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ATTACHMENTS

ENCLOSURES

Ordinary Council Meeting

20 October 2020

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Proposed Amendment to the *Goulburn Mulwaree Development Control Plan 2009*

Section	Amendment	Reason
General		
N/A	Re-numbering and re-formatting of all clauses affected by this amendment	N/A
Chapter 3 General Development Controls		
Section 3.8 Flood affected lands	Delete the following: <i>Engineering details for the effect of flooding are not required for non-habitable buildings and structures.</i>	This is inconsistent with flood planning policy and obligations under s4.15 of the <i>Environmental Planning and Assessment Act 1979</i> as there are circumstances where this information needs to be made available in order to accurately assess flood risk.
Chapter 4 Principle development Controls - Urban		
Section 4.1.1 Site planning, bulk, scale and density	Delete the following: <i>B1 Neighbourhood Centre and B3 Commercial Core – Nil (except for shop top housing);</i>	The B1 Neighbourhood Centre zone no longer exists in the <i>Goulburn Mulwaree Local Environmental Plan 2009</i> and the control relating to the B3 Commercial Core zone is unnecessary as the zone already prohibits all residential development that is not shop top housing.
Section 4.1.1 Site planning, bulk, scale and density	Delete the following: Figure 4-1: Example of the calculation of maximum number of dwellings allowed in the Business B2 Local Centre zone <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <ul style="list-style-type: none"> • Subject lot area – 1,000m²; </div>	This example is unnecessary clutter.

Section	Amendment	Reason
	<ul style="list-style-type: none"> • Gross floor area (GFA) is calculated by multiplying FSR (1.2) by site area (1,000) which is 1,200m²; • Minimum GFA for a single dwelling unit is 150m²; • Allowable residential percentage is 40%; • Number of dwellings is calculated by dividing 40% of the FSR (1,200) by minimum GFA for a single dwelling (150) which is 3.2. • Maximum theoretical number of dwellings for this site is 3. 	
<p>Section 4.1.1 Site planning, bulk, scale and density</p>	<p>Amend from: <i>RU5 Village – 750m² per dwelling unit.</i></p> <p>To instead say: <i>RU5 Village – 700m² per dwelling unit.</i></p>	<p>700m² is consistent with the minimum lot size applied to the RU5 Village zone.</p>
<p>Section 4.1.1 Site planning, bulk, scale and density</p>	<p>Delete: Figure 4-2: Example of the calculation of maximum number of dwellings allowed in residential zones</p> <div style="border: 1px solid black; height: 15px; width: 200px; margin-top: 5px;"></div>	<p>This example is unnecessary clutter.</p>

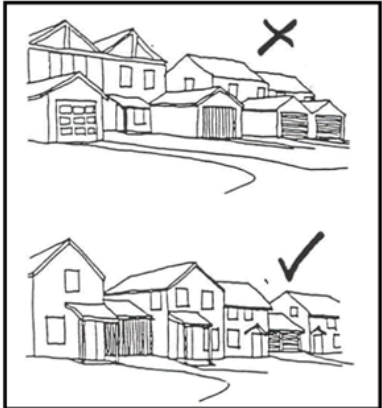
Section	Amendment	Reason								
	<ul style="list-style-type: none"> • Zone R1 General Residential; • Subject lot area – 1,500m²; • Average site area required for each proposed dwelling unit – 350m²; • Number of dwellings is calculated by dividing lot area (1,500) by dwelling site area required (350); • Maximum number of dwellings allowed (rounded) is 4. • Note: this theoretical calculation is based on full reticulated services being available to the site. 									
<p>*New section* Sheds and other ancillary structures</p>	<p>Insert after 4.1.1:</p> <p>4.1.2 Sheds and other ancillary structures</p> <p><i>Sheds and other ancillary structures to residential development (e.g. car ports) must adhere with to the height limits outlined in Table 4-1 below:</i></p> <p>Table 4-1: Height limits</p> <table border="1" data-bbox="512 1131 1514 1262"> <thead> <tr> <th data-bbox="512 1131 1012 1161">Setback</th> <th data-bbox="1012 1131 1514 1161">Height limit</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1161 1012 1193">0.5m</td> <td data-bbox="1012 1161 1514 1193">2.4m</td> </tr> <tr> <td data-bbox="512 1193 1012 1225">1m</td> <td data-bbox="1012 1193 1514 1225">3m</td> </tr> <tr> <td data-bbox="512 1225 1012 1262">1.5m or greater</td> <td data-bbox="1012 1225 1514 1262">3.6m</td> </tr> </tbody> </table>	Setback	Height limit	0.5m	2.4m	1m	3m	1.5m or greater	3.6m	<p>To provide guidance as to acceptable height limits for sheds and ancillary structures where there currently are none.</p>
Setback	Height limit									
0.5m	2.4m									
1m	3m									
1.5m or greater	3.6m									


