



Ordinary Meeting of Council

Wednesday 24 February 2021

**Council Chambers
209 Comur Street, Yass**

**ATTACHMENTS TO REPORTS
ITEMS UNDER SEPARATE COVER**

Ordinary Meeting of Council

Attachments to Reports Items Under Separate Cover

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8.1 Annual Financial Statements 2019/20

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**8.2 Six Monthly Progress Report on the 2017/18 - 2020/21 Delivery Program -
July 2020-December 2020**

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Yass Valley Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2020

*"A diverse rural region that provides lifestyle,
business and recreation choices, while sustaining
our environment, history and community"*



Yass Valley Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2020

*"A diverse rural region that provides lifestyle,
business and recreation choices, while sustaining
our environment, history and community"*



Yass Valley Council

Financial Statements 2020

General Purpose Financial Statements for the year ended 30 June 2020

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Overview

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

209 Comur Street
YASS NSW 2582

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

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

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

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

Yass Valley Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Yass Valley Council

General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 26 August 2020.



Rowena Abbey
Mayor
28 January 2021



Nathan Furry
Councillor
28 January 2021



Chris Berry
General Manager
28 January 2021



Tracy Sligar
Responsible Accounting Officer
28 January 2021

Yass Valley Council

Financial Statements 2020

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Income from continuing operations				
17,225	Rates and annual charges	3a	17,517	16,304
5,668	User charges and fees	3b	6,332	6,269
634	Other revenues	3c	458	864
5,759	Grants and contributions provided for operating purposes	3d,3e	5,871	8,294
10,433	Grants and contributions provided for capital purposes	3d,3e	10,747	5,112
583	Interest and investment income	4	529	676
–	Net gains from the disposal of assets	6	609	–
–	Fair value increment on investment properties	11	450	–
380	Rental income	13e	331	–
40,682	Total income from continuing operations		42,844	37,519
Expenses from continuing operations				
11,606	Employee benefits and on-costs	5a	10,748	11,586
1,329	Borrowing costs	5b	1,004	1,000
5,324	Materials and contracts	5c	5,262	7,724
5,976	Depreciation and amortisation	5d	5,868	6,569
3,693	Other expenses	5e	4,407	3,718
–	Net losses from the disposal of assets	6	–	1,553
27,928	Total expenses from continuing operations		27,289	32,150
12,754	Operating result from continuing operations		15,555	5,369
12,754	Net operating result for the year		15,555	5,369
12,754	Net operating result attributable to council		15,555	5,369
2,321	Net operating result for the year before grants and contributions provided for capital purposes		4,808	257

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

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

Yass Valley Council

Financial Statements 2020

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		15,555	5,369
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	23,918	4,113
Impairment (loss) reversal / (Revaluation decrement) relating to IPP&E	10(a)	–	158
Total items which will not be reclassified subsequently to the operating result		23,918	4,271
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Other movements		(471)	–
Total items which will be reclassified subsequently to the operating result when specific conditions are met		(471)	–
Total other comprehensive income for the year		23,447	4,271
Total comprehensive income for the year		39,002	9,640
Total comprehensive income attributable to Council		39,002	9,640

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

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

Yass Valley Council

Financial Statements 2020

Statement of Financial Position as at 30 June 2020

\$ '000	Notes	2020	Restated 2019	Restated 1 July 2018
ASSETS				
Current assets				
Cash and cash equivalents	7(a)	20,748	20,975	18,696
Investments	7(b)	9,272	6,165	2,088
Receivables	8	3,497	5,763	2,527
Inventories	9a	112	329	519
Other	9b	174	10	51
Total current assets		33,803	33,242	23,881
Non-current assets				
Infrastructure, property, plant and equipment	10(a)	396,097	359,986	357,191
Investment property	11	4,350	3,900	3,900
Right of use assets	13a	617	—	—
Other	9b	—	222	—
Total non-current assets		401,064	364,108	361,091
Total assets		434,867	397,350	384,972
LIABILITIES				
Current liabilities				
Payables	14	4,320	4,189	3,605
Contract liabilities	12	550	—	—
Lease liabilities	13b	224	—	—
Borrowings	14	1,322	2,091	1,624
Provisions	15	3,377	3,437	2,899
Total current liabilities		9,793	9,717	8,128
Non-current liabilities				
Lease liabilities	13b	401	—	—
Borrowings	14	15,460	16,785	15,127
Provisions	15	858	850	1,359
Total non-current liabilities		16,719	17,635	16,486
Total liabilities		26,512	27,352	24,614
Net assets		408,355	369,998	360,358
EQUITY				
Accumulated surplus	16	237,259	222,630	217,261
Revaluation reserves	16	171,096	147,368	143,097
Council equity interest		408,355	369,998	360,358
Total equity		408,355	369,998	360,358

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

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

Yass Valley Council

Financial Statements 2020

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		224,307	145,691	369,998	218,938	141,420	360,358
Correction of prior period errors	16b	(1,677)	1,677	–	(1,677)	1,677	–
Changes due to AASB 1058 and AASB 15 adoption	16	(645)	–	(645)	–	–	–
Changes due to AASB 16 adoption	16	–	–	–	–	–	–
Restated opening balance		221,985	147,368	369,353	217,261	143,097	360,358
Net operating result for the year		15,555	–	15,555	5,369	–	5,369
Net operating result for the period		15,555	–	15,555	5,369	–	5,369
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	23,918	23,918	–	4,113	4,113
– Impairment (loss) reversal relating to IPP&E	10(a)	–	–	–	–	158	158
– Other reserves movements		(281)	(190)	(471)	–	–	–
Other comprehensive income		(281)	23,728	23,447	–	4,271	4,271
Total comprehensive income		15,274	23,728	39,002	5,369	4,271	9,640
Equity – balance at end of the reporting period		237,259	171,096	408,355	222,630	147,368	369,998

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

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

Yass Valley Council

Financial Statements 2020

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
Receipts:				
17,225	Rates and annual charges		17,862	15,745
5,668	User charges and fees		6,263	6,183
583	Investment and interest revenue received		640	616
16,192	Grants and contributions		19,164	11,611
–	Bonds, deposits and retention amounts received		25	386
1,014	Other		3,194	2,312
Payments:				
(11,606)	Employee benefits and on-costs		(11,013)	(11,400)
(5,324)	Materials and contracts		(8,319)	(8,012)
(1,329)	Borrowing costs		(1,024)	(1,017)
(3,693)	Other		(3,908)	(5,547)
18,730	Net cash provided (or used in) operating activities	17b	22,884	10,877
Cash flows from investing activities				
Receipts:				
450	Sale of infrastructure, property, plant and equipment		892	2,665
Payments:				
–	Purchase of investment securities		(3,107)	(4,077)
(17,724)	Purchase of infrastructure, property, plant and equipment		(18,582)	(9,311)
(17,274)	Net cash provided (or used in) investing activities		(20,797)	(10,723)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		–	3,750
Payments:				
(2,084)	Repayment of borrowings and advances		(2,094)	(1,625)
–	Lease liabilities (principal repayments)		(220)	–
(2,084)	Net cash flow provided (used in) financing activities		(2,314)	2,125
(628)	Net increase/(decrease) in cash and cash equivalents		(227)	2,279
17,675	Plus: cash and cash equivalents – beginning of year	17a	20,975	18,696
17,047	Cash and cash equivalents – end of the year	17a	20,748	20,975
–	plus: Investments on hand – end of year	7(b)	9,272	6,165
17,047	Total cash, cash equivalents and investments		30,020	27,140

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

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 26 August 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not-for-profit entity.

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

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

- Income statement
- Statement of cash flows
- Note 21 – Material budget variations

and are clearly marked.

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Recent natural disasters and the impacts of COVID-19, have increased the likelihood that some items of property, plant and equipment (PPE) may have material movements in fair value as at 30 Jun 2020. The impact on PPE fair values will depend on the valuation approach used for an asset, i.e. the market approach, income approach or cost approach.

- The cost approach is particularly suited to assets such as specialised buildings, specialised plant and infrastructure held for their service potential, and specialised or unique heritage assets where there are no observable market selling prices. The cost approach assumes fair value reflects the amount that would be required to replace the service capacity of the asset. No significant changes to the fair value are expected under the cost approach except where assets have been destroyed or damaged. Council's specialised buildings, plant and infrastructure assets are valued under the Cost approach.
- The market approach is mainly used for land and non-specialised buildings. Comparable transactions and market evidence from the outbreak to the relevant date of valuation are extremely limited. Our valuation was based on the information available to us as at the time of valuation. Whilst all reasonable steps were taken to estimate the effect on the properties, due to significant uncertainty in the property and capital markets and the rapid unfolding of these events, it is difficult to quantify and assess the impact that the outbreak had on market values. Council's non-specialised buildings and operational land are valued under the market approach.
- Assets valued under the income approach are those predominantly to generate cash flows from the provision of goods and services. The recessionary environment created by COVID-19 may have significant impacts on demand for goods and services. Valuation inputs that may be subject to significant changes and uncertainty include projected cash flows, risk free interest rates and risk margins. Council does not have any assets valued under the income approach.

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note 11
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- (iii) estimated tip remediation provisions – refer Note 15
- (iv) employee benefit provisions – refer Note 15

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 8.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

(b) The Trust Fund

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

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

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

Yass Valley Council holds funds in trust for the Yass and District Education Foundation. These funds are not considered to be under the control of Yass Valley Council and therefore are excluded from these financial statements.

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.

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

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

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 1 July 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 16.

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

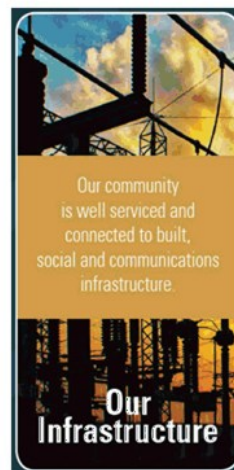
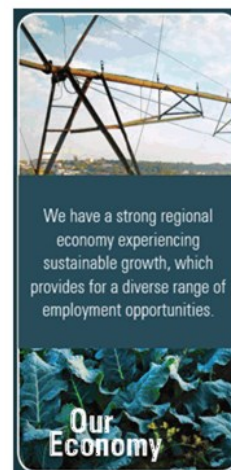
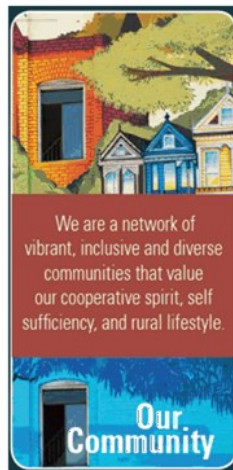
Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).										
\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Our Civic Leadership	13,851	12,418	3,780	4,017	10,071	8,401	1,821	1,536	32,787	23,899
Our Community	606	880	1,702	1,434	(1,096)	(554)	192	416	—	3,317
Our Economy	1,152	634	1,315	1,311	(163)	(677)	—	—	19	1,717
Our Environment	690	1,216	1,494	1,377	(804)	(161)	60	173	—	969
Our Infrastructure	26,545	22,371	18,998	24,011	7,547	(1,640)	11,641	8,479	402,061	367,448
Total functions and activities	42,844	37,519	27,289	32,150	15,555	5,369	13,714	10,604	434,867	397,350

Council's Community Strategic Plan is based on the social justice principles of access, equity, participation and rights and must also address quadruple bottom line strategic objectives, and the councils adopted five strategic pillars:

Civic Leadership (System of Government or Management)
Community (Life and Welfare in the Community)
Economy (Generation, Distribution, Use of Income, and Business Development)
Environment (Conditions and Influences in the Area and Sustainability)
Infrastructure (Facilities, Transport and Systems Serving the Area)

While a Council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the community, it is not wholly responsible for its implementation, nor is it the Council's responsibility to deliver every aspect of the Community Strategic Plan.



Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	5,927	5,334
Farmland	1058 (1)	4,222	3,892
Business	1058 (1)	854	794
Less: pensioner rebates (mandatory)	1058 (1)	(134)	(135)
Rates levied to ratepayers		10,869	9,885
Pensioner rate subsidies received	1058 (1)	71	76
Total ordinary rates		10,940	9,961
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	15 (1)	1,681	1,620
Water supply services	15 (2)	1,739	1,695
Sewerage services	15 (1)	2,271	2,166
Drainage	15 (1)	58	58
Waste management services (non-domestic)	15 (2)	891	862
Less: pensioner rebates (mandatory)	1058 (1)	(139)	(140)
Annual charges levied		6,501	6,261
Pensioner subsidies received:			
– Water	1058 (1)	26	28
– Sewerage	1058 (1)	21	23
– Domestic waste management	1058 (1)	29	31
Total annual charges		6,577	6,343
TOTAL RATES AND ANNUAL CHARGES		17,517	16,304

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

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

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

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

Accounting policy for rates and charges

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

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

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

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

2019 accounting policy

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

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for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	2020	2019
(b) User charges and fees				
Specific user charges				
(per s.502 - specific 'actual use' charges)				
Water supply services	15 (2)		2,766	2,396
Sewerage services	15 (2)		99	108
Waste management services (non-domestic)	15 (2)		705	720
Total specific user charges			3,570	3,224
Other user charges and fees				
(i) Fees and charges – statutory and regulatory functions (per s.608)				
Private works – section 67	15 (1)		37	13
Section 10.7 certificates (EP&A Act)	15 (1)		95	95
Section 603 certificates	15 (1)		29	28
Town planning	15 (1)		577	580
Total fees and charges – statutory/regulatory			738	716
(ii) Fees and charges – other (incl. general user charges (per s.608))				
Aged care	15 (1)		61	94
Caravan park	15 (1)		379	510
Cemeteries	15 (1)		88	121
Community services	15 (1)		–	18
Companion animals	15 (1)		32	38
Emergency services reimbursements	15 (1)		216	234
Engineering Expenses	15 (1)		36	–
Health fees and charges	15 (1)		153	145
Leaseback fees – Council vehicles	13e 15 (1)		–	131
Printing and copying	15 (1)		–	4
Quarry revenues	15 (1)		3	13
RMS (formerly RTA) charges (state roads not controlled by Council)	15 (1)		809	732
Sporting grounds	15 (1)		13	34
Sundry fees and income	15 (1)		5	11
Sundry sales	15 (1)		1	–
Swimming centres	15 (1)		157	168
Visitors centre sales	15 (1)		52	63
Other	15 (1)		19	13
Total fees and charges – other			2,024	2,329
TOTAL USER CHARGES AND FEES			6,332	6,269

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

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

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

Accounting policy for user charges and fees

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

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

2019 accounting policy

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

\$ '000	Notes	AASB	2020	2019
(c) Other revenues				
Rental income – investment property	13e	15 (2)	–	80
Rental income – other council properties (2019 only)	13e	15 (2)	–	121
Fines		1058 (1)	15	22
Legal fees recovery – other		1058 (1)	30	32
Diesel rebate		1058 (1)	40	39
Insurance claims recoveries		1058 (1)	44	22
Recycling income (non-domestic)		15 (1)	139	70
Sales – general		15 (1)	–	1
Recognition of Southern Phone shares		1058 (1)	–	222
Other		15 (1)	190	255
TOTAL OTHER REVENUE			458	864

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

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

Accounting policy for other revenue

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

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

2019 accounting policy:

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

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

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

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

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

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance	1058 (2)	1,545	1,536	–	–
Payment in advance - future year allocation					
Financial assistance	1058 (2)	1,638	1,593	–	–
Total general purpose		3,183	3,129	–	–
Specific purpose					
Aged care	15 (2)	–	352	–	–
Heritage and cultural	15 (1)	16	65	–	–
Library – per capita	15 (1)	98	63	–	–
Noxious weeds	15 (2)	40	109	–	–
Recreation and culture	15 (2)	–	–	596	1,411
Road safety officer	15 (1)	39	35	–	–
Stormwater	15 (2)	207	–	–	–
Training incentives	15 (1)	60	7	–	–
Transport (other roads and bridges funding)	15 (2)	–	2,340	2,216	1,782
Transport (roads to recovery)	15 (2)	857	821	–	–
Water supplies	15 (2)	23	–	6,284	490
Other	15 (2)	95	–	–	–
Total specific purpose		1,435	3,792	9,096	3,683
Total grants		4,618	6,921	9,096	3,683
Grant revenue is attributable to:					
– Commonwealth funding		60	4,139	3,990	442
– State funding		4,558	2,782	5,106	3,241
		4,618	6,921	9,096	3,683

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Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

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

1058 (2) indicates income recognised under AASB 1058 "over time".

