local Government Act 1993 and the Office of Local Government Planning and Reporting guidelines for Local Government in NSW.

The Annual Report is made up of five sections:

Document One:

- Section 1 – An introduction to Wollondilly Shire Council
- Section 2 – 2018/19 Council Performance
- Section 3 – Legislative and other information
- Section 4 – Council's Audited Financial Statements.

Document Two:

- Section 5 – 2018/19 Operational Plan Review

## 2.2 COMMUNITY SATISFACTION WITH COUNCIL SERVICES

Council is committed to continuous improvement of its services and how they are delivered, in order to most effectively meet the needs of the community by the efficient use of Council's limited resources. Ongoing research and consultation on community priorities is a key part of this commitment.

Council conducts biennial community satisfaction surveys with a statistically valid sample of residents from all areas of the Shire on their priorities and satisfaction with Council services.

The results from the 2016 and 2018 are used as the comparison for analysis within this report.

The objective of Community Survey is to examine the views, community attitudes and perceptions towards current and future services and facilities provided by Council and measure Council's progress towards achieving the goals outlined in Council's Community Strategic Plan Create Wollondilly 2033.

The key objectives of the research include:

- Assessing and establishing the community's priorities and satisfaction in relation to Council activities, services, and facilities
- Identifying the community's overall level of satisfaction with Council's performance
- Identifying the community's aspirations for the future of the LGA
- Identifying the community's level of agreement with prompted statements surrounding wellbeing/connectedness
- Identifying methods of communication and engagement with Council

### Sample Size and Selection 2016

A total of 404 resident interviews were completed. The survey was conducted during the period 10 to 20 January 2016.

Out of the 404 residents surveyed, 299 of the 404 respondents were selected by means of a computer based random selection process using the electronic White Pages. The remaining 105 respondents were 'number harvested' via face-to-face intercept at a number of areas around the Wollondilly Shire LGA., i.e. Picton town centre, Picton train station, Tahmoor town centre, Tahmoor train station and Silverdale shopping centre.

### Sample Size and Selection 2018

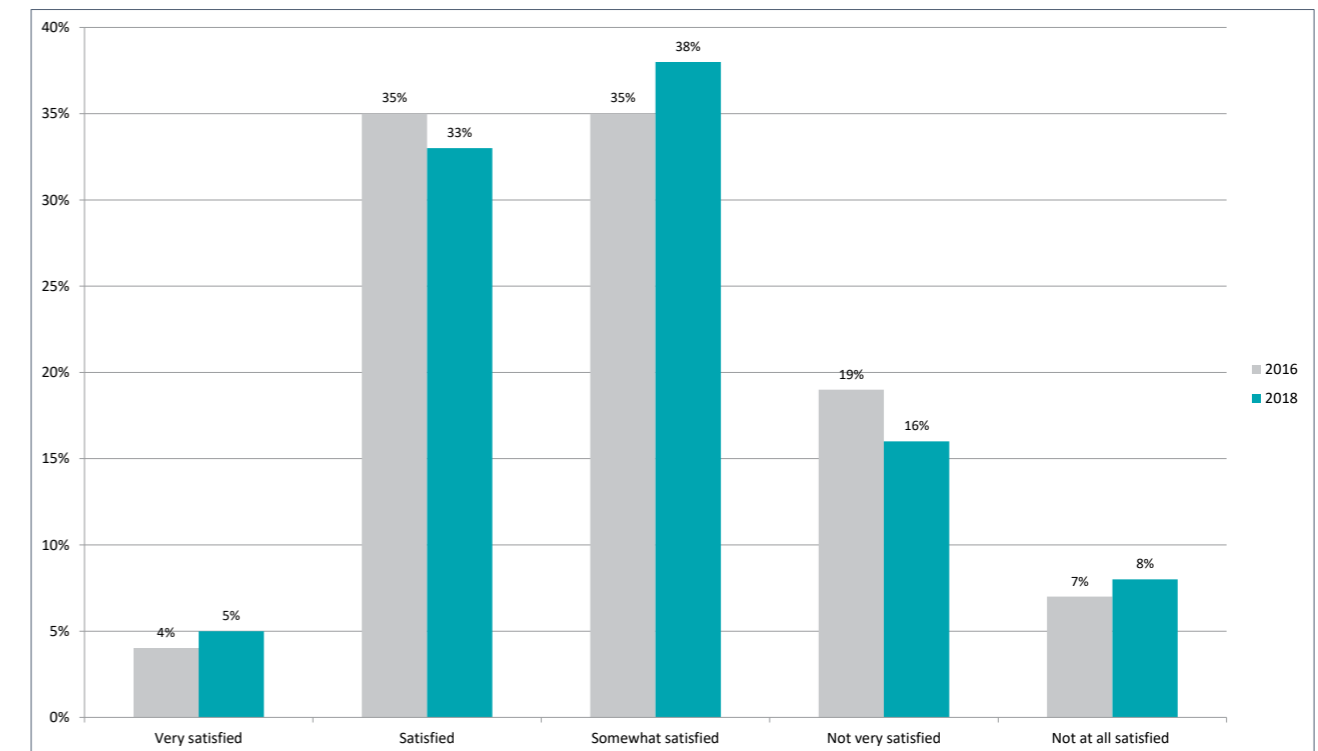
A total of 403 resident interviews were completed during the survey period during of 28 August to 8 September 2018.

Out of the 403 residents surveyed, 320 of the 404 respondents were selected by means of a computer based random selection process using the electronic White Pages. The remaining 83 respondents were 'number harvested' via face-to-face intercept at a number of areas around the Wollondilly Shire LGA., i.e. Picton town centre, Picton train station, Tahmoor town centre, Tahmoor train station and Silverdale shopping centre.

The Survey questions and format remained the same to enable benchmarking of the results.

### Overall Satisfaction with Council's Performance

When asked 'Overall, for the last 12 months, how satisfied are you with the performance of Wollondilly Shire Council, not just on one or two issues, but across all responsibility areas?'



The results indicate the residents' satisfaction with council's performance remained statistically similar to the previous reporting periods with 76% of residents at least 'somewhat satisfied' with council's performance.

### Top Performers

The survey provided data about the community's views and opinions across a wide range of facilities and services including how they rated the importance of facilities and services, and performance of facilities and services. The top 5 highest scores for both performance and satisfaction as well as importance are provided below.

Highest rated services and facilities for satisfaction 2016	Highest rated services and facilities for satisfaction 2018
Library services	Library services
Recycling and waste management	Recycling and waste management
Ovals and sportsgrounds	Festival and events' programs
Swimming pools	Ovals and sportsgrounds
Animal management	Swimming pools

## Monitor Performance

Lowest rated services and facilities score in satisfaction 2016	Lowest rated services and facilities score in satisfaction 2018
Maintaining council roads	Maintaining council roads
Building bike paths	Building bike paths
Maintaining footpaths	Maintaining footpaths
Floodplain and stormwater management	Opportunity to participate in council decision-making
Planning and development	Planning and development

Compared to the 2016 results, there were two areas with significant increase in residents' levels of importance for 2 of the comparable 28 services and facilities provided by Council, these are:

- Parks and playgrounds, and
- Children's services.

There are also significant decreases in importance in 2 services and facilities:

- Floodplain and stormwater management, and
- Environmental regulation.

The 2018 results also highlighted an increase in satisfaction across 3 of the services and facilities provided by Council, these are:

- Festivals and events programs,
- Parks and playgrounds, and
- Floodplain and stormwater management,

There were no significant decreases in satisfaction in 2018.

## Performance Gaps

### Gap Analysis

Gap analysis is used to assist in understanding the current as well as desired state of an organisation. The difference in the current state and the desired state is what is known as the 'gap'. In analysing the results from the past surveys, a 'gap' method is used to provide information on the services that Council provides, and how the community view the usage as well as the satisfaction and performance of those services.

For example, using a 5 point scale (1 = low performance and 5 = high performance), a service may be ranked as a 5 for importance and a 2 for performance, giving the gap score of 3. This would give a high gap score and indicate that this would be a significant issue for Council to address. However, a service may be ranked as a 5 in importance and a 4 in performance, which would indicate that the gap score would be a 1 and would indicate that this is not a significant issue for the community.

When analysing the gap scores, a gap of up to 1.0 is considered acceptable when the initial importance rating is 4.0+, as it indicates that residents consider the attribute to be of 'high' to 'very high' importance and that the satisfaction they have with Wollondilly Shire Council's performance on that same measure, is 'moderate' to 'moderately high'.

Ranking 2017	Ranking 2018	Service/ Facility	Performance Gap 2016	Performance Gap 2018
1	1	Maintaining council roads	2.70	2.69
2	2	Long-term planning for the Shire	1.96	1.82
3	3	Planning and development	1.88	1.74
6	4	Maintaining footpaths	1.56	1.65
5	5	Financial management	1.61	1.53
7	6	Supporting local jobs and businesses	1.49	1.50
10	7	Supporting local agriculture	1.20	1.34
8	8	Opportunity to participate in council decision-	1.34	1.33
11	9	Emergency planning and management	1.16	1.27
4	10	Floodplain and stormwater management	1.81	1.23
12	11	Heritage sites and natural flora and fauna are	1.13	1.16
9	12	Provision of council information to the community	1.29	1.10
13	13	Building bike paths	1.04	1.03
15	14	Parks and playgrounds	0.99	0.85
16	15	Environmental regulation	0.92	0.82
18	16	Tree management	0.88	0.81
18	17	Environmental education	0.88	0.79
23	18	Animal management	0.59	0.75
13		Landfill facilities	1.04	0.75
25	20	Children's services	0.53	0.68
17		Recycling and waste management	0.91	0.68
21	22	Community buildings/halls/amenities	0.72	0.65
22	23	Supporting community groups	0.69	0.64
24	24	Ovals and sportsgrounds	0.54	0.58
20	25	Supporting tourism	0.77	0.47
26	26	Swimming pools	0.43	0.28
27	27	Festival and events' programs	0.14	-0.17
28	28	Library services	-0.22	-0.23

The ranking above show Council services surveyed. The highlighted rows show services that have a performance gap of 1.0 or greater. Council's strategy for these gaps are to seek opportunities to develop projects in future years to address community concerns. The survey results highlight both areas of satisfaction as well as areas for improvement, which are then used to inform future planning and decision making of services and infrastructure.

The next community satisfaction survey is scheduled to be done in mid-2020.

Where Council recognise there are always areas for improvement, overall, the results are pleasing given the scale of community growth. We aim to, as a minimum, maintain this level of satisfaction in the coming years.



## 2.3 SUMMARY OF COUNCIL'S OVERALL ANNUAL PERFORMANCE

Under the Local Government Act 1993 and Integrated Planning and Reporting Guidelines, Section 2 focuses on the achievements of Council in delivering the primary activities over the 2017/18 Operational period as detailed in the 2017/18 – 2020/21 Delivery Program.

**Overall in 2018/19**  
**149** actions in the Operational Plan were reported on.  
 Of these actions were reported as delivered or on track. **91%**



## 2.4 Measuring Performance

### OVERALL PERFORMANCE BY STRATEGIC THEME

Reading this report – The following key is used to show how Council is performing against each strategy under the key themes.

#### Corporate Performance Assessment Key

- Not Updated
- On Track
- Monitor
- Off Track
- Completed
- Not Commenced
- Cancelled



## THEME 1

# SUSTAINABLE AND *Balanced Growth*

### What We Do

Wollondilly is made up of 17 towns and villages each with its own distinct and unique features that spans a massive 2,560 square kilometres, with two thirds of the Shire's area is made up of national parks and water catchment areas. The growth of our LGA and the establishment of Wilton New Town will add a new regional town to the mix.

Here at Wollondilly Shire Council, we are working to develop great neighbourhoods, regional centres, parks and accessible open spaces that are used and loved by our residents. We want to build a Local Government Area that connects people to places and to each other now and in to the future.

### Outcomes

The actions Council deliver in this theme contribute to the following community outcomes:

1. A built environment that supports liveable communities, respects the character, setting and heritage of our towns and villages and retains the vision of Rural Living.
2. A unique environment and rural landscape balanced with managed growth that is consistent with Council's Position on Growth and vision of Rural Living.
3. A strong local economy providing employment and other opportunities.
4. Expansion of employment and other opportunities based on the Shire's natural assets, strong agricultural base and tourism potential.
5. A strong and viable agricultural sector supported by the protection and preservation of agricultural assets and resources.

## Highlights

### The Local Environmental Plan (LEP) Review

The NSW Government and Wollondilly Shire Council has signed a joint funding agreement to accelerate the review of the Local Environmental Plan (LEP).

The objective of this agreement is to bring forward housing supply and housing diversity in NSW and promote housing affordability. Wollondilly Shire Council was identified by the State Government as 1 of 13 priority Councils. Priority Councils are required to update their LEP's to complement District Plans from the Greater Sydney Commission and the Western Sydney City Deal.

As a priority Council, Wollondilly has access to \$2.5million of State funding under a joint funding agreement with the NSW Government to accelerate the review of the LEP. Under the agreement, Council is required to complete the review by 30 June 2020.

The LEP Review program will be delivered in six phases and will include seven main project deliverables as follows:

1. Submission of LEP Review Report (completed in November 2018);
2. Submission of Project Plan (completed in January 2019);
3. Submission of draft Local Strategic Planning Statement;
4. Completion of Local Housing Strategy and specialist reports;
5. Submission of final Local Strategic Planning Statement (LSPS);
6. Submission of Planning Proposal to the Department for a Gateway determination; and
7. Submission of draft LEP to Department Planning, Industry and Environment to make the plan.

This agreement provides the Wollondilly community an opportunity to table future needs and ensure our land use provision supports the future community vision.

### Wollondilly, A Growing Shire

Over the 2018/19 financial year, Council has managed unprecedented growth in the Shire. 54

Council reports on development matters were tabled during the 2018-19 period. Land Use Planning plays a vital role in managing the impacts of growth. Council has managed the following:

- Processed 4 Planning Proposals
- Executed 6 Voluntary Planning Agreements / Developer Contributions
- Responded to State led rezoning of Wilton North to the Greater Macarthur land release investigation
- Commenced the Local Environmental Plan Review

### Council's commitment to business improvement to support Community Growth

During 2018, Wollondilly Shire Council implemented several business and process improvements to streamline the DA process for mum and dad type applicants. This initiative positively impacted DA processing times for single dwellings and dual occupancies which comply with Council's planning controls.

As part of the implementing these improvements, some main outcomes achieved include:

- Refining the DA submission process for applicants through the provision of simplified checklists and fact sheets used by our Customer Service Team;
- Simplified our website to provide useful information to guide applicants through DA lodgement and throughout the DA process;
- Council has adopted the NSW Development Assessment Best Practice Guide principles by the Department of Planning to guide our internal processes and procedures.

The result of these improvements have seen the number of outstanding DAs remain at less than 200 and have significantly improved the median processing time for all DAs. In 2017/18 the median processing time was 58 days, and post improvement, our median processing time is 34 days which is a remarkable improvement.

Council issued 324 construction certificates with a net processing time of 4 days which is also a notable achievement.

There is a focus on service support prior to

lodgement, so applicants can be ready and prepared for lodgement with Council. This translates to a more efficient assessment process and improved customer experience for the community.

### Live Development Application Tracking

Council is working on expanding the functionality of the existing DA tracker system. With the rollout marked for 2019/20, we will see information being available 24 hours a day, in an easy to use and secure platform. Additional proposed functionality includes:

- Searching and displaying of property, people and applications submitted and determined;
- Displaying of related DA documentation;
- Online Submissions function;
- Mapping of applications via Google Maps;
- Quick links and advanced search capability.

This will increase transparency in the DA process and allow the planning team to focus on processing applications. The service offers the community the convenience of being able to access information and transact with Council at all times, not just core business hours.

### Leveraging Technology for Positive Community Outcomes

Developments in technology are changing how we all live and work. In response to these changes, Council adopted 2 strategies that provide a future direction for technology with Council and for the community. These strategies include the Council's Information and Communications Technology (ICT) strategy and the Smart Shire Strategy.

The ICT strategy is the guiding document for technological infrastructure improvements in the coming years and will see an increased focus on IT security, e-Services and developments for increased communication and engagement.

The Smart Shire Strategy is our community tech strategy that defines how we can leverage technology in making our area an even better place to live, work, visit and invest. By being proactive and collaborative, we can deliver projects in the Wollondilly Shire that promote community sustainability.

Some of the great technology initiatives that

commenced in 2018/19 include:

- Piloting the Walton Lane smart lighting project.
- Establishing partnership to deliver Electric Vehicle Charging stations – harnessing renewable energy and making sustainability part of the ethos in the Wollondilly Shire
- Introducing 'IoT' (internet of things) smart monitoring options to build comprehensive data sets which will see us get a technological 'blueprint' of our community.
- Through the Western Sydney City Deal, an 8 Council working group 'Collabor8' has been formed to progress the digital commitments under the agreement. This group has run the largest industry engagement of its kind in NSW to see which vendors can partner with Local Government to drive technological innovation.

### Supporting Investment and Visitation in Wollondilly

In October 2018, Council adopted The Wollondilly Destination Management Plan (DMP). The DMP is a high level plan that strategically highlights the many tourism options we have in the Shire and provides a structured approach to sustainable growth, viability and future resilience of our local tourism industry.

Our economic vision for Wollondilly is that by 2025 the visitor economy will be a key driver of the social, cultural and economic life of Wollondilly.

The plan has four key activation priorities based on the offerings available in the Shire:

1. Product & Infrastructure Development to support and create growing tourism opportunities;
2. Destination Awareness & Visitor Services to actively showcase the many options our region has and build awareness of the Wollondilly Shire as a valued destination;
3. Events Development to build on our program of niche events exclusive to the Wollondilly Shire;
4. Governance & Support to support opportunities that will grow Wollondilly's visitor economy.

We recognise that economic growth in line community growth is a sustainable model for the future.

## Key Challenges

### Managing the Impacts of Growth

Where Council recognise there are benefits that can from growth, development and investment in Wollondilly, there are also challenges that community and Council cannot ignore.

With 15,000 new homes set to be built in the Wilton Growth Area over the next 20 to 30 years and an increase of 50,000 people, managing growth in a balanced and measured way will be an ongoing challenge.

There are internal Council challenges to support a growing Shire and community challenges that will impact the quality of life for our residents. Currently, Council is working through 33 planning proposals, based on the NSW State tracking system as the time of reporting showed the comparable number of planning proposals for Councils are:

- Camden – 6 planning proposals
- Liverpool – 19 planning proposals
- Penrith – 12 planning proposals
- Campbelltown – 8 planning proposals
- Parramatta – 9 planning proposals
- City of Sydney – 12 planning proposals

As the numbers show, Wollondilly is managing greater numbers of planning proposals. This requires a large amount of internal resources to process the work in a timely manner.

Each Local Government Area (LGA) has their own individual needs and State set legislation does not always address these adequately. Planning decisions have a huge impact on communities like Wollondilly, and where these decisions don't consider the unique character and place within each LGA, there will be tensions between balancing the requirements of Council with the expectations and needs of our community.

### Investment in Critical Infrastructure

To further progress Council's electronic DA processes, the DA team has been trialing the electronic assessment of secondary dwellings utilising a virtual file and accessing all required information from our corporate systems. The first approved application was posted earlier this year. Whilst this was not a full electronic processing of a DA (just an electronic assessment) Council wants to move forward a full electronic DA process for mum and dad type residential development from the time received at the front counter through to posting out the determination.

## Key Opportunities

### Live DA Tracker

In 2018/19, Council commenced the technical scoping of an online Development Application tracker. The benefits of having an online solution mean our community can transact with Council 24 hours a day.

It also promotes transparency in planning and development and provide the community greater flexibility around lodgement, submissions and understanding the outcomes of planning decisions.

Council will be looking to go live with the online solution in mid-2019/20.

### Agribusiness and Agritourism

Wollondilly's history is rich in agriculture. Our backdrop is one that promotes a sense of farming and food production. Agribusiness in Australia is a leading industry pillars. International interest in Australian grown and owned food products is increasing.

Agritourism is also an emerging opportunity, with people's love for quality food and gastronomy, farming and tourism meet and form the tourism segment known as 'agritourism'.

With such close proximity to the Western Sydney Airport (WSA) and the proposed Agribusiness Precinct located adjacent to the new airport, the opportunities include farm stays, tours and events form part of the tourism strategy for Council. Working closely with the NSW Small Business Commission to develop and implement an agritourism pilot project for the Wollondilly Shire will be explored in 2019/20.

### Supporting Local Business in the Wollondilly Shire

Wollondilly is a "Small Business Friendly Council" and is a signatory to the Service NSW "Easy to do Business" Program. The Easy to do Business Program is a free service offered across a range of industries that gives people personalised help and support when starting or expanding a small business allowing them to focus on their business and save time and money.



## Financial Overview

Operational Income	Operational Expense	Capital Spend
\$15,283,421 21.2% of Total	\$8,409,081 11.6% of Total	Nil of Total

## Progress Against Strategic Direction

The Community Strategic Plan identifies the outcomes that our residents want to see in our community. Council has responded to these outcomes in setting the following strategies to realise the outcomes. Below is the annual assessment of Council's performance in working towards achieving the strategic directions.

Strategy	Key
<b>Strategy GR1 – Sustainable and Balanced Growth</b>	
Manage growth to ensure that it is consistent with Council's Position on Growth and achieves positive social, economic, and environmental outcomes for Wollondilly's towns and villages.	
<b>Strategy GR2 – Built Environment</b>	
Manage land use and development to achieve a high quality built environment and innovative planning outcomes, while protecting our agricultural and rural landscapes	
<b>Strategy GR3 – Economic Development and Tourism</b>	
Enhance economic development and tourism in Wollondilly Shire through the implementation of the Economic Development Strategy and the development of a Tourism Strategy and an Employment Strategy	
<b>Strategy GR4 – Liveable Communities</b>	
Plan for and enhance Wollondilly's liveability by encouraging great places to live with communities that are resilient, safe, affordable, healthy, well connected and retain their unique characters	
<b>Strategy GR5 – Wilton New Town</b>	
Create a new walkable and connected community supported by integrated public transport and matched by sustainable long-term local employment growth	
<b>Strategy GR6 – Peri-Urban Lands</b>	
Manage, promote and adequately protect peri-urban lands and their values	
<b>Strategy GR7 – Agriculture</b>	
Encourage and support agriculture and associated industries so that they continue to be a productive, sustainable and integral part of our economy, community, landscape and environment	
<b>Strategy GR8 – Advocacy</b>	
Advocate strongly for the interests of Wollondilly and its community in relation to planning and economic development outcomes and improved public transport services	

## Corporate Performance Assessment

In setting strategic outcomes, it is important to have indicators that are transparent and provide guidance in understanding if Council is achieving the expected result in each strategic direction. Below are the performance indicators for Theme 1 – Sustainable and Balanced Growth and performance over the 2017/18 period.

Strategy	Corporate Performance Measurement	Update	Status
GR3	Increase the promotion and numbers of visitors to the Wollondilly Area as a Tourist destination	The Wollondilly Destination Management Plan (DMP) was adopted by Council in October 2018.	
GR1	Increase capacity for dwellings within 800 metres of urban services (train station, shops).	This is an ongoing point for Council lobbying State and Federal government for key infrastructure in the Wollondilly Shire	
GR1	Achieve housing targets in the South West District Plan.	Wollondilly Shire Council has exceeded the housing targets outlined in the South West District Plan. This has been replaced by the Western Sydney City District Plan which has revised these targets and will inform the LEP review in 2019/20.	
GR1	Reduce the net processing time (median) for development applications.	The net median determination time of all development applications was 34 days – this is a decrease what was reported to the DPIE 58 days. Council is well within the 40 day median processing target set by NSW DPIE.	
GR1	Reduce the net processing time (median) for construction certificates	Council has streamlined the processes resulting in a net median determination time of just 4 days for the 324 construction certificates issued by Council.	
GR1	Number of DA's received	All DA's are assessed against relevant controls by suitably qualified professionals.	
GR1	Number of DA's outstanding	There were 201 DA's under assessment at the end of the financial year compared to 188 last year.	
GR2	Improve service levels for urban design and heritage advisory service	All DA's are assessed against relevant controls by suitably qualified professionals.	
GR1	Improve the application lodgement and assessment service to reduce delays.	Significant improvements have been rolled out and are under constant review to ensure a good level of service is provided	
GR1	Development approvals for new dwellings exceed the on ground delivery of housing (measured by number of bins issued compared to number of DA dwelling approvals).	During this reporting period 372 new bins were issued compared to the 406 new dwelling approved.	
GR8	Improved Service Levels within Council to support environmental values for development proposals	Appropriate consideration is given to environmental affections in DAs. Such matters are reviewed by appropriately qualified staff to ensure all legislative obligations are met.	
GR1	Overall satisfaction rate with Council's DA service	85% of all surveys returned a satisfaction rating of 7/10 or above.	
GR1	Number of post DA survey follow ups completed	Council contacted all 5 respondents that gave a score of 7/10 or below.	
GR1	Development survey return rate.	7% - 963 surveys were sent and 68 were completed	



## THEME 2

# MANAGEMENT AND Provision of Infrastructure

### What We Do

We work to provide safe, efficient, and sustainable infrastructure for the community. Council manages an extensive network of critical infrastructure.

### Asset Management

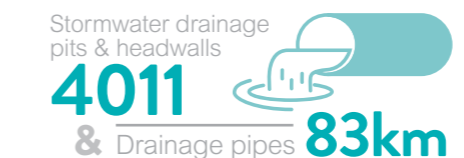
Council has a significant asset portfolio. We are responsible for managing and maintaining:



Approximate replacement cost of **\$411m**



Approximate replacement cost of **\$94m**



Approximate replacement cost of **\$55m**

With our stakeholders, Council work to manage our \$597m infrastructure portfolio.

The actions Council deliver in this theme contribute to the following community outcomes:

### Outcomes

1. Infrastructure that is safe, accessible and fit for purpose.
2. Infrastructure that is sustainably maintained
3. Infrastructure that delivers upon the expectations and needs of our growing community.



## Council Awards and Recognition

Council successfully secured \$1.13M funding from the Federal Government through the Black Spot programme. This initiative targets roads which have a history of recorded accidents.

This work has been completed to improve safety of roads in our Shire.

### Highlights

#### Commitment to Capital Works

In line with the revised Asset Management Strategy, Council recently published a revised six year Transport Capital Works Program in 2018/19 which considers multiple factors including road condition, traffic safety issues, the most suitable time to intervene, the best methods to use, future development and current traffic levels on the road. The program can be found on [Council's website](#)

#### A focus on Recreation

Council contributed \$1.5M towards the new multi-purpose sportsground at Wilton Recreation Reserve. Construction of the building commenced in 2018/19. The Wilton Recreation Reserve Masterplan has been fast tracked by an injection of funds from the NSW government funding through the Greater Sydney Sports Facility Fund program. The objectives of the program is to improve the standard of sporting facilities to meet current and future needs and to encourage increased female participation in sport.

## Key Challenges and Opportunities

### Balancing Immediate and Future Road Needs

In 2017 Council adopted a revised Asset Management Strategy to address the challenge of managing our road network.

The strategy includes identifying 'intervention levels' which reflect the phases in the life of a typical road. While most road structures (pavement) are designed to last for up to 80 years, the surface deteriorates much quicker and typically lasts 10-15 years.

If the surface is left to deteriorate too far, water seeping into the road pavement will speed up deterioration of the road, causing damage to the pavement and requiring more expensive repairs.

A balanced strategy ensures that relatively good roads are maintained and not left to deteriorate, leading to much more expensive treatments in the future, while also having a road reconstruction program for those roads that are in poor condition.

### Council's Asset Management Strategy separates road renewal work into three phases.

#### Phase 1 - Scheduled Surface Treatment

Typically the road surface is less than 10-15 years old with little or no surface defects.

Ideally 100% of roads that require scheduled surface treatment should be funded, preventing these roads from deteriorating to Phase 2.

#### Phase 2 - Heavy Patching and Surface Treatment

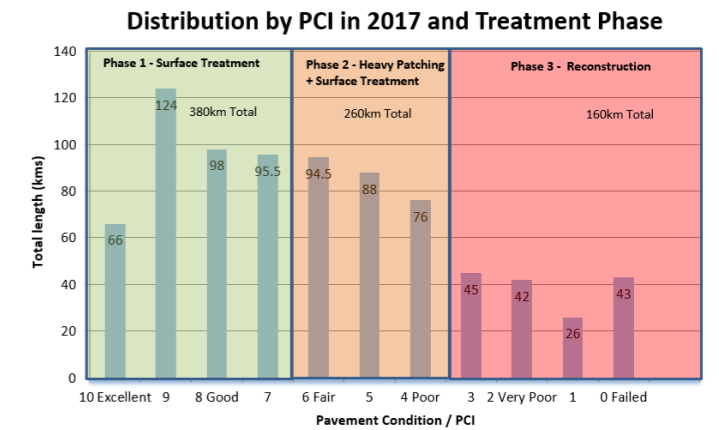
Typically these roads have not had a surface treatment applied in the last 10-15 years and have some surface defects. The budget for a Phase 2 project is typically three times more expensive than a Phase 1 project. The worst roads in Phase 2 should be prioritised first, to prevent them from deteriorating into Phase 3.

