



**UPPER MACQUARIE COUNTY COUNCIL ANNUAL REPORT  
2021-2022 FINANCIAL YEAR**

# Upper Macquarie County Council

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## 1. Welcome

### Chairman's Message

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The 2020-21 year introduced new Members for the Upper Macquarie County Council following Local Government Elections in December 2021 and the appointment of a new General Manager. The momentum and tenacity of the organisation has continued with the new Council being as committed as the previous Board in undertaking our single purpose; that of reducing the Biosecurity risk of weeds in the area covered by our four constituent Councils (Bathurst, Blayney, Lithgow and Oberon).

The new Council Members Alan Ewin, Andrew Smith, Ben Fry, Bruce Watt and Col O'Connor have actively contributed to the ongoing strategic direction of the organisation. The returning members Bruce Reynolds and Stephen Leslie have continued to provide guidance and support to continue the momentum of change and improvement so that UMCC is seen to achieve its stated objectives and in delivering value for money to its constituent Councils, landholders and the environment in our hugely important agricultural area of this State. Our new General Manager has taken on the role with enthusiasm and vigour. He has a wealth of experience in local Government and Biosecurity and has ensured our operation continues to deliver on the ground. The organisation thanks Lisa Monardo for all her work as Acting General Manager through most of 2021-22 and for keeping the organisation on its trajectory of improved performance with due rigour around its finances. Lisa has been assisted by the Deputy Chairman Bruce Reynolds with the financial statements and accounts. I thank the Deputy Chairman for his support to Lisa and to me during the last 9 months.

The benefits of the considerable work of the former Board and David Young, the former General Manager, in establishing the Compliance and Enforcement System including the rating system and algorithms for inspection criteria is now evident. This includes the Register to record the findings of each inspection.

UMCC's prime objective is to encourage and assist landholders to reduce the biosecurity risk they pose to their neighbours and others. It is only as a last resort and in most cases after at least 2 years, of issuing notices and directions without success, that UMCC is forced into issuing fines or prosecuting landholders.

76 Penalty Infringement Notices have been issued for fines. UMCC has prosecuted the first landholder in court for failure to reduce the Biosecurity risk on their landholding after repeated attempts to encourage and coerce the landholder to comply with Directions. Unfortunately, UMCC is looking at further prosecutions due to the recalcitrance of a small minority of landholders to reduce weeds on their properties despite being encouraged and directed to do so.

Most recently 4 Penalty Infringement Notices have been issued by UMCC and paid by a State Government entity for failure to comply with Directions. This illustrates that Government bodies are not immune from the provisions of the Biosecurity Act.

The Aerial program for blackberries and serrated Tussock has continued to garner wide support amongst landholders with the UMCC staff providing the organisational and logistic input for the program.

Some key performance metrics for the organisation since 2018 are as follows:

Total Number of inspections 7,375 Total area 732,984 ha  
2,777 first inspections were assessed as being low risk, no further action.  
1,479 first inspections were assessed as high risk. 868 of these have reduced the risk to low.  
611 properties were still going through the compliance system as at 30 June 2022  
1,107 klm of Roads were sprayed in the 2021 – 2022 year.

One of the major challenges that UMCC and landholders face is the non-availability of chemicals including but not limited to fluproponate. The organisation has been active in Government and elsewhere to highlight the supply and manufacturing issue. Fluproponate is crucial for serrated tussock and Chilean needle grass control in most of NSW. UMCC has had to cancel its spring aerial program for tussock due to the non-availability.

UMCC is determined to become more productive and efficient through greater use of technology. Using satellite imagery or drones with sensors to detect high density infestations of priority Weeds is crucial to the organisations evolution and ability to make a quantum leap in productivity by reducing unnecessary physical inspections. Such technology development will allow UMCC to target with certainty those landholders that are or will be rated high risk. UMCC is working with Universities, LLS and private organisations to develop the technology and identification methodologies for detecting high density infestations of priority weeds.

The organisation is also in discussions with other Biosecurity Control Authorities about taking on a greater role in assisting those organisations with policies, methodologies and training . LLS is assisting UMCC in this endeavour. This will not detract from UMCCs core role as a local control authority to our four constituent Councils.

UMCC is dependent on the continuing support of our 4 constituent Councils, the dedication of its staff and the support from the Department of Primary Industries and Local Land Services. Thank you for your support.

Please remember the importance of all landholders meeting their legal weed biosecurity duty is crucial to the viability of our farming sector, the quality of agricultural production, and the conservation of our natural environment.

Andrew McKibbin  
Chairman Upper Macquarie County Council

## 2. Introduction

### 2.1 Purpose of the Annual Report

The main aim of the Annual Report is to report on Council's progress in implementing its Delivery Program and Operational Plan as these documents are wholly within council's responsibility. The Annual Report is a key point of accountability between Council and its community.

### 2.2 How to read the Annual Report

This Annual Report is prepared to match the Activity Details and Performance measures in the Annual Operational Plan for Financial Year 2021/2022.

### 2.3 Highlights

The financial year of 2021/2022 saw an interesting time for the County Council as it adapted to the State Government's statutory requirements of the Covid-19 pandemic, Local Government election, leaving Council without its eight sworn in Constituent Member representatives between 4 December 2021 and 11 February 2022, a change in General Manager and the diminishing supply of a key herbicide to Australia, being flupropanate which selectively treats most priority grassy weeds.

Despite facing such challenges, Council employees pressed on, reaching Weeds Action Program inspectorial targets, delivering an Autumn Aerial Spraying program in March 2022, completing a larger than normal roadside spraying program as Council used retained earnings to contribute to the roadside program and inducted a new Council of eight constituent Council member representatives.

### 2.4 Financial Summary

Council ended the 2021-2022 financial year with a net operating result of \$18,000. Several key factors contributed to this:

Revenue key factors:

- Over the counter sales of flupropanate herbicide Taskforce increased significantly due to increased market demand.
- One successful Autumn 2022 aerial spraying program was conducted.
- Increased penalty infringement notices issued – due to the cycle of properties going through the compliance and enforcement cycle and reaching.

Expense key factors:

- Wages decreased as a result of not having a staff member in the position of Biosecurity Administration Manager for approximately 8 months.
- Depreciation was less as a number of assets had already been fully expensed.
- Materials and services were increased significantly due to the extra funds committed by Council to the Roadside Spraying Program.
- Council finished the 2021-2022 financial year with \$1,184,000 total equity compared to the previous financial year 2020-2021 of \$1,166,000.

## 3. Overview

### What the County Council business 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.

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## The Members of the Governing Body of the County Council.