Section	Amendment	Reason
<p>*New section* Rain gardens</p>	<p>Insert after 4.1.1:</p> <p>4.1.3 Rain gardens</p> <p><i>Rain gardens are to be located on a low spot away from any dwelling with access to sunlight. Rain gardens must drain away from nearby dwelling.</i></p>	<p>To provide guidance as to the location of rain gardens where there is none.</p>
<p>*New section* Cut and fill</p>	<p>Insert after 4.1.1:</p> <p>4.1.4 Cut and fill</p> <p><u>Objectives</u></p> <p><i>To minimise the extent of cut and fill within residential allotments.</i></p> <p><i>To protect and enhance the aesthetic quality of the area by controlling the form, bulk and scale of land forming operations.</i></p> <p><i>To ensure that the amenity of adjoining residents is not adversely affected by any land forming.</i></p> <p><i>To ensure that stormwater management is not adversely affected.</i></p> <p><u>Controls</u></p> <p><i>Earthworks shall be undertaken to a maximum of 600mm excavation or fill from the natural surface level of the property.</i></p> <p><i>Council will assess proposals for excavation or fill greater than 600mm having regard to the visual impact of the proposed earthworks.</i></p>	<p>To provide guidance for cut and fill where there is none.</p>

Section	Amendment	Reason
	<i>All cut and fill shall have a setback to the boundary to permit any retaining walls to be located wholly within the property boundary and to allow fencing to be installed at the boundary.</i>	
New section Dwelling design	Insert after 4.1.1: 4.1.5 Dwelling Design <i>Dwelling houses and each unit of a detached dual occupancy development are not to comprise of substantially the same streetscape design of any other dwelling house or unit of a detached dual occupancy development that exists or is proposed as part of the same application within four lots either side of the development site and on either side of the road it is fronting (inclusive of the development site). *</i> <i>*Note- This provision does not apply to developments within heritage conservation areas or adjoining heritage items where the development is designed to be sympathetic to existing development and period details etc.</i>	To limit clustering of identically designed houses that can detract from the visual amenity.
Section 4.1.2 Number of storeys	Remove the following word from the clause: <i>recommended</i>	To strengthen the application of this control.
Section 4.1.3 Solar access	Amend from: <i>Residential buildings shall be designed to ensure that the proposed dwelling, adjoining residential buildings, and the major part of their landscaped open space, have at least four hours of sunlight between 9.00am and 3.00pm on 21 June (winter solstice). Figure 4-3 identifies the variation of the sun’s path in winter and summer.</i> To instead say: <i>Residential buildings shall be designed to ensure that the proposed dwelling, adjoining residential buildings, and at least 50% of their private open space, have at least three hours of sunlight between 9.00am and 3.00pm on 21 June (winter solstice). Figure 4-3 identifies the variation of the sun’s path in winter and summer.</i>	To clarify that solar access requirements also apply to private open space. To allow for developments with only three (3) hours direct sunlight as four (4) hours can be overly onerous and difficult to achieve. To clarify that solar access must be considered not just in the context of the development proposed, but also in the context of enabling

