

UPPER MACQUARIE COUNTY COUNCIL ANNUAL REPORT

2019-2020 FINANCIAL YEAR



(High Weed Biosecurity Risk - Blackberry Infestation).

INTRODUCTION

Chairman's Message

It has once again been a pleasure leading the governing body of the County Council during this past year, as Council consolidated its new and improved approach to managing weed biosecurity risk within our region.

The importance of all landholders meeting their legal weed biosecurity duty cannot be overstated – as the viability of our farming sector, the quality of agricultural production, and the conservation of our natural environment depend on it. In simple terms we all need to accept that it is our shared responsibility to control the growth and spread of priority weeds (noxious weeds) in our region – by controlling those weeds on our own properties.

While the Council is not a landholder itself, managing weed biosecurity throughout the local council areas of Bathurst, Blayney, Lithgow and Oberon is its main business. The Council takes this *local weed control authority* function very seriously.

The Council was well aware that for some landholders the last year was somewhat challenging with the drought, then bushfires, and more recently the COVID19 pandemic. The Council took those circumstances into account and worked with cooperative landholders impacted to set realistic timeframes for weed biosecurity compliance to reflect each landholders situation.

Notwithstanding, for those landholders that don't cooperate or who ignore or otherwise refuse to meet their weed biosecurity duty, the Council will take appropriate enforcement action to ensure weeds are controlled on their property in a timely manner.

I would like to extend my gratitude to the Mayors and Councillors of our constituent local councils for their renewed support, the County Council Members for their active participation and diligence in dealing with County Council business, and to the General Manager and staff of Upper Macquarie County Council for their hard work and dedication to weed biosecurity risk during this past year.

Cr Ian North
Chairman

Upper Macquarie County Council

General Manager's Report

The 2019/2020 financial year was the second full-year in which the Upper Macquarie County Council was actively implementing its new 10-year Business Activity Strategic Plan, that is effectively Council's concept of operations as the *local weed control authority* within the meaning of the Biosecurity Act (2015) NSW.

Operationally this past year focussed on consolidation and evolution of the innovative risk-based biosecurity management system adopted by the Council in 2018. That system continues to allow the Council to better target its limited resources towards the properties with the more serious weed infestations and it demonstrates an objective and logical process for initially identifying properties and if required pursuing landholders that are not, or refuse to, meet their individual weed biosecurity duties.

There has been close liaison with public land authorities in the district regarding their weed biosecurity duties. There is now a clear understanding of the respective roles and processes associated with the Council's local weed biosecurity activities. In particular Forestry Corporation, Local Land Services, Crown Lands, and Transport for NSW have all been suitably responsive to weed biosecurity risk matters brought to their attention.

Roadsides weed management was a focus during this last year, as roadsides are *high-risk weed invasion pathways* and as such need ongoing weed management attention. During the year a General Biosecurity Direction for weed control within roadsides was given to constituent local councils and Forestry Corporation as the main roadside occupiers and managers in the district. The direction requires pro-active roadside weed control planning and an associated appropriate recurrent weed treatment program in place.

As part of the County Council's ongoing commitment to strengthen performance, integrity and accountability, and support the Council's emerging position as a leader in local weed biosecurity risk management - there was further development of essential new policies and key strategic documents to ensure proper organisational governance, legal compliance, and operational effectiveness.

While it is pleasing that the majority of landholders take their weed biosecurity duty seriously, it is equally disturbing to see that other landholders are undermining the collective weed control efforts of the majority. Accordingly, Council's enforcement efforts were stepped up (in line with the weed biosecurity risk management system) with 75 of the total 109 Biosecurity Directions, and 14 of the total 19 Penalty Infringement Notices issued, occurring in the last year.

David Young
General Manager

Upper Macquarie County Council

SECTION 1: ABOUT THE COUNTY COUNCIL

What the County Council is.

The Upper Macquarie County Council is a single purpose local government authority that is the 'Local Control Authority' for WEED BIOSECURITY.

Constituent Councils.

Representatives from the four (4) constituent local government councils come together to form the governing body of the County Council. The Members of the County Council elect the Chairman and Deputy Chairman. Two Councillors are elected by and come from each of the constituent councils.

The Members of the Governing Body of the County Council.

As at the 30th June 2020, the County Council was comprised of eight (8) Members as follows:

Cr Ian North - Bathurst Regional Council [County Chairman]

Cr Andrew McKibbin - Oberon Council [Deputy Chairman from Nov 2019]

Cr David Kingham - Blayney Shire Council [Deputy Chairman to Nov 2019]

Cr Stephen Lesslie - Lithgow City Council [Member]

Cr Stephen Ring - Lithgow City Council [Member]

Cr Don Capel - Oberon Council [Member]

Cr Bruce Reynolds - Blayney Shire Council [Member]

Cr Fry - Bathurst Regional Council [Member]

Council Meeting Attendance

Member attendance at County Council Meetings for the 12 months to 30th June 2020, was as follows:

Cr Ian North	Meetings attended out of 7 held.	6
Cr Andrew McKibbin	Meetings attended out of 7 held.	6
Cr David Kingham	Meetings attended out of 7 held.	6
Cr Stephen Lesslie	Meetings attended out of 7 held.	7
Cr Stephen Ring	Meetings attended out of 7 held.	6
Cr Don Capel	Meetings attended out of 7 held.	7
Cr Bruce Reynolds	Meetings attended out of 7 held.	7
Cr Fry	Meetings attended out of 7 held.	6

Stakeholders and Staff

The County Council has eight (8) staff and is supported as required by various contractors with regards to delivery of landholder support services. There is the General Manager (part-time) managing mainly governance and business strategy, while Biosecurity Administration Officer and the Chief Weeds Biosecurity Officer respectively manage the administration of both business and biosecurity systems and processes, and the field-based biosecurity operations supported by five (5) Weed Biosecurity Officers.