As at the 30th of June 2022, the County Council was comprised of eight (8) Members as follows:

Cr Andrew McKibbin - Oberon Council [County Chairman]  
Cr Bruce Reynolds -Blayney Shire Council [Deputy Chairman]  
Cr Allan Ewin - Blayney Shire Council [Member]  
Cr Stephen Lesslie- Lithgow City Council [Member]  
Cr Col O'Connor - Lithgow City Council [Member]  
Cr Bruce Watt - Oberon Council [Member]  
Cr Andrew Smith Bathurst Regional Council [Member]  
Cr Ben Fry - Bathurst Regional Council [Member]

Pre -election on 4 December 2021 the County Council comprised of the following member delegates:

Cr. Ian North – Bathurst Regional Council (County Chairman)  
Cr. Andrew McKibbin – Oberon Council (Deputy Chairman)  
Cr. Stephen Lesslie – Lithgow City Council (Member)  
Cr. Bruce Reynolds – Blayney Shire Council (Member)  
Cr. David Kingham – Blayney Shire Council (Member)  
Cr. Don Capel – Oberon Council (Member)  
Cr. Steven Ring – Lithgow City Council (Member)  
Cr. John Fry – Bathurst Regional Council (Member)

## Council Meeting Attendance

Member attendance at County Council Meetings for the 12 months to 30th June 2021, was as follows:

Cr. Andrew McKibbin	Meetings attended out of 7 held.	<b>7</b>
Cr. Stephen Lesslie	Meetings attended out of 7 held.	<b>7</b>
Cr. Bruce Reynolds	Meetings attended out of 7 held.	<b>7</b>
Cr. Allan Ewin	Meetings attended out of 4 held.	<b>3</b>
Cr. Bruce Watt	Meetings attended out of 4 held.	<b>2</b>
Cr. Ben Fry	Meetings attended out of 4 held.	<b>3</b>
Cr. Andrew Smith	Meetings attended out of 3 held.	<b>3</b>
Cr. Col O'Connor	Meetings attended out of 4 held.	<b>4</b>
Cr. Ian North	Meetings attended out of 3 held	<b>3</b>
Cr. David Kingham	Meetings attended out of 3 held	<b>2</b>
Cr. Don Capel	Meetings attended out of 3 held	<b>3</b>
Cr. Steven Ring	Meetings attended out of 3 held	<b>3</b>
Cr. John Fry	Meetings attended out of 3 held	<b>3</b>

## Stakeholders and Staff

The County Council has eight (9) permanent staff and is supported as required by various contractors that assist with delivery of landholder support services. There is the General Manager (part-time) managing mainly governance and business strategy, while Biosecurity Administration Manager and the Chief Weeds Biosecurity Officer (Biosecurity Operations Manager) 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.

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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 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).

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

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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.



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## 4. Operational Plan 2021/2022 Reporting

### SUMMARY

**TABLE 1**

Biosecurity Inspections undertaken by Upper Macquarie County Council during the financial year of 2021/2022 broken down into Weeds Action Program line-item targets.

<b>WAP GOAL</b>	<b>Target</b>	<b>Achieved</b>	
<b>LCAs to review local inspection and high risk pathway management plans (Co-ordination)</b>	<b>1</b>	<b>1</b>	
<b>Regional Inspection Program - Inspection of high risk roadsides (Inspection) km's</b>	<b>1700</b>	<b>2092.7</b>	<b>* Note 1</b>
<b>Regional Inspection Program - Inspection of high risk TSRs (Inspection)</b>	<b>10</b>	<b>14</b>	
<b>Regional Inspection Program - Inspection of high risk water courses (Inspection) km's</b>	<b>40</b>	<b>50.2</b>	
<b>Regional inspection Program - Inspections of high risk rail corridors (Inspection) km's</b>	<b>85</b>	<b>480</b>	<b>* Note 2</b>
<b>Regional Inspection Program - Inspections of nurseries, pet shops and sale yards (Inspection)</b>	<b>20</b>	<b>14</b>	
<b>Regional Inspection Program - Inspections of land owned / managed by State bodies (Inspection)</b>	<b>100</b>	<b>102</b>	
<b>Regional Inspection Program - Inspections of council owned land (Inspection)</b>	<b>30</b>	<b>31</b>	
<b>Regional Inspection Program - Private Property Inspections (Inspection)</b>	<b>1044</b>	<b>537</b>	<b>* Note 3</b>
<b>Compliance - Re-inspections (Compliance)</b>	<b>700</b>	<b>1296</b>	<b>* Note 3</b>
<b>Develop plans for priority species in consultation with landholders (Compliance)</b>	<b>450</b>	<b>803</b>	<b>* Note 3</b>
<b>Relevant educational material is made available to landholders during inspections (Extension)</b>	<b>400</b>	<b>803</b>	<b>* Note 3</b>
<b>Tool box meetings or other training to promote hygienic work practices (Extension)</b>	<b>10</b>	<b>10</b>	
<b>Delegate reports at the regional weed committee meetings (Co-ordination)</b>	<b>4</b>	<b>4</b>	
<b>Build / maintain capacity of each LCA to electronically submit standard data to BIS (Compliance)</b>	<b>1</b>	<b>1</b>	
<b>Training of Weed Officers on GIS Software / Platforms (Co-ordination)</b>	<b>1</b>	<b>1</b>	

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Local information is collated and uploaded to BIS (Compliance)	12	12	
Training activities to improve capacity of weed officers (Co-ordination)	30	67	* Note 4
Attend or hold public events to raise public awareness of new incursions and local mechanisms for reporting weeds (Extension)	20	32	* Note 4
Advertising program on weed awareness (Extension)	6	10	
LCAs to review rapid response plan (Co-ordination)	1	1	
Management of weeds based on local / regional priorities and potential impacts (Control)	1	1	* Note 5
Promote the NSW WeedWise Smartphone and web applications to the community (Extension)	400	601	* Note 3
Distribution of the NSW Weed Control Handbook and print outs from NSW WeedWise (Extension)	400	601	* Note 3
Weed professionals are supported to attend Weed Conferences (Co-ordination)	1	3	

**Note 1:** Increased due to extra funding put towards roadside spraying program.

**Note 2:** Supported access to rail system and compliance/reinspections resulting in PINs issued.

**Note 3:** Council's focus is on high-risk properties reinspections/compliance program.

**Note 4:** Reduction in Covid-19 restrictions resulting in increased opportunities becoming available.

**Note 5:** Roadside spraying program.

### TABLE 2 & 3

Biosecurity Inspection breakdown of high risk and low risk and first inspections and re-inspections.