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Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.4 – contributions using planning agreements	1058 (1)		–	–	265	551
S 7.12 – fixed development consent levies	1058 (1)		–	–	74	70
S 64 – water supply contributions	1058 (1)		–	–	637	260
S 64 – sewerage service contributions	1058 (1)		–	–	294	84
Total developer contributions – cash			–	–	1,270	965
Non-cash contributions						
S 64 – sewerage service contributions	1058 (1)		–	–	529	–
Total developer contributions non-cash			–	–	529	–
Total developer contributions	25		–	–	1,799	965
Other contributions:						
Cash contributions						
RMS contributions (regional roads, block grant)	15 (2)		1,253	1,307	(148)	464
Rate payers contribution to roads	15 (1)		–	66	–	–
Total other contributions – cash			1,253	1,373	(148)	464
Total other contributions			1,253	1,373	(148)	464
Total contributions			1,253	1,373	1,651	1,429
TOTAL GRANTS AND CONTRIBUTIONS			5,871	8,294	10,747	5,112

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

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

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

Accounting policy for grants and contributions

Accounting policy from 1 July 2019

Grant income under AASB 15

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

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

Grant income

Assets arising from grants in the scope of AASB 1058 are recognised at the assets 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.

Capital grants

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

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

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

Contributions

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

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

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

Accounting policy prior to 1 July 2019

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

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

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

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	396	816
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	–	364
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(784)
Unexpended and held as externally restricted assets (operating grants)	396	396
Contributions		
Unexpended at the close of the previous reporting period	8,830	9,242
Add: contributions recognised as income in the current period but not yet spent	1,371	1,160
Less: contributions recognised in a previous reporting period now spent	–	(1,572)
Unexpended and held as externally restricted assets (contributions)	10,201	8,830

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	97	102
– Cash and investments	435	574
– Other	(3)	–
Finance income on the net investment in the lease	–	–
Total Interest and investment income	529	676
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	97	96
General Council cash and investments	33	103
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	105	216
– Section 64	49	38
Water fund operations	80	49
Sewerage fund operations	30	26
Domestic waste management operations	14	23
Restricted investments/funds – internal:		
Internally restricted assets	121	125
Total interest and investment revenue	529	676

Accounting policy for interest and investment revenue

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

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	8,415	9,158
Employee leave entitlements (ELE)	1,183	1,437
Superannuation	1,000	905
Workers' compensation insurance	195	242
Fringe benefit tax (FBT)	33	17
Training costs (other than salaries and wages)	—	123
Total employee costs	10,826	11,882
Less: capitalised costs	(78)	(296)
TOTAL EMPLOYEE COSTS EXPENSED	10,748	11,586
Number of 'full-time equivalent' employees (FTE) at year end	115	119

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

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

\$ '000	Notes	2020	2019
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on leases		19	—
Interest on loans		976	1,015
Total interest bearing liability costs		995	1,015
Total interest bearing liability costs expensed		995	1,015
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	15	9	(15)
Total other borrowing costs		9	(15)
TOTAL BORROWING COSTS EXPENSED		1,004	1,000

Accounting policy for borrowing costs

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	4,082	6,833
Contractor and consultancy costs		
Contractor and consultancy costs	426	–
– Caravan park contractor	166	84
– Information technology	139	111
– Planning	127	86
– Other contractor and consultancy costs	83	163
Auditors remuneration ²	56	35
Legal expenses:		
– Legal expenses: planning and development	71	24
– Legal expenses: debt recovery	30	31
Expenses from short-term leases (2020 only)	–	–
Expenses from leases of low value assets (2020 only)	66	–
Expenses from Peppercorn leases (2020 only)	–	–
– Legal expenses: other	16	19
Variable lease expense relating to usage (2020 only)	–	–
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	338
Total materials and contracts	5,262	7,724
TOTAL MATERIALS AND CONTRACTS	5,262	7,724

Accounting policy for materials and contracts

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

Operating leases (2019 only)

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

1. Operating lease payments are attributable to:

Vehicles	–	338
	–	338

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	56	35
Remuneration for audit and other assurance services	56	35
Total Auditor-General remuneration	56	35
Total Auditor remuneration	56	35

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		589	597
Infrastructure:	10(a)		
– Buildings – non-specialised		186	84
– Buildings – specialised		421	758
– Other structures		59	62
– Roads		2,176	2,565
– Bridges		321	316
– Footpaths		62	63
– Stormwater drainage		194	194
– Water supply network		793	990
– Sewerage network		621	739
– Swimming pools		61	43
– Other open space/recreational assets		109	109
Right of use assets	13,10(a)	228	–
Other assets:			
– Waste		32	33
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	15,10(a)	14	14
– Quarry assets	15,10(a)	2	2
Total gross depreciation and amortisation costs		5,868	6,569
Total depreciation and amortisation costs		5,868	6,569
Impairment / revaluation decrement of IPP&E			
Infrastructure:	10(a)		
– Bridges		–	(158)
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		–	(158)
Amounts taken through revaluation reserve	10(a)	–	158
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	–
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		5,868	6,569

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

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 15 for right of use assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

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

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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

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

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

\$ '000	2020	2019
(e) Other expenses		
Advertising	94	99
Training costs (other than salaries and wages)	102	–
Travel expenses	10	–
Bank charges	79	73
Burials	–	3
Chemicals	138	90
Cleaning	2	5
Computer related charges	398	43
Computer software charges	–	175
Contributions/levies to other levels of government	607	511
Councillor expenses – mayoral fee	27	24
Councillor expenses – councillors' fees	109	107
Councillors' expenses (incl. mayor) – other (excluding fees above)	35	35
Donations, contributions and assistance to other organisations (Section 356)	88	88
Electricity and heating	530	508
Fire control expenses	302	152
Freight and haulage	–	38
Heritage expenses	30	17
Home living support services	40	83
Insurance	302	305
Licencing	50	110
Postage, printing and stationery	110	105
Promotions and celebrations	14	21
Street lighting	179	169
Subscriptions and publications	114	84
Telephone and communications	113	93
Valuation fees	58	59
Vehicle expenses	876	721
Total other expenses	4,407	3,718
TOTAL OTHER EXPENSES	4,407	3,718

Accounting policy for other expenses

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Property (excl. investment property)			
Proceeds from disposal – property		782	2,409
Less: carrying amount of property assets sold/written off		(217)	(2,964)
Net gain/(loss) on disposal		565	(555)
Plant and equipment			
	10(a)		
Proceeds from disposal – plant and equipment		325	256
Less: carrying amount of plant and equipment assets sold/written off		(164)	(288)
Net gain/(loss) on disposal		161	(32)
Infrastructure			
	10(a)		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(117)	(966)
Net gain/(loss) on disposal		(117)	(966)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		609	(1,553)

Accounting policy for disposal of assets

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

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	11,476	12,206
Cash-equivalent assets		
– Short-term deposits	9,272	8,769
Total cash and cash equivalents	20,748	20,975

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	9,272	–	6,165	–
Total Investments	9,272	–	6,165	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	30,020	–	27,140	–
Financial assets at fair value through the profit and loss				
Managed funds	9,272	–	6,165	–
Total	9,272	–	6,165	–

Accounting policy for investments

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

Council's financial assets measured at fair value through profit or loss comprise investments in Term Deposits and Floating rate Notes in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2019 comparatives only

Classification

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

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

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

(b) Held to maturity investments

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

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

(d) Available for sale financial assets

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

Recognition and de-recognition

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

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

Impairment of financial assets

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

Impairment of available for sale investments

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

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Total cash, cash equivalents and investments	30,020	–	27,140	–
attributable to:				
External restrictions	27,055	–	18,267	–
Internal restrictions	2,907	–	6,968	–
Unrestricted	58	–	1,905	–
	30,020	–	27,140	–

\$ '000	2020	2019
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	5,206	–
Specific purpose unexpended grants – water fund (2020 only)	1,239	–
Specific purpose unexpended grants – sewer fund (2020 only)	–	–

External restrictions – included in liabilities	6,445	–
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External restrictions – other

Developer contributions – general	6,062	5,888
Developer contributions – water fund	2,378	1,698
Developer contributions – sewer fund	1,015	1,191
Specific purpose unexpended grants (recognised as revenue) – general fund	–	396
Water supplies	4,495	4,330
Sewerage services	4,701	3,659
Stormwater management	236	137
Domestic waste management	1,723	968

External restrictions – other	20,610	18,267
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Total external restrictions	27,055	18,267
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Internal restrictions

Plant and vehicle replacement	833	2,340
Employees leave entitlement	820	806
Carry over works	343	–
Binalong pool	–	21
Comur street rehabilitation	–	24
Land and assets	676	2,376
Local Govt elections	109	83
Murrumbateman s355	–	102
Quarry rehabilitation	–	101
Roads	–	358
Victoria park	–	630
Youth Advancement	126	127

Total internal restrictions	2,907	6,968
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TOTAL RESTRICTIONS	29,962	25,235
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Yass Valley Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	1,126	–	1,185	–
Interest and extra charges	(4)	–	73	–
User charges and fees	1,766	–	1,592	–
Accrued revenues				
– Interest on investments	25	–	59	–
– Other income accruals	505	–	3	–
Net investment in finance lease	–	–	–	–
Government grants and subsidies	–	–	1,930	–
Net GST receivable	113	–	955	–
Total	3,531	–	5,797	–
Less: provision of impairment				
Rates and annual charges	(34)	–	(34)	–
Total provision for impairment – receivables	(34)	–	(34)	–
TOTAL NET RECEIVABLES	3,497	–	5,763	–
Externally restricted receivables				
Water supply				
– Other	892	–	774	–
Total external restrictions	892	–	774	–
Unrestricted receivables	2,605	–	4,989	–
TOTAL NET RECEIVABLES	3,497	–	5,763	–
\$ '000	2020		2019	
Movement in provision for impairment of receivables				
Balance at the beginning of the year (calculated in accordance with AASB 139)			34	34
Balance at the end of the year			34	34

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

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

Accounting policy under AASB 9 applicable from 1 July 2019

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

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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

Accounting policy under AASB 139 – applicable for 2019 comparatives only

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

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

Rates and annual charges outstanding are secured against the property.

Yass Valley Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	93	–	295	–
Trading stock	19	–	34	–
Total inventories at cost	112	–	329	–
TOTAL INVENTORIES	112	–	329	–
(b) Other assets				
Prepayments	174	–	10	–
Shares in unlisted companies – Southern Phone	–	–	–	222
TOTAL OTHER ASSETS	174	–	10	222

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

Yass Valley Council

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Notes to the Financial Statements
for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period								as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000														
Capital work in progress	7,088	–	7,088	–	8,878	–	–	(3,376)	–	–	–	12,590	–	12,590
Plant and equipment	4,540	(580)	3,960	–	970	(400)	(589)	–	236	(149)	–	5,110	(1,082)	4,028
Land:														
– Operational land	10,615	–	10,615	–	113	–	–	–	–	–	–	10,728	–	10,728
– Community land	9,949	–	9,949	–	–	–	–	–	–	–	–	9,949	–	9,949
– Land under roads (pre 1/7/08)	4,333	–	4,333	–	–	–	–	–	190	(190)	–	4,333	–	4,333
– Land under roads (post 30/6/08)	181	–	181	–	–	–	–	–	–	–	–	181	–	181
Infrastructure:														
– Buildings – non-specialised	5,700	(2,420)	3,280	–	–	–	(186)	–	103	–	–	5,700	(2,503)	3,197
– Buildings – specialised	32,161	(20,207)	11,954	200	109	(410)	(421)	480	287	(82)	–	32,540	(20,423)	12,117
– Other structures	2,811	(1,975)	836	–	–	–	(59)	–	–	(22)	–	2,804	(2,049)	755
– Roads	173,235	(51,250)	121,985	2,121	100	–	(2,176)	89	(317)	(5)	29,626	208,851	(57,428)	151,423
– Bridges	32,665	(15,884)	16,781	2,362	1,111	–	(321)	2,582	–	(4,806)	–	38,597	(20,888)	17,709
– Footpaths	4,247	(1,392)	2,855	–	–	–	(62)	–	–	–	1,852	5,927	(1,282)	4,645
– Bulk earthworks (non-depreciable)	76,857	–	76,857	109	–	–	–	–	–	–	1,032	77,998	–	77,998
– Stormwater drainage	22,026	(5,431)	16,595	–	–	–	(194)	–	–	(3,358)	–	17,690	(4,647)	13,043
– Water supply network	71,142	(27,337)	43,805	380	103	(30)	(793)	–	14	–	4	71,595	(28,114)	43,481
– Sewerage network	47,132	(21,478)	25,654	460	408	(449)	(621)	14	350	–	16	47,565	(21,733)	25,832
– Swimming pools	2,659	(2,181)	478	–	–	–	(61)	–	19	–	–	2,659	(2,223)	436
– Other open space/recreational assets	6,133	(4,069)	2,064	–	814	(109)	(109)	211	110	–	–	7,049	(4,068)	2,981
Other assets:														
– Waste	1,606	(987)	619	–	–	–	(32)	–	3	–	–	1,606	(1,016)	590
Reinstatement, rehabilitation and restoration assets (refer Note 12):														
– Tip assets	813	(724)	89	–	–	–	(14)	–	(2)	–	–	812	(739)	73
– Quarry assets	71	(63)	8	–	–	–	(2)	–	2	–	–	72	(64)	8
Total Infrastructure, property, plant and equipment	515,964	(155,978)	359,986	5,632	12,606	(1,398)	(5,640)	–	995	(8,612)	32,530	564,356	(168,259)	396,097

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

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Notes to the Financial Statements for the year ended 30 June 2020

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

	as at 30/06/18			Asset movements during the reporting period							as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000													
Capital work in progress	1,658	–	1,658	14	5,429	–	–	–	(13)	–	7,088	–	7,088
Plant and equipment	4,398	–	4,398	–	447	(288)	(597)	–	–	–	4,540	(580)	3,960
Land:													
– Operational land	13,614	–	13,614	–	–	(2,999)	–	–	–	–	10,615	–	10,615
– Community land	9,949	–	9,949	–	–	–	–	–	–	–	9,949	–	9,949
– Land under roads (pre 1/7/08)	1,431	–	1,431	–	–	–	–	–	–	2,902	4,333	–	4,333
– Land under roads (post 30/6/08)	95	–	95	–	–	–	–	–	–	86	181	–	181
Infrastructure:													
– Buildings – non-specialised	5,700	(2,336)	3,364	–	–	–	(84)	–	–	–	5,700	(2,420)	3,280
– Buildings – specialised	31,637	(19,449)	12,188	524	–	–	(758)	–	–	–	32,161	(20,207)	11,954
– Other structures	2,811	(1,913)	898	–	–	–	(62)	–	–	–	2,811	(1,975)	836
– Roads	176,567	(51,957)	124,610	905	–	(965)	(2,565)	–	–	–	173,235	(51,250)	121,985
– Bridges	31,436	(16,042)	15,394	1,229	–	–	(316)	158	–	–	32,665	(15,884)	16,781
– Footpaths	3,965	(1,330)	2,635	283	–	–	(63)	–	–	–	4,247	(1,392)	2,855
– Bulk earthworks (non-depreciable)	76,857	–	76,857	–	–	–	–	–	–	–	76,857	–	76,857
– Stormwater drainage	22,026	(5,237)	16,789	–	–	–	(194)	–	–	–	22,026	(5,431)	16,595
– Water supply network	69,899	(25,916)	43,983	123	–	–	(990)	–	–	689	71,142	(27,337)	43,805
– Sewerage network	46,377	(20,401)	25,976	13	–	–	(739)	–	–	404	47,132	(21,478)	25,654
– Swimming pools	2,659	(2,138)	521	–	–	–	(43)	–	–	–	2,659	(2,181)	478
– Other open space/recreational assets	5,743	(3,959)	1,784	376	–	–	(109)	–	13	–	6,133	(4,069)	2,064
Other assets:													
– Waste	1,606	(956)	650	–	–	–	(33)	–	–	–	1,606	(987)	619
Reinstatement, rehabilitation and restoration assets (refer Note 12):													
– Tip assets	521	(448)	73	–	–	–	(14)	–	–	30	813	(724)	89
– Quarry assets	50	(42)	8	–	–	–	(2)	–	–	2	71	(63)	8
Total Infrastructure, property, plant and equipment	508,999	(152,124)	356,875	3,467	5,876	(4,252)	(6,569)	158	–	4,113	515,964	(155,978)	359,986

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

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Notes to the Financial Statements

for the year ended 30 June 2020

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

Accounting policy for infrastructure, property, plant and equipment

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

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

Year	Capital Cost Factor	Construction Cost Index (%pa)
2019	1.010	0.95%

Council's assets were assessed for any material differences between carrying amount and current fair value. This assessment included considerations as to whether any assets had been impacted by COVID-19. There was no material impact found and no adjustment was required.