The NSW Department of Primary Industries, in conjunction with the Central Tablelands - Local Land Services, are key stakeholders in terms of their State and regional perspectives, and their funding support involving an annual operating grant linked to the NSW Weed Action Program. These agencies also provide invaluable in-kind support with research results; weed identification; weed species risk assessment; and weed information and extension materials.

The constituent councils being the councils from the local government areas of Bathurst, Blayney, Lithgow and Oberon are the primary funding agencies through annual operating grants provided in proportion to the relative strategic weed risk associated with each council area. The constituent council communities are the direct beneficiaries of the County Council's work and accordingly have a keen interest in the County Council's activities and in particular the impacts of weed biosecurity in relation to farmland productivity, local economic impacts and more generally the quality of life in rural communities.

Beyond landholders and residents in the County area, the effectiveness of local weed biosecurity impacts on all Australians in different ways, as efforts to control weeds in our district, is actually part of a national effort to control serious invasive pest plants that unchecked will cause insurmountable damage to the productivity of agricultural land, country landscapes, and waterway environments.

The County Council's source of authority.

The County Council was first constituted by proclamation of the Governor of NSW in February 1949, pursuant to the provisions of the Local Government Act (1919). The initial charter was for the *eradication of noxious plants – particularly Serrated Tussock*. More recently that charter was clarified to pursue control of various *Priority Weeds* (still commonly referred to as noxious weeds).

Today the Council derives its power and authority from two primary sources:

- The *local weed control authority* roles and responsibilities come from the provisions of the Biosecurity Act (2015).
- The *local government authority* duties and obligations come from the provisions of the Local Government Act (1993).

Upper Macquarie County Council

The area of operations of the Upper Macquarie County Council comprises the whole of its constituent council local government areas of Bathurst, Blayney, Lithgow, and Oberon and has the local weed control authority function to the absolute exclusion of those local councils.

The County Council has the following key operational functions in relation to the land for which it is the local control authority:

- a) The prevention, elimination, minimisation and management of the biosecurity risk posed or likely to be posed by weeds,
- b) To develop, implement, co-ordinate and review weed control programs,
- c) To inspect land in connection with its weed control functions,
- d) To keep records about the exercise of the local control authority's functions, and
- e) To report to the NSW Government about the exercise of the local control authority's functions.

The County Council operating profile.

The Upper Macquarie County Council has an 'Area of Operations' that covers the whole of the local government areas of Bathurst, Blayney, Lithgow and Oberon

The County Council has responsibilities covering an area of 1.35 million hectares – comprising almost half of the NSW Central Tablelands. The area extends from high in the Blue Mountains in the east, from the Abercrombie National Park south to Kanangra Walls in the south-east, as far west as Limestone Creek and beyond Forest Reefs, and to the north-west reaching Hill End and Wattle Flat then to the north-east beyond Capertee and Glen Davis across into Wollemi National Park.

The area of operations has a population of about 77,000 residents and 41,000 landholdings made up of 842,000 Ha of private land, 122,000 Ha of forest plantations, 377,000 Ha of National Parks and 11,000 Ha of other public land.

The County Council area of operations includes parts of the NSW Central Tablelands and Upper Macquarie Valley that are highly productive agricultural land, high ecological value national parks, and vast areas of quality forest operations.

Climatically the area is susceptible to rapid weed invasion of the farmland, the parks and the forests, escaping from properties where landholders historically do not properly control weeds on their land on an ongoing basis.

The primary weed risk at present involves the 12 Priority Weed species (noxious plants) involving Blackberry; Serrated Tussock; African Love Grass, Bathurst Burr, Cape Broom, Chilean Needle Grass, Common Prickly Pear, Gorse, Scotch Broom, St John's Wart, Sweet Briar, and Tiger Pear.

SECTION 2: OUR BIOSECURITY ACHIEVEMENTS

Compliance Inspection System.