TOTAL: 1994 Inspections conducted from July 2021 to June 2022	936 of the 1994 were <b>high risk</b>
	1058 of the 1994 were <b>low risk</b>
	1296 of the 1994 were <b>Re-inspections</b>
	698 of the 1994 were <b>First Inspections</b>
1296 of the 1994 were Re-inspections	799 of the 1296 were <b>high risk</b>
	497 of the 1296 were <b>low risk</b>
698 of the 1994 were First inspections	137 of the 698 were <b>high risk</b>
	561 of the 698 were <b>low risk</b>

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The following tables are taken from Activity Details of the 2021/2022 Operational Plan that was adopted on 18 June 2021:

<b>Provide information to Council to allow decisions at Council Meetings</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Ensure Business Papers are distributed to Members.	At least 3 days, but preferably 5 working days, prior to the Council meeting.	Achieved

<b>Respond to Councillor inquiries related to the administration function</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Provide information to Councillors within Legislative, Code of Conduct and council's policy guidelines.	On day requested, where possible, or within 5 working days (unless request requires detailed investigation or data is only available periodically).	Achieved

<b>Update council policy register</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Update new or amended administration policies in Council's policy register.	Within 14 days of adoption or amendment. Within 2 months of expiry of policy or every 2 years or longer period as specified in the policy.	Partially Achieved

<b>Provide information to public in a timely and effective manner</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Ensure council business papers are made available to the public and constituent Councils.	At least 3 working days before the council meeting.	Partially Achieved
Ensure other public information is made available at council's office.	As soon as practicable after it becomes public information.	Achieved
Ensure minutes, Business Papers, and other public information is posted on the Council's website in a timely manner.	As soon as practicable.	Partially Achieved

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<b>Ensure all statutory requirements are completed and financial returns and plans are completed and lodged by the due date</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Quarterly Budget Review Statements.  Notice of meeting at which audited reports are to be presented.  Audited financial reports presented to public.  Audited Financial Statements to Department of Local Government.	Quarterly to next available Council Meeting Date specified by Office of Local Government	Achieved

<b>Ensure all other statutory returns are completed and lodged by the due date</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Pecuniary Interest Returns.  Council Annual Report prepared and forwarded to Minister.  Other returns as required by Office of Local Government,  Regular WAP Data reports to Department of Primary Industries.	30th September 30th November   Not later than return date specified.  Monthly through the year.	Achieved

## Upper Macquarie County Council

<b>Continue current financial management direction and review Business Activity Strategic Plan and Delivery Plan</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Update the 10-year Financial Plan.	Annually as part of budget process. As required or 4 yearly.	Achieved
Review Business Activity Strategic Plan.	As required or 4 yearly.	
Review Delivery Plan	Maintain cash reserves according to Financial Reserves Policy.	
Provide adequate funds for employee leave entitlements		

<b>Continue to ensure the provision of finance to the Council from available sources</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Liaise with Constituent Council regarding the level of Council contributions and services provided.	Annually as part of budget process and other times as required.	Achieved
Advise Constituent Councils of the County Council's estimates for the forthcoming financial year, and the contribution sought from them.	By August 31st	
Make application to Department of Primary Industries for grants under NSW Weeds Action Program as necessary.	Annually for agreement and 5-yearly for new program as required under Weeds Action Program.	
Pursue realistic opportunities for securing grant funds from other available sources.	Relevant and eligible grant opportunities as they arise.	

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<b>Implementation of council decisions</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Implement council decisions in a timely manner following council meeting	Routine actions within 10 working days of council meeting. Strategic matters before next meeting or as applicable.	Achieved

<b>Provide financial information and advice to Council</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Provide regular investment reports.	At each council meeting as applicable.	Achieved
Provide Quarterly Budget Review Statements.	At a Council Meeting following the end of quarter.	

<b>Ensure that Council's Operational Plan is considered in order to allow adoption by the due date</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Draft plan to be adopted to allow 28- day public exhibition.	Before April 30 <sup>th</sup>	Achieved
Draft Plan to be adopted following consideration of any submissions received.	June meeting.	

<b>Promote the county interests through participation in council bodies</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Participate in LLS Regional Weeds Committee through attendance at meetings, raising of issues and supply of information as required.	Attend meetings and contribute as appropriate.	Achieved

<b>Provide active support to Local Government NSW</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Provide information where appropriate as requested by Local Government NSW.	Information to be provided by the date requested.	Achieved
Utilise the services of the Local Government NSW to further Council's interests.	As and when required by council.	

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<b>Actively pursue politicians to further the council's interests</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Meet with State and Federal politicians to promote the interests of the council.	As appropriate depending on issues.	Achieved

<b>Minimise the risks associated with all functions of Council</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Monitor risks associated with the functions of council.	Ongoing as part of Strategic Risk Management functions. Annual Review of Enterprise Risk Register.	Achieved
Analyse and prioritise all risks identified.	According to Risk Management Policy.	
Minimise exposure through rectification of risks.	As possible within budget constraints.	
Reduce ICT risk	Ongoing.	

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<b>Ensure Council staff are aware of their WHS duties and responsibilities and Risk Management</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Provide training to staff on relevant legislation.	Ongoing as identified. Ongoing as required	Ongoing
Provide staff with training on risk management.	Annually	
Update staff training program		
<b>Implement system of information technology capable of providing information that is relevant and timely.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Monitor technology improvements and assess future requirements.	1. Ongoing	Ongoing
Update Council's computer system, both hardware and software, to ensure that it enhances management and record keeping.	2. Ongoing (In view of Government Cyber Standards)  3. As required.	
<b>Maintain and update as required the council's records management system</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Monitor record keeping procedures to ensure that they provide the best method of maintaining an accurate record of council activities.	Ongoing. Linked to ICT program.	Ongoing



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<b>Introduce a system for electronic mapping of weed infestations.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Expand the use of electronic mapping of priority weed infestations.	Ongoing. Capability implemented in 2019.	Ongoing
Continue the training of staff in the use of the CREST and associated GIS system in order to ensure its most effective and efficient use.	Ongoing.	
<b>Compile accurate data on the condition of current council assets.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Maintain assets register for all assets valued over \$5,000.	Ongoing. Ongoing.	Achieved
Review maintenance requirements for key assets and incorporate costs in budget.	Ongoing	
Analyse council's current plant fleet and its activities and assess future plant needs.		
<b>Provide access to competitively priced chemicals for participants in council weed control programs and purchasers of bulk supplies.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Provide landholder access to chemicals at commercially competitive prices.	As required.	Achieved
<b>Actively pursue the control of weeds along the roadsides in the council area.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
Prepare and publish on-line the annual roadsides weed control program and herbicide use plans.	Prepared by September 30 <sup>th</sup> annually	Achieved
Carry out necessary control works in line with Council's budget allocations.	As seasonal conditions permit.	
Respond strategically to reports of weeds on roadsides.	As required.	