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

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

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

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

Plant and equipment	Years	Other equipment	Years
Vehicles	3 to 8	Playground equipment	5 to 15
Heavy plant/road making equipment	5 to 15	Benches, seats etc.	10 to 20
Other plant and equipment	5 to 20		
Water and sewer assets		Buildings	
Dams and reservoirs	80 to 100	Buildings: masonry	50 to 100
Bores	20 to 40	Buildings: other	20 to 40
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75	Stormwater assets	
Pumps and telemetry	15 to 20	Drains	100
		Culverts	100
		Flood control structures	100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20-30	Swimming pools	50
Sealed roads: base	20-75	Other open space/recreational assets	20
Sealed roads: sub base	n/a	Other infrastructure	20
Unsealed roads: base	75-80	Kerb & gutter	100
Unsealed roads: sub base	n/a	Footpaths & Cycleways	15-100
Bridge: concrete	100		
Bridge: other	80-100		
Bulk earthworks	n/a		

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Notes to the Financial Statements
for the year ended 30 June 2020

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

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

Land under roads

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

Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

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

Crown reserves

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

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

Rural Fire Service assets

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

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	11,727	—	11,727	3,465	—	3,465
Land						
– Operational land	889	—	889	889	—	889
Infrastructure	71,595	28,114	43,481	71,142	27,337	43,805
Total water supply	84,211	28,114	56,097	75,496	27,337	48,159
Sewerage services						
WIP	232	—	232	177	—	177
Land						
– Operational land	1,863	—	1,863	1,863	—	1,863
Infrastructure	47,565	21,733	25,832	47,132	21,478	25,654
Total sewerage services	49,660	21,733	27,927	49,172	21,478	27,694
Domestic waste management						
Land						
– Operational land	206	—	206	206	—	206
– Community land	100	—	100	100	—	100
Buildings	272	138	134	272	115	157
Other assets	1,040	811	229	1,040	736	304
Total DWM	1,618	949	669	1,618	851	767
TOTAL RESTRICTED IPP&E	135,489	50,796	84,693	126,286	49,666	76,620

Note 10(c). Infrastructure, property, plant and equipment – current year impairments

Council does not use Infrastructure, property, plant and equipment – current year impairments.

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Investment properties

\$ '000	2020	2019
Owned investment property		
Investment property on hand at fair value	4,350	3,900
Total owned investment property	4,350	3,900

(a) Reconciliation – owned investment property

Reconciliation of annual movement:

Opening balance	3,900	3,900
– Net gain/(loss) from fair value adjustments	450	–
CLOSING BALANCE – OWNED INVESTMENT PROPERTY	4,350	3,900

(b) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2020 revaluations were based on independent assessments made by:
Opteon (ACT) Pty Ltd

Kellie A Mossop AAPI CPV
Certified Practising Valuer
API No: 67259

James Brennan AAPI CPV
Director
API No: 67175

(c) Contractual obligations at reporting date (2019 only)

Refer to Note 21 for disclosures relating to any capital and service obligations that have been contracted.

\$ '000	2020	2019
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(d) Leasing arrangements – Council as lessor (2019 only)

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	–	60
Later than 1 year but less than 5 years	–	30
Total minimum lease payments receivable	–	90

Council property leased as farmland with 6 months remaining on the lease.

(e) Investment property income and expenditure – summary (2019 only)

Rental income from investment property:		
– Minimum lease payments	–	80
Net revenue contribution from investment property	–	80

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Investment properties (continued)

\$ '000	2020	2019
Fair value movement for year	450	–
Total income attributable to investment property	450	80

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

Note 12. Contract assets and liabilities

\$ '000	Notes	2020 Current	2020 Non-current
Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(ii)	189	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	361	–
Total grants received in advance		550	–
Total contract liabilities		550	–

Notes

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

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

(iii) User fees and charges received in advance do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

\$ '000	2020
(ii) Revenue recognised (during the financial year) from opening contract liability balances	
Grants and contributions received in advance:	
Capital grants (to construct Council controlled assets)	33
Operating grants (received prior to performance obligation being satisfied)	89
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	122

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Contract assets and liabilities (continued)

Significant changes in contract assets and liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control. Previously, revenue was recognised on receipt of the funds.

Accounting policy for contract assets and liabilities

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

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

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

Note 13. Leases

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

(i) Council as a lessee

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

1. Two Water Carts were leased under operating lease agreement for a lease period of 84 months with the monthly lease rental of \$4,671 (excluding GST).
2. Isuzu waste truck was leased under operating lease agreement for a lease period of 18 months with the quarterly lease rental of \$12,673 (excluding GST).
3. Two Dennis Waste trucks were leased under operating agreement for a lease period of 16 months with the quarterly lease rental of \$41,127 (excluding GST).

Vehicles

Council leases vehicles and equipment with lease terms varying from 3 to 8 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 2 and 3 years with no renewal option, the payments are fixed.

\$ '000	Plant & Equipment	Ready to use	Total
(a) Right of use assets			
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	845	–	845
Depreciation charge	(228)	–	(228)
RIGHT OF USE ASSETS	617	–	617

\$ '000	2020 Current	2020 Non-current
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Leases (continued)

\$ '000	2020 Current	2020 Non-current
(b) Lease liabilities		
Adoption of AASB 16 at 1 July 2019 - first time recognition of lease liability	236	609
Lease liabilities movement	(12)	(208)
<u>TOTAL LEASE LIABILITIES</u>	<u>224</u>	<u>401</u>

(i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
Cash flows	224	401	–	625	625

\$ '000	2020
---------	------

(c) Income Statement

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

Depreciation of right of use assets	228
Expenses relating to low-value leases	66
	<u>313</u>

(d) Statement of Cash Flows

Total cash outflow for leases	223
	<u>223</u>

Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- visitor centre
- community halls

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Accounting policy

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Yass Valley Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Leases (continued)

Accounting policies under AASB 16 – applicable from 1 July 2019

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

Accounting policy under AASB 117 and associated Accounting Interpretations (2019 only)

Refer to Note 5c and Note 16.

(ii) Council as a lessor

(e) Operating leases

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

\$ '000	2020
(i) Operating lease income	
Investment properties	
Lease income (excluding variable lease payments not dependent on an index or rate)	60
Other lease income	
Leaseback fees - council vehicles	140
Other	131
Total income relating to operating leases	331
(ii) Operating lease expenses	
Investment properties	
Direct operating expenses that generated rental income	7
Other leased assets	

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Leases (continued)

\$ '000	2020
Other	30
Total expenses relating to operating leases	37

(iv) Maturity analysis of contractual lease income

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

< 1 year	153
1–2 years	111
2–3 years	89
3–4 years	89
4–5 years	79
> 5 years	74
Total undiscounted contractual lease income receivable	595

Accounting policy

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

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

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

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

Yass Valley Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Goods and services – operating expenditure	1,858	–	2,327	–
Accrued expenses:				
– Borrowings	257	–	277	–
– Salaries and wages	(5)	–	180	–
– Other expenditure accruals	561	–	109	–
Security bonds, deposits and retentions	1,321	–	1,296	–
ATO – net GST payable	42	–	–	–
Prepaid rates	286	–	–	–
Total payables	4,320	–	4,189	–
Borrowings				
Loans – secured ⁽¹⁾	1,322	15,460	2,091	16,785
Total borrowings	1,322	15,460	2,091	16,785
TOTAL PAYABLES AND BORROWINGS	5,642	15,460	6,280	16,785

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.
Loan funds were used to undertake Water and Sewer upgrade works.

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Water	837	11,352	1,470	11,957
Sewer	256	4,108	245	4,319
Payables and borrowings relating to externally restricted assets	1,093	15,460	1,715	16,276
Total payables and borrowings relating to restricted assets	1,093	15,460	1,715	16,276
Total payables and borrowings relating to unrestricted assets	4,549	–	4,565	509
TOTAL PAYABLES AND BORROWINGS	5,642	15,460	6,280	16,785

\$ '000	2020	2019
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(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	1,321	1,296
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Financial Statements 2020

Notes to the Financial Statements
for the year ended 30 June 2020

Note 14. Payables and borrowings (continued)

\$ '000	2020	2019
Total payables and borrowings	1,321	1,296

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

	as at 30/06/19		Non-cash changes				as at 30/06/20
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	18,876	(2,094)	–	–	–	–	16,782
Lease liabilities	–	625	–	–	–	–	625
TOTAL	18,876	(1,469)	–	–	–	–	17,407

	as at 30/06/18		Non-cash changes				as at 30/06/19
\$ '000	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement		Closing balance
Loans – secured	16,751	2,125	–	–	–		18,876
TOTAL	16,751	2,125	–	–	–		18,876

\$ '000	2020	2019
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(d) Financing arrangements

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

Credit cards/purchase cards	55	55
Total financing arrangements	55	55

Undrawn facilities as at balance date:

– Credit cards/purchase cards	39	41
Total undrawn financing arrangements	39	41

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans are secured over future cash flows and leased liabilities are secured by the underlying leased assets.

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Payables and borrowings (continued)

of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Finance leases (2019 only)

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	1,203	–	826	–
Long service leave	1,505	123	1,967	124
Other leave	97	–	72	–
Sub-total – aggregate employee benefits	2,805	123	2,865	124
Asset remediation/restoration:				
Asset remediation/restoration (future works)	572	735	572	726
Sub-total – asset remediation/restoration	572	735	572	726
TOTAL PROVISIONS	3,377	858	3,437	850

(a) Provisions relating to restricted assets

Externally restricted assets				
Water	207	–	202	–
Sewer	145	–	172	–
Provisions relating to externally restricted assets	352	–	374	–
Total provisions relating to restricted assets	352	–	374	–
Total provisions relating to unrestricted assets	3,025	858	3,063	850
TOTAL PROVISIONS	3,377	858	3,437	850

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

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

Provisions – employees benefits	2,708	2,731
	<u>2,708</u>	<u>2,731</u>

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Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Provisions (continued)

(c) Description of and movements in provisions

\$ '000	Employee Leave Entitlements provisions			
	Annual leave	Long service leave	Other employee benefits	Total
2020				
At beginning of year	826	2,091	72	2,989
Additional provisions	1,260	(630)	—	630
Amounts used (payments)	(803)	87	(51)	(767)
Other	(80)	80	76	76
Total ELE provisions at end of year	1,203	1,628	97	2,928
2019				
At beginning of year	828	2,082	68	2,978
Additional provisions	1,024	285	95	1,404
Amounts used (payments)	(709)	(593)	(91)	(1,393)
Other	(317)	317	—	—
Total ELE provisions at end of year	826	2,091	72	2,989

\$ '000	Other provisions	
	Asset remediation	Total
2020		
At beginning of year	1,298	1,298
Other	9	9
Total other provisions at end of year	1,307	1,307
2019		
At beginning of year	1,280	1,280
Unwinding of discount	18	18
Total other provisions at end of year	1,298	1,298

Nature and purpose of non-employee benefit provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the council tips and quarries as a result of past operations. The discount rate used is the RBA Indicative Mid Rates of Selected Commonwealth Government Securities.

Accounting policy for provisions

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

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

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

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Provisions (continued)

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

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

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

Restoration

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

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

Rehabilitation

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

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

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Provisions (continued)

or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

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

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

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

A classification error has been identified affecting the balances forming part of Council's equity. \$1,677,000 of Asset Revaluation Reserve transactions had been incorrectly classified as Accumulated Surplus. While the overall Equity balance is correct, the break up between Accumulated Surplus and Asset Revaluation Reserve requires adjustment.

The error identified above has been corrected by restating the balances at the beginning of the earliest period presented (1 July 2018) and taking the adjustment through to Accumulated Surplus and Revaluation Reserve at that date. Comparatives have been changed to reflect the correction of errors. The impact on each line item at 1 July 2018 is shown in the table below.

Statement of Financial Position

\$ '000	Original Balance 1 July, 2018	Impact Increase/ (decrease)	Restated Balance 1 July, 2018
Total assets	384,972	—	384,972
Total liabilities	24,614	—	24,614
Accumulated Surplus	218,938	(1,677)	217,261
Revaluation Reserve	141,420	1,677	143,097
Total equity	360,358	—	360,358

\$ '000	Original Balance 30 June, 2019	Impact Increase/ (decrease)	Restated Balance 30 June, 2019
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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Original Balance 30 June, 2019	Impact Increase/ (decrease)	Restated Balance 30 June, 2019
Total assets	397,350	–	397,350
Total liabilities	27,352	–	27,352
Accumulated Surplus	224,307	(1,677)	222,630
Revaluation Reserve	145,691	1,677	147,368
Total equity	369,998	–	369,998

(ii) AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

Licences

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

Prepaid rates

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

Grants – operating

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

Grants – capital

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

Changes in presentation

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

For example:

- Movement of balances between receivables and contract assets.

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

- Additional line items of contract assets, contract cost assets and contract liabilities have been created.

\$ '000	Balance at 1 July 2019
Opening contract balances at 1 July 2019	
Contract liabilities	
– Under AASB 15	(396)
– Under AASB 1058	(243)
Total Contract liabilities	(639)

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

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

Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur-e ment	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	20,748	–	–	20,748	
Investments	9,272	–	–	9,272	
Receivables	3,497	–	–	3,497	
Inventories	112	–	–	112	
Other	174	–	–	174	
Total current assets	33,803	–	–	33,803	
Current liabilities					
Payables	4,320	–	(243)	4,077	
Contract liabilities	550	–	(550)	–	
Lease liabilities	224	–	–	224	
Borrowings	1,322	–	–	1,322	
Provisions	3,377	–	–	3,377	
Total current liabilities	9,793	–	(793)	9,000	
Non-current assets					
Infrastructure, property, plant and equipment	396,091	–	–	396,091	
Investment property	4,350	–	–	4,350	
Right of use assets	617	–	(710)	(93)	
Total non-current assets	401,058	–	(710)	400,348	
Non-current liabilities					
Lease liabilities	401	–	(169)	232	
Borrowings	15,460	–	–	15,460	

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassification	Remeasurement	Carrying amount under previous revenue standards	Notes
Provisions	858	–	–	858	
Total Non-current liabilities	16,719	–	(169)	16,550	
Net assets	408,349	–	252	408,601	
Equity					
Accumulated surplus	237,259	–	431	237,690	
Revaluation reserves	171,096	–	–	171,096	
Council equity interest	408,355	–	431	408,786	
Total equity	408,355	–	431	408,786	

Council recognised a Contract Liability due to an amount of unexpended grants funds that had work underway but council had not fulfilled any performance obligations to the point that Council could demand payment.

Income Statement

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
<u>Income from continuing operations</u>					
Rates and annual charges	17,517	–	(243)	17,274	
User charges and fees	6,332	–	–	6,332	
Other revenues	458	–	–	458	
Grants and contributions provided for operating purposes	5,871	–	–	5,871	
Grants and contributions provided for capital purposes	10,747	–	–	10,747	
Interest and investment income	529	–	–	529	
Net gains from the disposal of assets	609	–	–	609	
Fair value increment on investment properties	450	–	–	450	
Rental income	331	–	–	331	
Total income from continuing operations	42,844	–	(243)	42,601	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	10,748	–	–	10,748	
Borrowing costs	1,004	–	–	1,004	
Materials and contracts	5,262	–	–	5,262	
Depreciation and amortisation	5,868	–	–	5,868	
Other expenses	4,407	–	–	4,407	

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Total Expenses from continuing operations	27,289	–	–	27,289	
Total Operating result from continuing operations	15,555	–	(243)	15,312	
Net operating result for the year	15,555	–	(243)	15,312	
Total comprehensive income	39,002	–	243	39,245	

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract liabilities	–	396	396
Prepaid Rates	–	243	243
Total liabilities	27,352	639	27,991
Accumulated surplus	224,307	(2,316)	221,991
Asset Revaluation Reserve	145,691	1,677	147,368
Total equity	(27,352)	(639)	(27,991)

(iii) AASB 16 Leases

Council as a lessee

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

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

Practical expedients used on transition

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

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Financial statement impact of adoption of AASB 16

Council has recognised right-of-use assets and lease liabilities of \$845k at 1 July 2019 for leases previously classified as operating leases, or leases that are significantly below market value which were previously off balance sheet.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 2.55%.

\$ '000	Balance at 1 July 2019
Operating lease commitments at 30 June 2019 per Council financial statements	—

Reconciliation of lease liabilities recognised on adoption of AASB 16 Leases

Operating lease commitments discounted using the incremental borrowing rate at 1 July 2019	845
Lease liabilities recognised at 1 July 2019	845

Council as a lessor

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

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Rights-of-use assets	—	—	—
Total assets	—	—	—
Accumulated surplus	—	—	—
Total equity	—	—	—

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	20,748	20,975
Balance as per the Statement of Cash Flows		20,748	20,975
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		15,555	5,369
Adjust for non-cash items:			
Depreciation and amortisation		5,868	6,569
Net losses/(gains) on disposal of assets		(609)	1,553
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investment property		(450)	–
Unwinding of discount rates on reinstatement provisions		9	18
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		2,194	(3,236)
Decrease/(increase) in inventories		217	190
Decrease/(increase) in other current assets		58	(181)
Increase/(decrease) in payables		(1,047)	704
Increase/(decrease) in accrued interest payable		(20)	(35)
Increase/(decrease) in other accrued expenses payable		267	(471)
Increase/(decrease) in other liabilities		353	386
Increase/(decrease) in contract liabilities		550	–
Increase/(decrease) in provision for employee benefits		(61)	11
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		22,884	10,877

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Commitments

\$ '000	2020	2019
---------	------	------

(a) Capital commitments (exclusive of GST)

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

Property, plant and equipment

Buildings	119	143
Plant and equipment	—	743
Roads	5,021	948
Water	1,265	787
Sewer	300	383
Waste	379	173
Parks and Gardens	684	1,237
Other	509	362
Total commitments	8,277	4,776

These expenditures are payable as follows:

Within the next year	8,277	4,776
Total payable	8,277	4,776

Sources for funding of capital commitments:

Unrestricted general funds	343	1,285
Section 7.11 and 64 funds/reserves	837	811
Unexpended grants	5,919	395
Externally restricted reserves	764	1,467
Internally restricted reserves	414	818
Total sources of funding	8,277	4,776

Details of capital commitments

Purchase of heavy plant & equipment, projects for roads, water, sewer, waste and stormwater infrastructure, building & lighting upgrades and recreation ground upgrades.