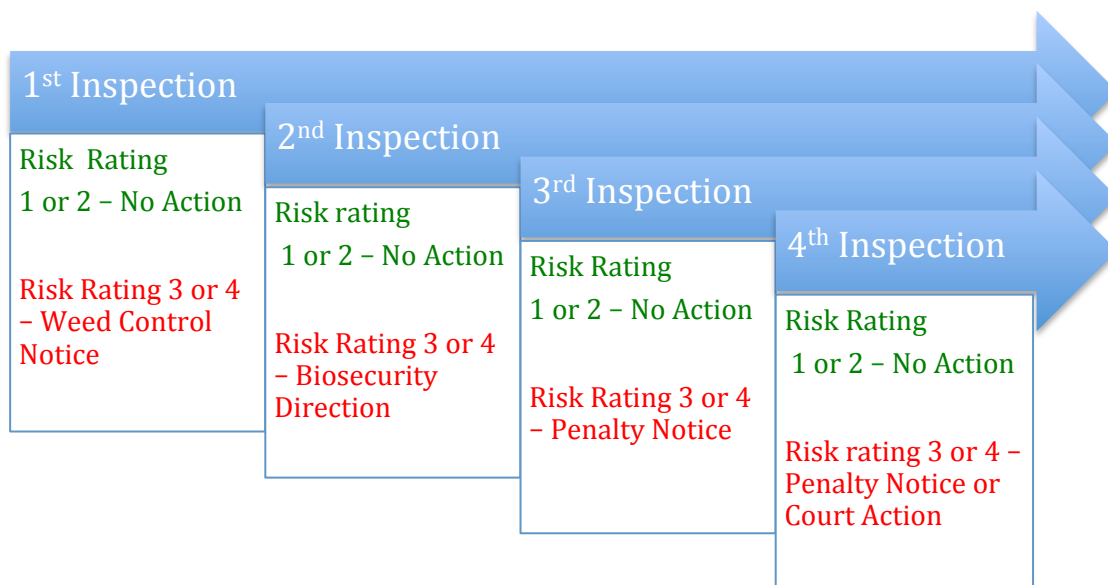
In its regulatory role, the County Council undertook 1,879 inspections during the year of both private and public lands - covering 148,000 hectares including 1,860 kilometres of roads, railways and waterways.

The purpose of conducting inspections of properties is to establish whether or not each property presents an unacceptable weed biosecurity risk, and as appropriate bring to the landholders attention the nature and extent of their weed biosecurity duty at law. Failing a suitable response to advice provided, the Council will undertake enforcement as necessary.

Once a property is inspected and found to be of high weed biosecurity risk, it is entered into the Weed Biosecurity Risk Register and can only be removed from that register as a result of a formal inspection that confirms the weed biosecurity risk has been reduced to a suitably low weed biosecurity risk level.

The whole compliance inspection process typically follows an initial Notice to Inspect, followed by a sequence of inspections and re-inspections each linked to a relevant compliance date and an associated ramp-up of the enforcement activity where required as illustrated in the following **Chart 1**.

Chart 1: The Property Weed Risk Inspection Process



The weed biosecurity compliance inspection process, applies equally to private and public landholders. Of the total property inspections undertaken for the year 1,380 were for private land and 499 were for public land.

Upper Macquarie County Council

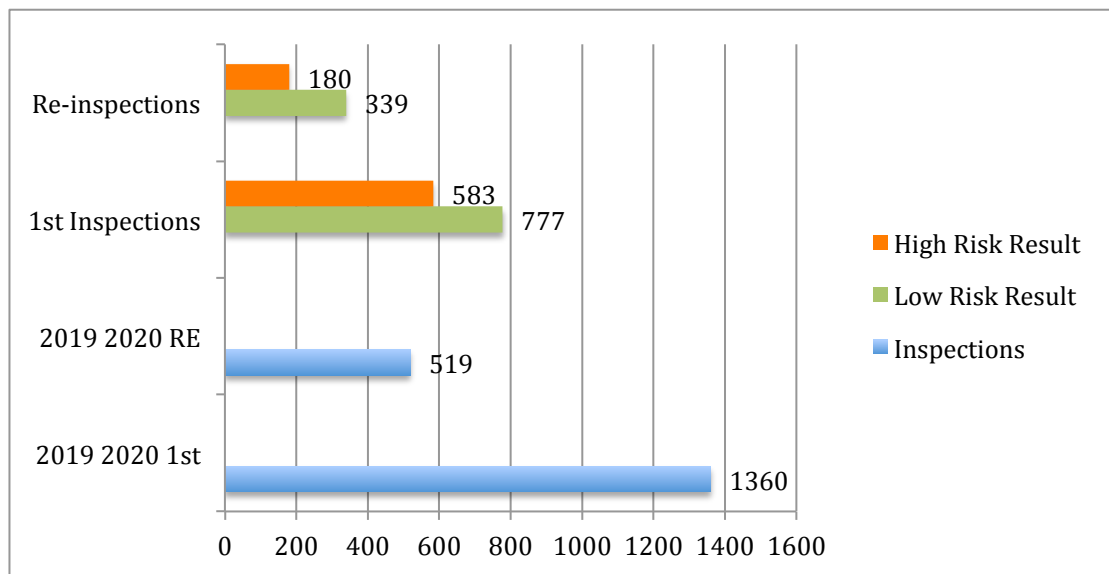
Property Inspection Activity.

Of the 1,879 inspections of property undertaken during the year, 763 inspections revealed the subject property as being a 'high weed biosecurity risk' at the time of inspection, and 1,116 inspections revealed the subject property as being a 'low weed biosecurity risk' at the time of inspection.

Of the total inspections undertaken during the year, 1,360 were 'new inspections' (i.e. properties not previously inspected) and 519 were 're-inspections' (i.e. properties that had been previously inspected).

Some of the properties that are assessed as being of 'high weed biosecurity risk' require more than one year to be reduced to a suitably low level of weed biosecurity risk. This is in part related to the willingness (or not) of landholders to respond in a timely manner to weed control notices, but often more so due to weed control practicalities of the scale of the weed infestation and/ or weed species growth characteristics and/ or the seasonal sequencing of inspections and the essential time lag before re-inspection.