Section	Amendment	Reason
	<p><i>No structure is permitted where it would prejudice the ability of adjacent lots to meet the above control or overshadow existing neighbouring solar powered devices (e.g. photovoltaic panels, solar water heaters).</i></p> <p><i>In circumstances where an adjacent southern lot has an east-west orientation, a southern setback of at least 3m must be applied for all one-storey development and 6m for all two-storey development, in order to comply with the above controls.</i></p> <p><i>Shadow diagrams or solar access diagrams may be required by Council to demonstrate compliance with this section.</i></p>	<p>neighbouring lots to comply with the control.</p>
<p>Section 4.1.4 Privacy</p>	<p>Insert under controls:</p> <p><i>Windows and balconies are not to be positioned in a location where it allows for direct views into nearby approved habitable rooms. Balconies and second storey windows are also not to have direct views into the private open space of nearby approved residential areas unless privacy elements are applied (e.g. privacy screens or high still windows). Figures 4-6 and 4-7 demonstrate appropriate ways to maintain privacy.</i></p> <p><i>Windows must not be located parallel to other windows of adjacent dwellings. However this may be permitted on the ground level if it can be demonstrated that the erection of a fence will completely restrict overlooking into the opposite room.</i></p> <p><i>Swimming pool pumps and other miscellaneous noise producing ancillary structures must be located at least 6m from the nearest habitable room. Sound insulation must be also be used if a swimming pool pump is within 3m of a property boundary.</i></p>	<p>To provide additional controls to protect the privacy of neighbouring lots and limit amenity impacts of pool pumps.</p>
<p>Section 4.1.5</p>	<p>Amend from:</p> <p><i>Whenever possible, open space is to be orientated to have a north easterly aspect and living areas are to open out thereon, whenever possible (refer to Figure 4-9).</i></p>	<p>To strengthen the application of controls and clarify when and how they are applied, including for secondary dwellings.</p>

Section	Amendment	Reason
	<p><i>Areas used for driveways, car parking, drying yards and service yards shall not be included as landscaped open space.</i></p> <p><i>Recommended amount of private open space per dwelling is 75 m².</i></p> <p>To instead say:</p> <p><i>Private open space is to be orientated to have a north easterly aspect and living areas are to open out thereon (refer to Figure 4-9).</i></p> <p><i>Areas used for driveways, car parking, drying yards, service yards, rain gardens, rainwater tanks, services or the like shall not be included as private open space.</i></p> <p><i>The minimum amount of private open space required per detached, attached or semi-detached dwelling is 75 m². This 75m² of private open space must be a single contiguous area with a minimum length of 6m and width of 4m.</i></p> <p><i>Secondary dwellings must also provide a minimum of 75m² of private open space in accordance with the above control.</i></p>	
4.1.6 Setbacks	<p>Delete clause, replace instead with:</p> <p>4.1.10.1 Rear setback <i>A minimum rear setback of 6m is required for all residential development.</i></p> <p>4.1.10.1 Side setback <i>A minimum side setback of 1m is required for all residential development.</i></p> <p>4.1.10.1 Front setback <i>A minimum front setback of 6m, measured from the forward building line to the property boundary, is required for residential development. A smaller front setback distance may only be</i></p>	To consolidate front setback controls and provide minimum rear and side setbacks to limit overdevelopment.

Section	Amendment	Reason
	<p><i>considered if it is consistent with the front setback of adjacent dwellings constructing on subdivisions that predate this Development Control Plan.</i></p> <p><i>Secondary frontages on corner allotments must be setback 3m.</i></p>	
<p>4.1.8 Traffic safety and management</p>	<p>Insert under objectives:</p> <p><i>Ensure that garages meaningfully contribute to the parking capacity of the dwelling.</i></p> <p>Amend from:</p> <p>Figure 4-10: Preferred garage treatment</p> <div data-bbox="524 788 904 1198" style="border: 1px solid black; padding: 5px;">  </div> <p><i>The visual impact of garages is to be minimised, as illustrated on Figure 4-10.</i></p> <p><i>All garage and carport entries are to be set back from the front facade of the dwelling by a minimum of 1 metre, and a minimum of 5.5 metres from the front property boundary.</i></p> <p><i>For residential development, the minimum standard of provision is detailed at clause 3.4 of this plan.</i></p>	<p>To limit garage frontage and ensure that any garage space allocated is enough to facilitate off street parking when taking into account storage requirements.</p> <p>To require landscaping as part of proposing a right of carriageway.</p>