#### Phase 3 - Reconstruction

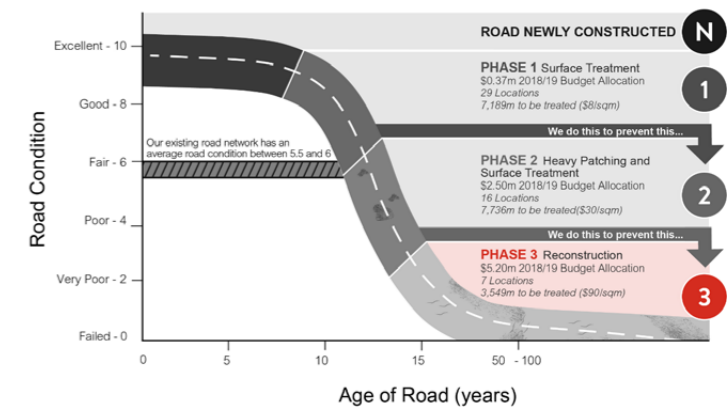
These are roads that have deteriorated to such an extent that full reconstruction is required. Many of our roads were not designed to meet current traffic volumes or vehicle sizes. A Phase 3 project is typically three times as expensive as a Phase 2 project.

Reconstruction works are carried out based on a priority system with preference given to high usage/high priority roads.

As the majority of Council roads are in Phase 1 & 2, the challenge is ensuring these road do not deteriorate into Phase 3.



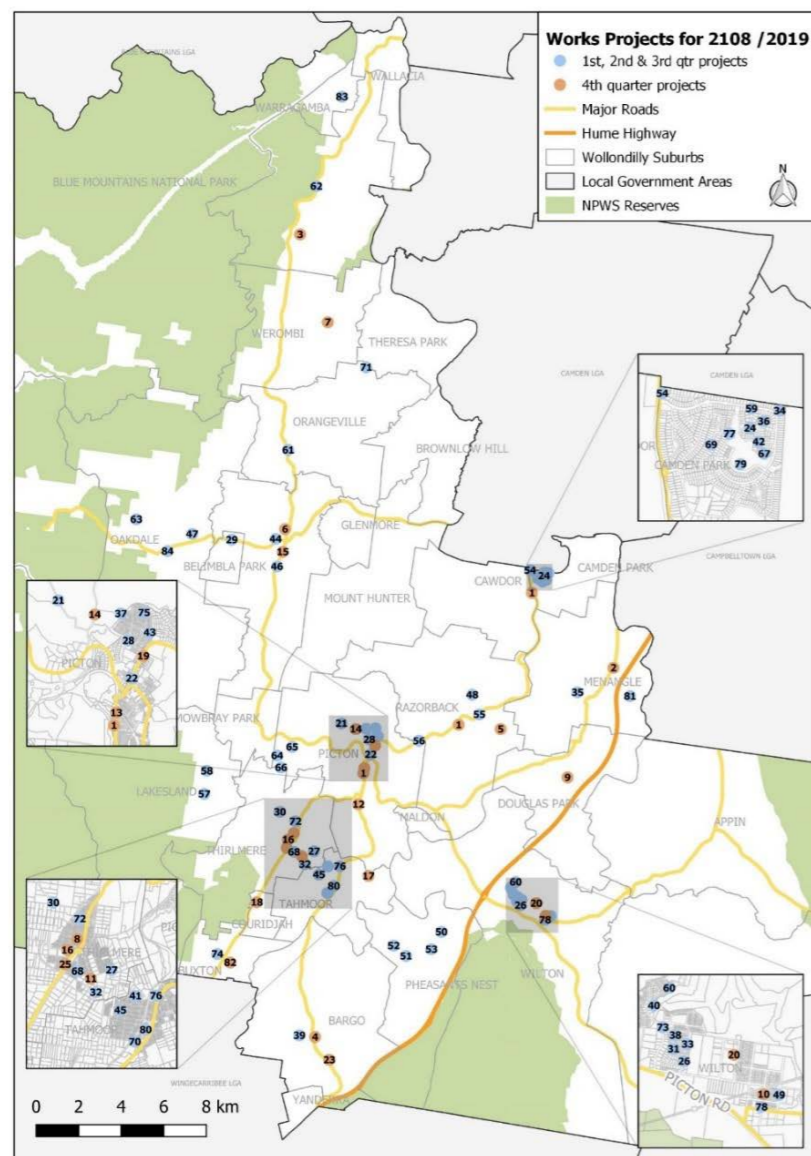
This strategy is summarised below.



While the majority of Council's current program addresses the worst roads (or Phase 3) in the shire, feedback has been received suggesting that all of Council's road renewal funding should be spent on Phase 3 roads and that surface treatment projects are a waste of money.

While these works remain unpopular, if left untreated these roads will begin to deteriorate into Phase 2 and ultimately Phase 3, adding to community stress and increasing funding requirements to replace the road.

The strategy addresses the deterioration of Phase 2 Roads, which means the list of roads in Phase 3 should decrease as the road reconstruction program progresses.



## COMPLETED PROJECTS 2018/19

This map shows all completed projects in the 2018/19 financial year.

While a large proportion of Council's current program addresses the worst roads (or Phase 3) in the shire, feedback has been received suggesting that all of Council's road renewal funding should be spent on Phase 3 roads and that surface treatment projects are a waste of money.

While these works remain unpopular, if left untreated these roads will begin to deteriorate into Phase 2 and ultimately Phase 3, adding to community stress and increasing funding requirements to replace the road.

The strategy addresses the deterioration of Phase 2 Roads, which means the list of roads in Phase 3 should decrease as the road reconstruction program progresses.

The end of the 2018/19 financial year completed the first full cycle of this new strategy for road renewal and feedback provided to date is encouraging.

## Financial Overview

Operational Income	Operational Expense	Capital Spend
<b>\$13,361,374</b> 11.6% of Total	<b>\$28,213,935</b> 38.9% of Total	<b>\$19,468,816</b> 97.8% of Total

## Progress against Strategic Direction

The Community Strategic Plan identifies the outcomes that our residents want to see in our community. Council has responded to these outcomes in setting the following strategies to realise the outcomes. Below is the annual assessment of Council's performance in working towards achieving the strategic directions.

Strategy	Key
<b>Strategy IN1 – Improve the condition of our Road Network</b>	
Manage, maintain and improve our road network to meet the needs of the community, now and into the future	
<b>Strategy IN2 – Provision of Infrastructure and Facilities</b>	
Provide a range of infrastructure and community facilities to meet the needs of the community, now and into the future	
<b>Strategy IN3 – Manage Infrastructure and Facilities</b>	
Manage infrastructure and community facilities to provide for and respond to community needs, improve safety and improve choices	
<b>Strategy IN4 – Emergency Management</b>	
Assist in the planning of the community's response to emergencies such as bushfires and flooding	
<b>Strategy IN5 – Advocacy</b>	
Advocate strongly for the interests of Wollondilly and its community in relation to infrastructure outcomes	

## Corporate Performance Assessment

In setting strategic outcomes, it is important to have indicators that are transparent and provide guidance in understanding if Council is achieving the expected result in each strategic direction. Below are the performance indicators for Theme 2 – Management and Provision of Infrastructure and performance over the 2018/19 period.

Strategy	Corporate Performance Measurement	Update	Status
IN1	90% of Renewal and maintenance schedules completed.	Council is making progress on the delivery of renewal and maintenance schedules. For the period, Council has achieved the target of 90%.	
IN2	An increase of appropriate sporting and recreation options near where people live	Developing and implementing Masterplans for key recreational Facilities including Wilton Recreation Reserve, Douglas Park Sportsground, Menangle Old School Site, Appin Park, Telopea Park, Redbank Reserve, Botanic Gardens and Potholes Reserve	
IN3	Renewal Ratios, Asset Maintenance.	Building & Infrastructure Renewal Ratio = 103.1%	
IN2	Achieve or exceed budgeted income for infrastructure programs	Council is now seeing the effects of the special rate variation that has gradually compounded over the past few years to the point where Council is now regularly providing sufficient resource towards the maintenance of its assets.	
IN1	Road network visible improvement rating	PCI modeling shows the overall road network condition has stabilised and will show improvements over the next cycle. This will be tested when new road condition data is collected in 2020/21.	





## THEME 3

# CARING FOR *the Environment*

### What We Do

Wollondilly Shire is surrounded by spectacular natural beauty and rural pastures. The LGA covers 2,560 square kilometres from Yanderra in the South, Appin and Menangle in the East, Warragamba in the North, and the Nattai wilderness, Yerranderie and Burragorang Valley to the West. A large portion of the LGA is natural bushland and waterways.

To support the environment to be safe and sustainable, and to enable thriving communities, we partner with the community and key stakeholders. Our objective is to manage and enhance our natural environment. From waste management and recycling, to stormwater management and community education, there are a wide range of service output in the environmental space.

### Outcomes

The actions Council deliver in this theme contribute to the following community outcomes:

1. An environment that is valued, preserved and protected, with new planning and development proposals supporting these values.
2. A community that is engaged with, and cares about, their environment.

### Council Awards and Recognition

- Council received \$87,000 from the EPA through the Better Waste Recycling Fund, and \$7,500 from Local Government NSW for Flying Fox Management plan development.

## Highlights

### Promoting Responsible Pet Ownership

An audit of enclosures for all Declared Dangerous and Menacing Dogs was carried out in the 2018-2019 period. The audit disclosed an 87% compliance rate with only minor matters identified as not achieving compliance.

To support the audit function that Council carries out, information evening sessions are delivered to the community to educate on responsible pet ownership. Information sessions like 'Barking Dogs – the Barking Stops Here - what can you do?' help to reduce the number of neighbour disputes over barking dogs.

Council's animal shelter is always focused on promoting quality outcomes for our furry friends. In 2018/19, 88% of dogs and 64% of cats who entered our facility were rehomed or returned to their owners.

### Wollondilly, A community committed to Sustainability

Each year, Council calls on the Wollondilly community to offer their support and time through the volunteer program for the Community Nursery.

Council's Community Nursery continued to deliver both Environmental and social excellence in the 18/19 financial year with a total of 3,688 volunteer's hours (equivalent to \$110,640 hours of in kind support) and a total of 17,762 plants given away to schools and the community and Councils restoration and other projects. This was an increase of 781 hours (27%) from the 17/18 year.

In addition, Council's Commitment to Sustainability was demonstrated by its support of 16 'SustainaDilly' Courses. All courses were well received by the community and had positive feedback with many of the courses were over-subscribed.

Courses included Composting and Worm farming Workshops, Introduction to Bee Keeping, Plant Propagation, Demystifying Energy Use in the Home and Sustainable Management of Bushland on Your Property.

Clean-up events were organised throughout at Mermaid Pools Carpark, Razorback lookout and various schools. Participants at the Razorback lookout and Mermaid Pools carpark stated that there has been a significant reduction in rubbish from previous years.

Wollondilly Council held its annual Chemical

Cleanout day also in March, this was held on Sunday 31st and attracted over 600 cars disposing chemicals – double the number from last year. An estimated total of 45 tonne of chemicals received which means a safer community for us all.

### Managing the impacts of Mining in the Shire

Council has been extremely proactive its advocacy efforts around mining related matters.

Staff and councillors attended all meetings with Mining and Energy Related Councils NSW. In these meetings, Council advocated for a change in the eligibility criteria for Resources for Regions infrastructure funding to enable Wollondilly to qualify for funds as other LGAs affected by mining activities have been.

A submission was lodged on the Tahmoor South Project Application requesting the reassessment an application by the Department of Planning and Environment due to a number of inadequate impacts to the condition of local waterways that Council felt had not been considered.

Council also made a number of Resolutions to write to Commonwealth and State Ministers and MPs in relation to potential impacts associated with mining operations.

### Community Safety and Fire Hazard Reduction

In early 2019, Council took delivery of its first Reach Arm Tractor and began the implementation of the road side vegetation management plan. By using this equipment, Council will be able to focus on maintaining roadside verges to increase road safety as well as treating areas with the Shire for Bushfire Risk.

Council has also assisted NSW Rural Fire Service (RFS) with running a two day Hotspots Workshop in the Orangeville Werombi area. The program engaged 25 rural landholders with training in all aspects of fire planning management on their properties, including preparing for and undertaking a small hazard reduction burn. The program was well received with participants feeling they had a better understanding on the risk management and ecological aspects of fire in the landscape.

Council, with additional funding from RFS successfully delivered a \$280,000 fire hazard reduction program on Council land throughout the Shire. Works included mechanical vegetation clearing on roadsides, creating Asset Protection Zones adjacent to houses and undertaking strategic hazard reduction burns.

## Key Challenges

### Waste Minimisation and Diversion from Landfill

The NSW Government has a waste diversion rate target set for Local Government of 66% for municipal waste. This was designed to reduce the amount of landfill as improper management of waste presents issues for the environment, the economy and the community. Council's diversion rate is currently sitting at 37% which is significantly lower than the target of 66%.

In 2018/19 the Waste Industry has faced significant external challenges with the change of legislation on the Mixed Waste Organics Outputs and the "China Sword" recycling impacts, which has seen the diversion from landfill decrease.

The Chinese National Sword is the China's new regulation on imports of solid wastes as raw materials. The policy bans various plastic, paper and solid waste and plastics. What this means for local recycling is we now have to manage waste production locally which has a negative impact on our diversion rates and increases costs for waste management.

Council's contracts remain unchanged for the Community, however Council now will increase the efforts in working with other Council's and State Government Agencies to look for alternate opportunities for waste and secure the industry for the future.

### The Peri-Urban Predicament

Wollondilly Shire Council is a peri-urban Council. What this means is that we experience similar challenges to both metro and rural Councils. But importantly, we also have the added challenge of balancing the impacts of when metro communities meet rural communities.

This creates unique tensions that don't exist in other areas. For example, there are no issues within metro Councils of companion animals killing livestock, yet in Wollondilly, managing people's pets and livelihoods in a reality for our Council.

Another example of this challenge is the protection of important biodiversity in our Shire. Council supports wildlife protection in Wollondilly, yet increasing visitation and population numbers can threaten our wildlife. Council will be reviewing the Biodiversity Strategy in 2019/20 that will explore how we can protect our flora and fauna in the future

### Illegal Dumping

Illegal dumping continues to be a real issue for Councils. In 2018/19 Council reviewed its Illegal Dumping Strategy and is expected to be finalised FY19/20. The Illegal Dumping Strategy focuses on implementing preventative measures like signage and compliance monitoring including surveillance and patrols.

Council have installed cameras in targeted locations to catch dumpers and take appropriate action. In 2018/19 alone, there have been a total illegal dumping incidents = 281. This is a decrease from previous years, but still has considerable impact on resourcing and costs associated with clean up. Total cleanup costs came to \$77,445.81.

## Key Opportunities

### Water Innovation

As the country continues to be gripped by drought and increasingly volatile weather events, Council has identified the need to look at how we can innovate to be resilient and sustainable for the future.

The development of new water policy and water sensitive urban design guidelines mean we can look at achieving a zero impact on local waterways from future development including residential, commercial, agricultural and industrial' and using water in a way to support sustainable development including community liveability, green neighbourhoods, enhancing biodiversity and climate resilience.

Council will not only be looking at how we can design our policy and guidelines, but how we can leverage partnerships to innovate in the Shire to protect our water sources and waterways.

## Financial Overview

Operational Income	Operational Expense	Capital Spend
\$9,991,261 13.9% of Total	\$13,281,717 18.3% of Total	\$392,349 2.01% of Total

## Progress against Strategic Direction

The Community Strategic Plan identifies the outcomes that our residents want to see in our community. Council has responded to these outcomes in setting the following strategies to realise the outcomes. Below is the annual assessment of Council's performance in working towards achieving the strategic directions.

Strategy EN1 – Protect and Enhance Biodiversity, Waterways and Ground Waters	Key
Maintain and enhance the condition of biodiversity including the condition of water sources (both surface and groundwater)	
Strategy EN2 – Protect the Environment from Development Pressures	
Contribute to development to achieve positive environmental, social and economic outcomes	
Strategy EN3 – Vegetation Management	
Achieve a balance between risk-based management and conserving biodiversity and maintaining public and private assets	
Strategy EN4 – Community Involvement	
Engage the community during the preparation and implementation of Council's environmental activities and programs	
Strategy EN5 – Environmental Awareness	
Enhance community awareness of the environmental values of Wollondilly's natural resources and rural lands and the threats to these values	
Strategy EN6 – Sustainable Practices	
Enhance the adoption of sustainability practices by Council and the local community which reduce consumption of resources, generation of waste, as well the level of greenhouse gas emissions	
Strategy EN7 – Agricultural Land and Capacity	
Protect agricultural land and the natural resources which support agricultural capability	
Strategy EN8 – Auditing, Monitoring and Enforcement	
Undertake auditing, monitoring and regulatory enforcement and be responsive to community complaints to protect the environment and the health, safety and well-being of the community	
Strategy EN9 – Waste Management	
Provide the community with a workable and convenient waste management system, which also minimises waste generation, increases resource recovery and protects the environment	
Strategy EN10 – Advocacy	
Advocate strongly for the interests of Wollondilly and its community in relation to environmental outcomes	

## Corporate Performance Assessment

In setting strategic outcomes, it is important to have indicators that are transparent and provide guidance in understanding if Council is achieving the expected result in each strategic direction. Below are the performance indicators for **Theme 3 – Caring for the Environment** and performance over the 2018/19 period.

Strategy	Corporate Performance Measurement	Update	Status
EN9	At least 66% of domestic waste is diverted from landfill.	Monitor external waste issues affecting compliance, diversion from landfill averaged at 37%	
EN6	An increase of plants distributed by the Community Nursery.	Council has distributed over 17,000 new plants to the community.	
EN6	Maintain volunteer hours in the Community Nursery and associated activities.	Council has maintained the number of volunteer hours in 2018/19	
EN6	Assess and report Sustainability Indexes for operations services.	Changes to growth means that the sustainability measures are currently being reviewed	
EN8	Implement the revised Illegal Dumping Management Strategy.	Strategy has been drafted and reviewed	



## THEME 4

# LOOKING AFTER *the Community*

### What We Do

Council plays a key role in facilitating support and connecting our communities. We provide a range of facilities, services and events that help people to be healthy, feel a sense of belonging and have opportunities to have fun. These include sports, arts, culture, recreation and social interaction experiences. We provide a libraries, aquatic and leisure centres, parks and community support services.

Council cannot in reality deliver all of the core services that a community needs to flourish, but we do play an integral role in advocating on the needs and interests of our community members.

### Outcomes

The actions Council deliver in this theme contribute to the following community outcomes:

1. Access to a range of activities, services and facilities.
2. Communities that are engaged, cohesive, included, and have a sense of belonging.
3. Communities that are healthy, happy and feel safe.

### Council Awards and Recognition

- Winner – LGNSW Leo Kelly Award for IlluminARTE Wollondilly
- Winner – Resilient Australia Award Local Government for the Activate Wollondilly Community Resilience Innovation Program (CRIP)
- Winner – Indigenous Trainee of Year MG My Gateway Awards
- Winner – Overall Trainee of the Year MG My Gateway Awards
- Winner – NSW ACT Group Training Awards Trainee of the Year
- Winner - Inaugural Top 50 Public Sector Women (New South Wales) Award 2018– Ally Dench (*of the 50 listees 5 were from the Local Government sector*)



## Highlights

### #SaveOurKoalas Summit

With State Government planning decisions not only presenting challenges for our community, they also pose a greater threat to fauna. Council coordinated a huge engagement and advocacy project to raise awareness around the risks to a vital and disease free colony of koalas in our Shire.

Council's #SaveOurKoalas petition, reached out to over community and secured over 13,000 signatures to be discussed in State Parliament.

The response to the Summit was extremely positive, with the attendees in agreement that the future of these disease-free koalas should be of the highest priority for all levels of government.

As a result, Council and Walker Corporation entered into a Deed of Agreement to ensure ongoing protections are in place for Macarthur's important koala colony, and to protect the Allen's Creek koala corridor at Wilton.

### Appin Men's Shed Opening

Men's Sheds are places where you can learn new skills, hone old ones, pursue hobbies, pastimes and interests, or just do your own thing. This builds on our Australian culture of 'mateship' and a return to a productive and inclusive lifestyle for many men, who may need to find new personal space due to retirement, sickness, being unemployed, and many other reasons.

Appin Men's Shed welcomed the new premises and now have a lot more space to complete their construction projects. The Appin Men's Shed secured \$220,000 funding through applying for grants and doing jobs for local organisations and also raised more than \$70,000 towards securing the land where the shed has been built.

Appin Men's Shed officially opened its Shed on 1st September. Council were invited as VIP guests of the opening with alongside Honorable Angus Rowell and Local Member Jai Rowell and 150 community members.

### Australia Day

We saw that people in Wollondilly are dedicated to celebrating community spirit.

On the hottest Australia Day recorded since 1960, residents and visitors attended the Australia Day Celebrations at the Picton Botanic Gardens. Mayor

Cr Matthew Deeth welcomed 13 new Citizens to our community and 7 Australia Day Awards were presented to local residents.

#### **Award categories and recipients included:**

**Wollondilly Citizen of the Year:** Helen Fenning

**Young Citizen of the Year:** Dillon Ray

**Achiever of the Year:** Paula Zrilic

**Sportsperson of the Year:** Garry Robinson

**Local Hero of the Year (individual):**

Robert Marshall

**Local Hero Organisation of the Year:**

Dilly Drought Drive

**Environmental Citizen of the Year:**

Nicole Palmer

### International Women's Day

On March 6, Council celebrated Women and their contributions to our community.

International Women's Day was hosted by Council in the Picton Shire Hall with a gourmet breakfast and local speakers including Kaarle McCulloch, an elite cyclist and Wollondilly Citizen of the Year, Helen Fenning.

Approximately 120 people attended the event and Community Links Wellbeing showcased local services available to support women in our community. Each year this event gains greater support which highlights the wonderful and inclusive community we have in the Shire.

### Illuminate Wollondilly

On May 5th, the rebranded illuminate festival came back for its 5th year.

The event showcased local artists, amazing light projections and displays, over 110 market stalls and a music festival in the evening with local and popular music acts. This year saw amazing new inclusions with a silent disco, neon putt putt and a photo booth. This was in addition to the LED dancers, captivating solar bugs and our resident fire breather.

The festival was officially opened by the mayor following an amazing lantern parade with local school children and saw approximately 22,000 people attending the event.

## Integrated and Collaborative Social Planning

The Wollondilly Health Alliance (WHA) was formed in March 2014 to identify and address health care access issues in Wollondilly. Council recognised that addressing the social needs of the community was not only a Council priority. By engaging with the South Western Sydney Primary Health Network and South Western Sydney Local Health District, the WHA was created.

The ultimate aim of the WHA is to proactively address the ongoing health issues facing the Wollondilly community, and work towards creating a better serviced and healthier Wollondilly community.

This model of integrating the tiers of government on social planning matters has been recognised as best practice within the industry. The success of the Wollondilly Health Alliance as a model for collaboration between the three levels of government has led to establishment of a Western Sydney City Deal Health Alliance.

Wollondilly Shire Council has led 8 Local Government Councils, in collaboration with 2 Local Health Districts and 2 Primary Health Network partners, to establish the Western Sydney Health Alliance Steering Committee to:

- oversee the implementation and progress of a memorandum of understanding;
- provide advice, support and guidance;
- provide a governance framework for the implementation of the Health Alliance; and
- oversee a collaborative resource allocation to drive and facilitate the development of the framework, milestones, KPI's and detailed project plan to progress the work of the Health Alliance.

Western Sydney Health Alliance partners have committed matching funding dollars and in-kind staffing resources for the governance and seed funding for the Alliance and associated working Groups.

## Key Challenges

### A Changing Community

Over the past 5 years, the resident population in Wollondilly has increased by approximately 12.5%. This increase in residents in the Wollondilly Shire means a changing community with expanding needs and expectations of Council services.

With over 60% of our community both being infants, school aged children or those over 60 years of age, access to quality health care, education and opportunities to engage with the wider community will continue to be a priority for Council.

Council's role in supporting a diverse community is a challenging role, and is not solely the responsible of Local Government. Future opportunities to engage with State and Federal Government will form the basis of our advocacy efforts.

## Future Funding

Local Government is often reliant of either full funding or co-funding of positions within Council to deliver the priorities set at the State or Federal level. The ongoing funding is never guaranteed, however, the work that Council delivers is incredibly important. When funding is stopped, there is still a need and community expectation that services will continue.

For example, there is a new funding framework under the Targeted Early Intervention Program with Communities and Justice coming into effect in 2019/20. The principle of the funding frameworks are sound, and Council supports the move to a proactive approach to managing social and community issues. Funding is provided to Councils (upon satisfying eligibility criteria) to deliver priority projects.

Council will begin to deliver services to the community and this becomes part of how we work. If funding were to cease, there would still be the expectations on limited resources to deliver to the same service level.

## Key Opportunities

### Café Connect Wollondilly Shire Council partnership with Macarthur Disability Services

Council has the opportunity to establish a collaborative partnership with Camden Council, Campbelltown Council and funding body Macarthur Disability Services (MDS). The outcome of this community partnership will be the project 'Café Connect'.

Café Connect is based on Camden Council liveable communities project and is supported by the community sector through the Macarthur Ageing Forum. The aim will be to promote collaboration between aged care and community organisation across the Macarthur Region. Wollondilly Council will launch its activities in 2019/20 for over 55's community members to support our commitment to social inclusion.

### The Wollondilly Community, Cultural and Civic Precinct

The \$150 million Western Parkland City Liveability Program is a key commitment under the City Deal and has been established with contributions of \$60 million from both the Australian and NSW governments, and \$30 million from the eight councils of the Western Parkland City. Under this program, Council will looking to secure grant funding to support the communities vision for increased access to the cultural arts. The Wollondilly Community, Cultural and Civic Precinct will be located in Picton and will be a Shire wide community asset.

Community engagement is set to commence early in the 2019/20 and will seek community feedback on what their priorities are for this space in future. This will then inform the delivery of Council's largest capital project to date.

## Financial Overview

Operational Income	Operational Expense	Capital Spend
\$1,062,211 1.5% of Total	\$4,302,989 5.8% of Total	Nil

## Progress against Strategic Direction

The Community Strategic Plan identifies the outcomes that our residents want to see in our community. Council has responded to these outcomes in setting the following strategies to realise the outcomes. Below is the annual assessment of Council's performance in working towards achieving the strategic directions.

Strategy CO1 – Strong Community	Key
Deliver a range of community projects, services, and events (including in partnerships with community groups and NGOs) which strengthen our community	
Strategy CO2 – Health and Wellbeing	
Promote and support community health and wellbeing and plan for long term health services for the Shire	
Strategy CO3 – Social Planning	
Undertake strategic social planning approaches regarding community needs and issues, particularly in relation to future population growth	
Strategy CO4 – Engagement and Communication	
Implement excellence in our community engagement by consulting with and responding to the needs and concerns of our residents	
Strategy CO5 – Advocacy	
Advocate strongly for the interests of Wollondilly and its community in relation to community outcomes	

## Corporate Performance Assessment

In setting strategic outcomes, it is important to have indicators that are transparent and provide guidance in understanding if Council is achieving the expected result in each strategic direction. Below are the performance indicators for Theme 4 – Looking after the Community and performance over the 2018/19 period.

Strategy	Corporate Performance Measurement	Update	Status
CO1	Healthy attendance of people who participate in local events, for: <ul style="list-style-type: none"> <li>Arts and Culture;</li> <li>Ageing and People with Disability;</li> <li>Youth Development;</li> <li>Library</li> </ul>	In the 2018/19 we have seen a 15% increase in event participation.	
CO1	An increase in the number of families/children accessing care through Council's Children's Services	In the 2018/19 we have seen a 15% increase in event participation.	
CO1	An increase of people using library services.	We have seen a 1% decrease in library membership in the 2018/19 period.	
CO1	An increase of people using the Dilly Wanderer	Attendance numbers have fallen from 1416 in 17/18 to 1009 in 2018/19.	
CO4	An increase in viewers to Council's website.	Views of our main have increased from 745,943 in 2017/18 to 769,394 in 2018/19	
CO4	Overall effectiveness of content and messaging	No content or messaging issues reported	
CO4	Number of media releases picked up in the media	Council issued 94 media releases in 2018/19 and an impressive 72% were picked up by media outlets.	
CO4	Number of media enquiries linked to media releases.	Not measured as this Corporate Performance Measure was determined to be of no value	
CO4	Facebook engagement rate	Total Facebook engagements during 2019/19 was 222,818	
CO4	Number of facebook 'likes'	The utilisation of Council's social media platforms has increased over the 2018/19 period. The number of 'likes' is up by 11% and twitter now has 1,500 followers	
CO4	Number of twitter followers		
CO4	Overall satisfaction rate with the provision of Council information to the community	Where Council saw a slight increase in community satisfaction around provision of information to the community, survey results still show a performance gap of 1.10, allowing for improvement in 2019/20	
CO4	Number of registrations on 'Engage.Wollondilly'	Not measured as this portal has been replaced with the launch of yoursaywollondilly in March 2019	
CO4	Average 'engagement matrix' score for medium and large scale campaigns/projects	Not measured as this Corporate Performance Measure was determined to be impractical	
CO4	Overall satisfaction rate with opportunity to participate in Council decision making	Unable to determine until next Customer Satisfaction Survey	
CO4	Communications reach according to customer service survey	Attendance numbers have fallen from 1416 in 17/18 to 1009 in 2018/19.	

# DISABILITY INCLUSION ACTION PLAN

## Disability Inclusion in NSW

In 2014 the NSW Disability Inclusion Act 2014 (the Act) required all NSW government agencies and local councils to develop Disability Inclusion Action Plans (DIAPs) in consultation with people with disability. These plans were to outline the measures put in place so that people with disability can access general supports and services available in the community and can participate fully in the community.

The NSW Disability Inclusion Plan identified four areas of focus that people with disability said were priority areas. These were:

1. Developing positive community attitudes towards disability
2. Creating liveable communities
3. Increasing access to meaningful employment
4. Improving access to mainstream services through improved systems and processes.