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<b>Actively pursue the control of weeds on private lands.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
<p>Inspect private lands to assess weed invasion risk and advise landowners to fulfil their legal responsibilities in relation to weeds.</p> <p>Provide information to landowners on priority weed control.</p> <p>Respond to priority weed complaints.</p> <p>Undertake enforcement action according to Council weed risk management system and policies.</p>	<p>Ongoing according to policy and available resources.</p> <p>If not done at time of inspection within 1 week.</p> <p>Initial inspection within 10 to 15 working days where possible.</p> <p>Ongoing according to policy and available resources.</p>	<p>Achieved</p>

<b>Actively pursue the control of weeds on land of Forestry Corporation NSW.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
<p>Inspect Forestry Corporation land areas and advise of weed control requirements.</p> <p>Follow-up to ensure control work is carried out on priority weed risks.</p> <p>Inspect un-fenced road areas surrounding forest areas.</p>	<p>Ongoing</p> <p>Ongoing Ongoing</p>	<p>Achieved</p>

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<b>Actively pursue the control of weeds on lands of other public land agencies</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
<p>Inspect lands of public land agencies and advise of weed control requirements.</p> <p>Provide information to public land agencies on priority weed control requirements.</p> <p>Respond to complaints regarding priority weeds on public land.</p>	<p>Ongoing (Priority for Railways, Crown Land and Stock Routes)</p> <p>As required as resources are available.</p> <p>Initial inspection according to Weed Biosecurity Policy priorities.</p>	Achieved

<b>Actively pursue regional resource sharing with nearby agencies to provide cost benefits to council in provision of services.</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
<p>Pursue effective biosecurity coordination with nearby councils and other public authorities to achieve coordinated approaches to weed control.</p>	<p>Liaise with appropriate members and officers of surrounding councils and other public authorities as required.</p>	Achieved

<b>Conduct aerial spraying programs for priority weeds</b>		
<b>Required Activity</b>	<b>Target</b>	<b>Outcome</b>
<p>Organise aerial spraying programs for priority weeds across the district</p>	<p>As seasonal conditions permit and demand requires.</p>	Achieved
<p>Publicise aerial spraying programs as applicable to ensure optimum landholder participation.</p>	<p>As required.</p>	Achieved
<p>Organise aerial spraying (involving all inspectors) throughout the county area in accordance with programs.</p>	<p>In accordance with programs.</p>	Achieved

# Upper Macquarie County Council

## 5. 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 (S249 LGA)	\$6K
Members Fees (S248 LGA)	\$28K
Members Travelling & Subsistence (Council Policy)	\$8K
<b>ANNUAL TOTAL</b>	<b>\$42K</b>

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

Upper Macquarie County Council						
CONTRACTS						
Contracts Listing	2021.2022 Financial Year					
Contractor	Contract Details	Contract Purpose	Contract Value	Contract Commenced	Duration of Contract	Funding in Budget
Gregaldon Pastoral	To form part of a panel to be selected from to perform roadside spraying	Roadside spraying panel	Part thereof \$157,940	15/11/2021	3 years	Part thereof \$157,940
MJC Contracting	To form part of a panel to be selected from to perform roadside spraying	Roadside spraying panel	Part thereof \$157,940	15/11/2021	3 years	Part thereof \$157,940
Dean Grabham	To form part of a panel to be selected from to perform roadside spraying	Roadside spraying panel	Part thereof \$157,940	15/11/2021	3 years	Part thereof \$157,940
Brett Howarth	To form part of a panel to be selected from to perform roadside spraying	Roadside spraying panel	Part thereof \$157,940	15/11/2021	3 years	Part thereof \$157,940

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

Matter: Fail Individual Biosecurity Direction \$500 Finalised Conditional Release Order 12months (CRO)

General Legal matters and advice \$5,000

### 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.

# Upper Macquarie County Council

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 has an Equal Opportunity Management Plan that applies to all 9 of its staff. There was one vacancy during the year, being the General Manager's position. 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. 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)]

General Managers David Young, Acting General Manager Lisa Monardo and General Manager Tim Johnston's total remuneration package for the reporting period was \$115K.

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. Statement of Total number of persons who performed paid work on Wednesday 25 May 2022 c.217(d)

Permanent/Part time/temporary employees that were working 25/5/2022	8 (this includes the Acting General Manager)
Senior Staff working on 25/5/2022	1 x Acting General Manager

K. 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

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

This matter is not applicable to Upper Macquarie County Council

M. Information included on government information public access activity.

Nil public access activity.

N. Information included on public interest disclosure activity.

Nil public interest disclosure activity.

End.



**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 provided as Appendix 1 herein.

# Upper Macquarie County Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022

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UPPER MACQUARIE COUNTY COUNCIL

The logo for Upper Macquarie County Council, featuring the text "UPPER MACQUARIE COUNTY COUNCIL" above a stylized green and yellow graphic element.

# Upper Macquarie County Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### Overview

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

7 Lee Street  
Kelso NSW 2795.

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

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

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

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



# Upper Macquarie County Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 12 August 2022.



Andrew McKibbin  
Chairperson  
12 August 2022



Bruce Reynolds  
Deputy Chairperson  
12 August 2022



Tim Johnston  
General Manager and Responsible Accounting  
Officer  
12 August 2022

# Upper Macquarie County Council

## Income Statement

for the year ended 30 June 2022

Original unaudited budget				Actual	Actual
2022	\$ '000		Notes	2022	2021
	<b>Income from continuing operations</b>				
453	User charges and fees		B2-1	<b>501</b>	642
21	Other revenues		B2-2	<b>42</b>	24
1,131	Grants and contributions provided for operating purposes		B2-3	<b>1,102</b>	1,062
5	Interest and investment income		B2-4	<b>3</b>	7
–	Other income		B2-5	<b>8</b>	–
1,610	<b>Total income from continuing operations</b>			<b>1,656</b>	1,735
	<b>Expenses from continuing operations</b>				
728	Employee benefits and on-costs		B3-1	<b>695</b>	683
807	Materials and services		B3-2	<b>900</b>	870
50	Depreciation, amortisation and impairment for non-financial assets		B3-3	<b>38</b>	42
–	Other expenses		B3-4	<b>2</b>	2
–	Net loss from the disposal of assets		B4-1	<b>3</b>	1
1,585	<b>Total expenses from continuing operations</b>			<b>1,638</b>	1,598
25	<b>Operating result from continuing operations</b>			<b>18</b>	137
25	<b>Net operating result for the year attributable to Council</b>			<b>18</b>	137
25	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>			<b>18</b>	137

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

## Upper Macquarie County Council

### Statement of Comprehensive Income

for the year ended 30 June 2022

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>Net operating result for the year – from Income Statement</b>	<b>18</b>	<b>137</b>
<b>Total comprehensive income for the year attributable to Council</b>	<b>18</b>	<b>137</b>

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

## Upper Macquarie County Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	1,450	1,327
Receivables	C1-3	100	16
Inventories	C1-4	61	98
Other		10	9
<b>Total current assets</b>		<b>1,621</b>	<b>1,450</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-5	44	75
<b>Total non-current assets</b>		<b>44</b>	<b>75</b>
<b>Total assets</b>		<b>1,665</b>	<b>1,525</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C2-1	245	150
Contract liabilities	C2-2	44	44
Employee benefit provisions	C2-3	178	139
<b>Total current liabilities</b>		<b>467</b>	<b>333</b>
<b>Non-current liabilities</b>			
Employee benefit provisions	C2-3	14	26
<b>Total non-current liabilities</b>		<b>14</b>	<b>26</b>
<b>Total liabilities</b>		<b>481</b>	<b>359</b>
<b>Net assets</b>		<b>1,184</b>	<b>1,166</b>
<b>EQUITY</b>			
Accumulated surplus		1,184	1,166
<b>Total equity</b>		<b>1,184</b>	<b>1,166</b>