\$ '000	Notes	2020	2019
---------	-------	------	------

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

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

Within the next year	13	236	227
Later than one year and not later than 5 years	13	412	633
Total non-cancellable operating lease commitments		648	860

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

Refer to Note 15 for information relating to leases for 2020.
One waste truck with one final installment payable.

Two waste trucks on a term of 16 quarterly installments. These have 11 installments remaining.

Two water trucks on a term of 84 monthly installments. These have 38 installments remaining.

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

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Yass Valley Council

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Notes to the Financial Statements
for the year ended 30 June 2020

Note 18. Commitments (continued)

Conditions relating to finance and operating leases:

All finance agreements are secured only against the leased asset.

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

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

Division B	1.9 times member contributions for non-180 point members and nil for 180 point members
Division C	2.5% salaries
Division D	1.64 times employee contributions

*For 180 Point Members, Employers are required to contribute 7% of salaries to these members accumulation accounts, which are paid in addition to members defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$127,415.50. The last valuation of the Scheme was performed by the actuary Mr Richard Boyfield, FIAA as at 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$103,127.20.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.22%.

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

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Contingencies (continued)

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

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

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

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

Council has not classified any privately owned land parcels as local open space or bushland.

As a result there are no potential land acquisitions due to planning restrictions imposed by Council.

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management

Risk management

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	20,748	20,975	20,748	20,975
Receivables	3,497	5,763	3,497	5,760
Fair value through profit and loss				
Investments				
– 'Held for trading'	9,272	6,165	9,272	6,165
Total financial assets	33,517	32,903	33,517	32,900
Financial liabilities				
Payables	4,320	4,189	4,034	4,713
Loans/advances	16,782	18,876	16,782	18,876
Lease liabilities	625	–	–	–
Total financial liabilities	21,727	23,065	20,816	23,589

Fair value is determined as follows:

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

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

Council's finance area manages the cash and investments portfolio.

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 10% movement in market values	3,002	3,002	(3,002)	(3,002)
Possible impact of a 1% movement in interest rates	300	300	(300)	(300)
2019				
Possible impact of a 10% movement in market values	250	250	(250)	(250)
Possible impact of a 1% movement in interest rates	25	25	(25)	(25)

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross carrying amount	–	840	221	42	23	1,126
2019						
Gross carrying amount	–	908	168	77	32	1,185

Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	2	1,461	198	42	702	2,405
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2019						
Gross carrying amount	4,020	287	85	71	149	4,612
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2020							
Trade/other payables	0.00%	1,321	2,713	–	–	4,034	4,034
Loans and advances	5.63%	–	1,322	14,916	544	16,782	16,782
Total financial liabilities		1,321	4,035	14,916	544	20,816	20,816
2019							
Trade/other payables	0.00%	1,296	2,893	–	–	4,189	4,189
Loans and advances	4.67%	–	2,091	11,594	5,191	18,876	18,876
Total financial liabilities		1,296	4,984	11,594	5,191	23,065	23,065

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Material budget variations

Council's original financial budget for 2019/20 was adopted by the Council on 22/05/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	17,225	17,517	292	2% F
User charges and fees	5,668	6,332	664	12% F
Revenue from Water Supply Services User Charges and Fees was more than originally expected due to drought conditions suffered in the LGA and more reliance on Council provided water supplies.				
Other revenues	634	458	(176)	(28)% U
Other revenue attributable to Waste Management was down on the expected income. Reduced business service hours due to COVID-19, impacted the revenue achievable in this business unit.				
Operating grants and contributions	5,759	5,871	112	2% F
Capital grants and contributions	10,433	10,747	314	3% F
Interest and investment revenue	583	529	(54)	(9)% U
Interest and investment revenue is less than expected due to the poor economic climate resulting from COVID-19 impacts.				
Net gains from disposal of assets	–	609	609	∞ F
Net gains from disposal of assets are not included in the original budget.				
Fair value increment on investment property	–	450	450	∞ F
Net gains from the revaluation of Investment Property are not included in the original budget.				
Rental income	380	331	(49)	(13)% U
Rental income was under budget due to less than expected income from Leaseback Fees. This was due to unfilled positions throughout council over the financial year.				

Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	11,606	10,748	858	7% F
Borrowing costs	1,329	1,004	325	24% F
Borrowing costs are under budget primarily due to a timing issue with loans commencing in 2019/20 that were not fully aligned with the original budget.				
Materials and contracts	5,324	5,262	62	1% F
Depreciation and amortisation	5,976	5,868	108	2% F
Other expenses	3,693	4,407	(714)	(19)% U
Other expenses were much higher than originally budgeted due to increased expenditure on Fire Control and personal protective equipment, including chemicals, in response to the COVID-19 situation.				

STATEMENT OF CASH FLOWS

Cash flows from operating activities	18,730	22,884	4,154	22% F
This variance is a result of additional grant funding received throughout the year, not originally budgeted for.				
Cash flows from investing activities	(17,274)	(20,797)	(3,523)	20% U
The variance in investing activities compared to budget is primarily due to the purchase of investment securities that are not included in the original budget.				
Cash flows from financing activities	(2,084)	(2,314)	(230)	11% U

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement

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

- Infrastructure, property, plant and equipment;
- Investment property;
- Financial assets and liabilities.

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

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

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

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

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

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

2020		Fair value measurement hierarchy				
\$ '000	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Recurring fair value measurements						
Financial assets						
Investments						
– 'Held to maturity'	7(b)	30/06/20	9,272	–	–	9,272
Other financial assets		30/06/20	–	–	–	–
Cash and short term deposits	7(a)	30/06/20	20,748	–	–	20,748
Receivables	8	30/06/20	–	3,497	–	3,497
Total financial assets			30,020	3,497	–	33,517
Financial liabilities						
Loans/advances	14	30/06/20	–	16,782	–	16,782
Payables	14	30/06/20	–	4,034	–	4,034
Total financial liabilities			–	20,816	–	20,816
Investment property						
Investment property		03/03/20	4,350	–	–	4,350
Total investment property			4,350	–	–	4,350

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

2020		Fair value measurement hierarchy				
\$ '000	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Infrastructure, property, plant and equipment		10(a)				
Plant and equipment		30/06/20	–	–	4,028	4,028
Operational land		30/06/18	–	–	10,728	10,728
Community land		30/06/18	–	–	9,949	9,949
Land under roads		30/06/19	–	–	4,514	4,514
Buildings – specialised		30/06/18	–	–	12,117	12,117
Buildings – non-specialised		30/06/18	–	–	3,197	3,197
Other structures		30/06/13	–	–	755	755
Roads		30/06/20	–	–	151,423	151,423
Bridges		30/06/20	–	–	17,709	17,709
Footpaths		30/06/20	–	–	4,645	4,645
Bulk earthworks		30/06/15	–	–	77,998	77,998
Stormwater drainage		30/06/20	–	–	13,043	13,043
Water supply network		30/06/18	–	–	43,481	43,481
Sewerage network		30/06/18	–	–	25,832	25,832
Swimming pools		30/06/13	–	–	436	436
Other open space/recreational assets		30/06/13	–	–	2,981	2,981
Tip remediation assets		30/06/17	–	–	74	74
Quarry assets		30/06/17	–	–	7	7
Waste management infrastructure		30/06/13	–	–	590	590
Total infrastructure, property, plant and equipment			–	–	383,507	383,507
2019			Fair value measurement hierarchy			
\$ '000	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Recurring fair value measurements						
Financial assets						
Investments						
– ‘Held to maturity’	7(b)	30/06/19	6,165	–	–	6,165
Other financial assets		30/06/19	–	222	–	222
Cash and short term deposits	7(a)	30/06/19	20,975	–	–	20,975
Receivables	8	30/06/19	–	5,763	–	5,763
Total financial assets			27,140	5,985	–	33,125
Financial liabilities						
Loans/advances	14	30/06/19	–	18,876	–	18,876
Payables	14	30/06/19	–	4,189	–	4,189
Total financial liabilities			–	23,065	–	23,065
Investment property						
Investment property		30/06/17	3,900	–	–	3,900
Total investment property			3,900	–	–	3,900

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

2019		Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
\$ '000	Notes					
Infrastructure, property, plant and equipment	10(a)					
Plant and equipment		30/06/18	—	—	3,960	3,960
Operational land		30/06/18	—	—	10,615	10,615
Community land		30/06/18	—	—	9,949	9,949
Land under roads		30/06/19	—	—	4,514	4,514
Buildings – specialised		30/06/18	—	—	11,954	11,954
Buildings – non-specialised		30/06/18	—	—	3,280	3,280
Other structures		30/06/13	—	—	836	836
Roads		30/06/15	—	—	122,277	122,277
Bridges		30/06/15	—	—	16,465	16,465
Footpaths		30/06/15	—	—	2,855	2,855
Bulk earthworks		30/06/15	—	—	76,857	76,857
Stormwater drainage		30/06/15	—	—	16,595	16,595
Water supply network		30/06/18	—	—	43,805	43,805
Sewerage network		30/06/18	—	—	25,654	25,654
Swimming pools		30/06/13	—	—	478	478
Other open space/recreational assets		30/06/13	—	—	2,064	2,064
Tip remediation assets		30/06/17	—	—	72	72
Quarry assets		30/06/17	—	—	8	8
Waste management infrastructure		30/06/13	—	—	620	620
Total infrastructure, property, plant and equipment			—	—	352,858	352,858

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

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

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

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

Financial assets

Receivables are subject to bad and doubtful debts

Financial liabilities

Some loans may be subject to interest rate risk and some payables may incur interest.

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

Most infrastructure is subject to external valuation or externally validated methodology applied by Council. This is subject to variability based on changing unit rates.

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

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

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

\$ '000	Total
2019	
Opening balance	355,533
Purchases (GBV)	3,913
Disposals (WDV)	(4,254)
Depreciation and impairment	(6,415)
Revaluations through equity	4,081
Closing balance	352,858
2020	
Opening balance	352,858
Purchases (GBV)	5,296
Disposals (WDV)	(1,397)
Depreciation and impairment	(87)
Closing balance	356,670

(4) Highest and best use

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related party disclosures

(a) Key management personnel

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

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	2,205	2,844
Termination benefits	166	305
Councillor Remuneration	140	150
Total	2,511	3,299

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Yass Valley Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related party disclosures (continued)

(b) Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Value of transactions during year
\$ '000		
2020		
Provision of Landscape Supplies/Haulage Services	1	16
Fees and Charges	2	93
2019		
Purchase of Easement	3	32
Provision of Landscape Supplies/Haulage Services	1	28
Fees and Charges	2	121

1 Council has purchased supplies during the year from Robertsons Landscaping & Haulage a company where a relationship has been declared by a KMP of Council. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council procurement processes.

2 Fees and Charges as per Council's advertised Fees and Charges were received for various services from one company which is associated with a KMP of Council

3 Purchase of easement from one partnership which is associated with a KMP of Council under the same process and for the same purpose as multiple easement purchases

Note 24. Events occurring after the reporting date

Council is aware of the following "non-adjusting events" that merit disclosure:

COVID-19

The global health crisis from the COVID-19 virus has been difficult to quantify the extent of the impact on Council's operations going forward into 2020/21 is uncertain. Some impact was felt in 2019/2020 with reduced income in some areas of Council's operation, as shown in Note 21 Material budget variations. This situation will be monitored closely.

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Yass Valley Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Events occurring after the reporting date (continued)

Storm event

In August 2020, The Yass Valley Local Government Area suffered flooding and subsequent damage to infrastructure.

Disaster assistance is now available in the local government areas of Bega, Eurobodalla, Goulburn Mulwaree, Kiama, Orange, Queanbeyan-Palerang, Shellharbour, Shoalhaven, Snowy Monaro, Sutherland, Upper Lachlan, Wollongong and Yass, following severe storms and floods across the New South Wales coast.

Assistance is being provided through the jointly funded Commonwealth-State Disaster Recovery Funding Arrangements (DRFA).

Minister for Emergency Management David Littleproud said the extreme weather has caused wide spread damage and disruption to local communities.

"This continues to be a serious weather event that caused significant damage to roads, businesses and residential properties," Minister Littleproud said.

"Through the DRFA, a range of practical assistance measures are now available to help individuals, get back on their feet and help councils with ongoing clean-up and repairs to infrastructure."

New South Wales Minister for Police and Emergency Services David Elliott said the SES received more than 1,500 Requests for Assistance, including more than 40 flood rescues.

"Emergency services have responded to communities experiencing significant losses and disruption due to damaging winds and flooding," Minister Elliott said.

"The assistance being announced today will help cover the costs associated with the operational response and repairing damaged essential public assets, such as roads."

Assistance available under the DRFA may include:

- Help for eligible people whose homes or belongings have been damaged
- Support for affected local councils to help with the costs of cleaning up and restoring damaged essential public assets
- Concessional interest rate loans for small businesses, primary producers and non-profit organisations
- Freight subsidies for primary producers, and
- Grants to eligible non-profit organisations

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	Cumulative internal borrowings due/(payable)
\$ '000	Opening Balance	Cash	Non-cash				Held as restricted asset	
Yass Valley Council Area	4,721	265	–	84	(269)	–	4,801	–
Heavy Haulage	1,183	74	–	21	(16)	–	1,262	–
S7.11 contributions – under a plan	5,904	339	–	105	(285)	–	6,063	–
Total S7.11 and S7.12 revenue under plans	5,904	339	–	105	(285)	–	6,063	–
S64 contributions	2,873	930	–	49	(460)	–	3,392	–
Total contributions	8,777	1,269	–	154	(745)	–	9,455	–

S7.11 Contributions – under a plan

CONTRIBUTION PLAN NUMBER 1

Yass Valley Council Area	4,721	265	–	84	(269)	–	4,801	–
Heavy Haulage	1,183	74	–	21	(16)	–	1,262	–
Total	5,904	339	–	105	(285)	–	6,063	–

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 26. Result by fund

\$ '000	General ⁽¹⁾ 2020	Water 2020	Sewer 2020
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	13,592	1,692	2,233
User charges and fees	3,449	2,769	114
Interest and investment revenue	370	123	36
Other revenues	447	11	–
Grants and contributions provided for operating purposes	5,802	48	21
Grants and contributions provided for capital purposes	3,004	6,921	822
Net gains from disposal of assets	609	–	–
Fair value increment on investment property	450	–	–
Rental income	331	–	–
Total income from continuing operations	28,054	11,564	3,226
Expenses from continuing operations			
Employee benefits and on-costs	9,727	667	354
Borrowing costs	79	718	207
Materials and contracts	3,708	853	701
Depreciation and amortisation	4,454	793	621
Other expenses	3,784	423	200
Net losses from the disposal of assets	(95)	13	82
Total expenses from continuing operations	21,657	3,467	2,165
Operating result from continuing operations	6,397	8,097	1,061
Net operating result for the year	6,397	8,097	1,061
Net operating result attributable to each council fund	6,397	8,097	1,061
Net operating result for the year before grants and contributions provided for capital purposes	3,393	1,176	239

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

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

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Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 26. Result by fund (continued)

\$ '000	General ⁽¹⁾ 2020	Water 2020	Sewer 2020
Statement of Financial Position by fund			
ASSETS			
Current assets			
Cash and cash equivalents	10,313	5,734	4,701
Investments	5,879	2,378	1,015
Receivables	2,605	892	–
Inventories	112	–	–
Other	68	95	11
Total current assets	18,977	9,099	5,727
Non-current assets			
Infrastructure, property, plant and equipment	312,071	56,098	27,928
Investment property	4,350	–	–
Right of use assets	617	–	–
Total non-current assets	317,038	56,098	27,928
TOTAL ASSETS	336,015	65,197	33,655
LIABILITIES			
Current liabilities			
Payables	4,039	238	43
Contract liabilities	550	–	–
Lease liabilities	224	–	–
Borrowings	510	599	213
Provisions	3,025	207	145
Total current liabilities	8,348	1,044	401
Non-current liabilities			
Payables	(2)	–	2
Lease liabilities	401	–	–
Borrowings	(1)	11,355	4,106
Provisions	858	–	–
Total non-current liabilities	1,256	11,355	4,108
TOTAL LIABILITIES	9,604	12,399	4,509
Net assets	326,411	52,798	29,146
EQUITY			
Accumulated surplus	178,908	38,218	20,133
Revaluation reserves	147,503	14,580	9,013
Council equity interest	326,411	52,798	29,146
Total equity	326,411	52,798	29,146

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

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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	3,749	12.08%	5.59%	5.49%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	31,038				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	25,167	60.23%	64.27%	61.46%	>60.00%
Total continuing operating revenue ¹	41,785				
3. Unrestricted current ratio					
Current assets less all external restrictions	5,750	1.33x	3.94x	2.86x	>1.50x
Current liabilities less specific purpose liabilities	4,319				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	10,621	3.20x	3.57x	3.14x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	3,318				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	1,088	5.78%	7.18%	4.07%	<10.00%
Rates, annual and extra charges collectible	18,838				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	20,748	9.37 mths	9.12 mths	8.83 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	2,215				

(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

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	9.73%	3.55%	25.33%	15.67%	9.94%	10.28%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	67.38%	58.57%	39.74%	84.10%	73.87%	95.54%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	3.75x	3.94x	3.22x	2.25x	2.56x	5.87x	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7.27x	3.43x	1.37x	3.26x	2.60x	5.86x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	7.30%	9.22%	0.00%	0.00%	0.00%	0.00%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	4.66	6.75	∞	∞	∞	∞	>3.00
Payments from cash flow of operating and financing activities	mths	mths					mths

(1) - (2) Refer to Notes at Note 23a above.