In June 2017, Wollondilly Shire Council adopted the Disability Inclusion Action Plan 2017-21. The NSW Disability Inclusion Act requires all councils to report on the progress of implementation of their DIAP's in their annual reports to align with their current reporting processes. We see this reporting as an opportunity to share our approach to inclusive practices and update our community on the progress made on the implementation of our Disability Inclusion Action Plan.



## Key Challenges

- Individual and systemic advocacy addressing gaps in NDIS funding allocation and ongoing community organisation viability.
- Planning and resource allocation for changing demographics and emerging needs of new communities.
- Funding for infrastructure and facility upgrades across the Shire.

## Key Opportunities

- Ongoing partnerships with State Government, Federal Government and Community Service providers supporting capacity building and growth
- Liveability Fund resourcing key infrastructure and recreation projects in Wollondilly
- Council's commitment to embedding health and wellbeing in Wollondilly's land use planning via employment of a Senior Strategic Health Planner (co-funded by South Western Sydney Local Health District).

## Highlights

### Positive Attitudes and Behaviours

- 56 staff, including all new starters participated in Disability Awareness training incorporated into the Customer Service mandatory training for all staff during the 2018/19 period.
- 26 staff attended Deaf Awareness Training, facilitated by The Deaf Society in June 2019. This short course provided information and practical tips to improve communication and interactions with staff and community members who identify as deaf or hard of hearing.
- Council's endorsed Inclusion and Access Advisory committee was established in March 2019, with membership from both community members, service providers and staff. Since inception the committee has met Bi-Monthly and been actively involved in making comment on engagements relating to the Wollondilly Community, Cultural and Civic Precinct in Picton, Wollondilly Library Strategic Plan and South East Wilton Growth area with a specific focus on access and inclusion.

### Liveable Communities

- New accessible amenities blocks were completed at Emmett Park – Tahmoor, Telopea Park – Buxton and Willis Park – Oakdale.
- Council, in partnership with 'Touched by Olivia' Foundation, commenced works on an Inclusive Play Space in Warragamba Civic Park in 2018/19, due for completion in 2019/20. The play space will include a Changing Places accessible toilet and change facility that includes an adult size change table, ceiling hoist and Tactile Braille signage.
- Council, in partnership with local community organisations in September 2018 supported the 'Connecting Wollondilly Expo' at Bargo Community Hall. The expo was an opportunity for 45 local

community services including disability, aged care, family support and seniors groups to promote themselves to the residents of Wollondilly.

### Employment

- Council reviewed its EEO Management Plan in March 2019 'EEO – The Building Blocks of Equity in our Workplace' with a particular focus on developing and promoting a culture that is supportive of Equal Employment Opportunity (EEO) principles and embraces diversity and inclusion within the workplace.
- Council were successful in securing funding to compliment the EEO management plan to allow for resource allocation for staff and community members who may need extra support to participate fully when engaging with Council e.g. Auslan Interpreter.
- Council has continued to work in partnership with Picton High School to provide work experience opportunities for local students exploring opportunities beyond High School.

### Systems and Processes

- Council have implemented open captioning on short videos since June 2019 available on social media platforms.
- Council have been working towards implementing closed captioning on internal videos available to staff accessing the online learning system.
- Council were successful in securing funding to resource a web based platform that monitors website accessibility and quality assurance. This resource will be rolled out in the 2019/20 financial year with a focus on working towards having a AA standard compliant website.



## THEME 5

# EFFECTIVE AND *Efficient Council*

### What We Do

Council deliver a vast range of external community services. In order to do this, there is a key support network that operates provides a variety of administrative, management and support functions to keep the Council running.

In addition to this support function, Council take an active role in advocating local issues at a state and federal level to secure positive outcomes for our current and future communities.

### Outcomes

The actions Council deliver in this theme contribute to the following community outcomes:

1. Government, community and business talking and working together.
2. A Council that demonstrates good business management and ethical conduct.
3. A Council that is viewed by the community as transparent, accountable and responsive to their concerns.



## Highlights

### A Commitment to Continuous Improvement

In 2018/19 Council revised the approach to embedding continuous improvement in the organisation. As a result of the change in approach, there were a number of significant improvements delivered in the business.

Recognising that operational and community needs are changing, The Continuous Improvement Program included a set of coordinated internal projects. These projects included reviewing key processes within the business, our budgeting approach and the systems required to support increasing workloads.

As a result, we have achieved the following:

- A budget review project improved the budget position by a projected \$1,529,727;
- A review of the Development Application process saw significant improvements to DA processing times;
- The Customer Service Team have continued to improve their performance, achieving a customer satisfaction rating of an incredible 99%;
- The implementation of software to automate the generation of Council business papers and minutes have seen a large reduction in preparation times;
- Introduction of an evaluation framework to support effective internal governance. This six monthly report provides governance performance indicators, data and trend analysis to Executive Management.

All these improvements are intended to build capacity in Council to support the management of increasing workloads.

### Increasing our Staff Engagement

Council not only wants to be a leading organisation for our community, we also want to be an organisation of choice to work for. In response to a staff engagement survey, Council delivered intensive internal workshops to explore the results of the survey and where staff could provide valuable information on how we can continue to grow in a productive way.

These workshops ran over a matter of

weeks and produced a comprehensive set of recommendations for the Executive and Leadership teams to consider. To support the selection of the most important recommendations and the implementation of the improvements, a staff led steering committee and working group was formed.

This group is integral in supporting the delivery and monitoring of the outcomes of the improvements and ensuring transparency and collaboration in the business. The information from the surveys and the workshops will now form the baseline for ongoing monitoring to ensure that the Wollondilly workforce remains an engaged, committed and innovative collection of people servicing our community.

### Utilising Social Media to Increase Community Participation in Council Decision Making

Council has a number of initiatives that promote transparency, interactivity and collaboration with elected members and the Executive Leadership Team with the community. We have commenced using twitter to share key Council decisions with our residents following Council meetings and also have regular live feeds on Facebook where the residents can interact with the Mayor and Deputy Mayor of Wollondilly to seek feedback.

Council also live streams all ordinary meetings of Council and provide regular updates on Councils Facebook page on points of interest for the community.

### YourSayWollondilly

In March 2019 Council launched its new on-line engagement and communications portal yoursaywollondilly. This has enabled easy community access to information on key projects and strategies in a single "one-stop-shop" online location, and through this platform community members can provide direct online feedback, comment and questions. The yoursaywollondilly online engagement portal is now being successfully used as a key engagement resource by a wide range of Council teams. Some significant examples of projects that have utilised this resource are the Local Strategic Planning Statement project, Picton Town Centre Transport Plan, Wollondilly Community Cultural and Civic Precinct, and the Old Menangle School Site Master Plan.

## Key Challenges

### Cybersecurity

The cyber world is increasingly dangerous and Council's need to rise to the challenge of protecting its systems and data in this environment has meant increased costs and the staff time needed to procure and implement the technology to increase security for the business.

Council in preparing the ICT strategy, addressed the issue of increasing security threats and commissioned an independent firm to test how robust our protection infrastructure is. The recommendations outlined in the report will be considered in the next budget and will support the implementation of key IT projects in 2019/20.

### Increasing Legislative Requirements

Local Government agencies are continuing to be nominated as the authority for many previously state led services. This shift from State Government to Local Government not only has a cost implication in delivering the work, but also increases the regulatory requirements as the primary authority.

Ongoing staff awareness and training in new systems, policies, processes and reporting requirements has been a large challenge in the 2018/19 operational period. With new responsibilities coming on line 2019/20, this is expected to continue.

There is currently a review being finalised by the Independent Pricing and Regulatory Tribunal (IPART) on the compliance and regulatory burdens on Local Government. There is recognition that compliance is necessary, however, when an industry becomes over regulated, this is detrimental to service delivery and takes staff away from delivering outcomes for the community.

## Key Opportunities

### Integrated Service Delivery Platform

As our community changes and grows, the way in which we do business and support our community will need to support this. Despite the rate of technology change, solutions that were out of the reach of Council's budget only a few years ago are quickly becoming more affordable. The emergence of 'disruptive technology' means new innovations that significantly alters the way we are becoming a reality.

In 2018/19, Council committed to exploring the use of new technology through a proof of concept. A tender will be issued to the market place for a suitable provider to build the integrated service delivery platform. The focus of this proof of concept is to scope the development of a technology platform that dramatically improves the customer experience and Council's overall responsiveness to business needs. The pilot is expected to be finalised in mid-2019/20 and will shape the way we do business in the future.

## Financial Overview

Operational Income	Operational Expense	Capital Spend
\$1,753,929 2.4% of Total	\$6,308,222 8.7% of Total	\$40,679 0.21% of Total

## Progress against Strategic Direction

The Community Strategic Plan identifies the outcomes that our residents want to see in our community. Council has responded to these outcomes in setting the following strategies to realise the outcomes. Below is the annual assessment of Council's performance in working towards achieving the strategic directions.

Strategy	Key
<b>Strategy EC1 – Employee Relations</b>	
Build a resilient, safe and supported workplace that provides respectful, efficient and effective services for our customers now and for future generations	
<b>Strategy EC2 – Risk Governance</b>	
Ensure corporate risks are audited and managed appropriately to reduce the likelihood of any adverse impacts to Council or the community	
<b>Strategy EC3 – Customer Service</b>	
Deliver appropriate, responsive and effective service to our customers	
<b>Strategy EC4 – Financial Sustainability</b>	
Maintain Council in a strong financial position now and into the future	
<b>Strategy EC5 – Resource Efficiency</b>	
Drive a culture of continuous improvement across all aspects of service delivery	
<b>Strategy EC6 – Information Management</b>	
Implement innovative technological solutions to deliver quality information	
<b>Strategy EC7 – Participation</b>	
Enable community involvement in Council decision making	
<b>Strategy EC8 – Accountability and Transparency</b>	
Ensure Council maintains best practice approaches to open reporting and information access	
<b>Strategy EC9 – Advocacy</b>	
Advocate strongly for the interests of Wollondilly and its community	

## Corporate Performance Assessment

In setting strategic outcomes, it is important to have indicators that are transparent and provide guidance in understanding if Council is achieving the expected result in each strategic direction. Below are the performance indicators for Theme 5 – Effective and Efficient Council performance over the 2018/19 period.

Strategy	Corporate Performance Measurement	Update	Status
EC8	Statutory Reporting requirements are met and no adverse findings.	Council has met all statutory reporting timelines with no adverse findings.	
EC4	Achieve Fit for the Future Indicators.	No comment given	
EC6	75% of all customer business transactions with council are available on-line by 2021.	Pending the adoption of the Integrated Service Delivery Platform funds in the 2020-2021 budget this will be completed on time.	
EC3	Call centre response times	81.4% Call Answered in 20 Seconds	
EC3	Overall satisfaction rating with the Customer Contact Centre	99% of respondents rate the contact centre's service as good or better.	
EC3	Level of knowledge experience of the customer service agent	96% of respondents rate the contact centre's knowledge as good or better.	
EC8	Overall confidence rating in Council's stewardship	93% of respondents trust the Council to provide the service that they need.	



# Legislative & Other Information

## SECTION 3

# LEGISLATIVE AND OTHER INFORMATION

## 3.1 Mayoral and Councillors' Fees, Expenses and Facilities

Under the Local Government Act, Councils are required to detail the community resources that are allocated to their elected representatives to assist in carrying out their civic role.

During the 2018/19 annual period, the expenses for the provision of Councillor Facilities and the payment of Councillors expenses are as follows:

Provision of dedicated office equipment allocated to Councillors	\$0
Telephone calls made by Councillors	\$4,527
Attendance of Councillors at conference and seminars	\$17,587
Training of Councillors and provision of skill development	\$6,200
Interstate visits by Councillors, including transport, accommodation and other out of pocket transport expenses	\$2,599
Overseas visits by Councillors, including transport, accommodation and other out of pocket transport expenses	NIL
Expenses of any spouse, partner or other person who accompanied a Councillor	NIL
Expenses involved in the provision of care for a child or an immediate family member of a Councillor	NIL
Other (non-itemised expenses include items such as catering, memberships, printing, Stationery, etc. Salaries and salary on costs are not included in these costings)	\$6,427
<b>Total</b>	<b>\$37,340</b>

Note: Council did not conduct any overseas visits during the 2017/18 period.

## 3.2 Senior Staff Salaries

Council is committed to transparency for our community. The following table details the Chief Executive Officers (CEO) total remuneration package and the total remuneration for all senior staff throughout the 2018/19 financial year:

Position	Salary	Superannuation	Motor Vehicle	FBT	Total
CEO	\$305,778	\$ 20,531	\$22,000	\$0	\$348,309.16
Senior Staff	\$601,355	\$ 48,200	\$49,150	\$30,785	\$729,490

## 3.3 Legal Proceedings

Legal expenses for the reporting period are documented below with income and expenditure totals across all matters including the legal outcome. The information provides our community with information on how we are pursuing matters. Legal proceedings reported in 2018/19 are detailed below:

Offence / Case	Suburb	Court	Result	Legal Cost
WSC & Anor ats. Jarosz	-	Supreme	In Council's favour	\$84,175.02
Appeal against Penalties. Pollution Incident – Protection of Environment Operations Act	Razorback, Picton	Local Court - Picton	Listed for Hearing – September 2019	\$26,29.85
Appeals Against Penalties – Development without Consent	Silverdale	Land and Environment Court	Pending Hearing	\$7,659.50
Court Order Sought Destruction of Companion Animals Act	Tahmoor	Local Court - Picton and Moss Vale	Destruction Order issued – Costs order against appellant. Good Behaviour Bond for 18 months	\$27,000
Development without consent Appeal against Orders 3 & 10 – Environmental Planning Assessment Act	Wilton	Land and Environment Court	Corbett Constructions Pty Ltd entered in s34 agreement with WSC on 15/10/2018	\$50,816.78
Deemed refusal for 30 Townhouses, 44 units and lot amalgamation	Picton	Land and Environment Court	Awaiting Result Ongoing	\$49,542.65
Deemed refusal for Proposed Designated Development – Intensive Poultry Farm (8 Sheds)	Bargo	Land and Environment Court	Application refused by Wollondilly Shire Local Planning Panel at 25/10/2018 meeting	\$0
Deemed Refusal for Intensive Industry (Poultry)	Cawdor	Land and Environment Court	Consent Orders granted on 17/10/2018	\$36,725.27
Deemed Refusal for 14 townhouses, strata subdivision and tree removal	Thirlmere	Land and Environment Court	Appeal upheld 23/05/2019	\$103,792.74
Deemed refusal for 66 Lot Subdivision & Associated Works	Tahmoor	Land and Environment Court	Agreement reached on 2/08/2018	\$2,726.50
Deemed Refusal 79 Lot Subdivision and 2 residue lots and associated works	Silverdale	Land and Environment Court	Consent issued 24/12/2018	\$34,067.40
Condition 9(1)-(12) relating to drainage indeterminate and not final	Thirlmere	Land and Environment Court	Agreement reached on 30/11/2018	\$12,757.29
Deemed refusal – demolition of existing structures, bulk earthworks, remediation of land, stage residential subdivision to create 425 lots, 4 reserves, 1 residue lot, landscape works & vegetation clearing	Silverdale	Land and Environment Court	Discontinued 09/02/2019	\$12,757.29
Refusal of 2 Lot TT Subdivision	Werombi	Land and Environment Court	Appeal has been withdrawn 15/01/2019	\$13,366.80
Deemed Refusal 5 Lot Subdivision	Razorback	Land and Environment Court	Matter listed for hearing	\$10,253.20

### 3.4 Contracts Awarded for amounts greater than \$150,000

This provides the community with an overview of where major contracts (over \$150,000) have been awarded in the 2018/19 annual period and what goods and services form the basis of the contract.

<b>Contract No:</b>	2018/03
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Warragamba Accessible Playground (Stage 2)
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	J Group Corporation
<b>Total Estimate of Project (\$)</b>	\$1,200,000

<b>Contract No:</b>	2018/05
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Morton Park Rd, Menangle Landslide Rehabilitation and Culvert Lining
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Stefanutti Constructions Pty Ltd
<b>Total Estimate of Project (\$)</b>	\$729,187

<b>Contract No:</b>	2018/07
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Provision of Masonry Services (Panel Contract)
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Sam The Paving Man, Combined Concrete Constructions P/L
<b>Total Estimate of Project (\$)</b>	Tender for schedule of rates based contracts

<b>Contract No:</b>	2018/08
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Building & Fabrication Trade Services (Panel Contract)
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor(s)</b>	100% Electrical; Programmed P/L; Austec Air Conditioning Services; Quantum Roofing; All Fitz Homes; Funnells Electrical Services; Beacon Building Services; B&W Wrought Iron; All Aspects of Plumbing; Competitive Pest Control; Wollondilly Electrical Contracting & Sales; Ultimate 1 Air Conditioning; Tiger Electrical solutions; Key Services Unit Trust; Sunlight Projects; STJ Services
<b>Total Estimate of Project (\$)</b>	Tender for schedule of rates based contracts

<b>Contract No:</b>	2018/09
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Plant & Equipment Hire (Panel Contract)
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Panel contracts: AB11 Group Services P/L, Action Hire, Aqua Assets, A&C Plant Hire, Acclaimed Excavations P/L, Wollondilly Excavations, Avijohn Contracting P/L, BPB Earthmoving P/L, Cleary Bros Bombo P/L, Conplant P/L, Clark Equipment Rentals, Coates Hire Operations P/L, Donnelly Civil, Douglas Park Earthmoving P/L, E&B Tipper Hire P/L, Earth Civil, Gray's Hire P/L, Haines Bros Earthmoving P/L, Hi-way Stabilisers Australia P/L, Sharpe Bros (Aust) P/L (Hunternet), J&C Facilities Management, JPK Excavations P/L, JDB Excavations P/L, N&M Bray Civil P/L, Onsite Rental Group Operations P/L, Picton Hire, PremiAir service P/L, Porter Excavations P/L, Roadworx, All Sweeper Hire P/L, Rent a Fence, ROLLERS AUSTRALIA P/L, Sherrin Rentals P/L, Springfield Civil, Subgrade Civil P/L, Specialised Pavement Services P/L, Stefanutti Construction P/L, Total Drain Cleaning Services P/L, Tutt Bryant Hire P/L, Camden Hire, TSR Plant Hire P/L, Universal Mobile Tower Hire, DJK Excavations P/L
<b>Total Estimate of Project (\$)</b>	Tender for schedule of rates based contracts

<b>Contract No:</b>	2018/12
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Wilton Recreation Reserve Construction of Sportsfield & Floodlighting
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Landscape Solutions
<b>Total Estimate of Project (\$)</b>	\$850,000

<b>Contract No:</b>	2018/13
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Bridge Replacement Cedar Creek Rd, Thirlmere
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Atoun Civil Engineering (AUST) Pty Ltd
<b>Total Estimate of Project (\$)</b>	\$1,000,000

<b>Contract No:</b>	2018/14
<b>Tender Method:</b>	Selective
<b>Project Details:</b>	Spray Seal Various Locations
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Fulton Hogan Industries
<b>Total Estimate of Project (\$)</b>	\$500,000

<b>Contract No:</b>	2018/15
<b>Tender Method:</b>	Selective
<b>Project Details:</b>	Provision of Micro-surfacing Services Various Locations
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Downer EDI Works Pty Ltd
<b>Total Estimate of Project (\$)</b>	\$300,000

<b>Contract No:</b>	2018/16
<b>Tender Method:</b>	Selective
<b>Project Details:</b>	Sprayed Bitumous Surfacing (Rejuvenation) Services`
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Downer EDI Works Pty Ltd
<b>Total Estimate of Project (\$)</b>	\$250,000

<b>Contract No:</b>	2018/17
<b>Tender Method:</b>	Selective
<b>Project Details:</b>	Provision of Asphalt Services
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Avijohn Contracting
<b>Total Estimate of Project (\$)</b>	\$2,000,000

<b>Contract No:</b>	2018/18
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Old Picton Post Office Underpinning & Masonry Remediation
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Murphys Remedial Builders Pty Ltd
<b>Total Estimate of Project (\$)</b>	\$200,000

<b>Contract No:</b>	2018/19
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Minor Works 2016-2018
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Cadifern Pty Ltd; South West Kerbing; Combined Concrete Constructions Pty Ltd; Complete Linemarking Services; Euro CivilIW Contracting Pty Ltd; R Line Civil Concreting Pty Ltd; South Sydney Concrete Pty Ltd; Wollongong Linemarking Service Pty Ltd; Workforce Road Services; A1 Highways Pty Ltd; J Holdings Group Pty Ltd; Knight Civil Pty Ltd; Ozgroup Civil Pty Ltd; Planet Civil Pty Ltd
<b>Total Estimate of Project (\$)</b>	Schedule of Rates/Panel Contract

<b>Contract No:</b>	2018/20
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Cleaning of Councils Operational Buildings
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	TST Property Services
<b>Total Estimate of Project (\$)</b>	\$200,000

<b>Contract No:</b>	2018/22
<b>Tender Method:</b>	Selective
<b>Project Details:</b>	Provision of Asphalt Services
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Bitupave
<b>Total Estimate of Project (\$)</b>	\$5,000,000

<b>Contract No:</b>	2019/01
<b>Tender Method:</b>	Open by external provider
<b>Project Details:</b>	Leasing of multi-function devices
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	BMS
<b>Total Estimate of Project (\$)</b>	Tender for schedule of rates based contracts

<b>Contract No:</b>	2019/02
<b>Tender Method:</b>	Open
<b>Project Details:</b>	Provision of Insurance Brokerage Services
<b>Evaluation Criteria:</b>	Price; Quality Assurance; Methodology; Demonstrated Capacity; References
<b>Contractor</b>	Civic Risk Mutual
<b>Total Estimate of Project (\$)</b>	\$600,000

### 3.5 External Bodies, Companies and Partnerships

This provides the community with an overview of the types of business ventures that Council is involved in with other organisations and how these arrangements operate.

Functions delegated by Council during 2017/18 relate only to Management Committees for a number of sportsgrounds and Community halls and centres under Section 355 of the Local Government Act 1993.

The Committees that operated during the year were:

- Victoria Park, Picton
- Douglas Park Sportsground
- Wilton Recreation Reserve
- Tahmoor Sportsground
- Thirlmere Sportsground

#### Controlling Interest by Council

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

#### Partnerships, Cooperative and Joint Ventures:

Council has strategic alliances and non-commercial partnerships as listed below:

#### Strategic Alliances

- Advisory Groups and Committees
- AGL Camden Gas Project Community
- Consultation Committee
- Australia Day Committee
- Bulli Seam Community Consultative Committee
- Companion Animals Committee

- Emergency Management Committee
- Environment and Heritage Advisory Committee
- Mining and Energy Resources Advisory Committee
- Risk Management Committee
- Rural Industry Liaison Committee
- Seniors Advisory Group
- Southern Highlands Bushfire Management Committee
- South West Metropolitan Regional
- The Wollondilly Road Safety Group
- Wollondilly Aboriginal Advisory Committee
- Wollondilly Community Safety Forum
- Wollondilly Cultural Advisory Group
- Wollondilly Disability Access Advisory Committee
- Wollondilly Economic Development Advisory Group
- Wollondilly Health Alliance (WHA)
- Wollondilly Local Emergency Management Committee
- Wollondilly Youth Advisory Committee

#### Partnerships

- Association of Mining related Councils
- Burnside: Uniting Care
- Camden Council Road Safety
- Campbelltown Council Road Safety
- Campbelltown Arts Centre
- Community Links Wollondilly
- Country Public Libraries Association (South Eastern Zone)
- Department of Ageing Disability and Home Care

- Economic Development Australia (EDA)
- Macarthur Aged and Disability Forum (HACC)
- Macarthur Disability Network
- Macarthur Disability Services
- Macarthur Diversity Services
- Macarthur Interagency
- Macarthur Regional Organisation of Councils (MACROC)
- Macarthur Youth Services Forum
- NAIDOC
- NSW Fire and Rescue
- NSW Rural Fire Services
- NSW State Emergency Service
- Picton High School
- Queen Victoria Memorial Hospital Support Group
- Sector Connect Inc
- Southern Tablelands Regional Arts Advisory Council
- South West Community Transport
- SSWAHS Injury Prevention
- St Anthony's Family Care – Dilly Wanderer
- St Mary's Local Area Command
- S.T.A.D.S - Sarah's Theatre And Drama Skills
- Sydney Peri-urban Network
- Tahmoor Colliery C.C.C.
- Tharawal Local Aboriginal Lands Council
- Warragamba/Silverdale Neighbourhood Centre
- Western Sydney Business Enterprise Centre
- Western Sydney Regional Organisation of Councils (WSROC)
- Wollondilly Community Men's Shed (WOLCOMS)
- Wollondilly Interagency
- Wollondilly Seniors Week Working Party
- Wollondilly Support and Community Care
- Wollondilly Tourism Association Inc
- Wollondilly Transport Working Group
- WSROC Economic Development Group (EDG)
- Your Tutor Australasia.

### 3.6 Private Works

This provides the community with a transparent view of any work that was carried out by Council on private land and how this work was paid for. Council can carry out private works for individuals on private property, as per the Local Government Act, 1993.

These works include the following:

- Footpath/kerb and guttering construction
- Road and drainage construction
- Tree planting and maintenance
- Excavation and demolition
- Property clearing
- Weed spraying.

The cost recovery policy Council has adopted in regards to private works is on the following basis:

- 36.9% on cost added to labour component to recover cost on
- Superannuation, Workers' Compensation, leave entitlements and administration
- 20% on cost added to store items for handling, freight and administration
- 20% on cost added to Council plant hire charges to recover the cost of administration.

In this reporting period there were no Private Works carried out by Council.

### 3.7 Council's Assets and Asset Renewal

Council's infrastructure assets include roads, bridges, footpaths, kerb and gutter, carparks, stormwater drainage, sportsgrounds, and public buildings. The condition of these assets is detailed in the Annual Financial Statements, which also includes the estimated costs to bring the assets up to a 'satisfactory standard' and the estimated cost to maintain that standard, plus the actual maintenance Council expended in maintenance over the financial year.

As demonstrated in the financial statements, Council has had a historic shortfall in actual expenditure for Asset Maintenance compared to the required amount to keep its assets up to the 'Satisfactory Standard'.

Council is addressing the issue with increased funding for asset maintenance that commenced in 2015/16 through a Special Rate Variation. 2018/19 was 'Year 4' of 4 of the increased funding towards Council Major Works Programs with 98% of the funds expended across the following programs:

Capital Programs	Proposed program of expenditure	Actual program of expenditure	Percentage Completion
Pavement Reconstruction	10,493,100	10,043,099	100%
Road Upgrade	1,232,680	1,232,670	100%
Kerb and Gutter New	428,062	388,062	100%
Kerb and Gutter Renew	428,062	388,062	91%
Footpath and Cycleway New	406,670	406,669	100%
Footpath and Cycleway Renew	220,549	205,149	100%
Public Transport Facilities	59,524	59,525	93%
Traffic Facilities New	142,124	142,124	100%
Traffic Facilities Renew	125,149	106,445	85%
Open Space New	2,721,281	2,715,996	99%
Open Space Renew	563,838	563,838	81%
Building New	48,230	33,855	100%
Building Renew	1,035,714	1,003,582	97%
Plant and Fleet	985,714	786,982	96%
Stormwater Projects	305,768	233,467	100%
Other Projects	282,348	305,768	100%
<b>Total</b>	<b>21,598,594</b>	<b>21,220,768</b>	<b>98%</b>

It is noted that the Special Rate Variation component was approximately 42% of the overall Capital Works Program funding with the remainder funding contributed from ordinary Council income, Development Contributions and grant funding.

#### Roads

Council is responsible for 128km of regional roads, 655km of major connecting, urban and rural sealed roads, the outside lanes of 5km of state roads and 70km of unsealed roads and their condition was critically assessed in during the 2017/18 financial year. The sealed road length is increasing as new road sections are dedicated to Council as new developments come on line.

Council is also responsible for 81 bridges and major culverts. Due to a campaign of replacing its older timber.

Council is also responsible for 81 bridges and major culverts. Due to a campaign of replacing its older timber bridges over recent years, most of Wollondilly's bridges & culverts are now in satisfactory condition with a comparatively long service life.

Additionally, the quantity of road assets such as kerb and gutter, and carparks have also been increased significantly, with Council managing a total of 98km of footpaths and cycleways, 340km of kerb and gutter and 45 car parks.

In the 2018/19 Financial Year, highlights of the road program included:

- Westbourne Avenue, Thirlmere –Phase 3 – Reconstruction
- Silverdale Road, Silverdale – Phase 3 Reconstruction
- Silverdale Road, Orangeville – Phase 3 Reconstruction
- Menangle Road, Razorback – Phase 3 Reconstruction
- Thirlmere Way, Thirlmere – Phase 3 Reconstruction
- Remembrance Driveway, razorback – Phase 3 Reconstruction and Safer Roads Grant Funding for safety improvements
- Great Southern Road, Bargo – Phase 3 Reconstruction
- 2km of road renewed with shoulder widening, heavy patching and resealed at Donalds Range Rd, Abbotsford Rd, Pheasants Nest Rd & Ruddocks Rd
- 6km of road renewal within the Phase 2 Heavy Patch & Reseal Program
- 7km of road renewal within the Phase 1 Reseal Program

The project to replace the bridge at Cedar Creek Road, Thirlmere was also completed before the end of the financial year.

Council completed Kerb & Gutter works at the corner of Bridge/Argyle Street - Picton, and replaced K&G at River Road -Tahmoor, Remembrance Driveway - Picton, Vanderville Street North - The Oaks, Bell Street- Thirlmere and Camden Road - Douglas Park.