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

## Upper Macquarie County Council

### Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	as at 30/06/22		as at 30/06/21	
	Accumulated surplus	Total equity	Accumulated surplus	Total equity
Opening balance at 1 July	1,166	1,166	1,029	1,029
Net operating result for the year	18	18	137	137
<b>Total comprehensive income</b>	<b>18</b>	<b>18</b>	<b>137</b>	<b>137</b>
<b>Closing balance at 30 June</b>	<b>1,184</b>	<b>1,184</b>	<b>1,166</b>	<b>1,166</b>

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

## Upper Macquarie County Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
453	User charges and fees		580	658
5	Interest received		3	7
1,131	Grants and contributions		1,102	1,062
–	Bonds, deposits and retentions received		7	–
21	Other		50	24
<i>Payments:</i>				
(728)	Payments to employees		(686)	(654)
(807)	Payments for materials and services		(921)	(849)
–	Other		(2)	(2)
<u>75</u>	<b>Net cash flows from operating activities</b>	F1-1	<u>133</u>	<u>246</u>
<b>Cash flows from investing activities</b>				
<i>Payments:</i>				
–	Payments for IPPE		(10)	(26)
–	<b>Net cash flows from investing activities</b>		<u>(10)</u>	<u>(26)</u>
<u>75</u>	<b>Net change in cash and cash equivalents</b>		<u>123</u>	<u>220</u>
1,107	Cash and cash equivalents at beginning of year		1,327	1,107
<u>1,182</u>	<b>Cash and cash equivalents at end of year</b>	C1-1	<u>1,450</u>	<u>1,327</u>

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

# Upper Macquarie County Council

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# Upper Macquarie County Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

---

These financial statements were authorised for issue by Council on 12 August 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

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

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

employee benefit provisions – refer Note C2-3.

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer Note C1-3.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-3.

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

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

#### **The Trust Fund**

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

Trust monies and property subject to Council's control have been included in these reports.

## A1-1 Basis of preparation (continued)

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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 but not yet effective**

There are no new accounting standards currently published which will affect Upper Macquarie County Council.

### **New accounting standards adopted during the year**

Council adopted all standards which were mandatorily effective for the first time at 30 June 2022. None of these standards had a significant impact on reported position nor performance.

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
<b>Functions or activities</b>										
Governance	–	–	42	27	(42)	(27)	–	–	–	–
Environment	1,653	1,728	1,596	1,571	57	157	1,102	1,062	1,665	1,525
Other	3	7	–	–	3	7	–	–	–	–
<b>Total functions and activities</b>	<b>1,656</b>	<b>1,735</b>	<b>1,638</b>	<b>1,598</b>	<b>18</b>	<b>137</b>	<b>1,102</b>	<b>1,062</b>	<b>1,665</b>	<b>1,525</b>

## B1-2 Components of functions or activities

---

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

### Governance

Council Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

### Environment

Council carries out the functions of the Biosecurity Act 2015 (Th Act). The primary object of this Act is to provide a framework for the prevention, elimination and minimisation of biosecurity risks posed by biosecurity matter, dealing with biosecurity matter, carriers and potential carriers, and other activities that involve biosecurity matter, carriers or potential carriers. The Biosecurity matter focus is noxious weeds.

## B2 Sources of income

### B2-1 User charges and fees

\$ '000	2022	2021
<b>Specific user charges</b>		
(per s.502 - specific 'actual use' charges)		
User charges - Chemical Sales	169	63
<b>Total specific user charges</b>	<b>169</b>	<b>63</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Section 64 Certificates	8	5
Private works	324	574
<b>Total fees and charges – statutory/regulatory</b>	<b>332</b>	<b>579</b>
<b>Total other user charges and fees</b>	<b>332</b>	<b>579</b>
<b>Total user charges and fees</b>	<b>501</b>	<b>642</b>
<b>Timing of revenue recognition for user charges and fees</b>		
User charges and fees recognised over time (1)	324	480
User charges and fees recognised at a point in time (2)	177	162
<b>Total user charges and fees</b>	<b>501</b>	<b>642</b>

#### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival or a deposit in advance of the good or service being provided. Council may be required to provide a refund if the good or service is not provided.

### B2-2 Other revenues

\$ '000	2022	2021
Fines	28	11
Insurance Rebates	5	5
Other income	9	8
<b>Total other revenue</b>	<b>42</b>	<b>24</b>
<b>Timing of revenue recognition for other revenue</b>		
Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	42	24
<b>Total other revenue</b>	<b>42</b>	<b>24</b>

#### Accounting policy for other revenue

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

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

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

## B2-3 Grants and contributions

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Special purpose grants and non-developer contributions (tied)</b>				
<b>Cash contributions</b>				
Constituent Council Contributions	757	713	-	-
State Government grants - WAP	345	349	-	-
<b>Total special purpose grants and non-developer contributions (tied)</b>	<b>1,102</b>	<b>1,062</b>	<b>-</b>	<b>-</b>
<b>Total grants and non-developer contributions</b>	<b>1,102</b>	<b>1,062</b>	<b>-</b>	<b>-</b>
<b>Total grants and contributions</b>	<b>1,102</b>	<b>1,062</b>	<b>-</b>	<b>-</b>
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time (1)	-	-	-	-
Grants and contributions recognised at a point in time (2)	1,102	1,062	-	-
<b>Total grants and contributions</b>	<b>1,102</b>	<b>1,062</b>	<b>-</b>	<b>-</b>

## Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner:

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	44	44	-	-
<b>Unspent funds at 30 June</b>	<b>44</b>	<b>44</b>	<b>-</b>	<b>-</b>

## B2-3 Grants and contributions (continued)

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include conducting specific services in relation to dealing with noxious weeds, or supply of agreed deliverables such as publications. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

#### Other grants and contributions

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

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

## B2-4 Interest and investment income

\$ '000	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Cash and investments	3	7
<b><u>Total interest and investment income (losses)</u></b>	<b><u>3</u></b>	<b><u>7</u></b>

### Accounting policy

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

## B2-5 Other income

\$ '000	Notes	2022	2021
<b>Reversal of impairment losses on receivables</b>			
User charges and fees		8	–
<b>Total reversal of impairment losses on receivables</b>	C1-3	<b><u>8</u></b>	<b><u>–</u></b>
<b><u>Total other income</u></b>		<b><u>8</u></b>	<b><u>–</u></b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	526	502
Employee leave entitlements (ELE)	81	95
Superannuation	58	54
Workers' compensation insurance	13	15
Training costs (other than salaries and wages)	8	7
Other	9	10
<b>Total employee costs</b>	<b>695</b>	<b>683</b>
<b><u>Total employee costs expensed</u></b>	<b><u>695</u></b>	<b><u>683</u></b>

#### Accounting policy

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

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

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

### B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		220	208
Consultancy costs		15	3
Contractor costs		396	464
Audit Fees	E2-1	18	18
Members and Chairpersons fees and associated expenses	E1-2	42	27
Advertising		4	–
Bank charges		2	2
Insurance		39	34
Office expenses (including computer expenses)		13	–
Subscriptions and publications		2	2
Telephone		8	7
IT expenses		50	37
Postage, printing and stationary		3	4
Rent		6	6
Motor vehicles		74	50
<b>Legal expenses:</b>			
– Legal expenses: other		5	8
Other		3	–
<b>Total materials and services</b>		<b>900</b>	<b>870</b>
<b><u>Total materials and services</u></b>		<b><u>900</u></b>	<b><u>870</u></b>

#### Accounting policy

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



**B3-3 Depreciation, amortisation and impairment of non-financial assets**

\$ '000	2022	2021
<b>Depreciation and amortisation</b>		
Plant and equipment	38	42
<b>Total depreciation and amortisation costs</b>	<b>38</b>	<b>42</b>
<b><u>Total depreciation, amortisation and impairment for non-financial assets</u></b>	<b><u>38</u></b>	<b><u>42</u></b>

**Accounting policy****Depreciation and amortisation**

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

**Impairment of non-financial assets**

Assets 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.