Chart 1: Weed Biosecurity Risk – Inspection Results Profile.



Upper Macquarie County Council

Inspection Activity within Local Council Areas.

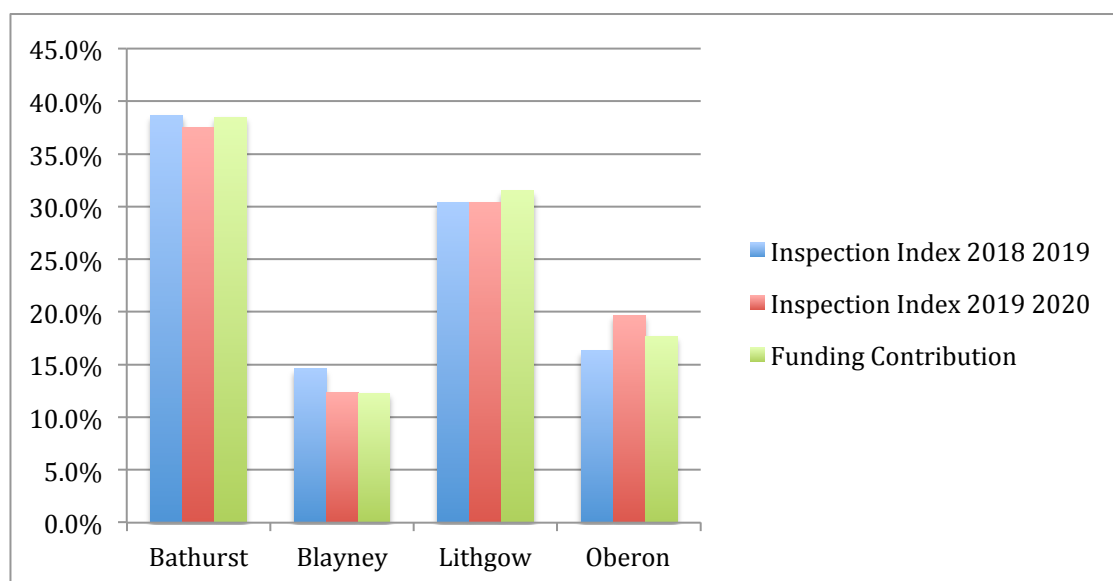
The County Council duty is to manage weed biosecurity risk on a district-wide rather than local council area basis, as weeds know no boundaries and greatest risks rather than lesser risks need to be targeted wherever they may be located.

However, in general, because the funding contribution levels from local councils is related to an areas relative weed biosecurity risk, it is also expected that inspection activity will largely reflect that funding level.

In practice, one or more constituent councils are likely to have weed biosecurity inspection activity at a level either above or below the contribution benchmark in any one year – but in the long term should not be at significant variance to funding contribution levels. Accordingly it is reasonable for a constituent local council to assess whether or not they are 'getting their fair share' of weed biosecurity inspection activity based on the comparing the *inspection index* to the *funding contribution benchmark*.

It is also the case that often weed control work undertaken in the perimeter and adjacent areas of one council area will be of weed biosecurity risk benefit to others.

Chart 2: Constituent Council Funding compared to Inspection Activity



Upper Macquarie County Council

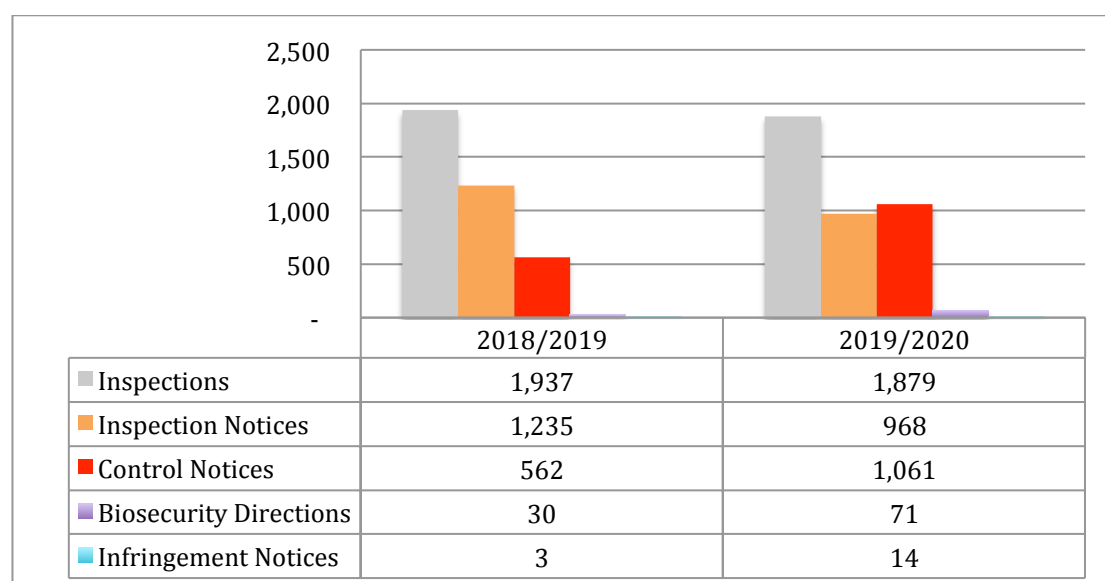
Enforcement Activity.