Additionally, significant pathway projects were completed at Remembrance Driveway - Camden Park, Picton Sportsground, John Street – The Oaks, Camden Street –Wilton, Denmead Street – Thirlmere, Barbour Road – Thirlmere plus a new bus shelter at Argyle Street, Picton.

This is on top of Councils maintenance programs which includes grading of unsealed roads, roadside litter collection, continuing to fill potholes across the Shire, replacement and maintenance of signs, reviewing, upgrading and renewing line marking,

bushfire hazard reduction program (roadside clearing) and vegetation management.

#### Drainage

Council is responsible for a total of 3,943 stormwater drainage pits and headwalls, 182 GPTs and pit baskets, 84kms of drainage pipes, 1148 square metres of wetlands and 1323 square metres of rock mattress. A significant proportion of these structures, including gully pits and drainage lines, have been designed using superseded rainfall data, design methods, design standards and catchment characteristics, making them under-capacity for current standards and conditions. The drainage structures are, however, generally in a satisfactory condition in respect to their physical integrity. Council continued a Stormwater Management charge in order to resource drainage upgrades, inspection and cleaning of pollution control devices and stormwater education.

Major drainage works in 2018/19 have included the replacement of drainage pipes and headwalls at Bridge Street, Picton which required a major upgrade while work was being done to construct kerb & gutter at this location, pit construction on Menangle Street, Picton and the completion of works at Denmead St, Tahmoor.

Council asked the community for feedback on potential management options to be considered as part of a Floodplain Risk Management Study. The first stage of the Floodplain Risk Management Study included a review of the existing flood study by WMAwater. That review has resulted in a draft Flood Study Update (available below) that will be incorporated into the final Floodplain Risk Management Study for formal Public Exhibition.

#### Picton Town Centre Transport Plan

Council undertook an investigation into the current and future transport needs for Picton, to ensure measures are in place to allow for smoother and safer traffic flow now and into the future. We spoke with the community in April 2019 to let them know about the planned works within the Draft Picton Town Centre Transport Plan. Council received feedback on a variety of issues and produced a FAQ document in response to questions that were raised as part of the community engagement process.

The finalised plan was approved by Council on August 19, 2019, with amendments regarding the Lumsdaine-Argyle Street intersection, and the Menangle-Prince Street intersection. This work is ongoing.

Funding has been received from Roads and Maritime Services (RMS) for the relocation of the pedestrian crossing on Argyle Street, for the 2019/20 financial year and works are underway on the detailed design. This will be the first of the adopted improvement works to be constructed under the Picton Town Centre Transport Plan 2026.



## Road Safety Program

RMS provided funding for events that were held to promote road safety and educate the Community. Road safety targets changing the behaviour of all road users from young drivers to older drivers as well as pedestrians.

Events were held throughout the year with car seat safety checks for new parents and grandparents in partnership with Picton Tyre and Mechanical, learner driver log book runs, workshops for parents of learner drivers and pedestrian safety information promoted through schools.

## Open Space (Parks, Reserves and Sportsgrounds)

The Open Space network comprises playgrounds, sports facilities, fencing, footbridges & footpaths, lighting, memorials, park furniture and signage. Overall, Council has 6,600 assets contained within its 107 parks, sports fields and playgrounds

Major works saw the embellishment of Cubbitch Barta Reserve, new shelter and maintenance to works at Bargo Skate Park, the commencement of construction of the inclusive play space and the construction of the footpath and staircase at Warragamba Civic Park.

Wilton Recreation Reserve has seen Council contribute \$1.22M towards the new playing field. Implementation of the Wilton Recreation Reserve Master plan has been fast tracked by an injection of funds from the NSW Government through the Greater Sydney Sports Facility Fund program. The objectives of the program is to improve the standard of sporting facilities to meet the current and future needs, and to encourage increased female participation in sport.

Other works saw the completion of the retaining wall at Warragamba Civic Park, development of master plans for Redbank Reserve, Old Menangle School site, Dudley Chesham Sportsground, Telopea Park and Appin Park, along with playground upgrades at Peppercorn Park, Camden Road Reserve and Wild Street Reserve.

## Buildings

Wollondilly Shire Council has 171 buildings and facilities across the shire and following on from a condition assessment carried out in 2017/18 a detailed 5 Years Works Program has been developed that will serve to inform immediate and future Works Programs.

Accessible amenities blocks were completed at Emmett Park - Tahmoor, Telopea Park - Buxton and Willis Park - Oakdale.

Vital repairs to the Old Picton Post Office were carried out, bunker covers and pallet racking improvements at Council's depot were completed, programmed external lighting at Wollondilly Community Leisure Centre was completed and improvements to increase the capacity of Council's Administration Building were also undertaken.

## Western Parkland City Liveability Fund

Work continued on the master plan for the Picton Community, Cultural & Civic.

Key consultation outcomes from Stage 1 were that there was a high level of support for the Precinct and that Picton was the preferred location as a catalyst for town centre revitalisation. Flexible multi-purpose meeting and activity space, creative space, studio and workshop areas and an outdoor public space obtained high levels of support.

In April 2019, Council commenced a master planning process to inform a Round 2 funding application to the Liveability Program to support the creation of the Wollondilly Community Cultural & Civic Precinct at Picton.

In late May 2019, Council commenced a master planning process to inform a Round 2 funding application to the Liveability Program to support the enhancement of the Tahmoor Sporting Complex as a key district level facility in the Wollondilly Shire. The process involved extensive community and stakeholder engagement.

Funding applications are due in September 2019.

CAPITAL PROJECTS	BUDGET		EXPENDITURE		% COMPLETED		SRV (REVENUE)	Grant	Developer Contributions	Restricted Cash	General Revenue	
	Original Budget	Revised Budget	Actual Expenditure	Revised v Actual	Original v Actual	Revised v Actual						
<b>TRANSPORT</b> Major Roads & Bridge Works												
Pavement Reconstruction Program	\$8,800,500	\$10,493,100	\$10,493,099	119%	100%		\$6,598,991	\$1,782,473	0	\$201,635	\$1,910,000	
Road Upgrade Program	\$250,000	\$1,232,680	\$1,232,670	493%	100%		0	510,000	552,700	0	169,980	
Kerb and Gutter Program												
New	\$300,000	\$378,203	\$378,203	126%	100%		\$327,288	0	\$42,544	0	\$8,371	
Renew	\$365,000	\$428,062	\$388,062	106%	91%		\$222,712	0	0	\$98,721	\$106,629	
Footpaths & Cycleways Program*												
New	\$380,000	\$406,670	\$406,669	107%	100%		\$274,033	\$132,637	0	0	0	
Renew	\$300,000	\$220,549	\$205,149	68%	93%		\$170,729	0	0	\$15,820	\$34,000	
Public Transport Facilities												
New	0	0	0	0%	0%		0	0	0	0	0	
Renew	\$53,000	\$59,524	\$59,525	112%	100%		\$22,333	0	0	0	\$37,191	
Traffic Facilities												
New	\$50,000	\$142,124	\$142,124	284%	100%		\$54,576	0	0	0	\$87,548	
Renew	\$210,000	\$125,149	\$106,445	51%	85%		\$102,818	\$22,331	0	0	0	
Bridge Program	\$883,500	\$889,673	\$889,674	101%	100%		\$351,107	\$480,095	0	0	\$58,471	
Other Road Projects*	0	0	0									
<b>OPEN SPACE</b> Open Space Projects*												
New	\$2,275,000	\$2,721,281	\$2,715,996	119%	100%		0	\$976,677	\$1,663,135	\$81,469	0	
Renew	\$350,000	\$563,838	\$563,838	161%	100%		\$300,000	0	0	\$213,838	\$50,000	
<b>BUILDINGS</b> Buildings Programs*												
New	0	\$48,230	\$33,855	0%	70%		0	0	\$33,855	\$14,375	0	
Renew	\$750,000	\$1,035,714	\$1,003,582	134%	97%		\$604,413	0	0	\$415,801	\$15,500	
<b>PLANT &amp; FLEET</b>												
Plant Fleet Purchases*	\$500,000	\$859,368	\$660,636	132%	77%		0	0	0	\$859,368	0	
Car Fleet Purchases	\$110,000	126,346	126,346	115%	100%		0	0	0	126,346	0	
<b>STORMWATER DRAINAGE</b>												
Stormwater Improvement Program	\$204,000	\$305,768	\$305,768	150%	100%		0	0	0	\$305,768	0	
<b>OTHER CAPITAL PROJECTS</b>												
Various	\$50,000	\$478,371	\$471,691	943%	99%		0	0	0	\$478,371	0	
<b>TOTAL</b>	<b>\$15,831,000</b>	<b>\$20,514,650</b>	<b>\$20,183,332</b>	<b>127%</b>	<b>98%</b>		<b>\$9,029,000</b>	<b>\$3,904,213</b>	<b>\$2,292,234</b>	<b>\$2,811,513</b>	<b>\$2,477,690</b>	

### 3.8 Fit for the Future

In 2015, the Independent Pricing and Regulatory Tribunal (IPART) undertook an assessment of all NSW Councils to determine whether they were "Fit for the Future". IPART released its findings in October 2015, declaring Wollondilly Shire Council as one of only 7 stand-alone Councils in the Greater Metropolitan area that are "Fit for the Future". The assessment criteria required Councils to meet targets on seven separate performance measures.

At the time that Councils were advised of the Fit for the Future requirements, Wollondilly had already commenced a Community Engagement process seeking feedback from the Community on a proposed four year special rate variation for the purpose of improving our infrastructure assets.

Council was already acutely aware of the need to address the growing infrastructure maintenance issue and had looked at all possible funding options with the application for a special rate variation being the only viable solution. The percentage increase sought in Council's application was calculated based on the need to fully address the infrastructure issue within a 10 year timeframe.

When the Fit for the Future benchmarks were released, Council's financial projections based on the special rate variation amounts were applied against the criteria and the results indicated that Council would meet the benchmarks within the required timeframes.

Council's successful work to meet the Fit for the Future criteria of scale and capacity, sustainability, efficiency, infrastructure and service management and our ongoing commitment to effectively manage ongoing growth, all contributed to the success of being deemed a Fit for the Future Council.

Council will continue to monitor its progress in achieving the projected results to ensure we remain on track. The following table and graphs compare our original projected measures (included in our "Fit for the Future" application) with the latest revised projections based on updated financial data.

As per the Office of Local Government's "Fit for the Future" guidelines, five of the seven indicators are based on 3 year rolling averages, whilst the remaining two indicators (the Infrastructure Backlog Ratio and the Real Operating Expenditure per Capita) are based on the annual figure for the year in question.

The revised projections (based on 2017/18 actual results and the revised long term financial plan projections for years 2018/19 and beyond) indicate that Council continues to meet the "Fit for the Future" criteria (after adjusting to remove the effect of the non-cash one-off remediation asset revaluation adjustments recognised in the 2017/18 financial statements).

**Operating Performance Ratio:** Council recorded an Operating Performance Ratio of 6.60% in 2018/19 and exceeded the benchmark of 0.

**Own Source Revenue Ratio:** This ratio is predicted to continue exceeding the benchmark which indicates Council's sound financial position and acceptably low reliance on external funding.

**Building & Infrastructure Renewals Ratio:** The Building & Infrastructure Renewals Ratio for 2018/19 was 119.41% (exceeding the benchmark). The average ratio is expected to exceed the benchmark in 2019/20 and then continue to rise each year thereafter.

**Asset Maintenance Ratio:** Council's Asset Maintenance Ratio has exceeded the benchmark for the last few years and is expected to continue to rise each year.

**Infrastructure Backlog Ratio:** The net effect of the healthy Asset Maintenance Ratio is a corresponding continued improvement (decrease) in the Infrastructure Backlog Ratio each year. It is currently predicted that this ratio will reach the 2% benchmark figure in 2024/25 (as originally predicted in Council's Fit for the Future submission).

**Debt Service Ratio:** Council's Debt Service Ratio is 5.67x far exceeds the benchmark minimum of 2.0x, indicating that Council has sufficient operating cash with which to meet its debt servicing obligations.

**Real Operating Expenditure per Capita:** This ratio is intended to indicate Council's efficiency by showing a continually decreasing average cost per resident each year. Whilst expenditure per capita has increased in 2017/18 and 2018/19, the 2019/20 result is forecast to decrease to \$919.61

### Expected improvement in performance

Measure/benchmark	2016/17	2017/18	2018/19	2019/20
<b>Operating Performance Ratio</b>				
(Greater than or equal to break-even average over 3 years)				
Original Projection (3 year average)	-11.4%	-6.2%	-0.8%	3.5%
Revised 3 year average	-7.1%	-4.1%	6.60%	3.08%
<b>Own Source Revenue Ratio</b>				
(Greater than 60% average over 3 years)				
Original Projection (3 year average)	76.5%	80.3%	82.0%	82.8%
Revised 3 year average	63.5%	66.5%	65.87%	84.34%
<b>Building and Infrastructure Asset Renewal Ratio</b>				
(Greater than 100% average over 3 years)				
Original Projection (3 year average)	97.3%	96.4%	102.4%	119.2%
Revised 3 year average	83.9%	94.1%	119.41%	102.58%
<b>Infrastructure Backlog Ratio</b>				
(Less than 2%)				
Original Projection (annual figures)	14.9%	13.4%	11.8%	10.0%
Revised annual ratio (16/17 actual + future year projections)	15.3%	11.9%	10.71%	10.61%
<b>Asset Maintenance Ratio</b>				
(Greater than 100% average over 3 years)				
Original Projection (3 year average)	96.0%	97.9%	100.4%	103.3%
Revised 3 year average	93.9%	133.5%	170.87%	140.63%
<b>Debt Service Ratio</b>				
(Greater than 0% and less than or equal to 20% average over 3 years)				
Original Projection (3 year average)	7.4x	6.4x	5.4x	4.8x
Revised 3 year average	7.7x	6.1x	5.67x	3.94x
<b>Real Operating Expenditure per capita</b>				
(A decrease in Real Operating Expenditure per capita over time)				
Original Projection (annual figures)	\$944.44	\$927.30	\$918.80	\$910.90
Revised annual ratio (16/17 actual + future year projections)	\$937.21	\$952.15	\$1,344.80	\$919.61

### 3.9 Local Planning Panel

The Wollondilly Shire Local Planning Panel (LPP), is a Panel comprises of three experts and local community members who determine certain Development Applications (DAs) and provide advice on Local Environmental Planning Proposals (LEPs) submitted to Council.

From 1 March 2018, introduced legislation made it mandatory for all local Councils in the greater Sydney area, including Wollondilly Shire Council, to have a LPP in place to determine DAs with a high level of public interest, sensitivity, strategic importance, or risk of corruption. The criteria for which types of applications must be determined by the LPP was set by the NSW Minister for Planning.

The Wollondilly Shire LPP determine development applications that meet one or more of the following criteria:

- Conflict of interest
- Contentious development
- Departure from development standards
- Sensitive development

Planning Proposals are also required to be referred to the Wollondilly Shire LPP for advice only, which form part of the subsequent report to Council on the matter.

The costs incurred by Council as a result of the LPP:

Resource	Total (2018-19)
Labour	\$38,255.38
Food and Beverage	\$396.62
Contractor(s)	\$6,410.91
Committee Attendance Fees	\$49,392.04
<b>TOTAL</b>	<b>\$94,454.95</b>

The average amount of time taken for a matter before the LPP to be determined

A total of 16 development applications and five planning proposals were referred to the LPP from July 2018 – June 2019. The average determination time across the 16 development applications was 199.69 days.

A list of all matters considered by the Panel and whether they were approved, rejected or deferred

Meeting Date	Matter	Determination / Advice
26 July 2018	Draft Planning Proposal - Heritage Housekeeping Amendments	Supports the progression of the Draft Planning Proposal to the Gateway Determination
25 October 2018	Development Application 010.2018.00000379.001 - Rural Fire Services Storage Shed	Approved
25 October 2018	Development Application 010.2017.00000578.001 - Five Shop Top Housing and Five Shops and Strata Subdivision	Approved
25 October 2018	Development Application 010.2016.00000852.001 - Proposed Intensive Livestock Agriculture (Poultry Farm) including the Construction of 8 Poultry Sheds and Associated Works	Refused
25 October 2018	Development Application 010.2014.00000675.001 - Development Assessment Report - Marsh Road, Warradale Road and Government Road, Silverdale	Approval subject to amendments
29 November 2018	Development Application 010.2018.00000392.001 for a Dwelling House for 1 Stargard Crescent, Picton	Approved

Meeting Date	Matter	Determination / Advice
29 November 2018	Development Application 010.2018.00000145.001 - Two Lot Subdivision - Greenbridge Drive, Wilton	Approved
29 November 2018	Development Application 010.2015.00000292.002 - Section 4.55 Assessment - 325 Scroggies Road Lakesland	Approved
29 November 2018	Draft Planning Proposal in the Metropolitan Rural Area - Tahmoor Town Centre	Draft planning proposal does not have strategic merit
29 November 2018	Draft Planning Proposal in the Metropolitan Rural Area - West Thirlmere	Draft planning proposal does not have strategic merit
29 November 2018	Draft Planning Proposal in the Metropolitan Rural Area; 65-95 Ironbark Road, Bargo Road, Bargo Draft Planning Proposal	Draft planning proposal does not have strategic merit
29 November 2018	Development Application 010.2018.00000535.001 - 27 Anthony Road, Bargo - Addition to Existing Waste Disposal Facility (Weighbridge)	Approved subject to amendments
28 February 2019	Development Application 010.2016.00000931.001 - Proposed Ancillary Building for Recreation Facilities (Outdoor) - 65 Argyle Street, Picton	Approved subject to conditions
28 February 2019	Development Application 010.2017.00000826.001 - 24 Lot Torrens Title Subdivision and Associated Works - 65 Tahmoor Road	Approved
28 March 2019	Development Application 010.2001.00055682.002 - Modification of Condition of Consent for a Quarry at Glenmore	Approved subject to conditions
28 March 2019	Development Application 010.1991.00000252.004 - Modification of Consent for a Quarry at Wallacia	Approved subject to conditions
2 May 2019	Development Application 010.2018.00000033.001 - Shopping Centre with Basement Parking	Refused
2 May 2019	Development Application 010.2018.0000796.001 - Construction of a Principal Dwelling, Pool, Conversion of an Existing Dwelling to a Secondary Dwelling, Demolition and Section 68 Application	Approved subject to conditions
30 May 2019	Development Application 010.2017.00000018.001 - Six (6) lot subdivision, construction and dedication of road, tree removal, demolition of structures, earthworks and stormwater drainage works	Approved
30 May 2019	Development Application 010.2018.00000100.001 - Intensive Livestock Agriculture/Intensive Livestock Industry – Poultry Farm comprising the erection of seven (7) poultry sheds, machinery shed, litter shed, composting shed, workers amenity building, construction of two (2) earth dams and associated infrastructure	Approved subject to conditions
30 May 2019	Draft Planning Proposal - Wollondilly Anglican College	The Panel advises Council the draft planning proposal has strategic merit

### 3.10 Planning Agreements

Planning Agreements are a Voluntary Agreement made between Council and a developer through which a developer provides a public benefit to Council in the form of money, works in kind or dedication of land.

Planning Agreements are often recognised in lieu of developer contributions required under Section 7.11 or Section 7.12 of the Environmental Planning and Assessment Act 1979. Under Section 7.5 (5) of the Act Council is required to report on compliance with, and the effect of any Planning Agreements in force. In this reporting period 6 Planning Agreements were executed by Council.

Details are as follows:

Parties	Land Affected	Purpose
Wollondilly Shire Council and River Road Developments Pty Ltd (4 January 2019)	165 River Road Tahmoor Deed of Variation	\$0.93M open space embellishment, dedication 2ha, \$1.16m road works and monetary contributions \$1.1m off-site road works in addition to developer contributions of \$1.17m
Wollondilly Shire Council and TJ & RF Fordham Pty Limited (5 March 2019)	33-35 Warradale Road, Silverdale	OSD basins, dedication of basin land and \$230,040 monetary contribution for 35-years maintenance in addition to developer contributions of \$1.86m
Wollondilly Shire Council and Cove Residential Pty Limited (5 March 2019)	970 Montpelier Drive The Oaks	Open space dedication 1.86ha , storm water management and \$244,608 monetary contribution for 35-years maintenance
Wollondilly Shire Council and Simba Developments Pty Ltd (5 March 2019)	1-41 Marsh Road Silverdale	\$2.2m open space embellishment, 4 OSD basins, maintenance, dedicate of 3ha and monetary contributions of \$4.9m for road works, a footpath and a playground
Wollondilly Shire Council and Bluenite Pty Ltd (23 May 2019)	38-42 Tahmoor Road Tahmoor	OSD tanks, \$189,254 monetary contribution for 35-years maintenance in addition to developer contributions of \$2.4m
Wollondilly Shire Council and Diggers Nest Pty Ltd (24 May 2019)	28 Menangle Street Picton	Monetary contributions of \$61,780 car parking in addition to developer contributions of \$97,888

### 3.11 Community Grants Program

This provides the community with information on the contributions made by Council under Section 356 of the Local Government Act 1993.

Community Grant Projects Community Grants help local communities to build skills, identify opportunities and/or undertake actions for the social benefit of community members. Note: all amounts listed are exclusive of GST.

Organisation	Project	Amount
Community Links Wollondilly	Project Grow Mud Stomp	1,000.00
Warragamba Silverdale Neighbourhood Centre	Bush Tucker Garden	3,000.00
The Oaks Community Chamber of Commerce	Light Up The Oaks Christmas	3,000.00
Checkyourtackle	Nuts and Bolts of Male Cancer	3,000.00
PCYC Southern Highlands	Vacation Care Program	3,000.00
Wollondilly Women in Business	Business Hub Bargo Office equipment	500.00
Camden Wollondilly Domestic Violence Committee	Domestic Violence Bus Campaign	3,000.00
Sector Connect Paint the Town Read	Pilot Project in Warragamba Silverdale	1,000.00
Macarthur Sunrise Rotary Club	Dolly Parton Imagination Library	1,000.00
Community Links Wollondilly	Multicultural Resource Service	1,000.00
Picton Thirlmere Bargo RSL Sub Branch	Armistice Centenary Commemoration Service Equipment	500.00
STADS The Youth Initiative	What About Us Film Clip for Young People	3,000.00
Whole Heart Communities	Our Community Pantry Equipment	500.00
Warragamba Silverdale Neighbourhood Centre	Bold Jack Country Music Festival	1,500.00
NSW RFS Southern Highlands	Emergency Services Expo / Open Day	3,000.00
Wollondilly Arts Group	Affordable Art Workshops	1,000.00
WAC Cares Wollondilly Anglican Community Cares	Equipment purchase of freezer	500.00
Buxton Community Association	Mosaic Workshop	1,000.00
Community Links Wollondilly	International Women's Day	1,000.00
Wollondilly Arts Group	Annual Members Exhibition	880.00
Buxton Community Association	Hoselink purchase and installation	500.00

## Community Grants Program continued...

Organisation	Project	Amount
Buxton Community Association	Play Equipment for playgroup and gardening group	500.00
Picton District Country Women's Association	Crocheting Class	470.00
PCYC Southern Highlands	Right Start Cross Fit program polo shirts	500.00
Teddy Bear Cottage	Little Monkeys Outdoor Climbing Equipment	500.00
Paws Pet Therapy	Marquee Cover	500.00
Appin Men's Shed	AEG Portable Power Tool Combo	500.00
Buxton Community Association	Microwave Kettle and Toaster	500.00
David G Stead Memorial Wildlife Research Foundation of Australia (Wirrimbirra)	Fire Pump	500.00
Appin Men's Shed	Directional Signage	500.00
Tahmoor Uniting Men's Shed	Directional Signage	500.00
Picton District Country Women's Association	Kitchen Equipment	495.00
Wollondilly RFS Support Brigade	Contribution to portable generator	500.00
Wollondilly Tourism Association	Contribution to marquee, banners and flooring	500.00
Bargo Volunteer Rural Fire Brigade	STIHL BG 86CE Blower	400.00
Warradale Football Club	Mini Field Goals	500.00
	<b>TOTAL</b>	<b>40,245.00</b>

## Donation Program

Organisation	Project	Amount
Picton Harmony	Australia Day Performance	200.00
Luke Meed	National Indoor Cricket Championships in Toowoomba	250.00
Bridget Shearer	National Sport Aerobics in Broadbeach	250.00
Lions Club of Tahmoor	Dilly Drought Drive	25,000.00
Madison Baker	U19 Women's Softball Championship in Adelaide	250.00
Picton Magpies Rugby League Club	Indigenous Rugby League Group 6 Competition	500.00
Tahmoor Baptist Church	Christmas Day Lunch	500.00
Buxton Community Association	Promote, host, develop, improve, grow and promote future long table dinner events.	500.00
Tahmoor Rural Fire Brigade	Build a storage shed	500.00
Elyse Wood	Australian National Karate Championships	250.00
Wollondilly Women in Business	Annual Event	1,500.00
Izaac Taylor	National Karate Championships in Tasmania	250.00
Shane Taylor	National Karate Championships in Tasmania	250.00
Luke Meek	Australian Indoor Cricket Tournament against Sri Lanka in Victor	250.00
	<b>TOTAL</b>	<b>30,200.00</b>

## Sponsorship Program

Organisation	Project	Amount
Lifeline Macarthur	Men's Health Long Lunch	500.00
Cancer Council NSW	Camden Wollondilly Relay for Life	2,000.00
Macarthur Legal Centre	Domestic Violence White Ribbon Breakfast	500.00
Tharawal Local Aboriginal Land Council	NAIDOC Week Celebrations	1,000.00
Buxton Rural Fire Brigade	Plan and Prepare Awareness	825.00
	<b>TOTAL</b>	<b>4,825.00</b>

## Mayoral School Citizenship Awards

Organisation	Project	Amount
Appin Public School	School Citizenship Award	200.00
Bargo Public School	School Citizenship Award	200.00
Buxton Public School	School Citizenship Award	200.00
Cawdor Public School	School Citizenship Award	200.00
Douglas Park Public School	School Citizenship Award	200.00
Mount Hunter Public School	School Citizenship Award	200.00
Oakdale Public School	School Citizenship Award	200.00
Picton Public School	School Citizenship Award	200.00
Picton High School	School Citizenship Award	200.00
St Anthony's Primary School	School Citizenship Award	200.00
Tahmoor Public School	School Citizenship Award	200.00
The Oaks Public School	School Citizenship Award	200.00
Thirlmere Public School	School Citizenship Award	200.00
Warragamba Public School	School Citizenship Award	200.00
Wilton Public School	School Citizenship Award	200.00
Wollondilly Anglican College Primary	School Citizenship Award	200.00
Wollondilly Anglican College Secondary	School Citizenship Award	200.00
Yanderra Public School	School Citizenship Award	200.00

## Carols by Candlelight

Organisation	Project	Amount
Rotary Club of Wollondilly North	Carols by Candlelight	500.00
St James Menangle	Carols by Candlelight	500.00
The Appin Chamber of Commerce	Carols by Candlelight	500.00
Buxton Community Association	Carols by Candlelight	500.00
Picton UC Congregation	Carols by Candlelight	500.00
Douglas Park Evangelical Church	Carols by Candlelight	500.00
Warragamba Silverdale Neighbourhood Centre	Carols by Candlelight	500.00
Parish of Picton and Wilton Anglican	Carols by Candlelight	500.00
St Stephens Thirlmere Wollondilly Anglican Church	Carols by Candlelight	500.00
Picton Wollondilly Anglican Church	Carols by Candlelight	500.00
	<b>TOTAL</b>	<b>5000.00</b>

## Rates Subsidy

Organisation	Project	Amount
1 Mason St, Thirlmere – Thirlmere Returned Serviceman's League	Rates Subsidy	2,842.08
1984 Silverdale Rd, Silverdale – Warragamba Silverdale Neighbourhood Centre Inc.	Rates Subsidy	2,905.23
4 Station St, Menangle – Menangle Community Associate Inc.	Rates Subsidy	1,469.20
22 West Parade, Buxton – Buxton School of Arts Hall	Rates Subsidy	3,986.80
	<b>TOTAL</b>	<b>11,203.31</b>

### 3.12 Bushfire Hazard Reduction and Mitigation Activities

Council and its officers are most conscious of the obligations placed on them under the Rural Fires Act of 1997, especially those stipulated under Section 63 of that Act. Council's activities regarding Bushfire Hazard Reduction have a number of facets.

The two main actions are the grass slashing program undertaken on roadsides within the Shire and also the appropriate removal or thinning of vegetation. In 2018/19 Council's hazard reduction program involved hazard reduction and vegetation management on approximately 80 km of roadsides.

Council has maintained and completed works in 8 reserves across the Shire to assist in mitigating the impacts of fire. The total value of this work was over \$260,000 funded by Council's Shire Emergency Response & Planning and Vegetation Management budgets with additional funding from the RFS Rural Fire Fighting Fund.

Council's activities involve supporting the Wollondilly Rural Fire Service with access to bushland areas as well as advice on the creation and maintenance of fire trails, other areas of surveillance and the reporting to Police of trail bike activities within Council and Crown bushlands which could lead to the ignition of bushfires.

Councillors and appropriate officers also participated in the regular meetings of the Wollondilly District Bushfire Management Committee and as deemed appropriate by that Committee, undertake or manage any particular identified bushfire hazards.

Council participates with the Rural Fire Service in hazard reduction burning within reserves under Council's control and regularly participates in identification and management of Threatened Species in proposed hazard reduction sites on private and public lands.