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

**B3-4 Other expenses**

\$ '000	2022	2021
<b>Other</b>		
Bad & Doubtful Debts	2	2
<b>Total other</b>	<b>2</b>	<b>2</b>
<b><u>Total other expenses</u></b>	<b><u>2</u></b>	<b><u>2</u></b>

**Accounting policy**

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

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

<b>\$ '000</b>	Notes	<b>2022</b>	2021
<b>Gain (or loss) on disposal of Infrastructure, Property, Plant and Equipment</b>	C1-5		
Proceeds from disposal		–	–
Less: carrying amount of assets sold		<u>(3)</u>	<u>(1)</u>
<b>Gain (or loss) on disposal</b>		<u>(3)</u>	<u>(1)</u>
<b><u>Net gain (or loss) on disposal of assets</u></b>		<u>(3)</u>	<u>(1)</u>

**Accounting policy**

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 derecognised

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 18 June 2021 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
<b>Revenues</b>				
<b>User charges and fees</b>	453	501	48	11% <b>F</b>
An unusually strong seasonal need for a particular herbicide that is among the most expensive.				
<b>Other revenues</b>	21	42	21	100% <b>F</b>
A significant increase in compliance and enforcement success during 2021-2022.				
<b>Interest and investment revenue</b>	5	3	(2)	(40)% <b>U</b>
National economic conditions that resulted in record low interest rates.				
<b>Expenses</b>				
<b>Materials and services</b>	807	900	(93)	(12)% <b>U</b>
The higher revenue generated by an expensive and more heavily used herbicide has also been reflected in the cost of sales.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	50	38	12	24% <b>F</b>
Some of Council's vehicle fleet and other assets have become fully depreciated during the year which has reduced the depreciation expense overall.				
<b>Statement of cash flows</b>				
<b>Cash flows from operating activities</b>	75	133	58	77% <b>F</b>
The main variances are from lower employment payments and lower supplier payments than budgeted.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

<b>\$ '000</b>	<b>2022</b>	2021
<b>Cash assets</b>		
Cash on hand and at bank	100	1
Cash equivalent assets		
– Deposits at call	1,350	1,326
<b><u>Total cash and cash equivalents</u></b>	<b><u>1,450</u></b>	<b><u>1,327</u></b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,450	1,327
<b><u>Balance as per the Statement of Cash Flows</u></b>	<b><u>1,450</u></b>	<b><u>1,327</u></b>

#### Accounting policy

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

## C1-2 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>1,450</b>	1,327
Less: Externally restricted cash, cash equivalents and investments	<u>44</u>	<u>44</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,406</b>	1,283
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>44</u>	<u>44</u>
<b>External restrictions – included in liabilities</b>	<b>44</b>	44
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
<b>Total external restrictions</b>	<u>44</u>	<u>44</u>

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

\$ '000	2022	2021
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>1,406</b>	1,283
Less: Internally restricted cash, cash equivalents and investments	<u>884</u>	<u>867</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>522</b>	416
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Infrastructure replacement	100	100
Employees leave entitlement	150	150
Business viability fund	400	400
Other	50	50
Plant replacement	153	153
Biosecurity enforcement	<u>31</u>	<u>14</u>
<b>Total internal allocations</b>	<b>884</b>	867

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected

## C1-3 Receivables

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
User charges and fees	104	–	24	–
– Other income accruals	7	–	–	–
Other debtors	–	–	9	–
<b>Total</b>	<b>111</b>	<b>–</b>	<b>33</b>	<b>–</b>
<b>Less: provision for impairment</b>				
User charges and fees	(4)	–	(8)	–
Other debtors	(7)	–	(9)	–
<b>Total provision for impairment – receivables</b>	<b>(11)</b>	<b>–</b>	<b>(17)</b>	<b>–</b>
<b>Total net receivables</b>	<b>100</b>	<b>–</b>	<b>16</b>	<b>–</b>

### Accounting policy

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

### Impairment

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

When 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 qualitative and quantitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information

For 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 presumption that a financial asset is in default when:

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

Credit losses are measured at present value as the difference between what is owed and what is expected to be received.

## C1-4 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Stores, materials and trading stock	61	-	98	-
<b>Total inventories at cost</b>	<b>61</b>	<b>-</b>	<b>98</b>	<b>-</b>
<u>Total inventories</u>	<u>61</u>	<u>-</u>	<u>98</u>	<u>-</u>

### Accounting policy

#### Raw materials and stores

Stores 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.

## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period			At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000									
Plant and equipment	338	(263)	75	10	(3)	(38)	343	(299)	44
<b>Infrastructure:</b>									
– Buildings – specialised	21	(21)	–	–	–	–	21	(21)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>359</b>	<b>(284)</b>	<b>75</b>	<b>10</b>	<b>(3)</b>	<b>(38)</b>	<b>364</b>	<b>(320)</b>	<b>44</b>

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period			At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions new assets	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000									
Plant and equipment	344	(252)	92	26	(1)	(42)	338	(263)	75
<b>Infrastructure:</b>									
– Buildings – specialised	21	(21)	–	–	–	–	21	(21)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>365</b>	<b>(273)</b>	<b>92</b>	<b>26</b>	<b>(1)</b>	<b>(42)</b>	<b>359</b>	<b>(284)</b>	<b>75</b>



## C1-5 Infrastructure, property, plant and equipment (continued)

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### Accounting policy

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

Plant and Equipment is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

#### Useful lives of Property Plant and Equipment

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	5 Years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

## C2 Liabilities of Council

### C2-1 Payables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Goods and services – operating expenditure	188	–	95	–
Accrued expenses:				
– Salaries and wages	2	–	20	–
– Other expenditure accruals	39	–	21	–
Deposits and retentions	8	–	1	–
Other	2	–	–	–
GST & PAYG Payable	6	–	13	–
<b>Total payables</b>	<b>245</b>	<b>–</b>	<b>150</b>	<b>–</b>

#### Accounting policy

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

### C2-2 Contract Liabilities

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Grants and contributions received in advance:</b>					
Funds received prior to performance obligation being satisfied (upfront payments) - AASB 15 (i)	(ii)	44	–	44	–
<b>Total grants received in advance</b>		<b>44</b>	<b>–</b>	<b>44</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>44</b>	<b>–</b>	<b>44</b>	<b>–</b>

#### Notes

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

#### Accounting policy

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

## C2-3 Employee benefit provisions

\$ '000	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Time in Lieu	21	–	14	–
Annual leave	72	–	77	–
Long service leave	85	14	48	26
<b>Total employee benefit provisions</b>	<b>178</b>	<b>14</b>	<b>139</b>	<b>26</b>

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Other	124	104
	<b>124</b>	<b>104</b>

### Accounting policy

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The General Manager and managerial staff manage the cash and investments portfolio. Council has an investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report provided to Council at each meeting setting out the make-up and performance of the portfolio.