During the reporting period compliance and enforcement activity continued in a fair and consistent manner, in line with the requirements of Councils weed biosecurity risk management system. This activity focussed on 781 distinct properties (of the 1,590 distinct properties inspected during the year) that were assessed as being of high weed biosecurity risk at 1st inspection or re-inspection as appropriate, during the reporting period.

Accordingly, based on the current weed biosecurity risk rating assessed for each property at the relevant point in time, there were 781 new Weed Control Notices issued and 71 new enforceable individual Biosecurity Directions issued. There were also 14 landholders that had previously been issued a Biosecurity Direction - that had failed to comply with that direction by re-inspection – whom were each also issued with \$1,000 penalty infringement notice.

A General Biosecurity Direction was also issued to the class of public landholders occupying or otherwise responsible for weed biosecurity within public roadsides. The direction was published in the Government Gazette of 10th July 2020.

Chart 3: Compliance & Enforcement Activity



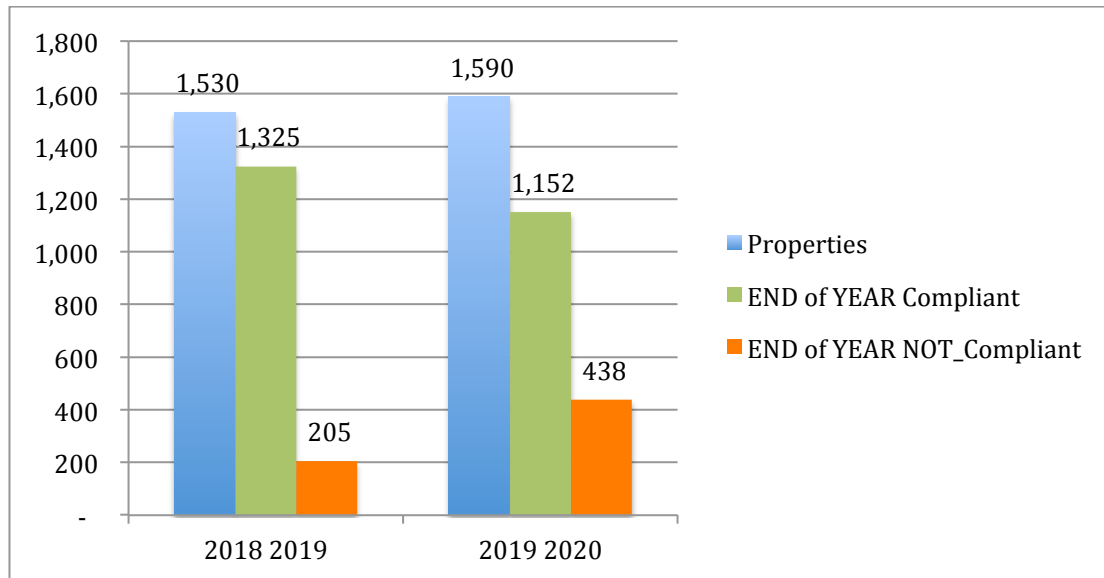
Generally the enforcement process applies equally to public and private landholders with the exception that Property Inspection Notices are only issued to private landholders (not public landholders). A Property Inspection Notice is provided, for 1st inspections only and not for urgent matters, as advance notice that a Biosecurity Officer will soon be inspecting the property. Property Inspection Notices were issued to the owners or occupiers of the 968 private landholdings inspected during the year.

Upper Macquarie County Council

Landholding Compliance.

There were 1,590 distinct properties involved in the inspection program during 2019/2020, of which 1,119 were considered to be of 'low weed biosecurity risk' by year-end.

Chart 4: Landholding Weed Biosecurity Duty – Compliance Level at Year-End.



The difference in year-to-year performance is closely related to a number of factors including that in the current year: more total properties were inspected; more 'high weed biosecurity risk' properties were detected at 1st inspection; and more inspections were required to achieve compliance. Also, some properties had weeds under control at 1st inspection, some brought their weeds under control after the Inspection Notice was issued, and the remainder controlled their weeds (as applicable) after either one or more additional enforcement actions were taken.

Chart 5: Landholding Weed Biosecurity Duty – Compliance Stages.



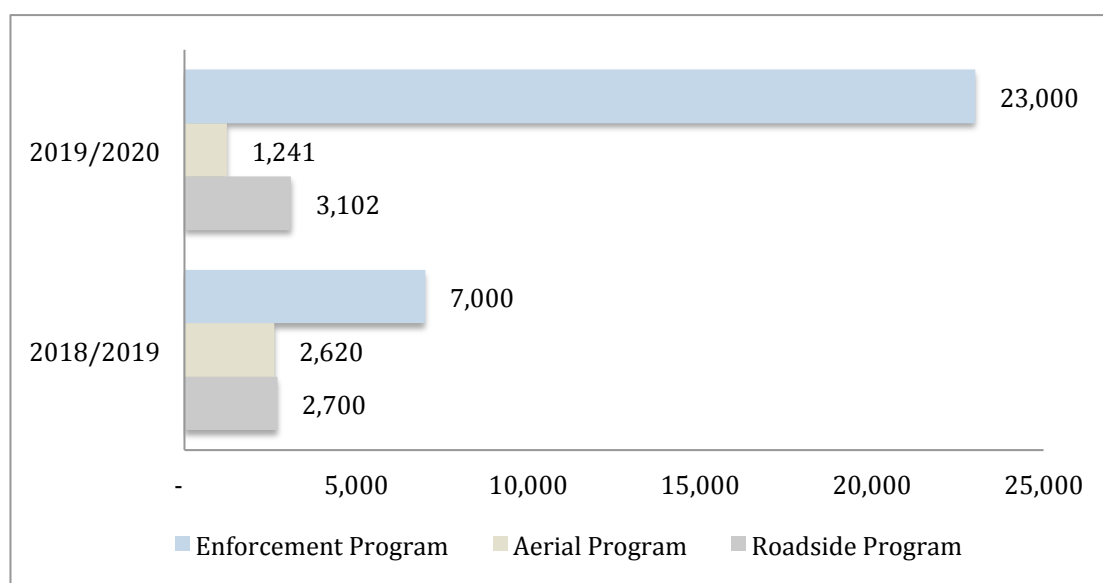
Weed Treatment Activity.