Section	Amendment	Reason
	<p><i>Parking areas and driveways shall be designed in accordance with the current version of Council's Standards for Engineering Works. All driveways, paths, car parking areas are to be paved in brick pavers, bitumen, concrete or another approved manner. Use of decorative paving is encouraged. Long, straight driveways are to be avoided, eliminated or appropriately screened to Council's satisfaction.</i></p> <p><i>Paved area is to be minimised.</i></p> <p><i>Access for one dwelling via right of carriageways is to be a minimum of 3.5 metres in width (excludes traffic control devices), except when it is more than 40 metres long where the minimum width increases to 5</i></p> <p>To instead say:</p> <p>Figure 4-10: Preferred garage treatment</p>  <p><i>The visual impact of garages is to be minimised, as illustrated on Figure 4-10.</i></p> <p><i>All garage and carport entries are to be set back from the front facade of the dwelling by a minimum of 1 metre and comprise of not more than 40% or 6m of the front façade of the building, whichever is the greater.</i></p> <p><i>Additional or wider garages may be permitted if they are not visible from the street.</i></p> <p><i>For residential development, the minimum standard of provision is detailed at clause 3.4 of this plan.</i></p>	

Section	Amendment	Reason
	<p><i>A minimum of two (2) parking spaces is required per dwelling unit for a dwelling house, attached dwelling, dual occupancy or semi-detached dwelling development. Single vehicle garages do not count towards this parking space requirement unless there is a minimum of 10m² additional storage space provided within the garage, with a minimum width of 1.5m, not including space designated for car parking or space used as a laundry. The minimum internal width of a car parking space shall be at least 3.5m by 6.5m.</i></p> <p><i>Parking areas and driveways shall be designed in accordance with the current version of Council's Standards for Engineering Works. All driveways, paths, car parking areas are to be paved in brick pavers, bitumen, concrete or another approved manner. Use of decorative paving is encouraged. Long, straight driveways are to be avoided, eliminated or appropriately landscaped to Council's satisfaction.</i></p> <p><i>Paved area is to be minimised.</i></p> <p><i>Access for one dwelling via right of carriageways is to be a minimum of 3.5 metres in width (excludes traffic control devices), except when it is more than 40 metres long where the total minimum width increases to 5.5 metres. .0.5m of landscaping is required along the boundary in addition to the minimum width.</i></p>	
<p>Section 4.1.10 Energy efficient siting and layout</p>	<p>Amend from:</p> <p><i>Buildings should be designed to ensure that much of the floor area is within a 4-6 metre distance of an external window. An elongated plan shape produces this characteristic, as will the use of an atrium or courtyard. Maximise north and south facades, whilst minimising east and west facades (refer to Figure 4-3 & 4-11).</i></p> <p>To instead say:</p> <p><i>Buildings must be designed to ensure that the floor area is within a 4-6 metre distance of an external window. An elongated plan shape produces this characteristic, as will the use of an atrium or courtyard. Maximise north and south facades, whilst minimising east and west facades (refer to Figure 4-3 & 4-11).</i></p>	<p>To strengthen the application of the control</p>