Council officers are involved in the assessment of development applications which involve hazard reduction activities.

101 specific 'Approval to Burn Permits' were issued under the Protection of Environment Operations Act (Clean Air) Regulation 2010 and 1393 General Approvals to Burn were issued in this reporting period.

The Environmental Services branch of Council participated proactively in the planning and resourcing of the hazard reduction program as a means to ensuring ecologically sustainable hazard reduction. A number of Council officers also participated in training and bushfire control exercises during the year.



### 3.13 Food Inspection Program

To improve food safety for our community, Council conducts food inspections throughout the year. Under the NSW Food Regulation partnership (an agreement with the NSW Food Authority), Council as a Category B Enforcement Agency has committed to inspect 100 percent of high and medium risk food businesses within the Shire and provide an annual report on the results.

Council issued 1 Prohibition Notices and 15 Improvement Notices under the Public Health Act for 2018/19. Council again delivered on inspection of all registered high and medium risk premises within the Shire. 38 "Temporary Food Shops" and 43 Mobile food vans were also inspected.

The number of 5, 4 and 3 star ratings under the Scores on Doors Program were maintained with most eligible food shop premises keen to participate in the program.

There are 24 'high risk', 154 medium risk' and 60 'low risk' categorised food businesses located in the Shire.

The following table records inspection results for the past four years:

	2018/19	2017/18	2016/17	2015/16
Primary inspections conducted	143	181	175	167
Business found satisfactory	112	159	148	127
Businesses found to be unsatisfactory	31	22	27	40
Prohibition or Improvement Notices issued	16	6	3	0

### 3.14 Swimming Pool Audit Program

Under the Swimming Pools Act 1992 No. 49, all councils in New South Wales must inspect swimming pool barriers to reduce childhood drownings.

Under the legislation local government has a regulatory responsibility for swimming pool safety.

Councils must:

1. Conduct inspections every three years of swimming pools associated with tourist and visitor accommodation, as well as other multi-occupancy developments (including pools in hotels, motels, serviced apartments, backpacker accommodation and unit complexes). This is considered necessary as pools co-located with these types of activities are perceived as having a higher risk due to more frequent use by a wider range of people.
2. Each Council area must develop an inspection program in consultation with its community regarding the frequency of swimming pool inspections of privately owned pools.

3. Council in accordance with the Swimming Pools Act must begin investigation of complaints within 72 hours after receiving a complaint.
4. Council has traditionally had a regulatory and enforcement role to ensure community safety in accordance with the provisions of the Swimming Pools Act and Swimming Pools Regulations. This is proposed to continue under the inspection program through surveillance programs and local knowledge.
5. Council's participation with the NSW Swimming Pool Register will include updating information on the register as appropriate.
6. Non-compliant swimming pool barriers will be handled under the provisions of the Swimming Pools Act and Council's Compliance Policy.

In accordance with this legislation, Council has conducted 77 pool inspections through the Swimming Pool Audit Program.

### 3.15 Companion Animals

Council is active in promoting responsible pet ownership. This is an area of particular interest to the community and it is important that Council provides appropriate information about activities and programs we have undertaken

#### Companion Animal Register.

Council's shelter data collection returns were lodged with the Office of Local Government. Council's data relating to dog attacks was lodged with the Office of Local Government through the NSW Companion Animals Register.

There were a total of 118 incidents reported for dog attacks/menacing behaviour; 3 dogs were declared dangerous and 8 declared menacing.

#### Animal Education Programs

Companion animal community education programs carried out by Council provided information sheets on topics including:

- Barking Dogs
- Responsible Cat Care Brochure

#### Volunteer Program

Council also conducts a volunteer program at the Animal Shelter for interested persons. Council has provided a number of free micro chipping days for residents of the Shire. Preparation for the day included displaying flyers at local vets, pet stores, community notice boards, social media advertising, website advertising and newspaper advertising.

The advertising material displayed information about the importance of micro chipping and registering your dog or cat.

#### Animal Registration

Strategies Council has in place to ensure Registration of animals under the Companion Animals Act. An on-going audit program is undertaken to ensure the Companion Animals are registered within 6 months as per the Companion Animals Legislation. Failure to register an animal after the issue of two reminders results in the issue of Penalty Infringement Notice (PIN).

A total of 514 PINs were issued during the year for non-registration of dogs and cats.

Strategies in place to comply with the requirement under Section 64 of the Companion Animals Act to seek alternatives to euthanasia for unclaimed animals.

#### Animal Return & Rehoming

In an attempt to reduce the number of animals brought to the shelter, Council has a procedure in place that any animal found straying will be scanned in the field and if micro chipped and a "first time offender" an attempt is made to contact the owner to avoid unnecessary impoundment. Council runs a "Pet of the Week" advertisement in the Wollondilly Advertiser.

Numerous other Companion Animal promotional articles have been published this year in local newspapers. Council routinely prepares a flyer of all found dogs and cats. These flyers are given to local businesses, advertised on local noticeboards and in Council's foyer. All dogs and cats available for adoption from the Animal Shelter are posted on social media on a weekly basis with the animal's photo and information.

Council's website is routinely updated with dogs/cats available for re-homing. Liaison with welfare agencies occurred through phone and email contact and a strong working relationship developed with rescue agencies such as the NSW Animal Rescue, in an attempt to rehome dogs and cats.

108 dogs were re-housed in 2018/19 and there were 9 more dogs impounded than in 2017/18 and 71 less dogs impounded than in 2016/2017. 58% of these dogs were re-homed to their owners indicating that Council's audit program of registration is having effective results. In total 86% of all dogs were either returned to owners, sold or rehomed.

The Shelter is open both on a Saturday and Sunday morning and also each afternoon for 1.5 hours to enable viewing of animals for sale, rehoming or release to owners. Council works in co-operation with the public and agencies to enable access to the Shelter at other times, whenever possible. Council's staff and volunteers exercise and socialise with the dogs on a daily basis.

### 3.16 Wollondilly Workforce Diversity

Council recognises that its people are the most important asset to the organisation and is committed to the promotion of workforce diversity. Recently we reviewed our EEO Management Plan and have aptly named it "The Building Blocks of Equity in our Workplace" to acknowledge that together we can "build" or achieve more for the community.

Our vision is to build a safe, supported and resilient workforce ensures we provide efficient and effective services to the Wollondilly community.

Council has continued to grow in 2018/2019 as an employer, engaging 7 new positions. In total council employs 239 permanent staff across a number of disciplines. We also engage a number of temporary and casual employees. Council offers a variety of employment opportunities for people at all stages of their career.

We provided 10 traineeships across Council which is our largest number of traineeships we have had to date as an organisation. We have also seen a welcome increase of female representation in leadership roles.

The overall ratio of male to female is 52% male to 48% female spread across the organisation.

Council also continues to provide opportunities for staff transitioning to retirement though flexible opportunities. The average age of our workforce has increased slightly to 47.

In recognition of the new and growing professions, Council has increased training opportunities for staff both through internal professional development opportunities, external training programs and educational assistance requests.

Our employee survey results confirmed staff continue to value working for Council, and enjoy family friendly initiatives such as flex time and wellbeing programs. During the reporting period Council has focused on employee mental health by appointing 10 Mental Health Contact Officers (MHCO), facilitating Mental Health First Aid Training for Leaders, MHCOs and staff and participating in a number of mental health awareness initiatives such as RU OK day.

### 3.17 Workplace Health and Safety

Wollondilly Shire Council will so far as is reasonably practicable, exert every effort to proactively seek out and eliminate hazards in the workplace. Where this is not possible, implement safe systems of work to reduce the exposure of staff, contractors, volunteers and visitors to risk of harm at all Council worksites.

#### Corporate WHS Objectives

##### Reportable Incidents

There were no reportable incidents to the Regulator during the reporting period.

Council has a proactive approach to WHS and continues to seek out every opportunity, improve our systems and processes to reduce the risk of injury to staff and others in the workplace.

##### Safety Program

Some of the key WHS programs undertaken during the reporting period include:

- Mental Health First Aid Training for selected staff
- Appointment/ Engagement of 10 staff Mental Health Contact Officers
- Recover At Work Training for Supervisors
- WHS for Managers & Supervisors
- Implementation of a online WHS Management System



### 3.18 Risk Management

Council is committed to implementing an effective risk management strategy that will benefit the community and improve the efficiency and safety of our operations. Risk management creates value for a local government and its community by effectively managing enterprise risks to pursue opportunities for improvement while minimising adverse impacts.

- It is an integral part of good management practice and an essential element of sound corporate governance. We have undertaken a number of key risk management activities during the reporting period;
- Tender process for Insurance Broker and management of Insurance program
- Due diligence was undertaken on Council's operations to understand Council's current risk exposure which identifying opportunities for us to improve and enhance our performance in a number of areas.
- Greater focus has been on establishing a solid foundation of integrated risk management systems and processes to ensure our risk management framework is aligned to all aspects of our business.

#### Claims by type during the reporting period:

Professional Indemnity	Public Liability	Property	Motor Vehicle
0	13 notifications resulting in 2 claims	0	26

### 3.19 Audit, Risk and Improvement Committee

Effective corporate governance arrangements are essential to the performance, integrity and transparency of our Council.

During the reporting period the ARIC monitored the progress of the implementation of the Strategic Internal Audit Plan and examined a number of Council's operations.

These included:

- Growth Update
- Capital Works Update including the Rating Strategy
- Quarterly Budget Reviews
- Continuous Improvement Program
- Quarterly Insurance Liability Reports
- IT system issues with Accounts Payable Workflows
- Developer Contributions
- External Auditor's Reports

The ARIC provides a high level of independent assurance of identified high risk activities of Council's operations.

### 3.20 Government Information – Public Access Act (GIPA)

The objective of the GIPA Act is to maintain and advance a system of responsible and representative democratic Government that is open, accountable, fair and effective.

#### Statistical Information

Wollondilly Shire Council received a total of 18 Formal GIPAA applications for the year ending 30 June 2019. This included withdrawn applications but not invalid applications.

Clause 8C: The total number of access applications received by the agency during the reporting year that the agency 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)

#### Number of Applications Refused

Wholly	0
Partly	0
Total	0

#### Documents held by Council

In keeping with the intent of the GIPA Act, Council is committed to the proactive release of government information it holds, to the public. A wide range of government information in both hard copy and electronic format in respect of functions undertaken by Council is listed in the Wollondilly Information Guide 2018 which is available on Council's website.

#### Proactive Release Program

Section 7(3) of the GIPA Act requires Council to undertake a review of its proactive release program at intervals of not more than 12 months.

The proactive release program identifies the kinds of government information Council holds that in the public interest can be made publicly available without imposing unreasonable additional costs on council resources.

Our Councils program for the proactive release of information involves: Identifying information which is requested frequently by the community both formally and informally. Reviewing what information has been produced since the last review. Looking at what initiatives, developments or projects relevant to council we want the public to know about. Identifying what information council holds that is not already released proactively, but would be in the public interest to disclose. During the reporting period, we reviewed this program by:

- Holding informal discussions with staff members
- Producing a monthly web updates document to monitor uploads
- Identifying where the areas of concern are due to resourcing shortfalls. Resourcing including financial as well as staffing
- Reviewing information on our website to ensure it is up to date and correct
- Holding discussions with other councils staff members at special interest groups (SIG's)
- Visiting other council and agency websites
- Reporting to the public at community forums and recording this information in the Record of Proceedings document

As a result of this review, we released the following information proactively:

#### Popular Links

Topical information the public have identified as commonly used such as –

- M9 Orbital;
- DA Tracker;
- Council Meetings LIVE;
- Transport Capital Works Programme;
- Pay My Rates;
- Wollondilly Library Featured programs – 5 Ways to Wellbeing;
- Bringing the Magic of Books to Picton Library;
- Save Our Koalas;
- Annual Garden Competition;
- Wollondilly's Summer Beach Bus;
- Stonequarry Creek Clean Up

#### What's on – Local Events:

- Creative Traders Markets;
- Steam Train Rides;
- Appin Koala Picnic Day & Village Fair;
- Local Reflections of Warragamba Art Competition;
- Connecting Wollondilly Expo;
- Stars in the Garden;
- Illuminate Wollondilly 2019
- State Issues Information Night

#### What we're advocating for:

- Wilton New Town
- Public Transport
- Local Jobs
- Health Care Precinct
- Protection of Koala's Infrastructure

#### Reports and Discussion Papers:

Wollondilly Shire Council Communications and Engagement Strategy

## GIPA Act Schedule 2

**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	Total
Media	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0
Private Sector Businesses	1	5	0	0	1	0	0	1	8
Not for Profit organisations or community groups	0	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	2	0	0	0	0	0	1	3
Members of the public (other)	0	1	2	0	0	0	0	1	4
<b>Total</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>15</b>

\*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 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	Total
Personal Information	0	0	0	0	0	0	0	1	1
Access applications (other the personal information applications)	1	8	2	0	1	0	0	2	14
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>8</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>15</b>

\*\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.

**Table C: Invalid Applications**

Reason for Invalidity	Number of Applications
Application does not comply with formal requirements (section 41 of the Act)	2
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	2
Total number of invalid applications received	2

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

	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is 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 the Act**

	Number of occasions when application not successful
Responsible and effective government	3
Law enforcement and security	0
Individual rights, judicial processes and natural justice	5
Business interests of agencies and other persons	9
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table F: Timeliness**

	Number of Applications
Decided within the statutory timeframe (20 days plus any extensions)	12
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	13

**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	1	1
Internal review following recommendation under section 93 of Act	0	0	0
Review by NCAT	0	0	0
Total	0	1	1

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

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

	Number of applicants 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

**Table I: Applications transferred to out agencies**

	Number of applicants for review
Agency – Initiated Transfers	0
Applicant – Initiated Transfers)	0

### 3.21 Privacy and Personal Information Protection

The Privacy and Personal Information Protection (PPIP) Act requires New South Wales public sector agencies and their staff to protect personal information. The Act describes how this protection should happen, and includes having a Privacy Management Plan.

Council's Privacy Management Plan outlines how private information is handled and how to deal with

public requests.

There were 3 internal notifications of alleged breaches of privacy during the reporting period. The notifications were investigated and found no breaches of privacy occurred.

### 3.22 Public Interest Disclosures Act

The Public Interest Disclosures Act 1994 (PID Act) sets up a scheme for people who work in the NSW public sector (e.g. in a council or Councillors) to come forward with important information.

All Australian government agencies, Commonwealth companies and public authorities have responsibilities under the Act.

These include establishing effective and clearly articulated internal procedures for facilitating and responding to public interest disclosures. Council meets this obligation through its Internal Reporting Policy and Internal Reporting Procedure.

Council has a Corporate Governance Toolkit on its intranet which holds information and resources for Staff and Nominated Disclosure Officers on how to make an Internal Report; how to investigate reports and tools to manage Public Interest Disclosures.

Councils Internal reporting process is included in our staff induction program. An awareness PowerPoint is distributed periodically to all staff across the organisation for their information.

The following table details categories and numbers of Public Interest Disclosures for this reporting period:

Category of PID's	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PID's
Number of Public Officials who made PIDs to Council	0	0	0
Number of PIDs received by Council in total	0		0

The number of public interest disclosures received by the council in total and the number of public interest disclosures received by the council relating to each of the following:

Corrupt Conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste of public money or local government money (as appropriate)	0	0	0
Government information contraventions	0	0	0
The number of public interest disclosures (received since 1 January 2012) that have been finalised by the council	0	0	0



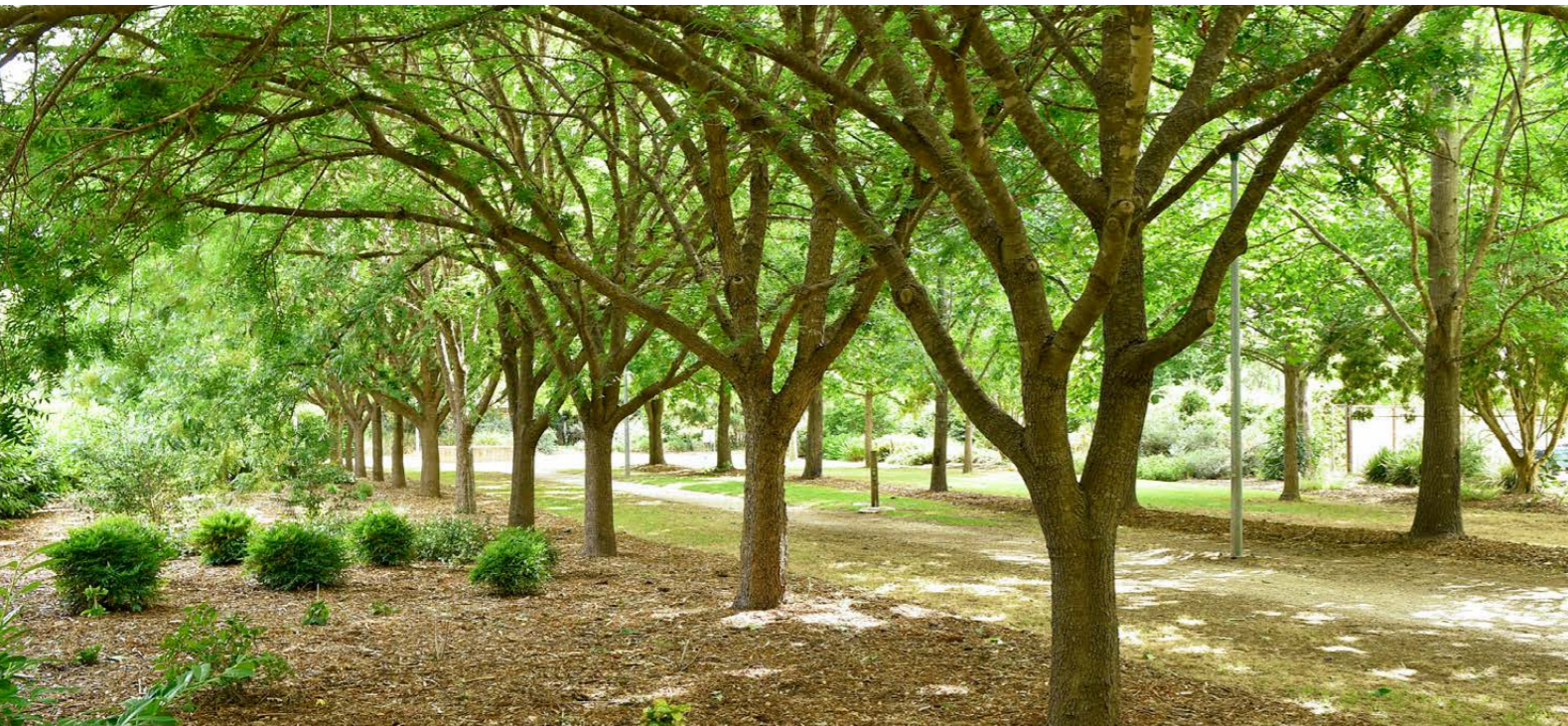
SECTION 4

# Financial Statements



## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019



## Wollondilly Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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## General Purpose Financial Statements

for the year ended 30 June 2019

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**Overview**

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

62-64 Menangle Street  
Picton NSW 2571

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.wollondilly.nsw.gov.au](http://www.wollondilly.nsw.gov.au)

## General Purpose Financial Statements

for the year ended 30 June 2019

## Understanding Council's Financial Statements

**Introduction**

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

**What you will find in the Statements**

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

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

**About the Councillor/Management Statement**

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

**About the Primary Financial Statements**

The financial statements incorporate five "primary" financial statements:

**1. The Income Statement**

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

**2. The Statement of Comprehensive Income**

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

**3. The Statement of Financial Position**

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

**4. The Statement of Changes in Equity**

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

**5. The Statement of Cash Flows**

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

**About the Notes to the Financial Statements**

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

**About the Auditor's Reports**

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

In NSW the auditor provides 2 audit reports:

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

**Who uses the Financial Statements?**

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

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

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

## General Purpose Financial Statements

for the year ended 30 June 2019

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

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


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

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

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

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

Signed in accordance with a resolution of Council made on 21 October 2019.



Cr M Deeth  
Mayor  
21 October 2019



Cr M Gould  
Councillor  
21 October 2019



B Taylor  
Chief Executive Officer  
21 October 2019



C Hardy  
Responsible Accounting Officer  
21 October 2019

## Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
<b>Income from continuing operations</b>				
<b>Revenue:</b>				
44,278		3a	45,502	40,768
6,265		3b	5,790	5,840
2,288		3c	2,130	1,788
808		3d	1,799	1,747
7,037		3e,3f	9,562	7,194
2,920		3e,3f	18,441	14,357
<b>Other income:</b>				
–		5	559	271
63,596			83,783	71,965
<b>Expenses from continuing operations</b>				
24,279		4a	23,772	20,796
726		4b	1,906	6,762
16,275		4c	15,929	19,603
12,580		4d	13,664	20,611
5,691		4e	5,234	4,806
–		4d	11	–
59,551			60,516	72,578
4,045			23,267	(613)
4,045			23,267	(613)
4,045			23,267	(613)
1,125			4,826	(14,970)

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

## Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Net operating result for the year (as per Income Statement)</b>		<b>23,267</b>	<b>(613)</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain / (loss) on revaluation of IPP&E	9	789	27,674
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>789</b>	<b>27,674</b>
<b>Total other comprehensive income for the year</b>		<b>789</b>	<b>27,674</b>
<b>Total comprehensive income for the year</b>		<b>24,056</b>	<b>27,061</b>
Total comprehensive income attributable to Council		24,056	27,061

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

## Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	6(a)	8,698	6,229
Investments	6(b)	45,500	37,250
Receivables	7	7,555	8,176
Inventories	8a	2,063	2,000
Other	8b	199	199
<b>Total current assets</b>		<b>64,015</b>	<b>53,854</b>
<b>Non-current assets</b>			
Investments	6(b)	20,726	16,547
Infrastructure, property, plant and equipment	9	477,592	465,389
<b>Total non-current assets</b>		<b>498,318</b>	<b>481,936</b>
<b>TOTAL ASSETS</b>		<b>562,333</b>	<b>535,790</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	10,677	7,130
Income received in advance	10	141	211
Borrowings	10	1,734	1,668
Provisions	11	6,122	6,164
<b>Total current liabilities</b>		<b>18,674</b>	<b>15,173</b>
<b>Non-current liabilities</b>			
Borrowings	10	7,865	9,528
Provisions	11	20,210	19,561
<b>Total non-current liabilities</b>		<b>28,075</b>	<b>29,089</b>
<b>TOTAL LIABILITIES</b>		<b>46,749</b>	<b>44,262</b>
<b>Net assets</b>		<b>515,584</b>	<b>491,528</b>
<b>EQUITY</b>			
Accumulated surplus	12	346,524	323,257
Revaluation reserves	12	169,060	168,271
<b>Council equity interest</b>		<b>515,584</b>	<b>491,528</b>
<b>Total equity</b>		<b>515,584</b>	<b>491,528</b>

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



Statement of Changes in Equity  
for the year ended 30 June 2019

\$ '000	2019			2018		
	Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance	323,257	168,271	491,528	323,870	140,597	464,467
<b>Restated opening balance</b>	<b>323,257</b>	<b>168,271</b>	<b>491,528</b>	<b>323,870</b>	<b>140,597</b>	<b>464,467</b>
Net operating result for the year	23,267	-	23,267	(613)	-	(613)
<b>Restated net operating result for the period</b>	<b>23,267</b>	<b>-</b>	<b>23,267</b>	<b>(613)</b>	<b>-</b>	<b>(613)</b>
<b>Other comprehensive income</b>						
- Gain / (loss) on revaluation of IPP&E	-	789	789	-	27,674	27,674
Other comprehensive income	-	789	789	-	27,674	27,674
<b>Total comprehensive income</b>	<b>23,267</b>	<b>789</b>	<b>24,056</b>	<b>(613)</b>	<b>27,674</b>	<b>27,061</b>
<b>Equity – balance at end of the reporting period</b>	<b>346,524</b>	<b>169,060</b>	<b>515,584</b>	<b>323,257</b>	<b>168,271</b>	<b>491,528</b>

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

Statement of Cash Flows  
for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
44,278	Rates and annual charges		44,268	40,328
6,265	User charges and fees		6,576	5,060
228	Investment and interest revenue received		2,671	1,775
9,957	Grants and contributions		25,903	20,530
-	Bonds, deposits and retention amounts received		931	219
808	Other		8,481	2,428
<b>Payments</b>				
(24,279)	Employee benefits and on-costs		(24,006)	(21,106)
(16,275)	Materials and contracts		(16,713)	(20,967)
(726)	Borrowing costs		(818)	(6,060)
(5,691)	Other		(6,268)	(1,484)
14,565	<b>Net cash provided (or used in) operating activities</b>	13b	41,025	20,723
<b>Cash flows from investing activities</b>				
<b>Receipts</b>				
35,553	Sale of investment securities		38,771	34,807
-	Sale of infrastructure, property, plant and equipment		588	278
<b>Payments</b>				
(36,727)	Purchase of investment securities		(51,200)	(34,200)
(15,831)	Purchase of infrastructure, property, plant and equipment		(25,118)	(17,122)
(17,005)	<b>Net cash provided (or used in) investing activities</b>		(36,959)	(16,237)
<b>Cash flows from financing activities</b>				
<b>Payments</b>				
(1,668)	Repayment of borrowings and advances		(1,662)	(1,559)
-	Repayment of finance lease liabilities		65	-
(1,668)	<b>Net cash flow provided (used in) financing activities</b>		(1,597)	(1,559)
(4,108)	<b>Net increase/(decrease) in cash and cash equivalents</b>		2,469	2,927
-	Plus: cash and cash equivalents – beginning of year	13a	6,229	3,302
(4,108)	<b>Cash and cash equivalents – end of the year</b>	13a	8,698	6,229
-	Additional Information:			
-	plus: Investments on hand – end of year	6(b)	66,226	53,797
(4,108)	<b>Total cash, cash equivalents and investments</b>		74,924	60,026

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

## Notes to the Financial Statements

for the year ended 30 June 2019

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 21 October 2019. Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not for-profit entity.

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

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

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

**(a) New and amended standards adopted by Council**

AASB 9 Financial Instruments became effective from 1 July 2018.

This standard replaced AASB 139 Financial Instruments: Recognition and Measurement, and introduced a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. The introduction of this standard has not had any material impact on Council.

**(b) Historical cost convention**

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

**(c) Significant accounting estimates and judgements**

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

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

**Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

- estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- estimated tip remediation provisions – refer Note 11.
- employee benefit provisions – refer Note 11.

**Significant judgements in applying the council's accounting policies**

- Impairment of receivables

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 1. Basis of preparation (continued)

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

**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.

The Consolidated Fund has been included in the Council's Financial Statements.

Due to their immaterial value and nature, Council's Management Committees have been excluded from this consolidation.

**(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.

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**

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

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

**AASB 16 Leases**

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

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

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

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

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$1,967,000 - refer Note 16(c).

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 1. Basis of preparation (continued)

Council anticipates it will recognise lease liabilities (on its balance sheet) in excess of \$1,100,000 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) in excess of \$1,100,000 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will not be significantly affected, while net current assets will be approximately \$500,000 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will decrease by approximately \$500,000 for the 19/20 financial year as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$500,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

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

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

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

Council has assessed each revenue stream and an impact is expected for grant income and rates which are paid before the commencement of the rating period.

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

**AASB 1058 Income of NFP Entities**

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

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

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

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

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

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

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

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

continued on next page ...

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

Note 1. Basis of preparation (continued)

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

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

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

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

Apart from those standards listed above, there are no other released standards (with future effective dates) that are expected to have a material impact on Council.

Wollondilly Shire Council

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

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

	Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).						Total assets held (current and non-current) 2019	2018
	Income from continuing operations 2019	2018	Expenses from continuing operations 2019	2018	Operating result from continuing operations 2019	2018		
<b>Functions or activities</b>								
Sustainable and Balanced Growth	15,283	8,865	8,409	8,336	6,874	529	1,214	1,219
Management & Provision of Infrastructure	13,361	13,424	28,214	30,514	(14,853)	(17,090)	432,871	443,909
Caring for the Environment	9,991	9,455	13,282	23,618	(3,291)	(14,163)	8,334	9,532
Looking after the Community	1,062	1,084	4,303	4,176	(3,241)	(3,092)	1,969	1,977
Efficient and Effective Council	1,754	1,176	6,308	5,934	(4,554)	(4,758)	117,945	79,153
General Purpose	42,332	37,961	—	—	42,332	37,961	—	—
<b>Total functions and activities</b>	<b>83,783</b>	<b>71,965</b>	<b>60,516</b>	<b>72,578</b>	<b>23,267</b>	<b>(613)</b>	<b>562,333</b>	<b>535,790</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

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

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

**Sustainable and Balanced Growth**

Outcomes/Objectives:

1. A built environment that supports liveable communities, respects the character, setting and heritage of our towns and villages and retains the vision of Rural Living.
2. A unique environment and rural landscape balanced with managed growth that is consistent with Council's position on Growth and vision of Rural Living.
3. A strong local economy providing employment and other opportunities.
4. Expansion of employment and other opportunities based on the Shire's natural assets, strong agricultural base and tourism potential.
5. A strong and viable agricultural sector supported by the protection and preservation of agricultural assets and resources.

**Management & Provision of Infrastructure**

Outcomes/Objectives:

1. Infrastructure that is safe, accessible and fit for purpose.
2. Infrastructure that is sustainably maintained.
3. Infrastructure that delivers upon the expectations and needs of our growing community.

**Caring for the Environment**

Outcomes/Objectives:

1. An environment that is valued, preserved and protected, with new planning and development proposals supporting these values.
2. A community that is engaged with and cares about their environment.