While weed treatment activity is always the responsibility of the landholder and not otherwise, for strategic purposes the Council may choose to develop, implement, co-ordinate and / or review weed control programs for landholders at its discretion. This can include assisting landholders in dealing with prohibited matter, controlling new weed incursions, and tackling weed biosecurity matters within difficult terrain and along high-risk weed invasion pathways.

An aerial helicopter-based weed treatment program for private landholdings was conducted in the spring of 2019. The program was to support landholders in difficult terrain and where larger infestations of Blackberry or Serrated Tussock are difficult through on-ground treatment. The program was of a reduced scale this year, due mainly to the ongoing impact of drought related matters on the financial position of many landholders' and their predominantly pessimistic rain outlook, and a lack of available clean water in dams. The program was undertaken in mid-spring 2019 and resulted in 700 ha of Serrated Tussock being treated and nearly 500 ha of Blackberry being treated. The planned autumn 2020 program was unable to be staged due to drought, bushfire and then pandemic conditions that would likely have either rendered herbicide treatments ineffective or were physically undeliverable.

The annual ground-based roadside weed treatment program for constituent local councils was conducted in the late autumn of 2020. Overall 94 roads involving about 3,000 ha of road reserves were treated – extending over some 1,000 kms of roads. The Council, as the local weed control authority, delivers the program on behalf of constituent local council's that are the relevant landholders with the biosecurity duty. The roadside weed treatment program was successfully delivered across the district despite some areas being impacted at different times by drought and bushfire conditions until later in autumn.

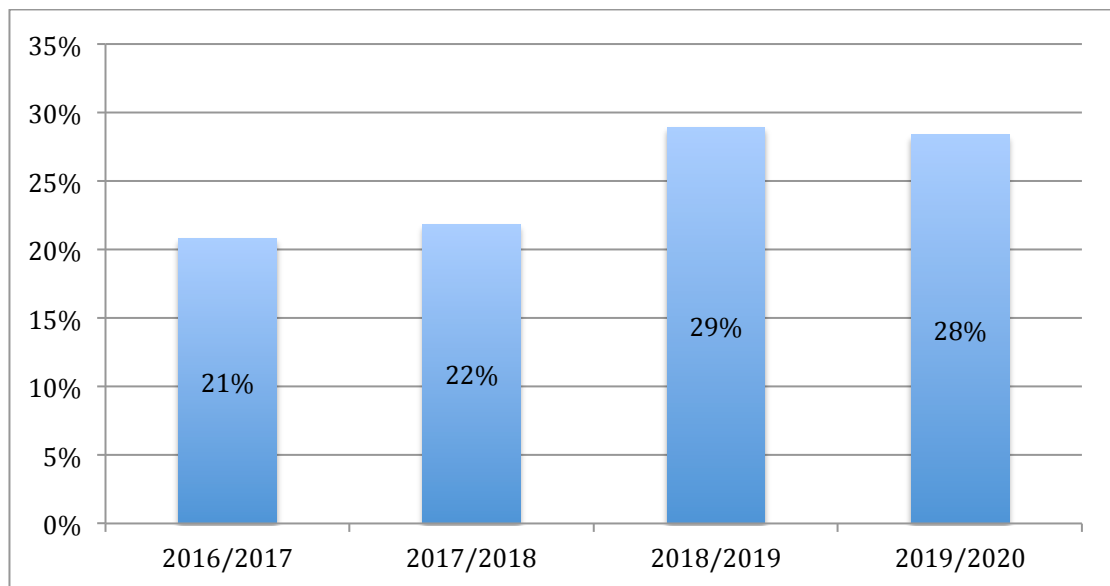
Chart 6: Landholding Weed Treatment / Control Works (ha).



Inspection Productivity.

Despite the new compliance and enforcement system being more complex and time consuming in terms of attention to detail and maintaining the adequacy of enforcement evidence trails as the enforcement process progresses, the Council undertook only 1% less property inspections in 2019-2020 compared to the previous year. Of the total property inspections undertaken across the last four years, 28% were undertaken in 2019-2020 compared to 29% last year and less than 24% on average for the prior three years.

Chart 7: Property Inspection Productivity Trend



Inspection productivity in any given year is adversely impacted by the extent to which Biosecurity Officers are required to be involved in weed treatment programs that support private and public landholders achieve reduced weed biosecurity risk, and the extent to which biosecurity officers engage with landholders in relation to biosecurity extension activities such as field days, local shows and weed identification.