Section	Amendment	Reason
Section 4.1.11 External window shading and internal and external lighting	<p>Amend from:</p> <p><i>Ideally, shading devices should be external.</i></p> <p>To instead say:</p> <p><i>Shading devices must be external.</i></p>	To strengthen the application of the control.
Section 4.1.14 Working hours – residential and business	<p>Amend from:</p> <p><i>Ensure the operations of the proposed development period will not cause nuisance to residents by way of working hours.</i></p> <p>To instead say:</p> <p><i>Ensure the operations of the proposed development and construction period will not cause nuisance to residents by way of working hours.</i></p>	To clarify the objective of the control.
Section 4.1.14 Working hours – residential and business	<p>Insert after ‘Council seeks to ensure that the hours of operation of businesses, commercial premises and places of work are compatible with the type of activities carried out on the premises and the relationship with neighbouring residential occupiers’:</p> <p><i>(e.g. for home businesses, home industries, neighbourhood shops etc.).</i></p>	To clarify the application of this control.
Section 4.1.15 Subdivision	<p>Delete:</p> <p>Note: <i>Reference chapter 7 of this Plan. – All roads etc, are to be designed and constructed in accordance with the current version of Council’s Standards for Engineering.</i></p>	This is an unnecessary notation as it forms one of Council’s standard conditions of consent.

Section	Amendment	Reason
Section 4.1.15 Subdivision	<p>Insert at beginning:</p> <p><i>The following subdivision controls apply to all residential subdivisions. Site specific development controls supersede to the extent of any inconsistency.</i></p>	<p>To clarify the relationship between the general development controls and</p>
Section 4.1.15 Subdivision	<p>Replace all controls with the following;</p> <p>Controls Master planning</p> <p><i>Council is receptive to subdivision designs that accommodate a mixture of lot sizes and dwelling types. Such subdivisions designs can accommodate a broader cross-section of housing development and maximise development yield. However, in order to facilitate such development, Council must first ensure adequate provisions are made to ensure that the subdivision design can accommodate this increased density.</i></p> <p><i>Residential subdivision applications involving the creation of a new public road are to be provided with a master plan to consider the future development capacity of the land and demonstrate compliance with relevant controls in this Plan.</i></p> <p><i>Each proposed lot shall be labelled as being primarily intended for:</i></p> <ul style="list-style-type: none"> ▪ <i>Single detached dwelling houses;</i> ▪ <i>Dual occupancies or semi-detached dwellings;</i> ▪ <i>Multi dwelling housing (with the number of dwellings to be specified);</i> ▪ <i>Attached housing (with the number of dwellings to be specified); or</i> ▪ <i>A combination of any of the above.</i> <p><i>Where a lot is identified as being suitable for a combination of the above or as being identified as suitable for a range of different dwelling yields, Council will apply controls relevant to the highest</i></p>	<p>To strengthen master planning requirements to also include consideration of the potential for lots to be subsequently developed into more than one dwelling and link these considerations with all other relevant subdivision controls.</p> <p>To strengthen the considerations required prior to nomination of road networks.</p> <p>To include minimum requirements for public open space where there are none.</p> <p>To align generic water sensitive urban design requirements with WaterNSW requirements.</p>

Section	Amendment	Reason
	<p><i>dwelling yield identified and the most intensive dwelling type in terms of infrastructure demand. For the avoidance of doubt, Council will determine that a lot is intended for a higher dwelling yield than specified if more dwellings can be subsequently approved under the complying development approval pathway.</i></p> <p><i>Subdivision design must allow for any subsequent development to be reasonably capable of complying other development controls in this Plan.</i></p> <p><i>Battle-axe lots are not permitted if the subdivision can reasonably be carried out without their use.</i></p> <p>Road location and hierarchy</p> <p><i>A road hierarchy must be indicated and designed in accordance with Council's Engineering Standards. If there is an inconsistency between these standards and this Plan, this Plan prevails to the extent of the inconsistency.</i></p> <p><i>Road widths and hierarchy must be designed to accommodate the maximum dwelling yield identified for the subdivision.</i></p> <p><i>Road widths and hierarchy must be designed to allow for increased traffic and on-street parking for services that may reasonably be expected to occur in the subdivision (e.g. child care facilities, neighbourhood shops).</i></p> <p><i>The nominated road network must also include an assessment of how it is the optimal means of achieving the following:</i></p> <ol style="list-style-type: none"> <i>1. Safety for all road users.</i> <i>2. Access to community centres and recreational areas.</i> <i>3. Access from within the subdivision to surrounding areas.</i> <i>4. Integration or compatibility with pedestrian and cycling routes within the subdivision (e.g. ensuring safe crossings).</i> 	