**Looking after the Community**

Outcomes/Objectives:

1. Access to a range of activities, services and facilities.
2. Communities that are engaged, cohesive, included, and have a sense of belonging.
3. Communities that are healthy, happy and feel safe.

**Efficient and Effective Council**

Outcomes/Objectives:

1. Government, community and business talking and working together.
2. A Council that demonstrates good business management and ethical conduct.
3. A Council that is viewed by the community as transparent, accountable and responsive to their concerns.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations

\$ '000	2019	2018
<b>(a) Rates and annual charges</b>		
<b>Ordinary rates</b>		
Residential	32,426	28,865
Farmland	1,060	932
Mining	1,627	1,468
Business	1,707	1,524
Less: pensioner rebates (mandatory)	(327)	(327)
Less: pensioner rebates (Council policy)	(374)	(374)
<b>Rates levied to ratepayers</b>	<b>36,119</b>	<b>32,088</b>
Pensioner rate subsidies received	330	244
<b>Total ordinary rates</b>	<b>36,449</b>	<b>32,332</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	9,120	8,438
Stormwater management services	291	324
Waste management services (non-domestic)	165	163
Section 611 charges	13	13
Less: pensioner rebates (Council policy)	(610)	(579)
<b>Annual charges levied</b>	<b>8,979</b>	<b>8,359</b>
Pensioner subsidies received:		
– Domestic waste management	74	77
<b>Total annual charges</b>	<b>9,053</b>	<b>8,436</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>	<b>45,502</b>	<b>40,768</b>

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.

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.

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

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(b) User charges and fees</b>		
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Planning and building regulation	1,670	1,934
Section 10.7 certificates (EP&A Act)	134	154
Section 603 certificates	66	83
Other	196	158
Animal registration fees	171	206
Rezoning fees	273	50
Septic tank fees	154	171
<b>Total fees and charges – statutory/regulatory</b>	<b>2,664</b>	<b>2,756</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Cemeteries	91	109
Leaseback fees – Council vehicles	324	298
Restoration charges	52	55
Waste disposal tipping fees	980	1,143
Children services	437	456
Contract works	–	21
Development management	437	254
Plan checking fees	552	398
Royalties	92	192
Other	161	158
<b>Total fees and charges – other</b>	<b>3,126</b>	<b>3,084</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>5,790</b>	<b>5,840</b>

**Accounting policy for user charges and fees**

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

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(c) Interest and investment revenue (including losses)</b>		
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	218	201
– Cash and investments	1,912	1,587
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>2,130</b>	<b>1,788</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	218	201
General Council cash and investments	1,129	842
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	530	500
Domestic waste management operations	193	187
<b>Restricted investments/funds – internal:</b>		
Internally restricted assets		
	60	58
<b>Total interest and investment revenue</b>	<b>2,130</b>	<b>1,788</b>

**Accounting policy for interest and investment revenue**

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

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(d) Other revenues</b>		
Rental income – other council properties	614	609
Fines	341	311
Legal fees recovery – rates and charges (extra charges)	127	231
Legal fees recovery – other	67	60
Commissions and agency fees	35	36
Diesel rebate	29	33
Insurance claims recoveries	23	65
Sales – general	47	–
Insurance premium rebate	236	211
Reimbursements	127	99
Other	153	92
<b>TOTAL OTHER REVENUE</b>	<b>1,799</b>	<b>1,747</b>

**Accounting policy for other revenue**

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance	1,867	1,856	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance	1,936	1,910	–	–
<b>Total general purpose</b>	<b>3,803</b>	<b>3,766</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Bushfire and emergency services	320	320	–	–
Child care	92	207	–	–
Library	131	136	–	–
LIRS subsidy	172	205	–	–
Recreation and culture	795	11	–	–
Street lighting	86	84	105	–
Transport (roads to recovery)	–	–	–	1,230
Transport (other roads and bridges funding)	20	13	1,130	1,880
Community services	139	201	–	–
Environmental management	187	136	–	–
Other	103	–	480	–
<b>Total specific purpose</b>	<b>2,045</b>	<b>1,313</b>	<b>1,715</b>	<b>3,110</b>
<b>Total grants</b>	<b>5,848</b>	<b>5,079</b>	<b>1,715</b>	<b>3,110</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	3,995	3,961	764	3,110
– State funding	1,846	1,113	1,787	–
– Other funding	7	5	(836)	–
	<b>5,848</b>	<b>5,079</b>	<b>1,715</b>	<b>3,110</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(f) 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		–	–	1,020	328
S 7.11 – contributions towards amenities/services		–	–	6,868	5,260
S 7.12 – fixed development consent levies		–	–	412	186
Other developer contributions		–	–	1,042	–
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>9,342</b>	<b>5,774</b>
<b>Total developer contributions</b>	20	<b>–</b>	<b>–</b>	<b>9,342</b>	<b>5,774</b>
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Bushfire services		174	122	–	1,233
Community services		190	9	–	–
Dedications – subdivisions (other than by s7.11)		–	–	–	1,315
Kerb and gutter		–	–	–	922
Recreation and culture		47	–	278	360
Roads and bridges		–	–	1,147	968
RMS contributions (regional roads, block grant)		2,053	1,935	906	675
Other		1,001	–	5,053	–
Environmental management		249	49	–	–
<b>Total other contributions – cash</b>		<b>3,714</b>	<b>2,115</b>	<b>7,384</b>	<b>5,473</b>
<b>Total other contributions</b>		<b>3,714</b>	<b>2,115</b>	<b>7,384</b>	<b>5,473</b>
<b>Total contributions</b>		<b>3,714</b>	<b>2,115</b>	<b>16,726</b>	<b>11,247</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>9,562</b>	<b>7,194</b>	<b>18,441</b>	<b>14,357</b>

**Accounting policy for grants and contributions**

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

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

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

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

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

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

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019	2018
<b>(g) Unspent grants and contributions</b>		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	2,895	2,950
<b>Add:</b> operating grants recognised in the current period but not yet spent	656	163
<b>Add:</b> operating grants received for the provision of goods and services in a future period	1,936	1,910
<b>Less:</b> operating grants recognised in a previous reporting period now spent	(2,040)	(2,128)
<b>Unexpended and held as restricted assets (operating grants)</b>	<b>3,447</b>	<b>2,895</b>
<b>Capital grants</b>		
Unexpended at the close of the previous reporting period	219	168
<b>Add:</b> capital grants recognised in the current period but not yet spent	57	57
<b>Less:</b> capital grants recognised in a previous reporting period now spent	(6)	(6)
<b>Unexpended and held as restricted assets (capital grants)</b>	<b>270</b>	<b>219</b>
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	26,731	21,001
<b>Add:</b> contributions recognised in the current period but not yet spent	10,601	6,701
<b>Less:</b> contributions recognised in a previous reporting period now spent	(1,579)	(971)
<b>Unexpended and held as restricted assets (contributions)</b>	<b>35,753</b>	<b>26,731</b>



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations

\$ '000	2019	2018
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	21,380	19,999
Employee leave entitlements (ELE)	544	571
Superannuation	2,156	2,005
Workers' compensation insurance	365	414
Fringe benefit tax (FBT)	69	64
Training costs (other than salaries and wages)	207	185
Employment advertising	382	149
Other	73	30
<b>Total employee costs</b>	<b>25,176</b>	<b>23,417</b>
Less: capitalised costs	(1,404)	(2,621)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>23,772</b>	<b>20,796</b>
Number of 'full-time equivalent' employees (FTE) at year end	247	241

**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 17 for more information.

\$ '000	Notes	2019	2018
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on loans		763	810
Charges relating to finance leases		4	–
<b>Total interest bearing liability costs expensed</b>		<b>767</b>	<b>810</b>
<b>(ii) Other borrowing costs</b>			
Amortisation of discounts and premiums			
– Remediation liabilities	11	1,139	5,952
<b>Total other borrowing costs</b>		<b>1,139</b>	<b>5,952</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>1,906</b>	<b>6,762</b>

**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.

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>(c) Materials and contracts</b>		
Raw materials and consumables	9,735	9,759
– Environmental services	1,609	913
– General maintenance	3,639	4,570
– Leisure centre management	197	203
– Planning and development consultants	168	169
– Planning and development contractors/labour hire	521	896
– Road maintenance and construction	8,132	7,251
– Street and gutter cleaning contract	235	243
– Waste contractors	6,890	6,360
– Other	918	1,257
Auditors remuneration <sup>2</sup>	120	123
<b>Legal expenses:</b>		
– Legal expenses: planning and development	338	467
– Legal expenses: other	445	387
<b>Operating leases:</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	845	829
Other	8	–
<b>Total materials and contracts</b>	<b>33,800</b>	<b>33,427</b>
Less: capitalised costs	(17,871)	(13,824)
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>15,929</b>	<b>19,603</b>

**Accounting policy for operating leases**

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

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

Computers	273	295
Motor vehicles	595	534
Other	(23)	–
	<b>845</b>	<b>829</b>

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>2. Auditor remuneration</b>		
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	46	49
<b>Remuneration for audit and other assurance services</b>	<b>46</b>	<b>49</b>
<b>Total Auditor-General remuneration</b>	<b>46</b>	<b>49</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Internal audit services   external provider	73	74
<b>Remuneration for audit and other assurance services</b>	<b>73</b>	<b>74</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>73</b>	<b>74</b>
<b>Total Auditor remuneration</b>	<b>119</b>	<b>123</b>

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
<b>(d) Depreciation, amortisation and impairment of intangible assets and IPP&amp;E</b>			
<b>Depreciation and amortisation</b>			
Plant and equipment		400	391
Office equipment		16	15
Furniture and fittings		54	55
Land improvements (depreciable)		53	53
<b>Infrastructure:</b>			
– Buildings – non-specialised		759	844
– Buildings – specialised		1,266	1,029
– Roads		6,228	6,063
– Bridges		730	727
– Footpaths		294	330
– Other road assets		2,203	2,164
– Stormwater drainage		483	458
– Swimming pools		75	75
– Other open space/recreational assets		540	529
Other assets		21	24
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	9,11	542	7,854
<b>Total gross depreciation and amortisation costs</b>		<b>13,664</b>	<b>20,611</b>
<b>Total depreciation and amortisation costs</b>		<b>13,664</b>	<b>20,611</b>
<b>Impairment / revaluation decrement of IPP&amp;E</b>			
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	9,11	11	–
<b>Total gross IPP&amp;E impairment / revaluation decrement costs / (reversals)</b>		<b>11</b>	<b>–</b>
<b>Total IPP&amp;E impairment / revaluation decrement costs / (reversals) charged to Income Statement</b>		<b>11</b>	<b>–</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR IPP&amp;E</b>			
		<b>13,675</b>	<b>20,611</b>

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

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

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

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

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 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>(e) Other expenses</b>		
Advertising	159	170
Agency charges	68	68
Bad and doubtful debts	6	36
Bank charges	53	52
Computer software charges	682	483
Contributions/levies to other levels of government		
– Department of planning levy	54	52
– Emergency services levy (includes FRNSW, SES, and RFS levies)	623	645
– Section 88 waste and environment levy	1,105	455
Councillor expenses – mayoral fee	43	46
Councillor expenses – councillors' fees	175	185
Councillors' expenses (incl. mayor) – other (excluding fees above)	32	22
Donations, contributions and assistance to other organisations (Section 356)	193	237
Election expenses	–	144
Electricity and heating	255	243
Insurance	597	612
Photocopier charges	64	102
Postage	156	185
Street lighting	590	467
Telephone and communications	152	148
Valuation fees	108	104
Vehicle registration / insurance	77	74
Water charges	196	180
Other	354	302
<b>Total other expenses</b>	<b>5,742</b>	<b>5,012</b>
Less: capitalised costs	(508)	(206)
<b>TOTAL OTHER EXPENSES</b>	<b>5,234</b>	<b>4,806</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 2019

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

\$ '000	Notes	2019	2018
<b>Property (excl. investment property)</b>			
Proceeds from disposal – property		435	–
<b>Net gain/(loss) on disposal</b>		<b>435</b>	<b>–</b>
<b>Plant and equipment</b>			
	9		
Proceeds from disposal – plant and equipment		153	278
Less: carrying amount of plant and equipment assets sold/written off		(29)	(7)
<b>Net gain/(loss) on disposal</b>		<b>124</b>	<b>271</b>
<b>Investments</b>			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		38,771	34,807
Less: carrying amount of investments sold/redeemed/matured		(38,771)	(34,807)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>559</b>	<b>271</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 2019

## Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	8,698	6,229
<b>Total cash and cash equivalents</b>	<b>8,698</b>	<b>6,229</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 6(b). Investments

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
<b>Investments</b>				
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	45,500	20,726	37,250	16,547
<b>Total Investments</b>	<b>45,500</b>	<b>20,726</b>	<b>37,250</b>	<b>16,547</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>				
	<b>54,198</b>	<b>20,726</b>	<b>43,479</b>	<b>16,547</b>
<b>Financial assets at amortised cost / held to maturity (2018)</b>				
Long term deposits	38,750	4,000	35,000	1,000
NCD's, FRN's (with maturities > 3 months)	6,750	13,400	2,250	13,950
Mortgage backed securities	–	1,576	–	1,597
Listed equity securities	–	1,750	–	–
<b>Total</b>	<b>45,500</b>	<b>20,726</b>	<b>37,250</b>	<b>16,547</b>

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

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

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

**Financial assets**

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

**Classification**

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

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

Financial assets are not reclassified subsequent to their initial recognition.

**Amortised cost**

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(b). Investments (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Interest income, impairment and gains or loss on derecognition 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.

**Accounting policy under AASB 139 – applicable for 2018 comparatives only****Classification**

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

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

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

**(b) Held to maturity investments**

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

**(c) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. 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.

**(d) Available for sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

**Recognition and de-recognition**

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

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(b). Investments (continued)

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

**Impairment of financial assets**

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

**Impairment of available for sale investments**

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

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	54,198	20,726	43,479	16,547
<b>attributable to:</b>				
External restrictions	29,025	20,726	22,596	16,547
Internal restrictions	17,832	–	18,864	–
Unrestricted	7,341	–	2,019	–
	54,198	20,726	43,479	16,547

\$ '000	2019	2018
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## Details of restrictions

## External restrictions – other

Developer contributions – general	34,964	25,956
Specific purpose unexpended grants	4,857	3,114
Domestic waste management	9,140	8,627
Stormwater management	790	670
Other contributions	–	776

## External restrictions – other

	49,751	39,143
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## Total external restrictions

## Internal restrictions

Employees leave entitlement	2,690	2,732
Animal management	19	19
Effluent disposal	172	191
Election	277	200
Growth management strategy	795	560
Information technology	108	123
Infrastructure and asset maintenance	6,312	6,856
Legal claims	108	21
Organisational development	296	718
Plant and vehicle replacement	1,647	1,821
Property	2,532	2,359
Recreation	328	421
Risk management	608	557
Roads	319	312
Sportsgrounds	674	674
Swimming pool	511	513
Tourism and economic development	207	254
Work in progress	229	533

## Total internal restrictions

## TOTAL RESTRICTIONS

	17,832	18,864
	67,583	58,007

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
<b>Purpose</b>				
Rates and annual charges	2,848	–	1,614	–
Interest and extra charges	(208)	–	567	–
User charges and fees	1,223	–	1,827	–
Accrued revenues				
– Interest on investments	729	–	495	–
– Other income accruals	69	–	2,625	–
Government grants and subsidies	2,667	–	382	–
Net GST receivable	271	–	298	–
Other debtors	4	–	412	–
<b>Total</b>	7,603	–	8,220	–

## Less: provision of impairment

User charges and fees	(48)	–	(44)	–
<b>Total provision for impairment – receivables</b>	(48)	–	(44)	–

## TOTAL NET RECEIVABLES

	7,555	–	8,176	–
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## Externally restricted receivables

Domestic waste management	675	–	605	–
Stormwater management	26	–	24	–
<b>Total external restrictions</b>	701	–	629	–

## Unrestricted receivables

	6,854	–	7,547	–
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## TOTAL NET RECEIVABLES

	7,555	–	8,176	–
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\$ '000	2019	2018
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## Movement in provision for impairment of receivables

Balance at the beginning of the year (calculated in accordance with AASB 139)	44	11
+ new provisions recognised during the year	6	36
– amounts already provided for and written off this year	(2)	(3)
<b>Balance at the end of the period</b>	48	44

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables (continued)

## 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

## Accounting policy under AASB 9 applicable from 1 July 2018

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

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

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

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

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

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

On initial recognition of the asset, an estimate of the ECL 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.

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.

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

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

## Accounting policy under AASB 139 – applicable for 2018 comparatives only

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

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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 8. Inventories and other assets

\$ '000	2019	2019	2018	2018
	Current	Non-current	Current	Non-current
<b>(a) Inventories</b>				
<b>(i) Inventories at cost</b>				
Stores and materials	2,022	–	1,946	–
Trading stock	3	–	6	–
<b>Total inventories at cost</b>	<b>2,025</b>	<b>–</b>	<b>1,952</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>				
Trading stock	38	–	48	–
<b>Total inventories at net realisable value (NRV)</b>	<b>38</b>	<b>–</b>	<b>48</b>	<b>–</b>
<b>TOTAL INVENTORIES</b>	<b>2,063</b>	<b>–</b>	<b>2,000</b>	<b>–</b>
<b>(b) Other assets</b>				
Prepayments	199	–	199	–
<b>TOTAL OTHER ASSETS</b>	<b>199</b>	<b>–</b>	<b>199</b>	<b>–</b>

## Externally restricted assets

\$ '000	2019	2019	2018	2018
	Current	Non-current	Current	Non-current
<b>Other</b>				
RFS stores and materials	1,842	–	1,803	–
<b>Total other</b>	<b>1,842</b>	<b>–</b>	<b>1,803</b>	<b>–</b>

\$ '000	2019	2019	2018	2018
	Current	Non-current	Current	Non-current
<b>Total externally restricted assets</b>	<b>1,842</b>	<b>–</b>	<b>1,803</b>	<b>–</b>
<b>Total internally restricted assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>	<b>420</b>	<b>–</b>	<b>396</b>	<b>–</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>	<b>2,262</b>	<b>–</b>	<b>2,199</b>	<b>–</b>

## (i) Other disclosures

\$ '000	2019	2019	2018	2018
	Current	Non-current	Current	Non-current
(Valued at the lower of cost and net realisable value)				
<b>Movements:</b>				
Real estate assets at beginning of the year	–	–	195	–
– Transfers in from (out to) Note 9	–	–	(195)	–
<b>Total real estate for resale</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

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

Note 8. Inventories and other assets (continued)

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

Inventory held for distribution

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

Land held for resale/capitalisation of borrowing costs

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

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

Financial Statements 2019

Wollondilly Shire Council  
Notes to the Financial Statements  
for the year ended 30 June 2019  
Note 9. Infrastructure, property, plant and equipment

	as at 30/6/2018										as at 30/6/2019									
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount						
Capital work in progress	4,157	-	4,157	7,854	748	-	-	(3,000)	-	-	-	9,759	-	9,759						
Plant and equipment	13,050	(11,113)	1,937	-	290	(29)	(400)	-	(892)	-	-	12,473	(11,567)	906						
Office equipment	3,956	(3,806)	150	-	40	-	(16)	-	-	-	-	3,996	(3,822)	174						
Furniture and fittings	1,133	(669)	464	-	20	-	(54)	-	-	-	-	1,153	(723)	430						
<b>Land:</b>																				
- Operational land	23,144	-	23,144	-	-	-	-	-	-	-	-	23,144	-	23,144						
- Community land	50,342	-	50,342	-	-	-	-	-	-	-	-	50,342	-	50,342						
Land improvements – depreciable	2,510	(429)	2,081	-	-	-	(53)	-	-	-	-	2,510	(482)	2,028						
<b>Infrastructure:</b>																				
- Buildings – non-specialised	33,228	(16,657)	16,571	410	-	-	(759)	-	-	-	-	33,638	(17,416)	16,222						
- Buildings – specialised	59,054	(31,496)	27,558	1,075	-	-	(1,266)	796	-	-	-	60,925	(32,762)	28,163						
- Roads	235,108	(115,465)	119,643	8,626	-	-	(6,228)	1,466	-	-	-	245,200	(121,693)	123,507						
- Bridges	64,176	(28,362)	35,814	540	-	-	(730)	479	-	-	-	65,194	(29,091)	36,103						
- Footpaths	15,680	(3,922)	11,758	179	2,127	-	(294)	-	-	-	-	17,986	(4,216)	13,770						
- Other road assets	79,414	(29,260)	50,154	618	2,881	-	(2,203)	214	-	-	-	83,127	(31,463)	51,664						
- Bulk earthworks (non-depreciable)	44,373	-	44,373	-	-	-	-	-	-	-	-	44,373	-	44,373						
- Stormwater drainage	54,818	(12,836)	41,982	393	-	-	(483)	5	-	-	-	55,216	(13,319)	41,897						
- Swimming pools	3,022	(1,350)	1,672	-	-	-	(75)	-	-	-	-	3,022	(1,425)	1,597						
- Other open space/recreational assets	33,359	(5,088)	28,271	179	30	-	(540)	40	-	-	-	33,607	(5,627)	27,980						
<b>Other assets:</b>																				
- Library books	1,025	(1,025)	-	-	-	-	-	-	-	-	-	1,025	(1,025)	-						
- Other	763	(329)	434	-	-	-	(21)	-	-	-	-	763	(350)	413						
<b>Reinstatement, rehabilitation and restoration assets (refer Note 14):</b>																				
- Tip assets	20,792	(15,908)	4,884	-	-	-	(542)	(11)	-	789	-	21,570	(16,450)	5,120						
<b>Total infrastructure, property, plant and equipment</b>	<b>743,104</b>	<b>(277,715)</b>	<b>465,389</b>	<b>19,874</b>	<b>6,136</b>	<b>(29)</b>	<b>(13,664)</b>	<b>(11)</b>	<b>(892)</b>	<b>789</b>	<b>789</b>	<b>769,023</b>	<b>(291,431)</b>	<b>477,592</b>						

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

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Note 9. Infrastructure, property, plant and equipment (continued)

	Asset movements during the reporting period										as at 30/6/2018			
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/to real estate assets (Note 8)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	653	-	653	3,800	13	-	-	(305)	(4)	-	-	4,157	-	4,157
Plant and equipment	13,397	(11,780)	1,617	-	718	(7)	(391)	-	-	-	-	13,050	(11,113)	1,937
Office equipment	3,939	(3,791)	148	-	17	-	(15)	-	-	-	-	3,956	(3,806)	150
Furniture and fittings	1,132	(615)	517	-	-	-	(55)	-	-	-	-	1,133	(669)	464
<b>Land:</b>														
- Operational land	13,315	-	13,315	-	-	-	-	-	-	172	9,657	23,144	-	23,144
- Community land	50,342	-	50,342	-	-	-	-	-	-	-	-	50,342	-	50,342
- Land improvements – depreciable	2,510	(376)	2,134	-	-	-	(53)	-	-	-	-	2,510	(429)	2,081
<b>Infrastructure:</b>														
- Buildings – non-specialised	28,978	(15,861)	13,117	287	-	-	(844)	-	-	23	3,988	33,228	(16,657)	16,571
- Buildings – specialised	48,609	(22,856)	25,753	1,367	-	-	(1,029)	176	-	-	1,291	59,054	(31,496)	27,558
- Roads	227,237	(109,402)	117,835	7,471	399	-	(6,063)	-	-	-	-	235,108	(115,465)	119,643
- Bridges	63,590	(27,636)	35,954	585	-	-	(727)	-	-	-	-	64,176	(28,362)	35,814
- Footpaths	15,003	(3,592)	11,411	576	101	-	(330)	-	-	-	-	15,680	(3,922)	11,758
- Other road assets	77,500	(27,096)	50,404	1,475	439	-	(2,164)	-	-	-	-	79,414	(29,260)	50,154
- Bulk earthworks (non-depreciable)	44,331	-	44,331	-	42	-	-	-	-	-	-	44,373	-	44,373
- Stormwater drainage	54,006	(12,378)	41,628	247	565	-	(458)	-	-	-	-	54,818	(12,836)	41,982
- Swimming pools	3,000	(1,275)	1,725	22	-	-	(75)	-	-	-	-	3,022	(1,350)	1,672
- Other open space/recreational assets	32,936	(4,560)	28,376	268	27	-	(529)	129	-	-	-	33,359	(5,088)	28,271
<b>Other assets:</b>														
- Library books	1,025	(1,025)	-	-	-	-	-	-	-	-	-	1,025	(1,025)	-
- Other	763	(317)	446	-	-	-	(24)	-	12	-	-	763	(329)	434
<b>Reinstatement, rehabilitation and restoration assets (refer Note 14):</b>														
- Tip assets	8,054	(8,054)	-	-	-	-	(7,854)	-	-	-	12,738	20,792	(15,908)	4,884
<b>Total infrastructure, property, plant and equipment</b>	<b>690,320</b>	<b>(250,614)</b>	<b>439,706</b>	<b>16,098</b>	<b>2,321</b>	<b>(7)</b>	<b>(20,611)</b>	<b>-</b>	<b>8</b>	<b>195</b>	<b>27,674</b>	<b>743,104</b>	<b>(277,715)</b>	<b>465,389</b>

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

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

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

	Plant and Equipment	Infrastructure (cont...)
- Vehicles	5 to 8 years	- Swimming pools 50 years
- Heavy plant/road making equip.	5 to 8 years	- Other open space/recreational assets
- Other plant and equipment	5 to 15 years	Playground equipment 5-15 years
Office equipment		Tennis courts
- Computer equipment	5 years	- Concrete 50 years
- Other office equipment	5 to 10 years	- Synthetic 10 years
Furniture and fittings	10 to 20 years	Outdoor furniture 10 years
		Shelters 20 years
Buildings		Sporting equip (goal posts, etc) 20-30 years
- Buildings: masonry	50 to 100 years	Floodlighting 10 years
- Buildings: other	20 to 40 years	BBQ's 20 years
Infrastructure		- Traffic facilities
- Sealed surfacings		LATM devices, traffic islands 70 years
Asphalt	25 years	Steel guard rails 20 years
Flush Seal	15 years	Roadside fencing 20 years
- Sealed pavement structure	80 years	- Line marking 5 years
- Kerb and gutter	70 years	- Signs 10 years
- Paved footpaths		- Roadside furniture 10-20 years
Concrete	50 years	Stormwater drainage
Asphalt seal	20 years	- Culverts
Gravel	10 years	Major 100 years
- Unsealed pavement structure	10 years	Steel 50 years
- Bulk earthworks	Infinite	- Pipes 150 years
- Concrete bridges	100 years	- Pits 70 years
- Timber bridges	80 years	- Structures including headwalls 70 years
Structure and girders	60 years	- Detention basins 100 years
Deck	30 years	- Gross pollutant traps 60 years

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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9. Infrastructure, property, plant and equipment (continued)

**Land under roads**

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

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

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

**Crown reserves**

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

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

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

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Payables and borrowings

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
<b>Payables</b>				
Goods and services	8,127	–	4,973	–
Accrued expenses:				
– Borrowings	101	–	151	–
– Other expenditure accruals	415	–	1,017	–
Security bonds, deposits and retentions	1,614	–	683	–
Other	420	–	306	–
<b>Total payables</b>	<b>10,677</b>	<b>–</b>	<b>7,130</b>	<b>–</b>
<b>Income received in advance</b>				
Payments received in advance	141	–	211	–
<b>Total income received in advance</b>	<b>141</b>	<b>–</b>	<b>211</b>	<b>–</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	1,722	7,812	1,668	9,528
Finance lease liabilities	12	53	–	–
<b>Total borrowings</b>	<b>1,734</b>	<b>7,865</b>	<b>1,668</b>	<b>9,528</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>12,552</b>	<b>7,865</b>	<b>9,009</b>	<b>9,528</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.

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
<b>(a) Payables and borrowings relating to restricted assets</b>				
<b>Total payables and borrowings relating to unrestricted assets</b>	<b>12,552</b>	<b>7,865</b>	<b>9,009</b>	<b>9,528</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>12,552</b>	<b>7,865</b>	<b>9,009</b>	<b>9,528</b>

**(b) Current payables and borrowings not anticipated to be settled within the next twelve months**

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

<b>Total payables and borrowings</b>	–	–	–	–
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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Payables and borrowings (continued)

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

\$ '000	as at 30/6/2018					as at 30/6/2019
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	11,196	(1,662)	–	–	–	9,534
Finance lease liabilities	–	65	–	–	–	65
<b>TOTAL</b>	<b>11,196</b>	<b>(1,597)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9,599</b>

\$ '000	as at 30/6/2017					as at 30/6/2018
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	12,755	(1,559)	–	–	–	11,196
<b>TOTAL</b>	<b>12,755</b>	<b>(1,559)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11,196</b>

\$ '000	2019	2018
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## (d) Financing arrangements

## (i) Unrestricted access was available at balance date to the following lines of credit:

Bank overdraft facilities <sup>1</sup>	300	300
Credit cards/purchase cards	100	100
<b>Total financing arrangements</b>	<b>400</b>	<b>400</b>

## Drawn facilities as at balance date:

– Credit cards/purchase cards	100	96
<b>Total drawn financing arrangements</b>	<b>100</b>	<b>96</b>

## Undrawn facilities as at balance date:

– Bank overdraft facilities	300	300
– Credit cards/purchase cards	–	4
<b>Total undrawn financing arrangements</b>	<b>300</b>	<b>304</b>

(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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Payables and borrowings (continued)

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.