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

The risks associated with the financial instruments held

Interest rate risk – the risk that movements in interest rates could affect returns.

Credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Financial risk management is carried out by the General Manager and administration staff under policies approved by the Council.

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

\$ '000	2022	2021
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The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date. (2021: 0.3%)

Impact of a 1% movement in interest rates

– Equity / Income Statement	15	4
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#### (b) Credit risk

Council's major receivables comprise of user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

Council makes a suitable provision for doubtful receivables as required.

#### Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2022</b>						
Gross carrying amount	–	44	52	–	15	111
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	73.30%	9.91%
<b>ECL provision</b>	–	–	–	–	11	11
<b>2021</b>						
Gross carrying amount	–	10	6	–	17	33
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	100.00%	51.50%
<b>ECL provision</b>	–	–	–	–	17	17

## D1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2022</b>							
Payables	0.00%	–	245	–	–	245	245
<b>Total financial liabilities</b>		–	245	–	–	245	245
<b>2021</b>							
Payables	0.00%	–	150	–	–	150	150
<b>Total financial liabilities</b>		–	150	–	–	150	150

## D2-1 Contingencies

### LIABILITIES NOT RECOGNISED

At 30 June 2022, Council does not consider there are any contingent liabilities.

As at 30 June 2021 (LY) Upper Macquarie County Council had commenced enforcement action against a landholder who had to date substantially failed to meet their biosecurity duty. This was determined within the 2021-2022 year and has no ongoing impact.

## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

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

\$ '000	2022	2021
<b>Compensation:</b>		
Short-term benefits	144	127
Post-employment benefits	11	10
Other long-term benefits	2	2
Termination benefits	17	–
<b>Total</b>	<b>174</b>	<b>139</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 will not be disclosed.

There have been no transactions to disclose.

## E1-2 Members and Chairpersons fees and associated expenses

\$ '000	2022	2021
The aggregate amount of Member and Chairperson fees and associated expenses included in materials and services expenses in the Income Statement are:		
Chairman's fee	6	8
Member's fees	28	16
Member's (including Chairman) expenses	8	3
<b><u>Total</u></b>	<b><u>42</u></b>	<b><u>27</u></b>

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2022	2021
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	18	18
<b>Remuneration for audit and other assurance services</b>	<b><u>18</u></b>	<b><u>18</u></b>
<b>Total Auditor-General remuneration</b>	<b><u>18</u></b>	<b><u>18</u></b>
<b><u>Total audit fees</u></b>	<b><u>18</u></b>	<b><u>18</u></b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>18</b>	137
<b>Adjust for non-cash items:</b>		
Depreciation and amortisation	38	42
Net losses/(gains) on disposal of assets	3	1
<b>+/- Movement in operating assets and liabilities and other cash items:</b>		
Decrease/(increase) in receivables	(78)	2
Increase/(decrease) in provision for impairment of receivables	(6)	–
Decrease/(increase) in inventories	37	(65)
Decrease/(increase) in prepayments	(1)	1
Increase/(decrease) in payables	93	103
Increase/(decrease) in other liabilities	2	–
Increase/(decrease) in provision for employee benefits	27	25
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>133</b>	246

### F2-1 Commitments

Council has no commitments for expenditure.



## F3 Statement of performance measures

### F3-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>13</b>	<b>0.79%</b>	7.90%	3.45%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>1,648</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>546</b>	<b>33.13%</b>	38.79%	22.49%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>1,648</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>1,577</b>	<b>5.27x</b>	7.60x	6.81x	> 1.50x
Current liabilities less specific purpose liabilities	<b>299</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>51</b>	$\infty$	$\infty$	$\infty$	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>–</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>1,450</b>	<b>12.03</b>	10.58	10.88	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>120</b>	<b>mths</b>	mths	mths	mths

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

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

**End of the audited financial statements**

## Upper Macquarie County Council

### General Purpose Financial Statements

for the year ended 30 June 2022

#### Independent Auditor's Reports:

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#### **Independent Auditor's Report**

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).



## 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 Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

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

My 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 2022 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 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  
Delegate of the Auditor-General for New South Wales

16 August 2022  
SYDNEY



Cr Andrew McKibbin  
Chairman  
Upper Macquarie County Council  
PO Box 703  
BATHURST NSW 2795

Contact: Karen Taylor  
Phone no: 02 9275 7311  
Our ref: D2215935/1875

16 August 2022

Dear Andrew

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
Upper Macquarie County Council**

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

I expressed 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 2022 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2022	2021	Variance
	\$000'	\$000'	%
User Charges and Fees Revenue	501	642	21.9
Grants and contributions revenue	1,102	1,062	3.8
Operating result from continuing operations	18	137	86.9

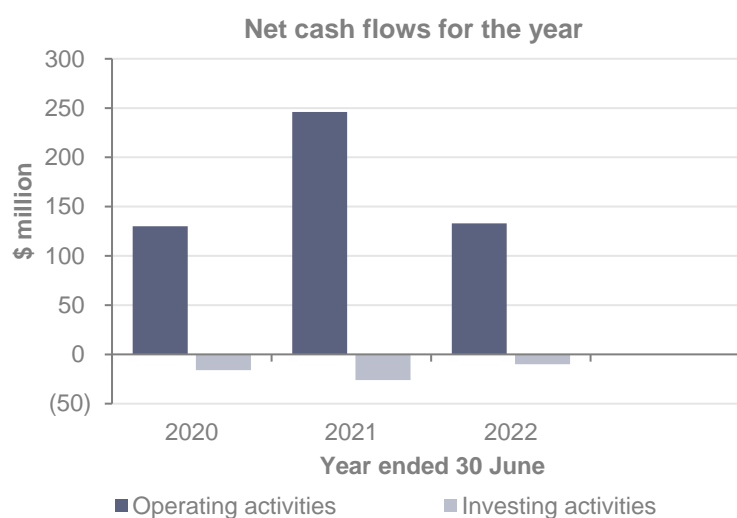
The Council's operating result from continuing operations (\$18,000 including depreciation and amortisation expense of \$38,000) was \$119,000 lower than the 2020–21 result. The movement was due to:

- only the autumn spraying program went ahead in the 2021-22 year, whereas both the spring and autumn aerial spraying programs occurred in the prior year
- decrease in user charges due to the reduced aerial spraying program was partially offset by chemical sales increasing to \$169,000 compared to \$63,000 in the prior year
- the increase in constituent council contributions (6.2 per cent), primarily due to increased requests for additional roadside spraying.