Section	Amendment	Reason
	<p>5. <i>Minimisation of through traffic in residential areas.</i></p> <p>6. <i>Adequate provision of on-street parking.</i></p> <p>7. <i>Compliance with other controls in this Plan.</i></p> <p><i>The road hierarchy must allow for any subsequent development to be within 400m walking distance of existing bus routes. If bus routes do not exist, the road hierarchy must be capable of supporting a new bus route within 400m walking distance of all subsequent development.</i></p> <p><i>Should remnant vegetation be located in either existing or proposed road reserves it shall be conserved in the design and construction process. Access to new lots should be located in an alternate position or to take advantage of existing road reservations where they exist. Council will require that access to lots (driveways) be nominated in Section 88B instruments in order to protect existing vegetation and to reduce their visual impact.</i></p> <p>Building envelopes</p> <p><i>In circumstances where Council considers the land or part of the land to be particularly constrained or unique, a plan must also indicate the location of building envelopes to be enforced through a restriction as to user on the land. Building envelopes for residential subdivisions are to assume a minimum site coverage of 65%, including carports, driveways, potential swimming pools, sheds and other ancillary structures that may subsequently be built.</i></p> <p>Lot orientation</p> <p><i>The following design techniques are to be adopted to maximise opportunities for solar access to allotments and to allow for the consequent design and siting of energy efficient houses:</i></p> <ul style="list-style-type: none"> ▪ <i>align streets east-west and north-south. Aim for north-south streets within 20° west and 30° east of true north and east-west streets within 30° south and 20° north.</i> ▪ <i>allotments on east-west orientated streets need to have greater depth and width to make best use of solar access.</i> 	

Section	Amendment	Reason
	<ul style="list-style-type: none"> ▪ <i>allotments on south side of street should be sufficient depth so buildings can be set well back to allow north facing rooms to look onto larger front yards.</i> ▪ <i>allotments on north-south streets to be of sufficient width to allow for private open space on the north side and for houses to be built on the south boundary.</i> ▪ <i>taking into account views and topography, lot orientation and layout should enable the majority of dwellings to be designed so that the main living area receives not less than 4 hours of sunlight per day between 9am and 3pm.</i> ▪ <i>regular rectangular shaped allotments maximises siting opportunities and increases potential lot yield.</i> ▪ <i>on sloping sites, north-facing sites improve opportunities for solar access.</i> <p><i>Lots shall face toward public open space areas, vegetation conservation areas and public roads to encourage passive surveillance from dwellings over these public spaces to assist with safety and security.</i></p> <p>Water Sensitive Urban Design</p> <p><i>Natural drainage lines are to be preserved and enhanced where possible.</i></p> <p><i>Natural drainage lines are not to be channelled if connecting to natural drainage channels downstream.</i></p> <p><i>Stormwater detention basins are to be made easily accessible for maintenance purposes.</i> <i>Stormwater detention basins are to be fenced in urban areas and incorporated into the landscape design of the subdivision.</i></p> <p>Public open space</p>	