SECTION 3: OUR GOVERNANCE ACHIEVEMENTS

Systems & Processes.

This reporting period was the 2nd full year operating under the new risk-based weed biosecurity management system, and the associated new processes for Weed Biosecurity Officers in the way they:

- Give notice of the intention to inspect properties,
- Assess each property they inspect assigning a weed risk rating thereto,
- Are guided by the Weed Risk Register in terms of which properties require reinspection and when that should take place,
- Escalate higher risk rated properties from the preferred *cooperative compliance* phase up to the *enforced compliance* phase, and
- Use on-the-spot fines as an alternative to taking court action to help compel landholders to meet their weed biosecurity duties, and

The incumbent geographical information system (GIS) was further refined in terms of both software activation and database structure. As a result the Council further enhanced its biosecurity reporting capability, further refined the integrated Weed Risk Register, and expanded its mapping capacity to provide more meaningful management information and associated visual reporting for the governing body of Council and other stakeholders.

Council continues to utilise a small drone fleet, to assist with evidence gathering associated with enforcement activities, and when accessing 'closed-gate' properties, and inspecting difficult to access sites such as overgrown gullies and escarpments.

Policies & Key Documents.

A Legal Compliance Register was established early in the period. It was designed not as a list of all legal duties and obligations but as a register of critical statutory reporting obligations that Council must adhere to each year. This register is a key tool in assisting Council and Management ensure all legal reporting obligations are completed in a timely manner.

A comprehensive risk management framework was developed and put in place during the reporting period. Council now has a Risk Management Policy and an Enterprise Risk Register in place to assist in the re-orientation of the council business towards risk awareness and risk-based decision-making.

During the reporting period Council created new, and reviewed and updated existing, Council policies and key documents including an Enterprise Risk Register; Risk Management Policy; Equal Employment Opportunity Management Plan, Legislative Compliance Register, an ICT Security Management Plan; Work Health & Safety Policy; and Debt Management Policy.

Enforcement Processes.

The Council effectively and systematically implemented its legally sound and evidentiary robust inspection and enforcement system throughout the year. That innovative system incorporates: a weed risk rating system, a risk-based prioritisation process, a compliance and enforcement process, a systematic inspection and enforcement notice regime, and an evidence support system.

Biosecurity Officers had the relevant *instrument of delegation* in-place to ensure that each officer could properly function as an *authorised officer* within the meaning of the Biosecurity Act (2015).

Revenue NSW was active as council's agent for the processing and coordination of issues associated with Penalty Infringement Notices issued by authorised officers. The Council undertakes penalty reviews by way of implementing its Agency Guide that is in compliance with the requirements of the Fines Act 1996 by adopting the Uniform Guidelines for Internal Review (of applicable enforcement complaints) mandated by the NSW Attorney General.

A Weed Risk Register is based on information compiled within the inspection based geographical information system that is updated from field operations on an ongoing basis. That register extracts raw data from the GIS and integrates it with other property information and inspection data to maintain fixed end-period records of 'high weed risk' landholdings as well as the history of transactions for each risk rated property.

Financial Management.

A number of financial management related policies were implemented and updated as required by Council during the reporting period including policies for: Financial Reserves; Credit Card Use; Procurement; Debt Write-Off, Gifts and Benefits, and Members Fees, Expenses and Facilities.

The Annual Budget for 2019-2020 was set on the basis of achieving a slight surplus, despite an established budget structure that does not yet cover fixed operating expenses with stable revenue sources. Following the first instalment of the staged additional voluntary contributions from constituent councils, the budget relied less than in prior years on uncertain seasonally sensitive possible income to cover some fixed expenses. The 'stable income' to 'fixed expenses' cover ratio in 2017-2018 was only 90%, and this was improved in the 2019-2020 budget to nearly 94%. The historical budget structural problem is being incrementally addressed with support from constituent councils who are making combined additional voluntary contributions of \$150,000 incrementally over three years. This will bring the 'stable income' to 'fixed expenses' cover ratio up to 100% + by 2021/2022.

The annual performance against budget was positive – with all core services being provided within budget and a technical operating surplus of near \$44,000 being recorded instead of a budget surplus of less than \$1,000. The operating surplus resulted essentially from abnormal revenue items including a reduction in bad debts, along with incidental expenditure reductions including salary savings from staff taking leave without pay.