## STATEMENT OF CASH FLOWS

Council had \$123,000 more cash at 30 June 2022 (\$1,450,000) compared to 30 June 2021 (\$1,327,000).

Council's chemical sales were a key contributor to this cash result, assisted by the fact Council had purchased much of this inventory in the prior financial year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$000'	\$000'	
<b>Total cash, cash equivalents and investments</b>	<b>1,450</b>	<b>1,327</b>	Externally restricted funds relate to unspent grant monies.
Restricted cash and investments:			Council authorised changes to the internally allocated funds for Biosecurity enforcement during the year.
• External restrictions	44	44	Overall cash has increased from the prior year. The movement has been explained in the 'Statement of Cash Flows' section above.
• Internal allocations	884	867	

# PERFORMANCE

## Performance measures

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

### Operating performance ratio

The Council continues to exceed the OLG benchmark for the current reporting period. The size of Council's operations means small dollar movements result in large percentage movements in this ratio.

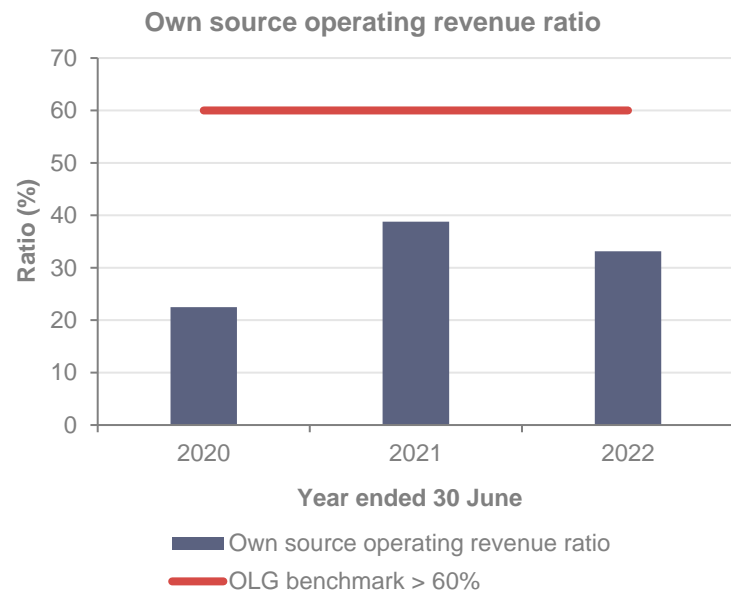
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



### Own source operating revenue ratio

The Council remained below the OLG benchmark for the current reporting period due to its reliance on Weeds Action Plan Funding and Constituent Council Contributions to fund its operations.

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

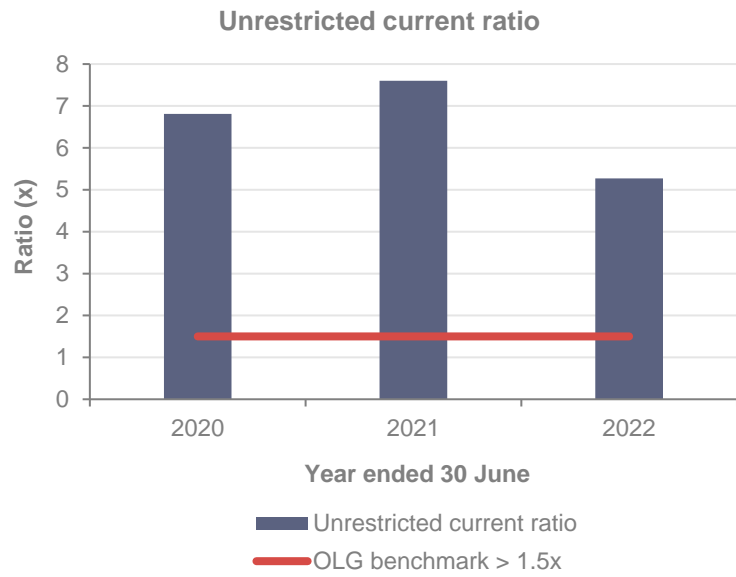




### Unrestricted current ratio

The Council continued to exceed the OLG benchmark for the current reporting period.

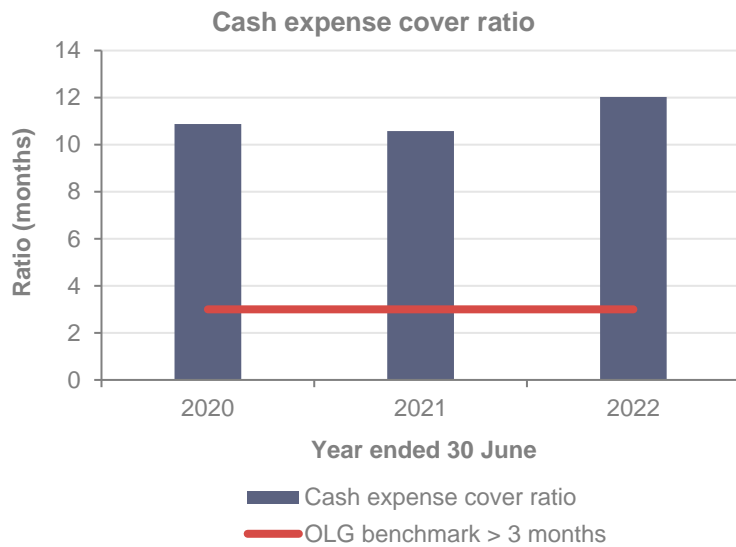
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



### Cash expense cover ratio

The Council continued to exceed the OLG benchmark for the current reporting period.

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



## OTHER MATTERS

### 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.



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

# Upper Macquarie County Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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UPPER MACQUARIE COUNTY COUNCIL

The logo for Upper Macquarie County Council, featuring the text "UPPER MACQUARIE COUNTY COUNCIL" above a stylized green and yellow graphic element.

# Upper Macquarie County Council

## Special Schedules

for the year ended 30 June 2022

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**Special Schedules:**

Report on infrastructure assets as at 30 June 2022

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## Upper Macquarie County Council

## Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2021/22 Required maintenance <sup>a</sup> \$ '000	2021/22 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Chemical Storage Shed	-	-	-	-	-	21	0.0%	100.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	-	-	-	-	-	<b>21</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>Total – all assets</b>	-	-	-	-	-	<b>21</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

(a) Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Upper Macquarie County Council

### Report on infrastructure assets as at 30 June 2022

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2022	2022	2021	2020	
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	-	0.00%	∞	∞	
Gross replacement cost	21				

(\*) All asset performance indicators are calculated using classes identified in the previous table.