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

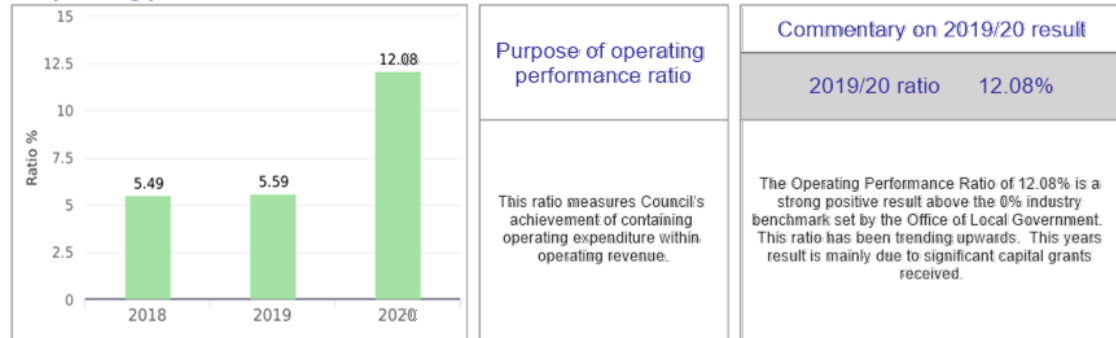
Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 27(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



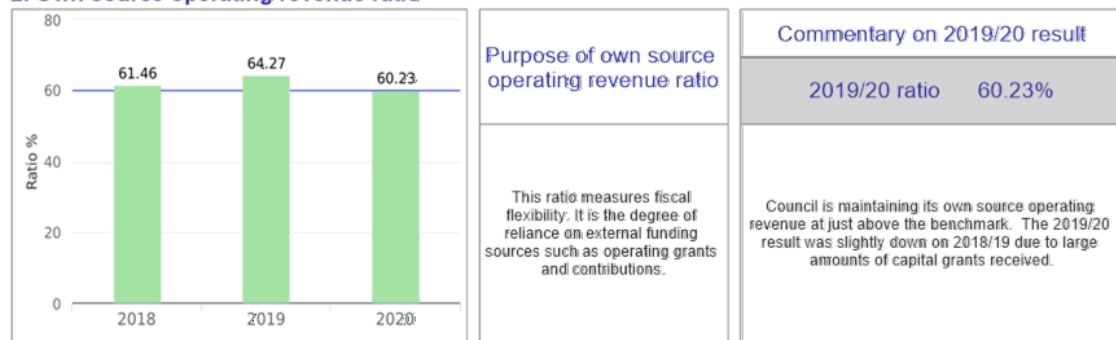
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



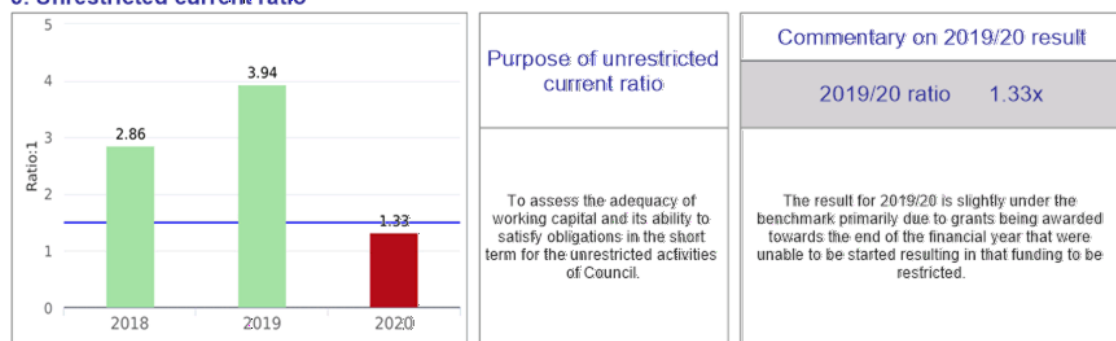
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

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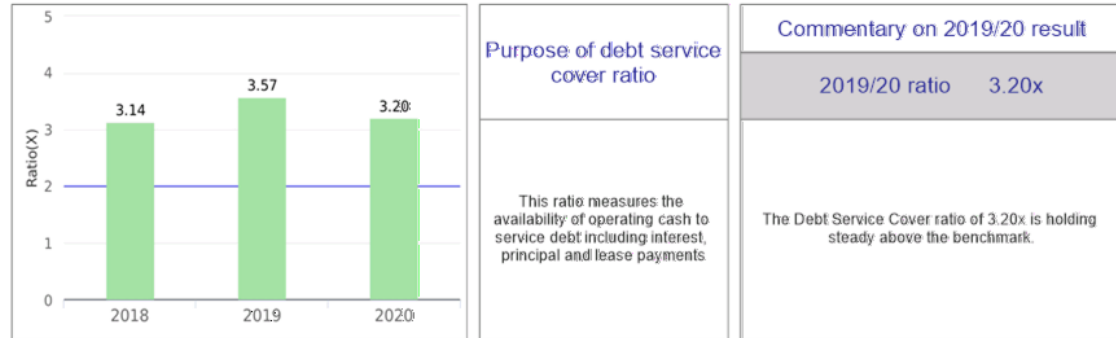
Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 27(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



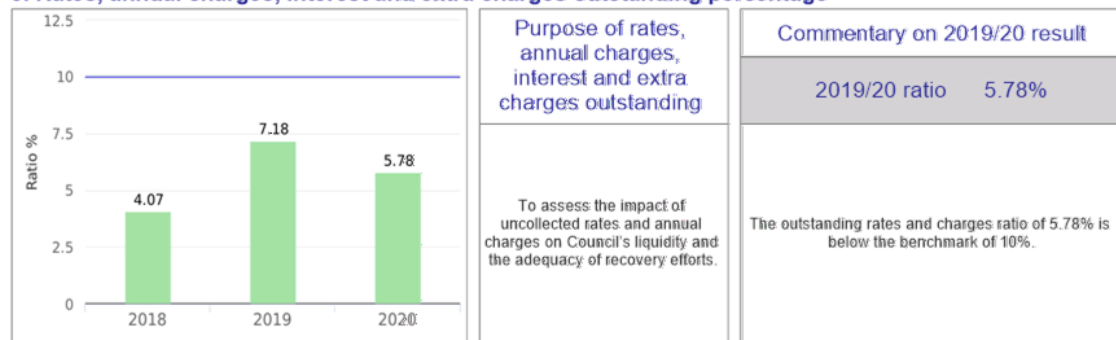
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



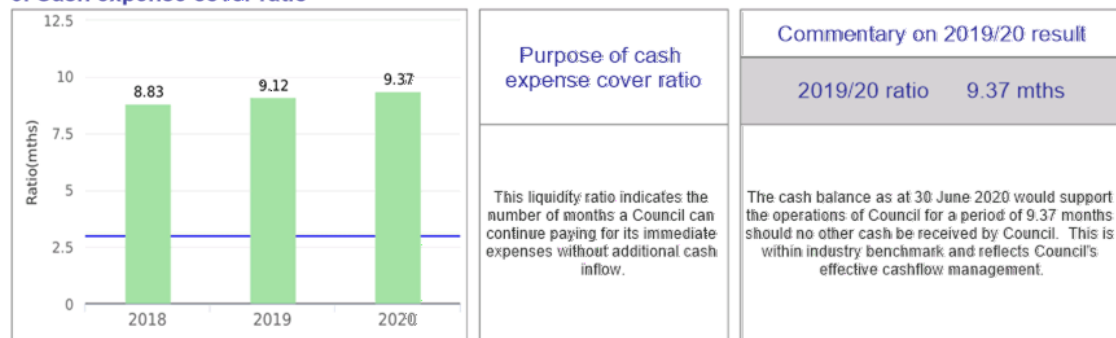
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

Yass Valley Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 28. Council information and contact details

Principal place of business:

209 Comur Street
YASS NSW 2582

Contact details

Mailing Address:

PO Box 6
209 Comur Street
YASS NSW 2582

Telephone: 02 6226 1477 or 1300 553 652

Facsimile: 02 6226 2598

Opening hours:

Office hours: 9:00am to 4:30pm (Monday to Friday)
Cashier hours: 9:00am to 4:30pm (Monday to Friday)

Website: www.yassvalley.nsw.gov.au

Email: council@yass.nsw.gov.au

Officers

GENERAL MANAGER

Chris Berry

RESPONSIBLE ACCOUNTING OFFICER

Tracy Sligar

Elected members

Mayor

Rowena Abbey

Other information

ABN: 50 119 744 650

Yass Valley Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020



INDEPENDENT AUDITOR'S REPORT
Report on the General Purpose Financial Statements
Yass Valley Council

To the Councillors of Yass Valley Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 January 2021
SYDNEY

Yass Valley Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020

Ms Rowena Abbey
Mayor
Yass Valley Council
209 Cornur Street
YASS NSW 2582

Contact: Dominika Ryan
Phone no: 02 9275 7336
Our ref: D2101284/1813

29 January 2021

Dear Ms Abbey

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Yass Valley Council**

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

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	17.5	16.3	7.4
Grants and contributions revenue	16.6	13.4	23.9
Operating result from continuing operations	15.6	5.4	188.9
Net operating result before capital grants and contributions	4.8	0.3	1500.0

Rates and annual charges revenue (\$17.5 million) increased by \$1.2 million (7.4 per cent) in 2019–20. This was due to the IPART annual rate increase of 2.7 per cent and an increase in rateable properties by 0.5 per cent (7,449 rateable properties in 2019–20 compared to 7,411 properties last year).

Grants and contributions revenue (\$16.6 million) increased by \$3.2 million (23.9 per cent) in 2019–20. This was mainly due to the \$3.6 million grant from the national Stronger Regions Fund for the Murrumbateman Pipeline project.

The Council's operating result from continuing operations (including depreciation and amortisation expense of \$5.9 million) was \$10.2 million higher than the 2018–19 result. This was primarily due to the increase in rates and annual charges and grants and contributions along with:

- \$701,000 decrease in depreciation and amortisation
- \$2.5 million decrease in materials and contracts
- \$1.6 million decrease in net losses from the disposal of assets (nil in 2019–20).

The net operating result before capital grants and contributions (\$4.8 million) was \$4.5 million higher than the 2018–19 result.

STATEMENT OF CASH FLOWS

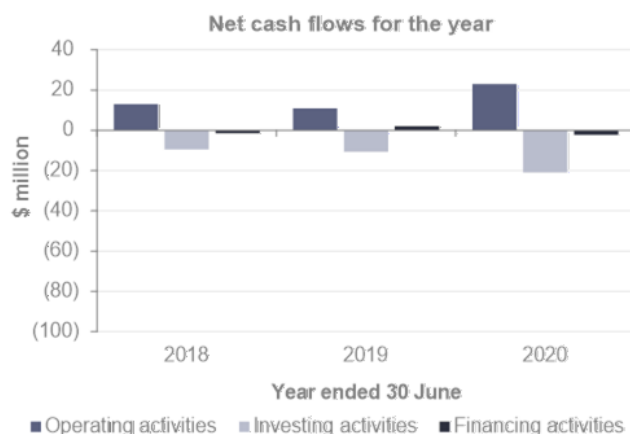
The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year.

The Council's cash decreased by \$227,000.

Cash inflows from operating activities increased from \$10.9 million in 2018–19 to \$22.9 million in 2019–20 mainly due to higher grants and contributions and rates and annual charges receipts.

The increase in cash outflows from investing activities of \$10.1 million was primarily due to the Council's significant purchases of IPPE during the current year.

The movement in cash flows from financing activities of \$4.4 million mainly related to increased repayments of borrowings and the Council not receiving proceeds from borrowings and advances in the current year. In 2018–19 Council recorded net cash inflows from financing activities of \$2.1 million and in 2019–20 the Council recorded net cash outflows of \$2.3 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	27.1	18.3	<ul style="list-style-type: none"> External restrictions include unspent specific purpose grants, developer contributions, domestic waste management charges, levies and planning agreements.
Internal restrictions	2.9	7.0	
Unrestricted	0.06	1.9	
Cash and investments	30.0	27.1	<ul style="list-style-type: none"> Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations. The balance for externally restricted cash and investments increased by \$2.9 million primarily due to increases in waste management, water supplies and sewerage services.

PERFORMANCE

Performance measures

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

Operating performance ratio

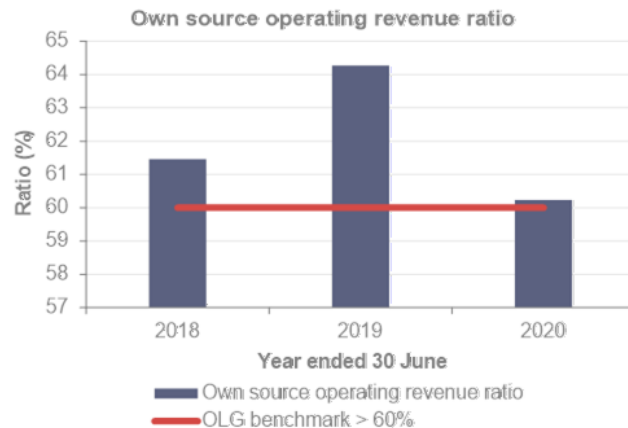
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent. The Council's ratio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



Own source operating revenue ratio

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

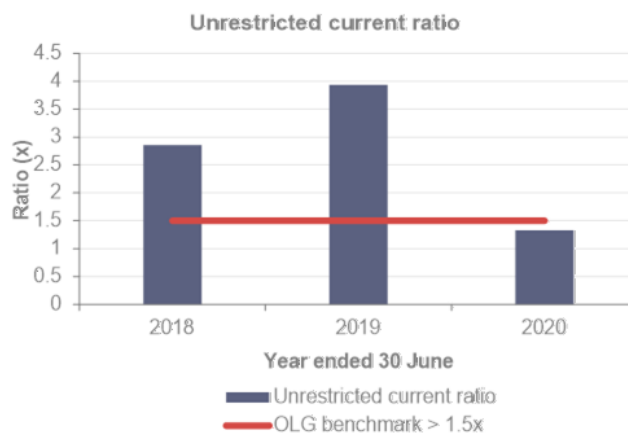
The Council's own source operating ratio of 60.2 per cent for the current reporting period just exceeded the OLG benchmark.



Unrestricted current ratio

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

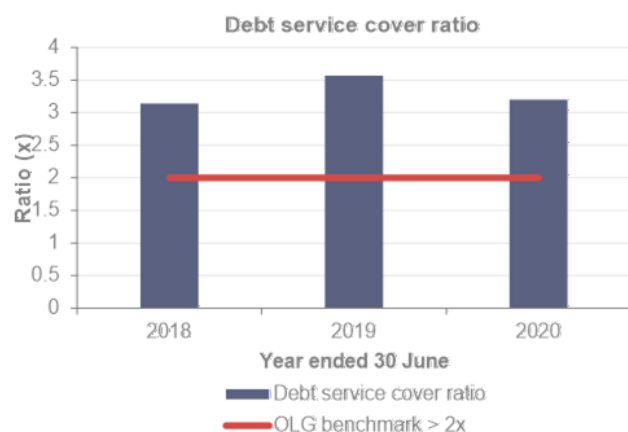
The Council's ratio is slightly under the benchmark primarily due to grants being awarded late in the financial year with specific performance obligations. This resulted in the funding being restricted in the 2019–20 financial statements.