Upper Macquarie County Council

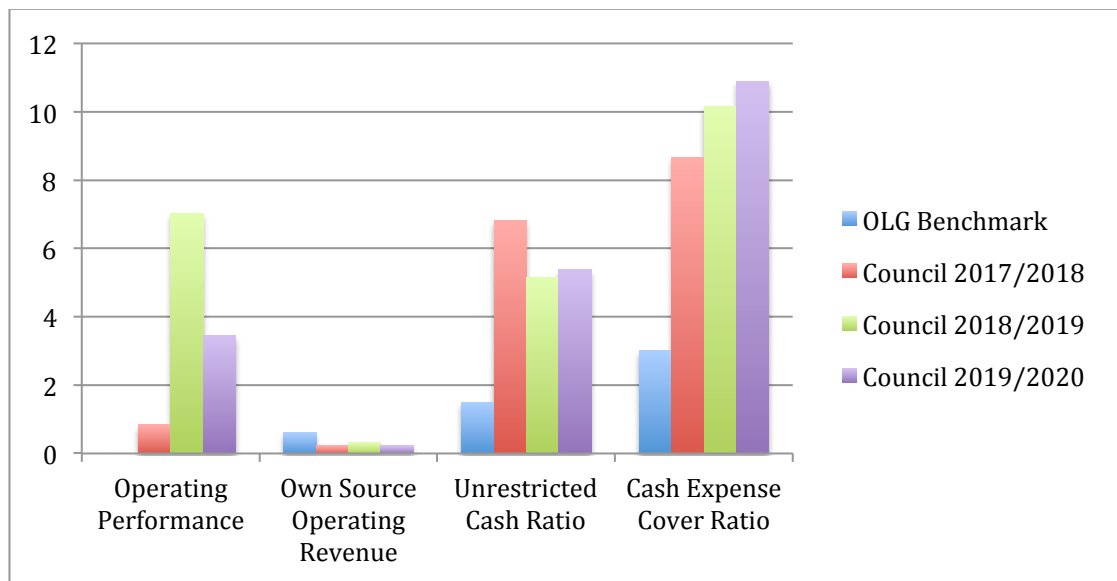
Annual Financial Statements and Auditor Reports

The NSW Audit Office conducted its audit of the Council's Annual Financial Statements for 2019-2020 in the third quarter of 2020.

Those audited statements and associated Auditors Reports are provided in full as **Appendix 1** to this Annual Report.

The following *performance measures* information has been extracted as applicable from the Audit Reports associated with the auditing of the Annual Financial Statements provided by the NSW Audit Office.

Chart 8: Council Performance compared to NSW Office of Local Government Benchmarks.



SECTION 4: STATUTORY REPORTING

The NSW Local Government (General) Regulation 2005 (LG (G) Reg.) in Clause 217 requires the following specified information to be included in the annual report: This information has been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how the council has been performing both as a business entity and a community leader.

A. Details of overseas visits by members and council staff [LG (G) Reg. c.217 (1)(a)]

Upper Macquarie County Council had no Council Member, nor Council staff member make any overseas visits on its behalf or at its expense during the reporting period.

B. Details of the Chairman and Members fees, expenses and facilities [LG (G) Reg. c.217 (1)(a1)]

Chairman's Allowance (\$249 LGA)	\$ 7.5K
Members Fees (\$248 LGA)	\$16.1K
Members Travelling (Council Policy)	\$ 2.7K
Members Subsistence (Council Policy)	\$ 2.8K
ANNUAL TOTAL	\$29.1K

C. Contracts awarded by the Council [LG (G) Reg. c.217 (1)(a2)]

Council awarded no new contracts during the reporting period. as a result of two separate competitive public tender processes as follows:

D. Amounts incurred in relation to legal proceedings [LG (G) Reg. c.217 (1)(a3)]

\$NIL - Upper Macquarie County Council neither initiated nor responded to any legal proceedings during the reporting period.

E. Private works and financial assistance [LG (G) Reg. c.217 (1)(a4, a5)]

\$NIL - Upper Macquarie County Council neither undertook any relevant work nor provided any financial assistance during the reporting period.

F. Details of external bodies, companies and partnerships [LG (G) Reg. c.217 (1)(a6, a7, a8)]

Upper Macquarie County Council was not a part of nor did it have any legal interest in an external body, company or partnership.

G. A statement of the activities undertaken by the council to implement its equal employment opportunity management plan. [LG (G) Reg. c.217 (1)(a9)]

Upper Macquarie County Council

Upper Macquarie County Council has an Equal Opportunity Management Plan that applies to all 8 of its staff. There were no staff vacancies during the year. The Council has permitted flexible working arrangements for its staff in order that they can attend to family and related duties when the need arises during otherwise normal work hours. In particular more flexible working arrangements were made available to accommodate COVID-19 pandemic related impacts on staff and their family. All staff have had training opportunities and participated in training activities based on position requirements and individual training priorities – however many such opportunities were compromised by pandemic related Health Order restrictions. There have been no EEO related complaints during the reporting period.

H. Details of the General Manager's total remuneration [LG (G) Reg. c.217 (1)(b)]

The General Manager's total remuneration package for the reporting period was \$104K

I. Details of the total expenditure on Senior Staff remuneration [LG (G) Reg. c.217 (1)(c)]

This matter is not applicable to Upper Macquarie County Council, as it has no Senior Staff other than the General Manager

J. Information on storm-water levies and charges or coastal protection services [LG (G) Reg. c.217 (1)(e, e1)]

This matter is not applicable to Upper Macquarie County Council

K. Information on storm-water levies and charges [LG (G) Reg. c.217 (1)(e)]

This matter is not applicable to Upper Macquarie County Council

APPENDIX 1: AUDITED FINANCIAL STATEMENTS

The NSW Local Government Act (1993) in Section 428 (2) (a) requires the audited financial reports be included in the council's annual report. Those audited financial reports are attached hereto.



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Upper Macquarie County Council

To the Councillors of Upper Macquarie County Council

Opinion

I have audited the accompanying financial statements of Upper Macquarie County Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and the Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special 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.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 17 Material budget variations
- on the Special Schedules
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 August 2020
SYDNEY