## Finance leases

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

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

### Note 11. Provisions

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	1,861	–	1,614	–
Sick leave	194	–	188	–
Long service leave	3,801	–	4,043	139
Time in lieu	52	–	66	–
<b>Sub-total – aggregate employee benefits</b>	<b>5,908</b>	<b>–</b>	<b>5,911</b>	<b>139</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	214	20,210	253	19,422
<b>Sub-total – asset remediation/restoration</b>	<b>214</b>	<b>20,210</b>	<b>253</b>	<b>19,422</b>
<b>TOTAL PROVISIONS</b>	<b>6,122</b>	<b>20,210</b>	<b>6,164</b>	<b>19,561</b>

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

### Note 11. Provisions (continued)

\$ '000	2019	2018
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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	4,226	4,456
	<b>4,226</b>	<b>4,456</b>

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

\$ '000	ELE provisions					Total
	Annual leave	Sick leave	Long service leave	Other (enter details here...)	Other employee benefits	
<b>2019</b>						
At beginning of year	1,614	188	4,182	66	–	6,050
Amounts used (payments)	(1,213)	(695)	(265)	–	–	(2,173)
Other	1,460	701	(116)	–	(14)	2,031
<b>Total ELE provisions at end of period</b>	<b>1,861</b>	<b>194</b>	<b>3,801</b>	<b>66</b>	<b>(14)</b>	<b>5,908</b>
<b>2018</b>						
At beginning of year	1,585	187	4,320	158	–	6,250
Additional provisions	1,206	5	201	49	–	1,461
Amounts used (payments)	(1,177)	(4)	(420)	(141)	–	(1,742)
Remeasurement effects	–	–	81	–	–	81
<b>Total ELE provisions at end of period</b>	<b>1,614</b>	<b>188</b>	<b>4,182</b>	<b>66</b>	<b>–</b>	<b>6,050</b>

\$ '000	Other provisions	
	Asset remediation	Total
<b>2019</b>		
At beginning of year	19,675	19,675
Amounts used (payments)	(389)	(389)
Unwinding of discount	1,138	1,138
<b>Total other provisions at end of period</b>	<b>20,424</b>	<b>20,424</b>
<b>2018</b>		
At beginning of year	14,005	14,005
– Revised costs	5,336	5,336
Amounts used (payments)	(281)	(281)
Unwinding of discount	615	615
<b>Total other provisions at end of period</b>	<b>19,675</b>	<b>19,675</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.

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Provisions (continued)

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.

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Provisions (continued)

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.

**Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors****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.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6(a)	8,698	6,229
<b>Balance as per the Statement of Cash Flows</b>		<b>8,698</b>	<b>6,229</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		23,267	(613)
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		13,664	20,611
Net losses/(gains) on disposal of assets		(559)	(271)
Non-cash capital grants and contributions		–	(1,310)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		11	–
Unwinding of discount rates on reinstatement provisions		1,138	615
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		617	(4,116)
Increase/(decrease) in provision for impairment of receivables		4	33
Decrease/(increase) in inventories		(63)	(10)
Decrease/(increase) in other current assets		–	47
Increase/(decrease) in payables		3,154	2,217
Increase/(decrease) in accrued interest payable		(50)	87
Increase/(decrease) in other accrued expenses payable		(602)	(1,462)
Increase/(decrease) in other liabilities		975	40
Increase/(decrease) in provision for employee benefits		(142)	(200)
Increase/(decrease) in other provisions		(389)	5,055
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>41,025</b>	<b>20,723</b>
<b>(c) Non-cash investing and financing activities</b>			
Bushfire grants		–	(5)
Dedicated Infrastructure Assets		–	1,315
<b>Total non-cash investing and financing activities</b>		<b>–</b>	<b>1,310</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 14. Commitments

\$ '000	2019	2018			
<b>(a) Capital commitments (exclusive of GST)</b>					
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:					
<b>Property, plant and equipment</b>					
Buildings	165	9			
Recreation	572	44			
Major road and bridge works	1,464	615			
Storm Water Drainage	–	4			
<b>Total commitments</b>	<b>2,201</b>	<b>672</b>			
<b>These expenditures are payable as follows:</b>					
Within the next year	2,201	672			
<b>Total payable</b>	<b>2,201</b>	<b>672</b>			
<b>Sources for funding of capital commitments:</b>					
Unrestricted general funds	2	456			
Section 7.11 and 64 funds/reserves	29	15			
Unexpended grants	136	190			
Internally restricted reserves	2,034	11			
<b>Total sources of funding</b>	<b>2,201</b>	<b>672</b>			
<b>Details of capital commitments</b>					
1. Buildings: \$165k - Picton Cultural Precinct (\$165k)					
2. Recreation: \$572k - Warragamba Civic Park Inclusive Playground (\$572k)					
3. Major Road and bridge works: \$1,464k - Warradale Rd Silverdale (\$360k); Argyle St Picton (\$574K); Silverdale Rd Silverdale (\$529k)					
<b>(b) Finance lease commitments</b>					
<b>(i) Commitments under finance leases at the reporting date are payable as follows:</b>					
\$ '000	2019	2018			
Within the next year	12	–			
Later than one year and not later than 5 years	53	–			
<b>Total minimum lease payments</b>	<b>65</b>	<b>–</b>			
<b>Amount recognised as a liability</b>	<b>65</b>	<b>–</b>			
<b>(iii) General details</b>					
Council leases the following property, plant and equipment under finance leases:					
\$ '000	Term (years)	Option to purchase	Contingent rent clauses	2019	2018
Motor vehicles – carrying value	3	YES	NO	65	–
<b>Total carrying value at period end</b>				<b>65</b>	<b>–</b>

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 14. Commitments (continued)

**Additional details**

Council currently holds 3 vehicles under finance lease arrangements

## (c) Operating lease commitments (non-cancellable)

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

Within the next year	920	1,000
Later than one year and not later than 5 years	1,047	1,153
<b>Total non-cancellable operating lease commitments</b>	<b>1,967</b>	<b>2,153</b>

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

Motor Vehicle and IT Equipment

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

**Conditions relating to finance and operating leases:**

– All finance agreements are secured only against the leased asset.

– No lease agreements impose any financial restrictions on Council regarding future debt etc.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Contingencies and other assets/liabilities not recognised

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

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

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

– Assets are not segregated within the sub-group according to the employees of each sponsoring employer.

– The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.

– Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.

– The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

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

*Description of the funding arrangements.*

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

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

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

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2018.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 414,766.11. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Contingencies and other assets/liabilities not recognised (continued)

The amount of additional contributions included in the total employer contribution advised above is around 0.36% of the total additional lump sum contributions for all Pooled employers (of \$40m each year from 1 July 2017 to 30 June 2021). Council's expected contribution to the plan for the next annual reporting period is \$353,740.76.

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

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.70	
Past Service Liabilities	1,784.20	100.8%
Vested Benefits	1,792.00	100.4%

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

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 *	3.50% per annum
Increase in CPI	2.50% per annum

\* Plus promotional increases

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

**(ii) Statewide Limited**

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

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

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

**(iii) StateCover Limited**

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

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

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

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

**(iv) Other guarantees**

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

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Contingencies and other assets/liabilities not recognised (continued)

**2. Other liabilities****(i) Third party claims**

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

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

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

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

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

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

**ASSETS NOT RECOGNISED****(ii) Infringement notices/fines**

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

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

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

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



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

### Note 16. 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.

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

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	8,698	6,229	8,698	6,229
Receivables	7,555	8,176	7,556	8,176
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	66,226	53,797	–	53,860
<b>Total financial assets</b>	<b>82,479</b>	<b>68,202</b>	<b>16,254</b>	<b>68,265</b>
<b>Financial liabilities</b>				
Payables	10,677	7,130	10,677	7,130
Loans/advances	9,534	11,196	9,534	11,196
Lease liabilities	65	–	65	–
<b>Total financial liabilities</b>	<b>20,276</b>	<b>18,326</b>	<b>20,276</b>	<b>18,326</b>

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.

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

### Note 16. Financial risk management (continued)

- **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.

#### (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>2019</b>				
Possible impact of a 1% movement in interest rates	704	704	704	704
<b>2018</b>				
Possible impact of a 1% movement in interest rates	596	596	(596)	(596)

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Financial risk management (continued)

## (b) Credit risk

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

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

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

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

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

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

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

## Credit risk profile

## Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2019</b>						
Gross carrying amount	–	1,948	448	452	–	2,848
<b>2018</b>						
Gross carrying amount	–	1,104	253	257	–	1,614

## Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2019</b>						
Gross carrying amount	4,417	228	13	15	82	4,755
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–
<b>2018</b>						
Gross carrying amount	5,744	756	22	8	76	6,606
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. 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	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2019</b>							
Trade/other payables	0.00%	1,614	9,078	–	–	10,692	10,677
Loans and advances	6.85%	–	2,372	7,530	1,994	11,896	9,534
Lease liabilities	0.00%	–	12	53	–	65	65
<b>Total financial liabilities</b>		<b>1,614</b>	<b>11,462</b>	<b>7,583</b>	<b>1,994</b>	<b>22,653</b>	<b>20,276</b>
<b>2018</b>							
Trade/other payables	0.00%	683	6,447	–	–	7,130	7,130
Loans and advances	6.80%	–	2,389	8,247	3,607	14,243	11,196
<b>Total financial liabilities</b>		<b>683</b>	<b>8,836</b>	<b>8,247</b>	<b>3,607</b>	<b>21,373</b>	<b>18,326</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 18 June 2018 and is not required to be audited.

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

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

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

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
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## REVENUES

<b>Other revenues</b>	808	1,799	991	123%	<b>F</b>
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Other revenue income exceeded the original budget primarily for the following reasons: insurance rebate for good claims history; reimbursements received (including reimbursement of legal costs) and income for work prepaid in previous years was recognised in the operating budget.

<b>Operating grants and contributions</b>	7,037	9,562	2,525	36%	<b>F</b>
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Operating grants and income exceeded the original budget for the following reasons: additional grant funding was received in relation to the Local Environment Plan (LEP) project; environmental grants (including Better waste grant, Illegal dumping project, flying fox grant and contribution for environmental work at Douglas Park); contributions from RFS for hazard reduction work; disaster relief contributions in relation to storm damage at Warragamba and the balance of flood damage in Picton; grants for the development of master plans at various Council properties and grants and contributions in relation to the City Deals projects. Areas where actual grant funding was lower than expected include a reduction in the RMS Block grant funding received; reduced pensioner rate subsidy received and a lower than expected annual contribution from the RFS in relation to maintenance & repairs.

<b>Capital grants and contributions</b>	2,920	18,441	15,521	532%	<b>F</b>
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A higher than expected amount of Developer Contributions were received during the year in anticipation of accelerated future growth in the area. Additional funding was received from the Mines Subsidence Board for the restoration of kerb & gutter at Tahmoor. Additional Black Spot funding was received for various roadworks and additional funding was received from Penrith Council for the completion of the Blaxland Crossing bridge project. Also, grant funding has been received towards the Picton Cultural Precinct project.

## EXPENSES

<b>Borrowing costs</b>	726	1,906	(1,180)	(163)%	<b>U</b>
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Borrowing costs exceeded budget due to the non-cash entry required to recognise the unwinding of a present value discount in relation to the cost to remediate Council's land fill/ effluent pond sites.

## STATEMENT OF CASH FLOWS

<b>Net cash provided from (used in) operating activities</b>	14,565	41,025	26,460	182%	<b>F</b>
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The increase in cash flows from operating activities was due mainly to additional grant funding received in comparison to the budget. There was also an increase in reimbursements received from council's insurer for good claims history, and legal claims.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2019	Notes	Fair value measurement hierarchy			Total	
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs
<b>Recurring fair value measurements</b>						
<b>Infrastructure, property, plant and equipment</b>						
	9					
Work in progress		30/06/19	–	9,759	–	9,759
Plant and equipment		0	–	–	906	906
Office equipment		30/06/16	–	–	174	174
Furniture and fittings		30/06/16	–	–	430	430
Operational land		30/06/18	–	–	23,144	23,144
Community land		30/06/16	–	–	50,342	50,342
Land improvements – depreciable			–	–	2,028	2,028
Buildings		30/06/18	–	–	44,385	44,385
Swimming pools and other recreational assets		30/06/16	–	–	29,577	29,577
Road infrastructure		30/06/15	–	–	274,537	274,537
Stormwater drainage		30/06/15	–	–	41,897	41,897
Other assets		30/06/15	–	–	413	413
<b>Total infrastructure, property, plant and equipment</b>			<b>–</b>	<b>9,759</b>	<b>467,833</b>	<b>477,592</b>

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement (continued)

2018	Notes	Fair value measurement hierarchy			Total	
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs
<b>Recurring fair value measurements</b>						
<b>Infrastructure, property, plant and equipment</b>						
	9					
Work in progress		30/06/18	–	4,157	–	4,157
Plant and equipment			–	–	1,937	1,937
Office equipment		30/06/16	–	–	150	150
Furniture and fittings		30/06/16	–	–	463	463
Operational land		30/06/18	–	–	23,144	23,144
Community land		30/06/16	–	–	50,342	50,342
Land improvements – depreciable			–	–	2,081	2,081
Buildings		30/06/18	–	–	44,129	44,129
Swimming pools and other recreational assets		30/06/16	–	–	29,943	29,943
Road infrastructure		30/06/15	–	–	261,742	261,742
Stormwater drainage		30/06/15	–	–	41,982	41,982
Other assets			–	–	410	410
<b>Total infrastructure, property, plant and equipment</b>			<b>–</b>	<b>4,157</b>	<b>456,323</b>	<b>460,480</b>

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

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

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

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

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

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

**Infrastructure, property, plant and equipment (IPP&E)****Work in Progress**

Work in Progress is disclosed at cost in the notes. Separate valuation of these assets is not deemed necessary due to the small period of time that has elapsed between the incurring of the expenditure and the reported valuation in the financial statements. There has been no change to the valuation techniques during the reporting period.

**Plant & Equipment, Office Equipment and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amounts are assumed to approximate fair value due to the nature of the items.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross replacement cost of similar assets and by taking account of the pattern of consumption, the remaining useful life and residual value are able to be estimated. There has been no change to the valuation process during the reporting period.

**Operational Land**

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The valuation of Council's operational land was

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement (continued)

undertaken at 30 June 2018 by Scott Fullarton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registration No. VAL2144. Operational land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price. Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

**Community Land**

Valuations of all Council's Community Land and Council managed land were based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting period.

**Land Improvements - depreciable**

This asset class comprises land improvements such as gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves.

Council carries fair value of land improvements using Level 3 valuation inputs. Such valuations are undertaken by Council Staff or by an external valuer depending upon the asset.

The unobservable Level 3 inputs used include as estimated pattern of consumption, residual value, asset condition and useful life. There has been no change to the valuation techniques during the reporting period.

**Buildings – Non Specialised and Specialised**

Council's buildings were valued utilising the cost approach by Scott Fullarton Valuations Pty Ltd in June 2018.

The approach estimated the replacement cost of each building and componentising of significant parts with different useful lives and taking into account a range of factors. The unit rates could be supported by market evidence (Level 2 inputs), other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value.

As such, these assets have been valued using Level 3 inputs. There has been no change to the valuation techniques during the reporting period.

**Swimming Pools & Other Open Space/Recreational Assets**

Council's Swimming Pools & Other Open Space/Recreational Assets were valued using the cost approach. Council carries fair value of these assets using Level 3 inputs. Such valuations are undertaken by Council Staff or by an external valuer depending upon the structure.

The unobservable Level 3 inputs used include as estimated pattern of consumption, residual value, asset condition and useful life. There has been no change to the valuation techniques during the reporting period.

**Road Infrastructure**

This asset class includes roads, bridges, car parks, kerb and gutter, traffic facilities, footpaths and bulk earthworks undertaken in the course of construction. The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were based primarily on unit rates determined in collaboration with sixteen neighbouring Councils. Other inputs (such as estimated pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

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

Note 18. Fair Value Measurement (continued)

**Stormwater Drainage**

Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

**Other Assets**

Council's Other Assets were valued using the cost approach. Council carries fair value of Other Assets using Level 3 inputs. Such valuations are undertaken by Council Staff or by an external valuer depending upon the asset. The unobservable Level 3 inputs used include estimated patterns of consumption, residual value, asset condition and useful life. There has been no change to the valuation techniques during the reporting period.

**Tip Assets**

Council is obligated to restore/rehabilitate closed former landfill sites at Warragamba, Picton, Appin and Wilton and the closed Bargo Effluent Ponds. Council will also eventually be required to remediate the existing active landfill site at Bargo. It has been recognised that there will be significant costs associated with the closure and remediation or post closure management of these sites. Remediation of the sites to meet the requirements of the stringent standards and guidelines will involve a wide range of activities including preparation of a Landfill Closure and Management Plans, as well as environmental assessments with appropriate remediation works. In some instances this remediation may involve extensive re-profiling or shaping works, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements.

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

Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

Prior to 2018/19, council recorded \$796,739 of work in progress for upgrades to amenities blocks at Memorial Park Thirlmere (\$154,806), Bargo Sportsground (\$177,637), Appin Park (\$195,607), Oakdale (\$5,295), upgrade to the fire sprinkler system at Antill Park (\$220,208), and renewal of the floor at Tahmoor Fire Station (\$43,184) a. The work was completed in 2018/19 and therefore the work in progress amount was capitalised. The capitalisation had the effect of moving the work in progress (level 2) to the Buildings (Level 3).

In addition to this, council completed \$1,466,468 of road works in Menangle, Thirlmere and Picton during the year, \$ 479,300 Footbridge works at Picton Sportsground and a further \$214,821 on a retaining wall below douglas drive. The capitalisation of these works moved the work in progress (level 2) to Roads, Bridges and Other Road Asset classes (Level 3).

There was also \$5,310 of work in progress on Storm water drainage at Kennedy Creek Appin completed, moving from work in progress (level 2) to Stormwater Drainage.

(5) Highest and best use

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

Wollondilly Shire Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Related Party Transactions

(a) Key management personnel

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

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

	2019	2018
<b>Compensation:</b>		
Short-term benefits	1,089	1,125
Post-employment benefits	72	72
<b>Total</b>	<b>1,161</b>	<b>1,197</b>

(b) Other transactions with KMP and their related parties

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

Nature of the transaction	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
<b>2019</b>					
Purchase of grocery items on account at local store owned by a Councillor	19	-	30-day terms on invoices	-	-
Advertising with a business owned by the spouse of a Councillor	23	-	30-day terms on invoices	-	-
<b>2018</b>					
Purchase of grocery items on account at local store owned by a Councillor	33	-	30-day terms on invoices	-	-
Advertising with a business owned by the spouse of a Councillor	21	-	30-day terms on invoices	-	-

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Statement of developer contributions

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

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

## Summary of contributions and levies

\$ '000	as at 30/6/2018				as at 30/6/2019			
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	5,866	2,349	-	118	(602)	-	7,731	-
Open space	7,888	5,567	-	163	(600)	-	13,018	-
Community facilities	4,394	1,395	-	98	-	-	5,887	-
Other	9	-	-	-	-	-	9	-
Bushfire protection	42	23	-	1	-	-	66	-
Animal Management	1	-	-	-	-	-	1	-
<b>S7.11 contributions – under a plan</b>	<b>18,200</b>	<b>9,334</b>	<b>-</b>	<b>380</b>	<b>(1,202)</b>	<b>-</b>	<b>26,712</b>	<b>-</b>
<b>S7.12 levies – under a plan</b>	<b>568</b>	<b>412</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>993</b>	<b>-</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>18,768</b>	<b>9,746</b>	<b>-</b>	<b>393</b>	<b>(1,202)</b>	<b>-</b>	<b>27,705</b>	<b>-</b>
S7.4 planning agreements	7,188	1,020	-	128	(1,487)	-	6,849	-
<b>Total contributions</b>	<b>25,956</b>	<b>10,766</b>	<b>-</b>	<b>521</b>	<b>(2,689)</b>	<b>-</b>	<b>34,554</b>	<b>-</b>

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## Wollondilly Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Statement of developer contributions (continued)

\$ '000	as at 30/6/2018				as at 30/6/2019			
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
<b>S7.11 Contributions – under a plan</b>								
<b>CONTRIBUTION PLAN – 2005</b>								
Traffic facilities	5,866	2,349	-	118	(602)	-	7,731	-
Open space	7,888	5,567	-	163	(600)	-	13,018	-
Community facilities	4,394	1,395	-	98	-	-	5,887	-
Bushfire protection	42	23	-	1	-	-	66	-
Animal management	1	-	-	-	-	-	1	-
Other	9	-	-	-	-	-	9	-
<b>Total</b>	<b>18,200</b>	<b>9,334</b>	<b>-</b>	<b>380</b>	<b>(1,202)</b>	<b>-</b>	<b>26,712</b>	<b>-</b>
<b>S7.12 Levies – under a plan</b>								
<b>CONTRIBUTION PLAN – 2005</b>								
Other	568	412	-	13	-	-	993	-
<b>Total</b>	<b>568</b>	<b>412</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>993</b>	<b>-</b>

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Statement of developer contributions (continued)

	as at 30/6/2018		as at 30/6/2019				
	Opening Balance	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Hold as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash				
<b>\$ '000</b>							
<b>S7.4 planning agreements</b>							
<b>S7.4 PLANNING AGREEMENTS</b>							
Drainage	208	-	-	-	-	213	-
Traffic facilities	2,529	1,020	-	-	-	3,606	-
Open space	2,534	-	-	(1,487)	-	1,070	-
Community facilities	1,760	-	-	-	-	1,799	-
Bushfire protection	121	-	-	-	-	124	-
Animal management	20	-	-	-	-	20	-
Tree planting	15	-	-	-	-	15	-
<b>Total</b>	<b>7,187</b>	<b>1,020</b>	<b>-</b>	<b>(1,487)</b>	<b>-</b>	<b>6,847</b>	<b>-</b>

## Wollondilly Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2019	2019	2018	2017	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>4,278</b>	<b>6.60%</b>	(26.58)%	0.86%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>64,783</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>54,817</b>	<b>65.87%</b>	69.49%	69.71%	>60.00%
Total continuing operating revenue <sup>1</sup>	<b>83,224</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>32,447</b>	<b>2.25x</b>	2.69x	2.99x	>1.50x
Current liabilities less specific purpose liabilities	<b>14,448</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>19,848</b>	<b>5.67x</b>	1.46x	4.19x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>3,503</b>				
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<b>2,640</b>	<b>5.54%</b>	5.08%	5.20%	<10.00%
Rates, annual and extra charges collectible	<b>47,624</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>51,448</b>	<b>12.50</b>	9.90	10.40	>3.00
Monthly payments from cash flow of operating and financing activities	<b>4,117</b>	<b>mths</b>	mths	mths	mths

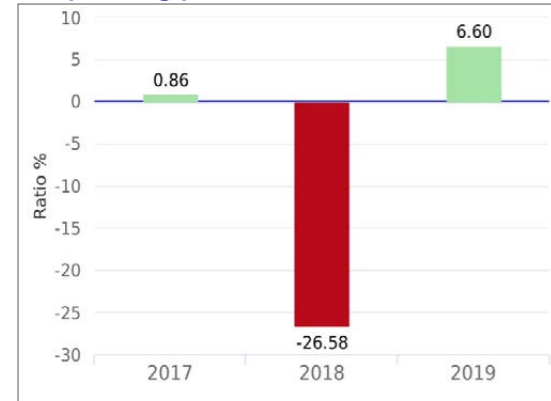
(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

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

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

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

1. Operating performance ratio



**Purpose of operating performance ratio**

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

**Commentary on 2018/19 result**

2018/19 ratio 6.60%

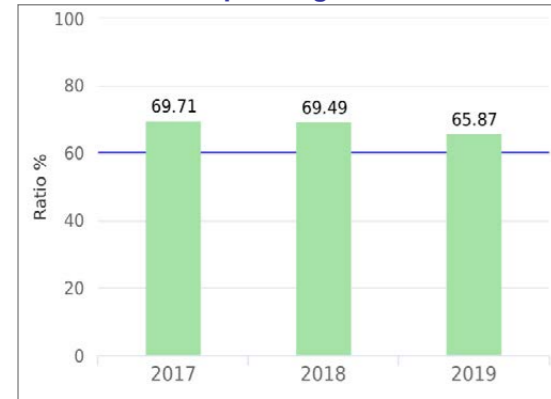
Council's operating revenue for 2019 exceeded its operating expenditure for the year.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark

2. Own source operating revenue ratio



**Purpose of own source operating revenue ratio**

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

**Commentary on 2018/19 result**

2018/19 ratio 65.87%

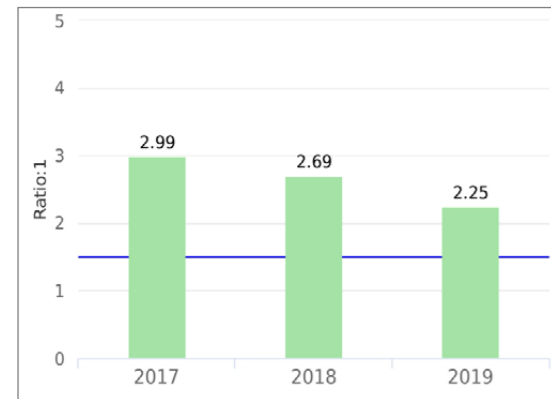
Council continues to exceed the minimum benchmark for this ratio, indicating an acceptably low degree of reliance on external funding.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark

3. Unrestricted current ratio



**Purpose of unrestricted current ratio**

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

**Commentary on 2018/19 result**

2018/19 ratio 2.25x

Council's unrestricted current ratio continues to remain above the target ratio of 1.5:1. This indicates that Council has the ability to easily meet all of its short term obligations.

Benchmark: — > 1.50x

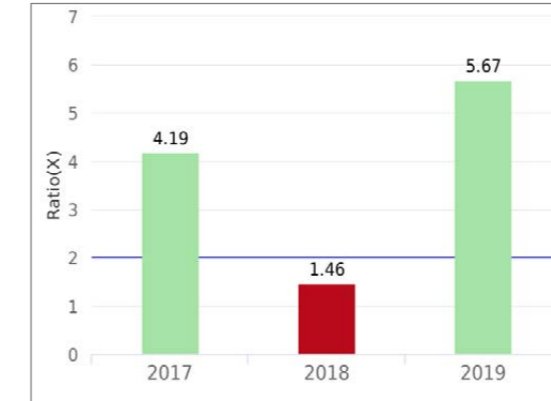
Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark

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

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

4. Debt service cover ratio



**Purpose of debt service cover ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

**Commentary on 2018/19 result**

2018/19 ratio 5.67x

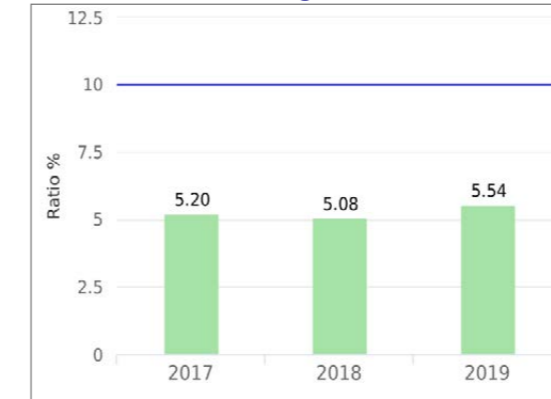
Council's debt service ratio is well above the industry benchmark of 2.0.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



**Purpose of rates, annual charges, interest and extra charges outstanding**

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

**Commentary on 2018/19 result**

2018/19 ratio 5.54%

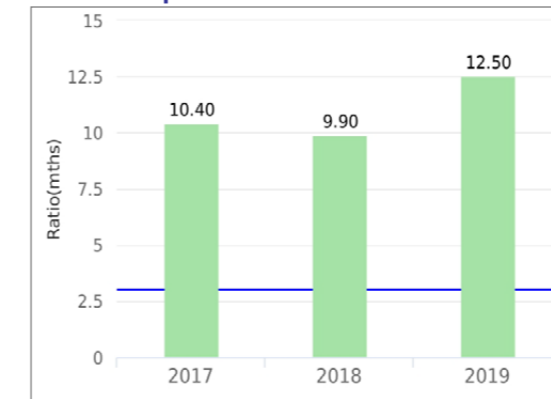
Although the target for Rural Councils is 10%, Wollondilly has set itself a target to achieve a ratio of less than 5% in line with the benchmark for metropolitan Councils. There was a slight decline in this ratio this year due to a larger number of outstanding rates balances at year end than prior years.

Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark

6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

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

**Commentary on 2018/19 result**

2018/19 ratio 12.50 mths

Council's short term financial position is very sound, as evidenced by this ratio being more than 4 times above the minimum benchmark. This indicates that Council has the ability to easily meet all of its short term obligations.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
Ratio is outside benchmark



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22. Financial review

\$ '000	2019	2018	2017	2016	2015
<b>Key financial figures of Council over the past 5 years</b>					
<b>Inflows:</b>					
Rates and annual charges revenue	45,502	40,768	36,428	32,724	29,321
User charges revenue	5,790	5,840	5,487	5,069	5,322
Interest and investment revenue (losses)	2,130	1,788	1,697	1,730	1,793
Grants income – operating and capital	7,563	8,189	9,194	7,640	7,218
Total income from continuing operations	83,783	71,965	65,372	68,188	63,018
Sale proceeds from I,PP&E	588	278	42	107	121
<b>Outflows:</b>					
Employee benefits and on-cost expenses	23,772	20,796	20,433	20,609	19,412
Borrowing costs	1,906	6,762	1,706	1,789	1,961
Materials and contracts expenses	15,929	19,603	16,170	14,841	15,190
Total expenses from continuing operations	60,516	72,578	55,609	54,304	55,546
Total cash purchases of I,PP&E	25,118	17,122	13,430	11,165	9,267
Total loan repayments (incl. finance leases)	1,597	1,559	1,815	2,024	1,725
Operating surplus/(deficit) (excl. capital income)	4,826	(14,970)	508	(5,559)	(9,657)
<b>Financial position figures</b>					
Current assets	64,015	53,854	42,076	41,057	40,379
Current liabilities	18,674	15,173	14,418	13,165	11,319
Net current assets	45,341	38,681	27,658	27,892	29,060
Available working capital (Unrestricted net current assets)	3,583	2,368	–	–	–
Cash and investments – unrestricted	7,341	2,019	5,181	2,205	1,148
Cash and investments – internal restrictions	17,832	18,864	20,388	21,190	20,076
Cash and investments – total	74,924	60,026	57,706	49,211	44,698
Total borrowings outstanding (Loans, advances and finance leases)	9,599	11,196	12,755	14,570	16,594
Total value of I,PP&E (excl. land and earthworks)	651,164	625,245	582,332	568,915	528,072
Total accumulated depreciation	291,431	277,715	250,614	238,835	228,020
Indicative remaining useful life (as a % of GBV)	55%	56%	57%	58%	57%

**Source:** published audited financial statements of Council (current year and prior year)

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 23. Council information and contact details

**Principal place of business:**62-64 Menangle Street  
Picton NSW 2571**Contact details****Mailing Address:**PO Box 21  
Picton NSW 2571**Telephone:** (02) 4677 1100**Facsimile:** (02) 4677 2339**Internet:** www.wollondilly.nsw.gov.au**Email:** council@wollondilly.nsw.gov.au**Officers****Chief Executive Officer**

Ben Taylor

**Responsible Accounting Officer**

Clair Hardy

**Public Officer**

John Sproule

**Auditors**

Audit Office of New South Wales

**Elected members****Mayor**

Cr M Deeth

**Councillors**

Cr M Gould ( Deputy Mayor)

Cr M Banasik

Cr B Briggs

Cr J Hannan

Cr R Khan

Cr S Landow

Cr N Lowry

Cr M Smith

**Other information****ABN:** 93 723 245 808



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Wollondilly Shire Council

To the Councillors of the Wollondilly Shire Council

#### Opinion

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

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

#### Basis for Opinion

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

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

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

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

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

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

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

#### Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special 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 Schedule - Permissible income for general rates.

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

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

I have nothing to report in this regard.

#### The Councillors' Responsibilities for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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



My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 17 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.

Cr Matthew Deeth  
Mayor  
Wollondilly Shire Council  
62-64 Menangle Street  
PICTON NSW 2571

Contact: Cathy Wu  
Phone no: 02 9275 7212  
Our ref: D1922789/1810

Cathy Wu  
Delegate of the Auditor-General for New South Wales

30 October 2019  
SYDNEY

30 October 2019

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2019  
Wollondilly Shire Council**

I have audited the general purpose financial statements (GPFS) of Wollondilly Shire Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	45.5	40.8	↑ 11.5
Grants and contributions revenue	28.0	21.6	↑ 29.6
Operating result for the year	23.3	(0.6)	↑ 3,896
Net operating result before capital grants and contributions	4.8	(15.0)	↑ 132

Council's operating result of \$23.3 million (including the effect of depreciation and amortisation expense of \$13.7 million) was \$23.9 million higher than the 2017–18 result. This was mainly attributable to:

- \$4.7 million increase in rates and annual charges, comprising the final year of the special rate variation of 10.8 per cent
- \$6.4 million increase in grants and contributions revenue from developer and other contributions
- \$6.9 million decrease in depreciation and amortisation expense in the current year, due to a one-off expense in the prior year relating to revised rehabilitation assets
- \$4.8 million decrease in borrowing costs, due to a one-off amount recognised in the prior year relating to unwinding of the present value discount for revised remediation liabilities.

The net operating result before capital grants and contributions (\$4.8 million) was \$19.8 million higher than the 2017–18 result. This movement was similarly due to changes in the operating result as noted above.

Rates and annual charges revenue (\$45.5 million) increased by \$4.7 million (11.5 per cent) in 2018–2019. This increase was largely consistent with the approved special rate variation of 10.8 per cent.

Grants and contributions revenue (\$28.0 million) increased by \$6.4 million (29.6 per cent) in 2018–2019 due to:

- growth in developer contributions, in anticipation of accelerated future growth in the area
- additional funding from the Mines Subsidence Board for the restoration of kerbs and gutters at Tahmoor.

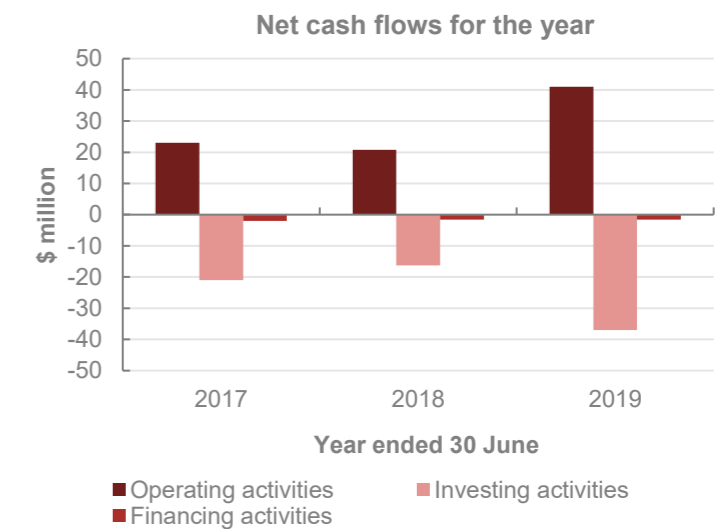
## STATEMENT OF CASH FLOWS

The Council's cash balance increased from \$6.2 million at 30 June 2018 to \$8.7 million at 30 June 2019.

Cash inflows from operating activities increased from last year as a result of greater receipts from rates and annual charges, and grants and contributions.

Cash outflows from investing activities increased due to greater purchases of investment securities.

The cash flows from financing activities remained consistent over the past three years.



## FINANCIAL POSITION

### Cash and investments

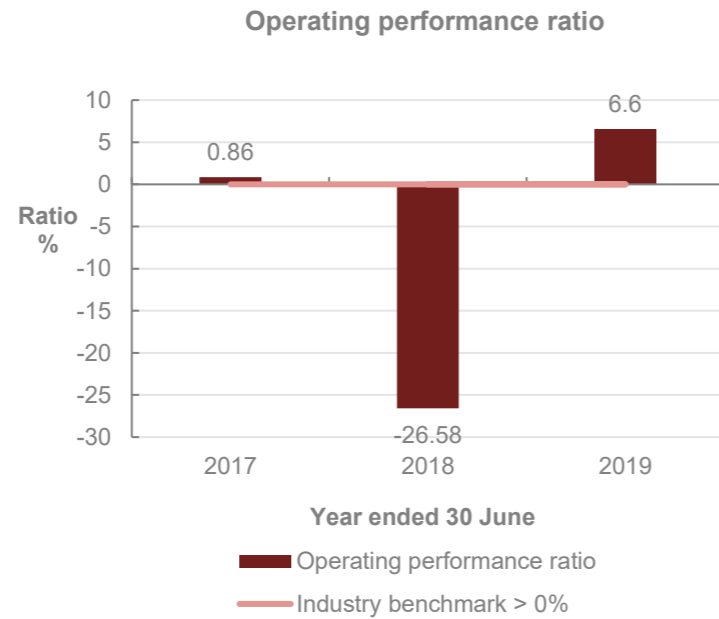
Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	49.8	39.1	• External restrictions increased by \$10.7 million due to growth in developer contributions received.
Internal restrictions	17.8	18.9	• Internal restrictions are due to Council policy or decisions for forward plans including the works program. These include amounts for asset maintenance and employees' leave entitlement.
Unrestricted	7.3	2.0	• Unrestricted balances provide liquidity for day-to-day operations, and had increased by \$5.3 million, reflecting the Council's overall higher cash position at year end.
<b>Total</b>	<b>74.9</b>	<b>60.0</b>	

## PERFORMANCE

### Operating performance ratio

- Council's operating performance ratio met the industry benchmark in 2018–19.
- The ratio improved significantly in the current year, consistent with the increase in Council's net operating result.

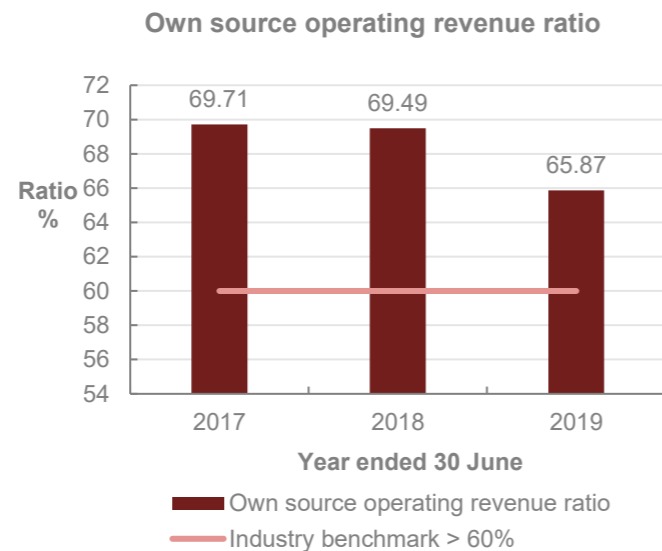
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater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



### Own source operating revenue ratio

- Council's own source operating revenue ratio met the industry benchmark for the past three years.
- This result reflects the significance of rates and user charges as funding sources for Council, and is supported by the special rate variation increases.

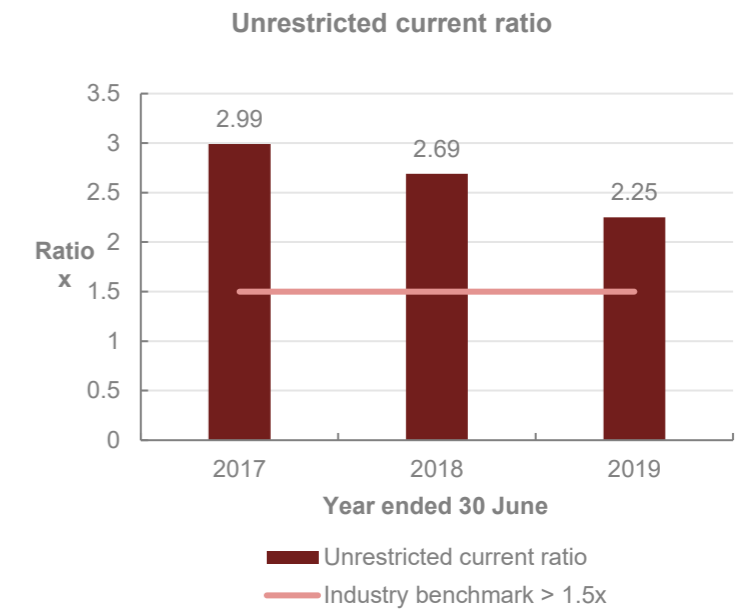
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



### Unrestricted current ratio

- Council's unrestricted current ratio met the industry benchmark for the past three years.
- This indicates the Council has sufficient liquidity to meet its current liabilities when they fall due.
- The slight decrease in trend is due to further external restrictions on cash and investments relating to developer contributions, as a result of continued growth in the area.

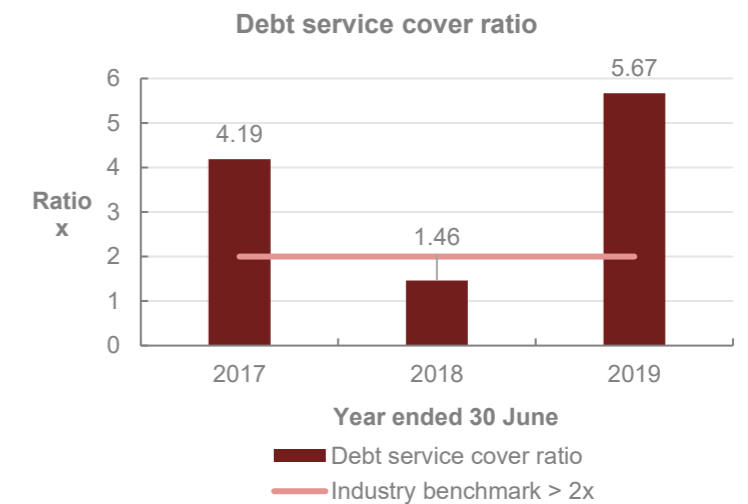
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



### Debt service cover ratio

- Council's debt service cover ratio exceeded the industry benchmark in 2018–19.
- The ratio improved from last year due to lower borrowing costs in 2018–19.

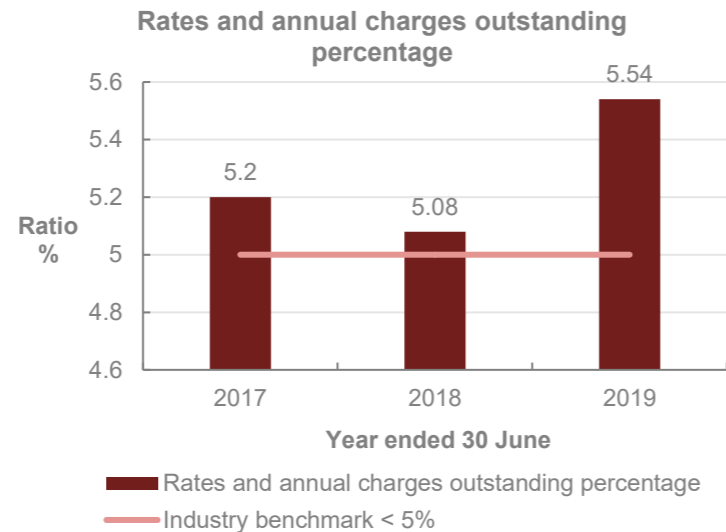
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



## Rates and annual charges outstanding percentage

- Council's rates and annual charges outstanding ratio did not meet the industry benchmark of less than 5 per cent.
- This ratio has remained fairly consistent over the past three years.

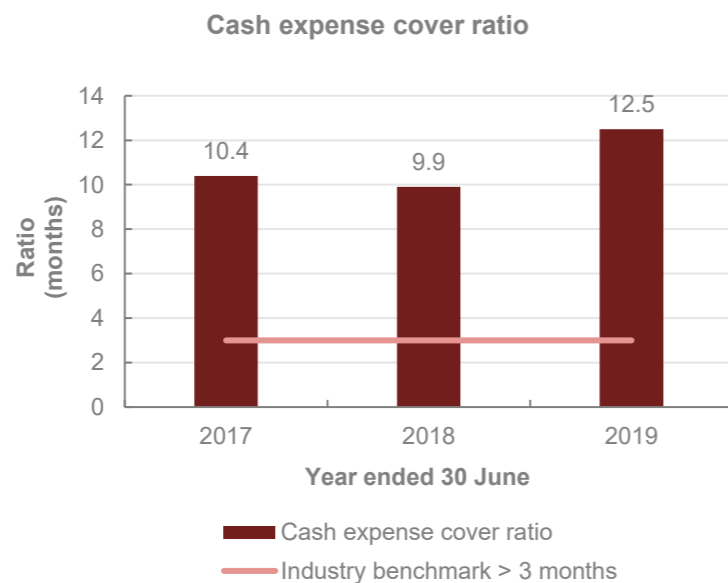
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 5 per cent for metro councils.



## Cash expense cover ratio

- Council's cash expense cover ratio exceeded the industry benchmark for the past three years.
- This indicates the Council had the capacity to cover 12.5 months of cash expenditure without additional cash inflows at 30 June 2019.
- The ratio has increased from last year due to higher cash and investments balances.

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



## Infrastructure, property, plant and equipment renewals

The Council spent \$19.9 million on asset renewals in 2018–19 compared to \$16.1 million in 2017–18.

A short-term benchmark of Council's strategic asset management is to assess the rate at which Council's assets are being renewed against the rate at which they are depreciating. In 2018–19, asset renewals of \$19.9 million represented 145 per cent of Council's \$13.7 million depreciation expense. This result was higher than the 2017–18 result of 78 per cent.

Asset renewals in 2018–19 primarily related to resurfacing and reconstruction of roads, as well as specialised buildings.

## OTHER MATTERS

### New accounting standards implemented

Application period	Overview
<b>AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'</b>	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"> <li>• a simplified model for classifying and measuring financial assets</li> <li>• a new method for calculating impairment</li> <li>• a new type of hedge accounting that more closely aligns with risk management.</li> </ul> <p>The revised AASB 7 includes new disclosures as a result of AASB 9. Council's disclosure of the impact of adopting AASB 9 is in Notes 6(b) and 7.</p>

### Legislative compliance

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

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

Cathy Wu

Delegate of the Auditor-General for New South Wales

cc: Mr Ben Taylor, Chief Executive Officer  
 Mr Stephen Horne, Chair of Audit, Risk and Improvement Committee  
 Jim Betts, Secretary of the Department of Planning, Industry and Environment

## Special Schedules

for the year ended 30 June 2019

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## Permissible income for general rates

\$ '000		Calculation 2019/20	Calculation 2018/19
<b>Notional general income calculation</b> <sup>1</sup>			
Last year notional general income yield	a	36,576	32,556
Plus or minus adjustments <sup>2</sup>	b	736	462
<b>Notional general income</b>	c = a + b	<b>37,312</b>	<b>33,018</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>3</sup>	d	0.00%	10.80%
Or rate peg percentage	e	2.70%	0.00%
Plus special variation amount	h = d x (c + g)	–	3,566
Or plus rate peg amount	i = e x (c + g)	1,007	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>38,319</b>	<b>36,584</b>
Plus (or minus) last year's carry forward total	l	10	2
<b>Sub-total</b>	n = (l + m)	<b>10</b>	<b>2</b>
<b>Total permissible income</b>	o = k + n	<b>38,329</b>	<b>36,586</b>
Less notional general income yield	p	38,393	36,576
<b>Catch-up or (excess) result</b>	q = o – p	<b>(64)</b>	<b>10</b>
<b>Carry forward to next year</b> <sup>6</sup>	t = q + r + s	<b>(64)</b>	<b>10</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) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule - Permissible income for general rates

#### Wollondilly Shire Council

To the Councillors of Wollondilly Shire Council

#### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Wollondilly Shire Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

#### Basis for Opinion

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

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

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

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

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

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

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

#### Emphasis of Matter – Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

#### Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

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

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

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

I have nothing to report in this regard.

#### The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

#### Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.



My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Cathy Wu

Delegate of the Auditor-General for New South Wales

30 October 2019  
SYDNEY

## Wollondilly Shire Council Report on Infrastructure Assets as at 30 June 2019

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring assets agreed level of service set by Council maintenance <sup>a</sup>	2018/19 Required maintenance <sup>a</sup>	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost						
								1	2	3	4	5		
<b>Buildings</b>	Buildings	4,785	4,785	3,796	2,584	44,385	94,563	2.0%	5.0%	33.0%	60.0%	0.0%		
	<b>Sub-total</b>	<b>4,785</b>	<b>4,785</b>	<b>3,796</b>	<b>2,584</b>	<b>44,385</b>	<b>94,563</b>	<b>2.0%</b>	<b>5.0%</b>	<b>33.0%</b>	<b>60.0%</b>	<b>0.0%</b>		
<b>Roads</b>	Sealed roads	30,297	30,297	5,876	12,815	122,025	242,258	32.0%	25.0%	34.0%	7.0%	2.0%		
	Unsealed roads	254	254	384	265	1,482	2,942	0.0%	10.0%	68.0%	17.0%	5.0%		
	Bridges	1,201	1,201	853	1,287	36,103	65,194	9.0%	33.0%	53.0%	2.0%	3.0%		
	Footpaths	391	391	302	671	13,770	17,986	44.0%	39.0%	16.0%	1.0%	0.0%		
	Other road assets	3,004	3,004	2,558	2,149	51,664	83,127	21.0%	34.0%	41.0%	4.0%	0.0%		
	Bulk earthworks	-	-	-	142	44,373	44,373	0.0%	0.0%	0.0%	0.0%	100.0%		
	<b>Sub-total</b>	<b>35,147</b>	<b>35,147</b>	<b>9,973</b>	<b>17,329</b>	<b>269,417</b>	<b>455,880</b>	<b>23.9%</b>	<b>25.8%</b>	<b>34.2%</b>	<b>4.9%</b>	<b>11.2%</b>		
<b>Stormwater drainage</b>	Stormwater drainage	1,087	1,087	419	909	41,897	55,216	26.0%	58.0%	11.0%	5.0%	0.0%		
	<b>Sub-total</b>	<b>1,087</b>	<b>1,087</b>	<b>419</b>	<b>909</b>	<b>41,897</b>	<b>55,216</b>	<b>26.0%</b>	<b>58.0%</b>	<b>11.0%</b>	<b>5.0%</b>	<b>0.0%</b>		
<b>Open space / recreational assets</b>	Swimming pools	-	-	60	324	1,597	3,022	86.0%	14.0%	0.0%	0.0%	0.0%		
	Other	235	235	920	4,772	27,980	33,607	21.0%	7.0%	9.0%	0.0%	63.0%		
	<b>Sub-total</b>	<b>235</b>	<b>235</b>	<b>980</b>	<b>5,096</b>	<b>29,577</b>	<b>36,629</b>	<b>26.4%</b>	<b>7.6%</b>	<b>8.3%</b>	<b>0.0%</b>	<b>57.7%</b>		
	<b>TOTAL - ALL ASSETS</b>	<b>41,254</b>	<b>41,254</b>	<b>15,168</b>	<b>25,918</b>	<b>385,276</b>	<b>642,288</b>	<b>21.0%</b>	<b>24.5%</b>	<b>30.5%</b>	<b>12.7%</b>	<b>11.3%</b>		

(a) Required maintenance is the amount identified in Council's asset management plans.

### Infrastructure asset condition assessment 'key'

- |   |                            |                                       |
|---|----------------------------|---------------------------------------|
| 1 | <b>Excellent/very good</b> | No work required (normal maintenance) |
| 2 | <b>Good</b>                | Only minor maintenance work required  |
| 3 | <b>Satisfactory</b>        | Maintenance work required             |
| 4 | <b>Poor</b>                | Renewal required                      |
| 5 | <b>Very poor</b>           | Urgent renewal/upgrading required     |

Report on Infrastructure Assets (continued)  
as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018	2017	Benchmark
<b>Infrastructure asset performance indicators (consolidated) *</b>					
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>					
Asset renewals <sup>2</sup>	15,020	119.41%	103.14%	113.12%	>=100.00%
Depreciation, amortisation and impairment	12,578				
<b>Infrastructure backlog ratio <sup>1</sup></b>					
Estimated cost to bring assets to a satisfactory standard	41,254	10.71%	11.95%	15.28%	<2.00%
Net carrying amount of infrastructure assets	385,276				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	25,918	170.87%	189.23%	123.95%	>100.00%
Required asset maintenance	15,168				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	41,254	6.42%	7.25%	8.38%	
Gross replacement cost	642,288				

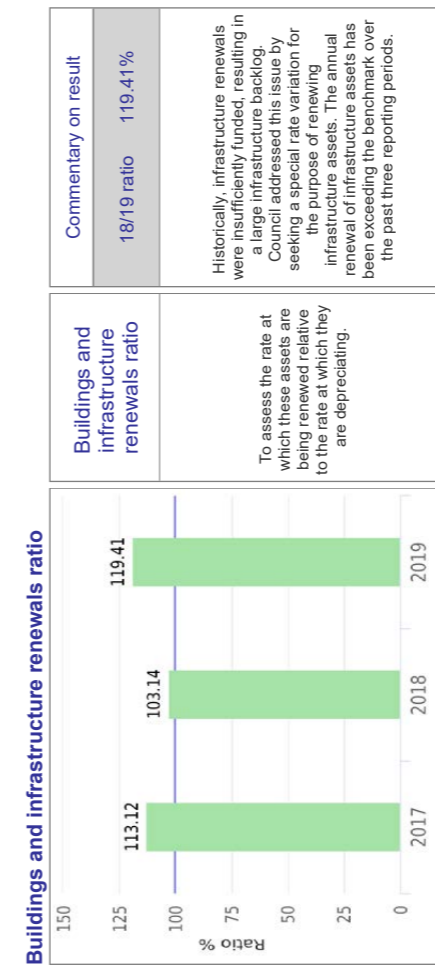
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Special Schedules 2019

Wollondilly Shire Council  
Report on Infrastructure Assets (continued)  
as at 30 June 2019



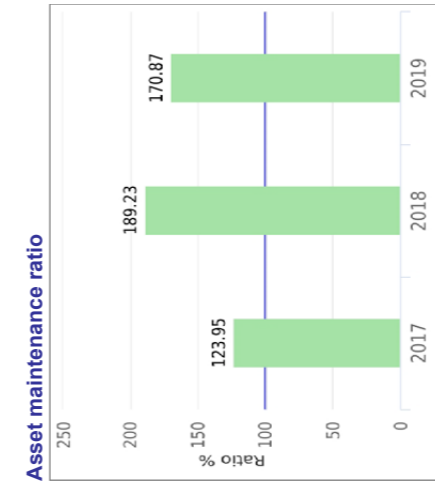
**Buildings and infrastructure renewals ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on result**  
18/19 ratio 119.41%

Historically, infrastructure renewals were insufficiently funded, resulting in a large infrastructure backlog. Council addressed this issue by seeking a special rate variation for the purpose of renewing infrastructure assets. The annual renewal of infrastructure assets has been exceeding the benchmark over the past three reporting periods.

Ratio achieves benchmark



**Asset maintenance ratio**

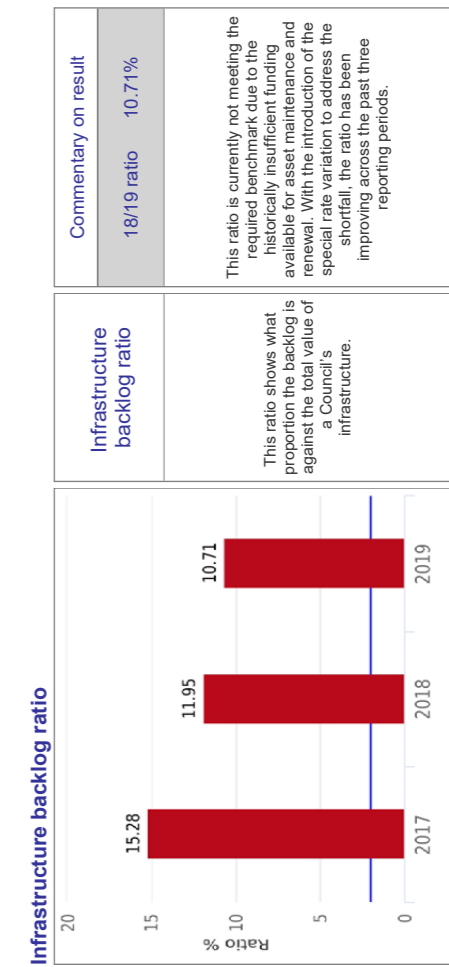
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Ratio achieves benchmark

**Commentary on result**  
18/19 ratio 170.87%

Council is now regularly providing sufficient resource towards the maintenance of its assets with results exceeding the benchmark for the past three reporting periods.

Ratio is outside benchmark



**Infrastructure backlog ratio**

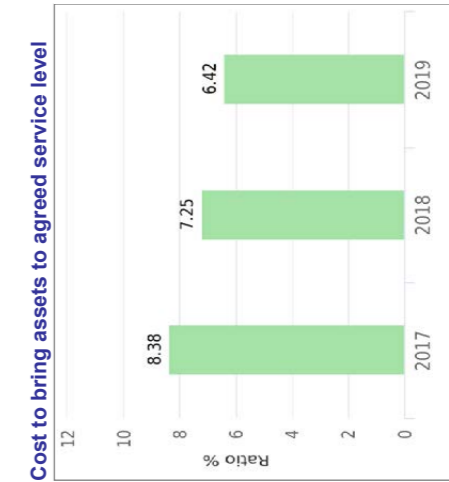
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Ratio achieves benchmark

**Commentary on result**  
18/19 ratio 10.71%

This ratio is currently not meeting the required benchmark due to the historically insufficient funding available for asset maintenance and renewal. With the introduction of the special rate variation to address the shortfall, the ratio has been improving across the past three reporting periods.

Ratio is outside benchmark



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Ratio achieves benchmark

**Commentary on result**  
18/19 ratio 6.42%

As with the Infrastructure Backlog ratio, the ratio has historically been high due to years of insufficient funding for asset maintenance and renewal. The ratio is decreasing year on year as the additional funds available as a result of the special rate variation are utilised to undertake necessary maintenance and renewal works.

Ratio is outside benchmark

## Report on Infrastructure Assets (continued)

as at 30 June 2019

	General fund		Benchmark
	2019	2018	
<b>\$ '000</b>			
<b>Infrastructure asset performance indicators (by fund)</b>			
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b> Asset renewals <sup>2</sup> Depreciation, amortisation and impairment	<b>119.41%</b>	103.14%	>=100.00%
<b>Infrastructure backlog ratio <sup>1</sup></b> Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	<b>10.71%</b>	11.95%	<2.00%
<b>Asset maintenance ratio</b> Actual asset maintenance Required asset maintenance	<b>170.87%</b>	189.23%	>100.00%
<b>Cost to bring assets to agreed service level</b> Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	<b>6.42%</b>	7.25%	

(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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[www.wollondilly.nsw.gov.au](http://www.wollondilly.nsw.gov.au)

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