Debt service cover ratio

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

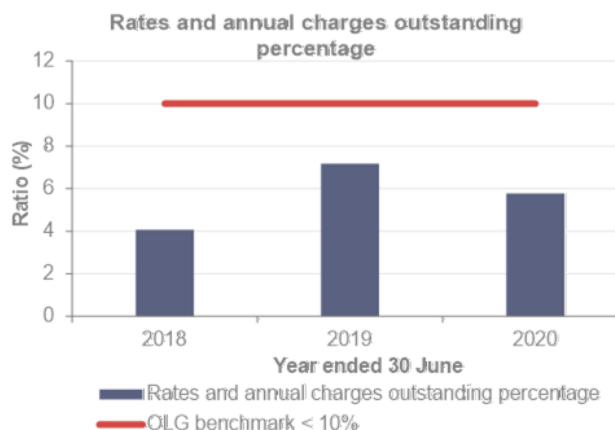
The Council's current year ratio exceeded the OLG benchmark.



Rates and annual charges outstanding percentage

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

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



Cash expense cover ratio

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

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



OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the

timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$639,000 adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 16.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council recognised right-of-use assets of \$845,000 and lease liabilities of \$845,000 at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 16.

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.

The Council's:

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



Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Ms Rowena Abbey, Mayor
Mr Andrew Hannan, Chair of the Audit, Risk and Improvement Committee

Yass Valley Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2020

*"A diverse rural region that provides lifestyle,
business and recreation choices, while sustaining
our environment, history and community"*



Yass Valley Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements for the year ended 30 June 2020

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Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Yass Valley Council

Special Purpose Financial Statements

for the year ended 30 June 2020

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records,
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

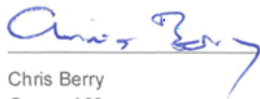
Signed in accordance with a resolution of Council made on 26 August 2020.




Rowena Abbey
Mayor
28 January 2021



Nathan Furry
Councillor
28 January 2021



Chris Berry
General Manager
28 January 2021



Tracy Sligar
Responsible Accounting Officer
28 January 2021

Yass Valley Council

Special Purpose Financial Statements 2020

Income Statement – Water Supply Business Activity for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	1,692	1,647
User charges	2,766	2,401
Fees	3	–
Interest	123	62
Grants and contributions provided for non-capital purposes	48	28
Other income	11	11
Total income from continuing operations	4,643	4,149
Expenses from continuing operations		
Employee benefits and on-costs	667	607
Borrowing costs	718	725
Materials and contracts	853	828
Depreciation, amortisation and impairment	793	990
Loss on sale of assets	13	–
Other expenses	423	349
Total expenses from continuing operations	3,467	3,499
Surplus (deficit) from continuing operations before capital amounts	1,176	650
Grants and contributions provided for capital purposes	6,921	751
Surplus (deficit) from continuing operations after capital amounts	8,097	1,401
Surplus (deficit) from all operations before tax	8,097	1,401
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(323)	(179)
SURPLUS (DEFICIT) AFTER TAX	7,774	1,222
Plus accumulated surplus	25,719	24,318
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	323	179
Closing accumulated surplus	33,816	25,719
Return on capital %	3.4%	2.9%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	7,774	1,222
Less: capital grants and contributions (excluding developer contributions)	(6,284)	(491)
Surplus for dividend calculation purposes	1,490	731
Potential dividend calculated from surplus	745	366

Yass Valley Council

Special Purpose Financial Statements 2020

Income Statement – Sewerage Business Activity for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	2,233	2,126
User charges	99	108
Fees	15	7
Interest	36	51
Grants and contributions provided for non-capital purposes	21	23
Total income from continuing operations	2,404	2,315
Expenses from continuing operations		
Employee benefits and on-costs	354	422
Borrowing costs	207	201
Materials and contracts	701	530
Depreciation, amortisation and impairment	621	739
Loss on sale of assets	82	–
Other expenses	200	185
Total expenses from continuing operations	2,165	2,077
Surplus (deficit) from continuing operations before capital amounts	239	238
Grants and contributions provided for capital purposes	822	84
Surplus (deficit) from continuing operations after capital amounts	1,061	322
Surplus (deficit) from all operations before tax	1,061	322
Less: corporate taxation equivalent (27.5%) (based on result before capital)	(66)	(65)
SURPLUS (DEFICIT) AFTER TAX	995	257
Plus accumulated surplus	17,035	16,713
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	66	65
Closing accumulated surplus	18,096	17,035
Return on capital %	1.6%	1.6%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	995	257
Less: capital grants and contributions (excluding developer contributions)	(528)	–
Surplus for dividend calculation purposes	467	257
Potential dividend calculated from surplus	234	128

Yass Valley Council

Special Purpose Financial Statements 2020

Income Statement – Waste services for the year ended 30 June 2020

\$ '000	2020 Category 1	2019 Category 1
Income from continuing operations		
Access charges	2,518	2,430
User charges	703	720
Fees	6	5
Interest	14	23
Grants and contributions provided for non-capital purposes	29	31
Other income	139	94
Total income from continuing operations	3,409	3,303
Expenses from continuing operations		
Employee benefits and on-costs	974	1,273
Materials and contracts	1,160	991
Depreciation, amortisation and impairment	40	26
Other expenses	391	584
Total expenses from continuing operations	2,565	2,874
Surplus (deficit) from continuing operations before capital amounts	844	429
Surplus (deficit) from continuing operations after capital amounts	844	429
Surplus (deficit) from all operations before tax	844	429
Less: corporate taxation equivalent (27.5%); [based on result before capital]	(232)	(118)
SURPLUS (DEFICIT) AFTER TAX	612	311
Plus accumulated surplus	2,617	2,188
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	232	118
Closing accumulated surplus	3,461	2,617
Return on capital %	127.3%	60.7%

Yass Valley Council

Special Purpose Financial Statements 2020

Income Statement – Caravan park for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
Income from continuing operations		
Fees	379	510
Total income from continuing operations	379	510
Expenses from continuing operations:		
Employee benefits and on-costs	4	3
Materials and contracts	217	122
Depreciation, amortisation and impairment	37	37
Other expenses	108	88
Total expenses from continuing operations	366	250
Surplus (deficit) from continuing operations before capital amounts	13	260
Surplus (deficit) from continuing operations after capital amounts	13	260
Surplus (deficit) from all operations before tax	13	260
Less: corporate taxation equivalent (27.5%); [based on result before capital]	(4)	(72)
SURPLUS (DEFICIT) AFTER TAX	9	188
Plus accumulated surplus	2,378	2,118
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	4	72
Closing accumulated surplus	2,391	2,378
Return on capital %	1.1%	51.9%

Yass Valley Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	5,734	2,992
Investments	2,378	–
Receivables	892	774
Other	95	–
Total current assets	9,099	3,766
Non-current assets		
Infrastructure, property, plant and equipment	56,098	48,159
Total non-current assets	56,098	48,159
TOTAL ASSETS	65,197	51,925
LIABILITIES		
Current liabilities		
Payables	238	228
Borrowings	599	1,242
Provisions	207	202
Total current liabilities	1,044	1,672
Non-current liabilities		
Borrowings	11,355	11,957
Total non-current liabilities	11,355	11,957
TOTAL LIABILITIES	12,399	13,629
NET ASSETS	52,798	38,296
EQUITY		
Accumulated surplus	38,218	23,718
Revaluation reserves	14,580	14,578
TOTAL EQUITY	52,798	38,296

Yass Valley Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	4,701	2,447
Investments	1,015	–
Other	11	–
Total current assets	5,727	2,447
Non-current assets		
Infrastructure, property, plant and equipment	27,928	27,694
Total non-current assets	27,928	27,694
TOTAL ASSETS	33,655	30,141
LIABILITIES		
Current liabilities		
Payables	43	41
Borrowings	213	204
Provisions	145	172
Total current liabilities	401	417
Non-current liabilities		
Payables	2	–
Borrowings	4,106	4,319
Total non-current liabilities	4,108	4,319
TOTAL LIABILITIES	4,509	4,736
NET ASSETS	29,146	25,405
EQUITY		
Accumulated surplus	20,133	16,408
Revaluation reserves	9,013	8,997
TOTAL EQUITY	29,146	25,405

Yass Valley Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

a. Yass Valley Council Waste Service

Comprising the operations, and net assets of Council's Domestic Waste, and Other Waste activities, servicing the local government area.

b. Yass Valley Council Water Supplies

Comprising the operations, and net assets of Council's water supply activities, servicing the towns of Yass, Bowring, Binalong and Murrumbateman.

c. Yass Valley Council Sewerage Service

Comprising the operations, and net assets, of Council's sewerage reticulation and treatment activities servicing the town of Yass.

Category 2

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

a. Yass Valley Council Caravan Park

continued on next page ...

Page 10 of 16

Yass Valley Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Comprising the operations and net assets of Council's Caravan Park, servicing the town of Yass.

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$734,000 of combined land values attracts 0%. For the combined land values in excess of \$734,001 up to \$4,488,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,488,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$900,000.

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

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

continued on next page ...

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Yass Valley Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

Yass Valley Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements
for the year ended 30 June 2020



INDEPENDENT AUDITOR'S REPORT
Report on the Special Purpose Financial Statements
Yass Valley Council

To the Councillors of Yass Valley Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Yass Valley Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage
- Waste services
- Caravan park.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 January 2021
SYDNEY

Yass Valley Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

*"A diverse rural region that provides lifestyle,
business and recreation choices, while sustaining
our environment, history and community"*



Yass Valley Council

Special Schedules 2020

Special Schedules

for the year ended 30 June 2020

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Yass Valley Council

Special Schedules 2020

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
Notional general income calculation ¹			
Last year notional general income yield	a	10,933	10,012
Plus or minus adjustments ²	b	86	78
Notional general income	c = a + b	11,019	10,090
Permissible income calculation			
Rate peg percentage			
Special variation percentage ³	d	0.00%	8.50%
Or rate peg percentage	e	2.60%	0.00%
Plus rate peg amount			
Or plus rate peg amount	i = e x (c + g)	286	—
Plus special variation amount	h = d x (c + g)	—	858
Sub-total	k = (c + g + h + i + j)	11,305	10,948
Plus (or minus) last year's carry forward total	l	—	(1)
Less valuation objections claimed in the previous year	m	—	(14)
Sub-total	n = (l + m)	—	(15)
Total permissible income	o = k + n	11,305	10,933
Less notional general income yield	p	11,285	10,933
Catch-up or (excess) result	q = o - p	20	—
Carry forward to next year ⁶	r = q + r - s	20	—

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Special Schedules 2020

INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Yass Valley Council

To the Councillors of Yass Valley Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Yass Valley Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the General Purpose Financial Statements and the Special Purpose Financial Statements.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Dominika Ryan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 January 2021
SYDNEY

Yass Valley Council

Special Schedules 2020

Report on Infrastructure Assets
as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance ^a	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000									
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	–	–	112	112	3,197	5,700	30.0%	0.0%	70.0%	0.0%	0.0%
	Buildings – specialised	–	–	583	583	12,117	32,540	15.0%	10.0%	75.0%	0.0%	0.0%
	Sub-total	–	–	695	695	15,314	38,240	17.2%	8.5%	74.3%	0.0%	0.0%
Other structures	Other structures	–	–	–	–	755	2,804	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	–	–	–	–	755	2,804	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Sealed roads	–	–	868	868	118,859	146,857	28.0%	62.0%	10.0%	0.0%	0.0%
	Unsealed roads	1,680	–	872	872	12,735	30,821	25.0%	10.0%	51.0%	14.0%	0.0%
	Bridges	–	–	17	17	17,709	38,597	27.0%	4.0%	69.0%	0.0%	0.0%
	Footpaths	–	–	17	17	4,645	5,927	57.0%	33.0%	10.0%	0.0%	0.0%
	Bulk earthworks	–	–	–	–	77,998	77,998	100.0%	0.0%	0.0%	0.0%	0.0%
	Culverts	152	–	–	–	13,304	22,198	9.0%	38.0%	46.0%	7.0%	0.0%
	Kerbs	66	–	–	–	4,019	5,998	26.0%	42.0%	24.0%	8.0%	0.0%
	Ancillary Assets	–	–	–	–	513	543	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	1,898	–	1,780	1,780	251,775	331,373	44.1%	33.0%	21.0%	1.9%	0.0%
Water supply network	Water supply network	–	–	753	753	43,481	71,595	80.0%	15.0%	5.0%	0.0%	0.0%
	Sub-total	–	–	753	753	43,481	71,595	80.0%	15.0%	5.0%	0.0%	0.0%
Sewerage network	Sewerage network	–	–	–	–	25,832	47,565	45.0%	44.0%	11.0%	0.0%	0.0%
	Sub-total	–	–	–	–	25,832	47,565	45.0%	44.0%	11.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	170	–	166	166	13,043	17,690	28.0%	54.0%	17.0%	1.0%	0.0%
	Sub-total	170	–	166	166	13,043	17,690	28.0%	54.0%	17.0%	1.0%	0.0%

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Yass Valley Council

Special Schedules 2020

Report on Infrastructure Assets (continued)
as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2019/20 Required maintenance ^a	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space / recreational assets	Swimming pools	–	–	210	210	436	2,659	0.0%	0.0%	100.0%	0.0%	0.0%
	Parks and Gardens	–	–	337	337	2,981	7,049	14.0%	68.0%	18.0%	0.0%	0.0%
	Sub-total	–	–	547	547	3,417	9,708	10.2%	49.4%	40.5%	0.0%	0.0%
TOTAL - ALL ASSETS		2,068	–	3,941	3,941	353,617	518,975	45.8%	30.5%	21.9%	1.3%	0.5%

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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Yass Valley Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019 2018		Benchmark
Infrastructure asset performance indicators (consolidated) [*]					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	5,632	112.57%	60.14%	100.35%	>=100.00%
Depreciation, amortisation and impairment	5,003				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	2,068	0.58%	1.12%	1.95%	<2.00%
Net carrying amount of infrastructure assets	353,617				
Asset maintenance ratio					
Actual asset maintenance	3,941	100.00%	98.03%	98.40%	>100.00%
Required asset maintenance	3,941				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	0.00%	
Gross replacement cost	518,975				

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

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

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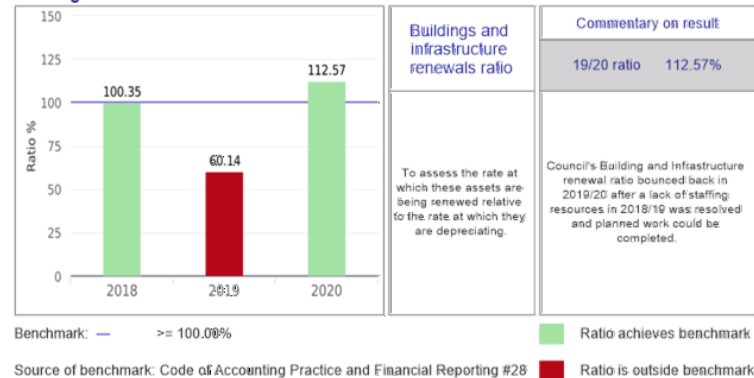
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Yass Valley Council

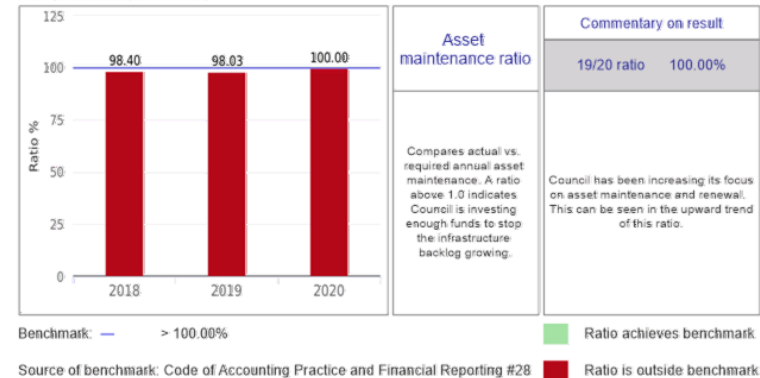
Special Schedules 2020

Report on Infrastructure Assets (continued) as at 30 June 2020

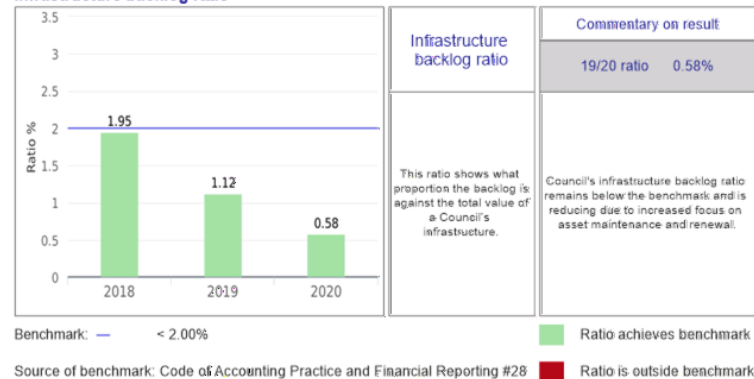
Buildings and infrastructure renewals ratio



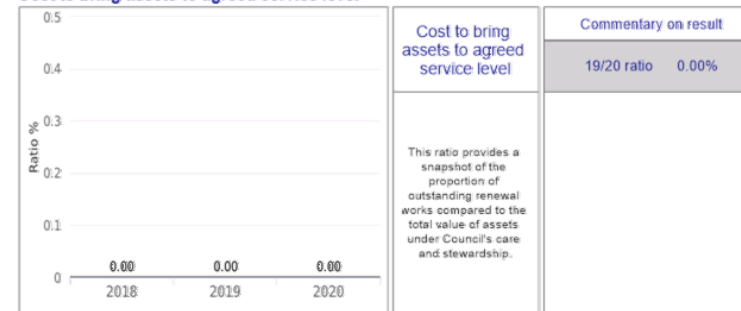
Asset maintenance ratio



Infrastructure backlog ratio



Cost to bring assets to agreed service level



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Yass Valley Council

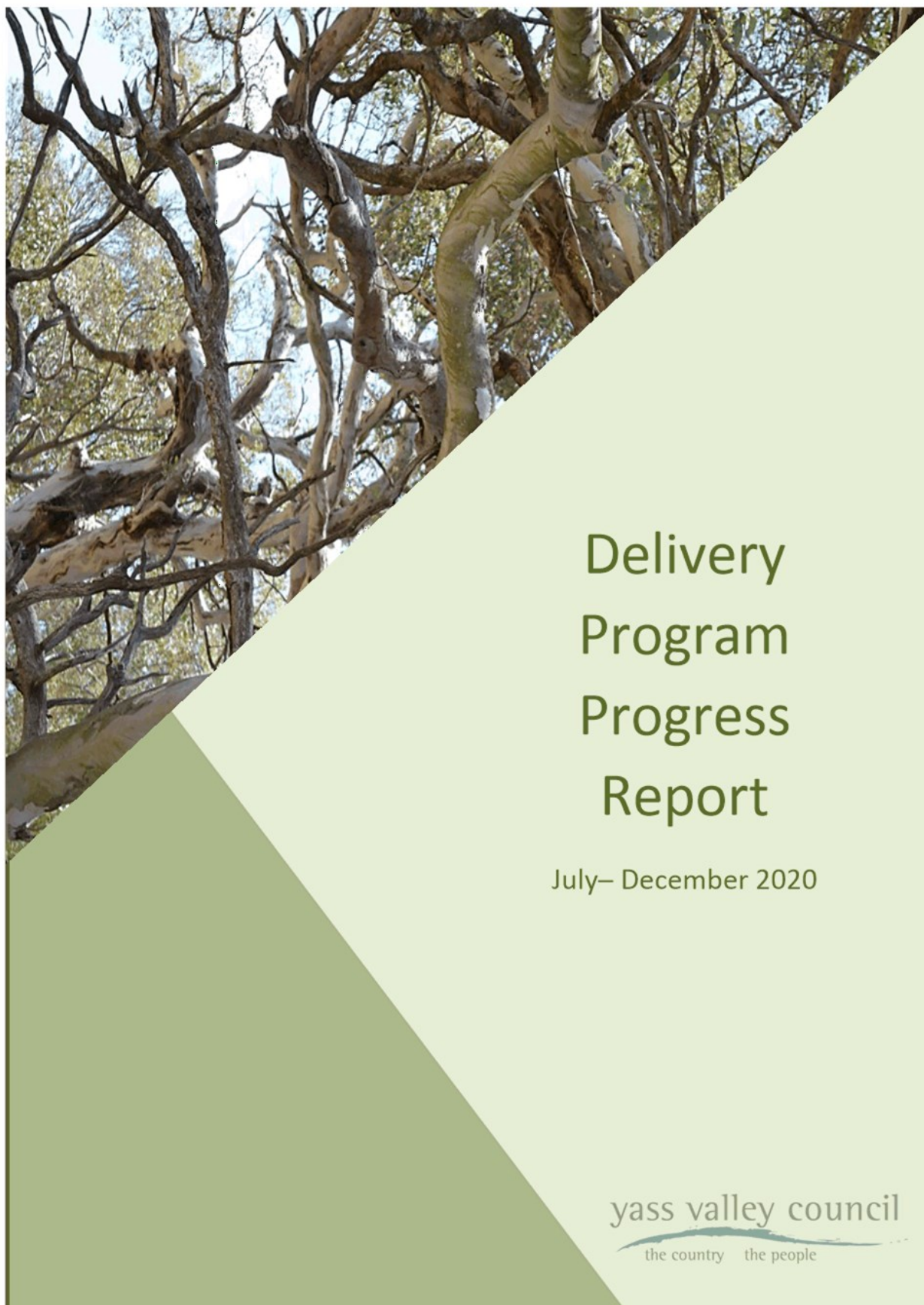
Special Schedules 2020

Report on Infrastructure Assets (continued) as at 30 June 2020

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2020	2019	2020	2019	2020	2019	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²							
Depreciation, amortisation and impairment	156.92%	82.53%	0.00%	12.42%	0.00%	1.76%	>=100.00%
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.73%	1.42%	0.00%	0.00%	0.00%	0.00%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	100.00%	98.02%	100.00%	98.04%	∞	98.08%	>100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.





Access to Information

You can find out information about Council by reading the meeting agenda papers, subscribing to the online newsletter, checking out our website and Facebook pages or by visiting Council's administration office in Yass.

We also produce a newsletter, 'The Valley Views' which is mailed to all residents and businesses three times per year.

How to contact us

In person:

Yass Valley Council
209 Comur Street
YASS NSW 2582

Monday to Friday, 9.00am to 4.30pm

Phone 02 6226 1477 (8.30am – 5.00pm)

After Hours 02 6226 1477

Mail PO Box 6, YASS NSW 2582

Email council@yass.nsw.gov.au

Website www.yassvalley.nsw.gov.au



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Introduction

This Delivery Program Progress report forms part of Yass Valley Council's implementation of the State Government's Integrated Planning and Reporting (IPR) Framework.

Council's use of this framework complies with the *Local government Act 1993*. Specifically:

The Tablelands Regional Community Strategic Plan 2016 – 2036

- Sets out our community's goals and aspirations
- Outlines the strategies and objectives to achieve these goals and aspirations
- Contains measures to check progress
- Is used by Yass Valley, Goulburn Mulwaree, and Upper Lachlan Councils



Delivery Program 2017-2021

- Details Council commitments and priorities during its four year term
- Contains actions to achieve the objectives set out in the Community Strategic Plan for the Yass Valley community



Operational Plan 2020-2021

- Details of activities Council will undertake during the financial year to implement the Delivery Program
- It includes the annual budget adopted by Council, Statement of Revenue Policy, and the annual Fees and Charges for Council's services





Overview

We are pleased to report progress on Yass Valley Council's four year Delivery Program for the period July to December 2020.

The actions in Council's Delivery Program sets out what will be done to meet the objectives of our long term Regional Community Strategic Plan (The Tablelands Regional Strategic Plan 2016 - 2016).

We have set out this plan along the 5 strategic pillars so that the links to the CSP are easily identified and we have developed measures to demonstrate how we are progressing towards these goals.





Achievements

We are happy to report a number of completed projects and achievements for this reporting period. Some of these are listed below:-

New Morton Pump Station:

This pump station was built as part of the Yass to Murrumbateman Water Transfer Project. Pumps will transfer water through a pipeline that was also built as part of the project from Yass to Murrumbateman. Pipeline is 18km long and 250mm in diameter. It is due to be commissioned in February-March 2021.



New Murrumbateman Reservoir:

This, 2.15-megalitre reservoir will receive the water pumped from the new Morton Pump Station. It can service a population of 3,000 people and will support the growth of Murrumbateman Village.



Rehabilitation of Yass Valley Way from Hume Highway to Barton Highway

The reconstruction of approximately 5.2kms of road was completed recently by Contractors. These works were jointly funded by 'Fixing Country Roads' and Yass Valley Council.



Christmas Street Parade





We organised a 'Street Parade' of vehicles from Local Emergency Service groups, Police and Council. The parade paid recognition to these important groups as well as transporting Santa down the main street. The parade was deemed highly successful with a huge amount of people turning up to witness the event. We will endeavour to make this an annual occurrence.

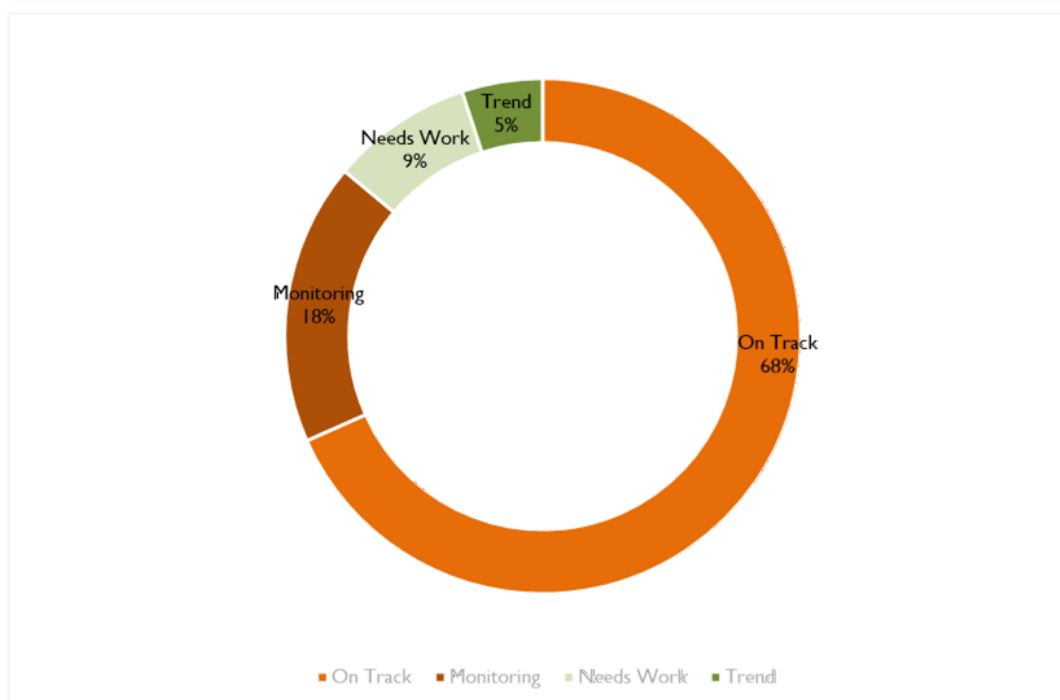




Progress Summary

This report reflects our six-month progress against 75 performance indicators in the Delivery Program. The following rating scale is used to ensure consistency and transparency when assessing the status of each indicator. Performance indicators in this document are actions prescribed in our Operational Plan as their completion furthers the Delivery Program outcomes.

Rating Scale	Symbol	Description
On Track		When the 'actual' is either equal or better than the set target.
Monitoring		Corporate variance of $\pm 10\%$ applies to the set target and is considered achievable, feasible and realistic for performance improvement, with the exception of Legislative requirements
Needs Work		When the 'actual' is either below or above the corporate variance
Trend		Shows a pattern of change data over time where setting a target is not possible















Strategic Pillar 1

Our Environment

We appreciate our range of rural landscapes and habitats, and act as custodians of the natural environment for future generations.






Performance Indicator	Status	Progress Comment
EN1 - Protect and enhance the existing natural environment, including flora and fauna native to the region		
Protect our natural assets in line with community values.		Yass River water monitoring undertaken on a monthly basis. Biodiversity Assessments undertaken as required for Planning Proposals and Development Applications.
Work with Office of Environment & Heritage (OEH) to maintain a network of connected native vegetation (including reserves and council land).		Additional biodiversity surveys have been undertaken on Council owned property 'Hawthorn' to inform an application for Bio certification.
Meet obligations for weed control in the Yass Valley Local Government Area.		Weeds inspections have been undertaken in line with the Weeds Action Plan and reported to NSW DPI as required. Spraying in road reserves for priority weeds will commence in February.
EN2 – Adopt environmental sustainability practices		
Implement Council's Environmental Sustainability Policy across all Council operations.		Policy and implementation requires review in 2021 Request for Quotation for Climate Change and Natural Disaster Risk Assessment for Council Operations opened in December – closes end January 2021.
Improve water efficiency of Council operations.		Water efficiency systems are installed in all new and refurbished council facilities.
Conduct engagement programs that encourage positive behaviour change in the community.		Hands On for Less Waste education project was concluded (after delay due to COVID) with Less Waste Week, featuring 4 online workshops. Targets for the project were met or exceeded.
Work with schools to increase awareness of caring for the local environment urban design principles in development.		Activities planned for Yass High School and local preschools regarding reducing waste, which will be delivered by Eaton Gorge Theatre Company (funded by the CBRIO).
Consider water sensitive urban design principles in development assessment		Water sensitive urban design principles are considered in the assessment process of all major developments.

Performance Indicator	Status	Progress Comment
EN3 – Protect and rehabilitate waterways and catchments		
Engage with the community and external agencies to deliver programs which improve the health of the Yass River and tributaries		Working with Yass Landcare on an Environmental Trust Restoration and Rehabilitation grant to restore a section of the Yass River and Manton Creek. Application submitted in December 2020.
Increase community awareness of the importance of stormwater health and quality		H2OK Community Stormwater Education project has concluded. All targets met or exceeded.
Deliver Plan of Management for the Yass Gorge		Plan of Management delivered and maintenance activities ongoing.
EN4 - Maintain a balance between growth, development and environmental protection through sensible planning		
Ensure Council's statutory planning instruments are up to date and reflective of community needs		Four Amendments have been finalised to the Yass Valley Local Environment Plan (LEP) between July and December, including the creation of the Parkwood LEP.
Ensure Development Application assessment is thorough and efficient		Changes are currently being made to find further efficiencies in the development assessment process through Council's participation in the Public Space Legacy Program and implementation of the NSW Planning Portal.
EN5 - To investigate and implement approaches to reduce our carbon footprint		
Reduce rubbish to landfill through effective waste management and recycling		Waste staff promote source separation with greater emphasis on domestic residents and commercial business/contractors to source separate all materials to increase recycling and reduce waste to landfill.
Work with local businesses to encourage recycling		Recycling programs have been coordinated in conjunction with CRJO waste group.
Promote initiatives in the community such as Eat/Shop Local, Love your Leftovers and being efficient with electricity		#SustainabilitySunday posts continued on Facebook, including topics such as energy efficiency, reducing food waste and reducing food miles.
Investigate low carbon technologies when Council assets are developed or due for replacement		Solar lights installed in parks and solar investigated for facilities with high electricity use. Upgraded lighting in buildings (Library) to LED lights. LED Street lighting upgraded.
Encourage efficient use of renewable energy by Yass Valley households		#SustainabilitySunday posts continued on Facebook, including topics that promote sustainable actions in households such as increasing energy efficiency and uptake of renewable energy.



Strategic Pillar 2 Our Economy

We have a strong regional economy experiencing sustainable growth, which provides for a diverse range of employment opportunities.

Performance Indicator	Status	Progress Comment
EC1 – Capitalise on the region's close proximity to Canberra and its position as a convenient hub to South East Australia to attract industry and investment		
Facilitate business excellence, innovation and collaboration in the Yass Valley LGA to build stronger business networks and support structures identified through the Economic Development Committee and relevant government agencies and community organisations.		Work commenced to redraft our Economic Development Strategy and the role of the Committee. This will include a Small Business Action Plan.
Enhance and promote the Yass Valley brand to drive positive economic activity		Working on Grants to provide support for Tourism.
EC 2 - Jointly develop appropriate tourism opportunities and promote the region as a destination		
Enhance and promote the Yass Valley brand to drive positive tourism outcomes		During this reporting period a new Visitor Information guide was drafted and two tourist signs have been updated on the Hume and Barton highways.
Collaborate with regional tourism stakeholders		Consultations have taken place with Destination Southern New South Wales (DSNSW).
EC3 - Support and foster conditions that enable local and small/home-based businesses to grow		
Identify and participate in initiatives that assist small business		<p>In response to NSW Public Health Orders, our focus was placed on identifying support available for small business and provide information on financial support available.</p> <p>We have assisted by creating awareness of grant opportunities and the completion of COVID Business Safety Plans to ensure ongoing operation of business.</p>






Performance Indicator	Status	Progress Comment
<i>EC4 - Foster and develop a diverse, adaptive and innovative agricultural industry</i>		
Protect rural lands for agricultural purposes		<p>We continue to consider the relevant zone objectives within the Yass Valley LEP 2013 for all Development Applications. The zone objectives for rural land include:</p> <ul style="list-style-type: none"> • To encourage sustainable primary industry production by maintaining and enhancing the natural resource base • To encourage diversity in primary industry enterprises and systems appropriate for the area • To minimise the fragmentation and alienation of resource lands • To minimise conflict between land uses within this zone and land uses within adjoining zones • To protect and enhance the biodiversity of Yass Valley • To protect the geologically significant areas of Yass valley • To maintain the rural character of Yass Valley • To encourage the use of rural land for agriculture and other forms of development that are associated with rural industry or that require • An isolated or rural location • To ensure that the location, type and intensity of development is appropriate, having regard to the characteristics of the land, the rural • Environment and the need to protect significant natural resources, including prime crop and pasture land • To prevent the subdivision of land on the fringe of urban areas into small lots that may prejudice the proper layout of future urban areas
<i>EC5 - Encourage collaboration between businesses, government and training providers to develop employment and training opportunities for young people in the region</i>		
Facilitate networking and collaboration amongst stakeholders		<p>Early stage work and liaison has begun with Industry Groups including Canberra Wine Industry Association, Makers of Murrumbateman and the Yass Valley Business Chamber to fully understand priorities and areas for support to enable development of Industry Action Plans for 2020-21 which will align with priorities from REDS and Council's Delivery Program and Operating Plan.</p> <p>Engagement with Agriculture Industry groups, including NSW Farmers, has begun and will continue in the next reporting period.</p>














Strategic Pillar 3



Our Community

We are a network of vibrant, inclusive and diverse communities that value our rural lifestyle.

Performance Indicator	Status	Progress Comment
CO1- Facilitate and encourage equitable access to community infrastructure and services such as health care, education and transport		
Provide an accessible library service to all of the community.		At present there are no set targets for usage of the library service, including visits to the mobile library. The recent review and subsequent closure of the physical branch in Murrumbateman, creates the opportunity to provide a more visual promotion of the library service through the use of the mobile library with the Murrumbateman Markets. Targets will be set for all areas of the library service including the main branch in Yass, the revamped Murrumbateman service and mobile visits to outlying villages.
Advocate to the State Government and relevant agencies to ensure that transport, health and educational services are delivered equitably to all residents		We recently advocated for improvements to Health facilities including a review of clinical services during the Federal By-election for Eden Monaro. A meeting with Southern NSW LHD to commence preparation of the Health Care Services Plan 2020-2030 was scheduled for 15 December 2020
Ensure plans are in place for accessible community facilities and services in consultation with the Access Committee		On hold pending the preparation of the new Disability Inclusion Action Plan (DIAP) and will be addressed in the new term of Council.
CO2 - Encourage and facilitate active and creative participation in community life		
Deliver robust and diverse community engagement opportunities		We will inform, consult, involve or collaborate with our community in our agile approach to collaboration. We inform through a diverse number of communication channels. We consult and seek feedback about matters such as policy. We collaborate with groups such as Council Committees, NGOs and governance agencies to find solutions to community issues and identify opportunities.
Ensure the community is well informed about its projects, policies and programs		We continue to use our adopted Community Engagement Strategy to ensure adequate engagement is undertaken with our community. Specific Communication and Engagement Plans are developed for all major projects and are designed to ensure all information is included when informing our community.

Performance Indicator	Status	Progress Comment
CO2 - Encourage and facilitate active and creative participation in community life cont'd		
Develop and implement a Public Art Strategy that includes specific actions for the development of creative pursuits		Council adopted a Public Art Policy in November 2017 which superceded the need for a Strategy. Council has established a Public Arts Focus Group to evaluate art proposals. We recently approved a free graffiti wall under the Hume Bridge – a place where anyone who wishes to contribute to graffiti art can do so and for the community to enjoy.
Provide a library service that facilitates creative participation in community life		<p>The Yass Valley Library Service provides many programs to facilitate active participation for all ages. Due to COVID restrictions, all programs were suspended until the start of November 2020, since then a number of programs have recommenced (e.g. storytime, school holiday activities etc.). Unfortunately, the mobile library service and consequential pre-school outreach programs are still on hold.</p> <p>The Library service has recently introduced TechConnect which replaces the Tech Help sessions that were offered previously. TechConnect provides residents (in particular older persons) the opportunity to learn computer skills and how to use smart devices with the assistance of a dedicated Library Assistant. This program is offered to the Yass Valley community in partnership with the Australian Governments 'Be Connected' initiative.</p>
Support the growth of a diverse range of community events		
CO3 - Foster and encourage positive social behaviours to maintain our safe, healthy and connected community		
Encourage and support existing and new interagency groups		<p>Throughout the period we have been an active participant in the Yass Child & Families Interagency Group. The restrictions arising from COVID-19 resulted in us providing the option for members to attend via Zoom. This had the unintended but welcome effect of markedly increasing attendance numbers.</p> <p>The Yass Youth Working Group was established in September 2020 to plan and implement projects with and for young people. The initial program developed by the Working Group reflects the results of an online survey we undertook of young people to establish their needs and interests and to provide a basis for funding applications</p>

Performance Indicator	Status	Progress Comment
CO3 - Foster and encourage positive social behaviours to maintain our safe, healthy and connected community cont'd		
Connecting the community to Yass Valley Council through a range of Advisory Committees		During the period, consultation with Council's Youth Council, Aboriginal Consultative Committee was undertaken online in relation to a range of issues. A review of the effectiveness of Advisory Committees as a mechanism for connecting the community to Council commenced in the period through the Audit Risk and Improvement Committee (ARIC).
Support the growth and development of volunteering		With the assistance of a Wesley LifeForce Community Development Officer, in October 2020 we facilitated establishment of the Yass Suicide Prevention Network. A further meeting was held in November 2020.
Develop a Crime Prevention Plan		Yass Valley crime statistics are monitored to determine the need for a Crime Prevention Plan. Current crime statistics indicate that the response by the NSW Police is adequate for the local government area.
Foster road safety awareness		Via a series of social media posts on our Facebook page, the Road Safety Program transferred messaging to online consistent with COVID Guidelines. Following a sharp increase in heavy vehicle fatalities, we participated in a multi organisational awareness day. Heavy vehicle drivers at Mundooran Rest Stop were provided fatigue prevention strategies. A grant was secured to upgrade road geometry at the site of a fatal crash in Yass. We also conducted two workshops for older road users called 65 PLUS.
CO4 - Recognise and celebrate our diverse cultural identities and protect and maintain our community's natural and built environment		
Ensure appropriate controls are in place to conserve the heritage value of our built environment.		Heritage design standards and guidelines have been drafted and are to be included within the comprehensive Development Control Plan in 2021.
Continue the Heritage Advisory Service		There were five visits from Council's Heritage Advisor between July and December. The visits included the assessment of the 2020-2021 Local Heritage Grants, and advice on future use of the Liberty Theatre, adaptive reuse of a former church, proposed works at the Globe Inn, and a preliminary assessment of the Council owned stone outbuildings in Dutton Street.
Continue the Local Heritage Grants Program		Funding offers for preservation work on heritage buildings were made in relation to the Binalong Court House, the Binalong Mechanics Institute, the Royal Hotel, Binalong, St Patricks Church, Binalong, the Uniting Church, Yass, and the Sutton Public School.

Performance Indicator	Status	Progress Comment
CO4 - Recognise and celebrate our diverse cultural identities and protect and maintain our community's natural and built environment cont'd		
Implement the Yass Valley Aboriginal Reconciliation Action Plan in conjunction with the Aboriginal Advisory Committee:		<p>The scarred tree installation on Oak Hill was completed in June 2020 and weed removal and maintenance activities have been undertaken in the period since. The opening celebration has been deferred as a consequence of COVID-19 restrictions.</p> <p>NAIDOC Week was celebrated in the period, with Council hanging banners with Aboriginal motifs in Comur Street. We assisted the Aboriginal community mount a display and conduct an audiovisual presentation in the Memorial Hall, conducting smoking and flag-raising ceremonies and holding a storytime session for children involving a local Elder.</p>
CO5 - Maintain our rural lifestyle		
Ensure the community is attractive and vibrant while maintaining our village atmosphere		We have commenced work on a High Street Grant application for upgrades to Comur Street, Yass.

















Strategic Pillar 4

Our Infrastructure

Our community is well serviced and connected to built, social and communications infrastructure.

Performance Indicator	Status	Progress Comment
IN1 – Develop high speed rail links between the region, Canberra, Sydney and Melbourne		
Assess the advantages and disadvantages for Yass Valley of any high speed rail proposal		We will assess all proposals when they are provided. No proposals received.
IN2 - Improve public transport links to connect towns within the region and increase access to major centres		
Lobby the Federal and State Governments to upgrade the Barton Highway		No new community needs requiring advocacy were identified during the reporting period.
Advocate for public transport links or improved services where there is a demonstrated community need		We transferred Community Transport functions to Valmar Support Services which includes transport to Canberra for medical appointments.
Seek funding opportunities to deliver upgrade works on regional roads		In August - September 2020 we completed a review of Regional Road classifications for the transfer of all Regional Roads to the State Government for ongoing road management.
IN3 - Maintain and improve road infrastructure and connectivity		
Deliver transport asset infrastructure, maintenance, renewal and enhancement programs for urban, rural and regional roads to maintain or improve overall condition.		We continued the maintenance of our transport network. We have also been successful in receiving a number of grants for the rehabilitation of the network including: \$450k for regional road repairs \$3.1M for local road rehabilitation \$2.4M for local road resealing
Deliver Roads & Maritime Services (RMS) state road maintenance and renewal programs in accordance with the road Maintenance Council Contract		We delivered the level of service on State Roads in accordance within the contract (RMCC) agreed with TfNSW and to the satisfaction of TfNSW representatives.

Performance Indicator	Status	Progress Comment
IN4 - Maintain and update existing community facilities and support the development of new community infrastructure as needed.		
Develop and maintain new and existing recreational and community assets to address our communities needs in a sustainable manner		Work continued on plans for amenities and sporting facilities.
Ensure sufficient land is appropriately located for future Council facilities and emergency services		In November 2020 we completed a comprehensive review of our operational and community land assets. This review has identified land that will continue to be held for operational and community purposes along with land that could be disposed of.
IN5 - Ensure high quality water supply options for the towns in the region		
Council supplies quality water, that addresses the community needs		A significant rainfall event and flooding in the Yass River catchment between 8-9 August 2020 resulted in "Boil Water Alert" due to treatment failure between 10- 20 August 2020 on the advice of NSW Health. Help was sought from DPIE Water and the upgrade to the water treatment plant and raw water pump station are prioritised to address the effects of future events.
Council caters for growth to ensure we meet future community needs		Major components of the Yass to Murrumbateman Water Transfer System Project have been completed (98%). Commissioning is scheduled for completion by March 2021 . Studies to prepare an Integrated Water Cycle Management Plan (water) is underway. Data collection and analysis is nearly complete including a detailed sewer modelling with flow gauging. An Issues Paper will be ready for review and comments in February 2021.
Council makes quality enhancements that address community needs		We resolved at our December 2020 meeting to undertake a staged approach for Yass Water Treatment Plant (WTP) Upgrade. Stage 1 works will now include upgrade to the Raw Water Pump Station and bubble plume aeration of Yass Dam. A technical peer review will precede Stage 2 and 3 works that involves major upgrades to Yass WTP.
IN6 - Provide an efficient and sustainable waste service		
Council provides a quality sewer network that address the community needs		Performance of the Yass and Murrumbateman sewerage systems were in compliance with the EPA requirements except for very minor exceedances due to the effect of extreme wet weather.

Performance Indicator	Status	Progress Comment
IN6 - Provide an efficient and sustainable waste service cont'd		
Council caters for growth to meet future community needs		Tendering and award of contract for the construction of Wellington Road Sewage Pump Station, Rising Main and Gravity main were completed. Construction to commence in January 2021 to service the catchment in Wellington Road area.
Council makes quality enhancements that address community needs		<p>Tendering and negotiations were completed for the upgrade works at Ford Street Sewage Pump Station. Installation of emergency generator and associated electrical works are scheduled to commence in February 2021.</p> <p>Contract for sewer relining was awarded in November 2020. Work involves relining approximately 0.6 km of sewer mains and commenced in December 2020.</p>
Provide an efficient and sustainable waste service		<p>Greater emphasis at site to encourage source separation of material to reduce waste to landfill.</p> <p>Council again participated in the Garage Trail Sale program as part of the CRJO group initiative.</p> <p>Design & quotations sort for Gundaroo Transfer Station waste trailer pad and wall ready for construction.</p> <p>Commercial and kerbside collection continue to operate and accept appropriately sorted materials. Recycling is undertaken at all transfer stations with materials being processed at Yass.</p>
IN7 - Secure improvements for and future proof telecommunications infrastructure		
Advocate for servicing of mobile blackspot areas		We will advocate whenever these concerns are known. We have supported a grant application for a pilot project in Murrumbateman to improve internet performance.
Advocate for a more stable communication network		We will advocate whenever these concerns are known.
IN8 – Improve accessibility to and support the development of health and medical facilities in the region		
Continue to advocate on behalf of the community for health and medical facilities in the region.		<p>We recently advocated for improvements to Health facilities, including a review of clinical services, during the Federal by election for Eden Monaro.</p> <p>A meeting with Southern NSW LHD to commence preparation of the Health Care Services Plan 2020-2030.</p>

Performance Indicator	Status	Progress Comment
IN9 - Improve accessibility to and support the development of education and training facilities in the region		
Continue to advocate on behalf of the community for education and training activities to serve our residents		<p>We have entered into an MOU with Education for school facilities.</p> <p>Regular discussions have occurred with the Department of Education for Yass High School improvements and for a new school at Murrumbateman.</p> <p>A new primary school site has been selected for Murrumbateman and discussions have commenced regarding the design and community access into the new facilities.</p>











Strategic Pillar 5

Our Civic Leadership

Our leaders operate ethically and implement good governance. We empower our residents with the tools to participate actively in the development of our communities.

Performance Indicator	Status	Progress Comment
CL1 – Effect resourceful and respectful leadership and attentive representation of the community		
Ensure activities carried out in Yass Valley are in a safe manner and meet legislative requirements		Targets are on track or have been exceeded in a number of cases. All incidents in the community have been responded to in a timely manner.
Address the community's needs in a sustainable manner		We constantly monitor decisions about services and infrastructure for the community in its ten year Long Term Financial Plan. This ensures Council can address the community's needs in a sustainable manner.
Meet its objective through improving the effectiveness of risk management, controls and governance processes		We constantly monitor our Risk Management objectives. We have implemented Risk Management & WHS policies and frame works to minimise our risk exposure. We ensure policies and levels of indemnity are in accordance with Council risk appetite.
Be compliant, more efficient and effective		A new Governance Manager has been appointed.
Improve Council's operating performance (operating performance ratio)		The benchmark is greater than 0%. Council has achieved the following Operating performance ratio results: 2017/18 5.49% 2018/19 5.59% 2019/20 10.97% (unaudited)
Maximise Council's ability to generate income		We regularly reviews our investment and cash management methodology to maximise income. Fees and charges are reviewed annually to ensure income is generated to cover operational costs.
Ensure that Council assets are being renewed faster than they are deteriorating		Councils Buildings and infrastructure renewals ratio for 2019/20 (unaudited) was 112.57%. This is projected to remain at 100%.

<i>CL2 - Encourage and facilitate open and respectful communication between the community, the private sector, Council and other government agencies</i>		
Make doing business with Council easier		We have introduced a number of online forms, and commenced the use of the NSW Planning Portal for Development Applications.
Inform and engage with the community on all actions of Council		We continue to inform the community with e-newsletters and the quarterly Yass Valley Views. Our website and social media pages are continually updated with the latest information.
Undertake community engagement to ensure the community is involved in Council's decision making process		We continue to use our official website to inform the community of engagement opportunities and announcements. The website is also regularly revised to ensure all content is updated and easily accessible. Residents that are directly impacted by major projects are directly informed and engaged via letter and/or email.
<i>CL3 – Collaborate and cooperate to achieve efficiencies and a greater voice in regional decision-making and encourage similar cooperation across other sectors and community groups.</i>		
Actively participate in the Canberra region of joint Councils (CRJO)		We participated in all scheduled meetings and we have membership on a number of working groups. The Mayor is the Chair of the CRJO.
<i>CL4 - Actively investigate and communicate funding sources and collaboration opportunities that can strengthen the region</i>		
Monitor and distribute information from government		We monitor all relevant government information distribution channels and disseminate to the community as required. Communicating COVID-19 restrictions to the community was a focus during 2020.
Facilitate networking in the region to share ideas		We continue to do this through our participation in the CRJO. General Managers of Goulburn-Mulwaree, Upper Lachlan Shire and Yass Valley Council meet quarterly to identify shared service opportunities.