Section	Amendment	Reason
	<p><i>All new lots created must be within 400m walking distance of public open space. Public open space, for the purposes of this control, is taken to have a minimum contiguous area of 1500m², containing landscaping and amenities designed to encourage utilisation (e.g. playground equipment, exercise equipment etc.).</i></p> <p><i>Bicycle and pedestrian movements</i></p> <p><i>Provision for bicycle and pedestrian movements are to be provided throughout the subdivided area.</i></p> <p><i>Cyclists can be integrated into the road network through a combination of on and off road measures together with bike parking at clusters of community and commercial facilities</i></p> <p><i>To encourage cycling as an easy transport alternative, on-road and off-road cycle networks will be clearly highlighted with signposting and pavement logos.</i></p> <p><i>Paved footpaths are to be provided on both sides of new roads and frontages of existing lots.</i></p> <p><i>Retention of significant environmental features</i></p> <p><i>Where significant environmental features such as natural landforms, remnant native vegetation, wetlands or natural drainage lines or water courses occur on a development site, they shall be conserved and or enhanced. Subdivision design shall incorporate these elements as much as can practicably be achieved. This may necessitate larger lot sizes in order to maintain these features.</i></p> <p><i>Landscape embellishment</i></p> <p><i>A condition of Council's subdivision approval will be to carry out landscape treatment of lots and public road reserves with the objective of enhancing vegetation and specifically native vegetation in the locality. The landscape treatment shall be designed to mitigate the:</i></p> <ul style="list-style-type: none"> ▪ <i>environmental impact of the development;</i> 	

Section	Amendment	Reason
	<ul style="list-style-type: none"> ▪ <i>visual obtrusiveness of new development and enhance the visual connection of the newly created landscape with any remnant native vegetation in the locality.</i> <p>Street trees</p> <p><i>Street tree planting is required where new or existing lots are developed in order to create a consistent theme. Street trees add to the areas character and reduce the visual impact of new development. They have environmental benefits of reducing the impacts of sun in the summer months; reducing global warming and when natives are used providing possible habitat for native fauna.</i></p> <p><i>Important Street Tree principles are:</i></p> <ul style="list-style-type: none"> ▪ <i>Preserve vistas to and from significant heritage buildings and to rural areas;</i> ▪ <i>Reinforce traditional exotic planting themes and prominent gardens where they exist;</i> ▪ <i>Retain and enhance significant existing trees and remnant native areas;</i> ▪ <i>Reinforce the planting themes of the central town or village area.</i> 	
Chapter 8 Site Specific Provisions		
Section 8.3 Marulan Estates Urban Release Area	Delete: <i>Council has put in place a Section 94A levy development contributions plan and a Marulan Infrastructure Contributions Plan.</i> <i>Wilson Drive urban release area is subject to both of these plans. However with the Infrastructure Contributions Plan only the identified works in that plan are to be funded.</i> <i>All other works required in the release area must be fully funded by the relevant developer.</i>	Unecessary clutter.

Section	Amendment	Reason
	<p><i>The following figures identify the public facilities and their location for which contributions will be required pursuant to S94A Contributions Plan:</i></p> <p>Figure 8-3-7 – public facilities</p> <p>(a) George Street landscape works including:</p> <ul style="list-style-type: none"> <i>(i) street tree planting and road treatment at the southern end;</i> <i>(ii) southern and northern entry features;</i> <i>(iii) post office median strip and adjacent areas;</i> <i>(iv) garden area adjacent to the pedestrian crossing.</i> <p>(b) Meridian Park development including:</p> <ul style="list-style-type: none"> <i>(i) picnic facilities, playground equipment, landscaping and off street parking.</i> <p>(c) Portland Avenue public recreation area development including:</p> <ul style="list-style-type: none"> <i>(i) sporting fields, access roads and parking area.</i> <p>(d) Health care and community centre in George Street (completed):</p> <p>(e) Traffic facilities upgrading including:</p> <ul style="list-style-type: none"> <i>(i) modification works on the north and south bound lanes of the Hume Highway at the southern “at-grade” intersection with Portland Avenue and George Street roundabout;</i> <p>Figure 8-3-7 – Marulan Infrastructure Contributions Plan public infrastructure utilities including:</p> <ul style="list-style-type: none"> ▪ <i>water supply infrastructure;</i> ▪ <i>sewerage infrastructure;</i> ▪ <i>stormwater design infrastructure.</i> <p>...</p> <p><i>The recommended means to satisfy the above requirements is for a mutually agreed planning agreement to be put in place between Council and the developer.</i></p>	
<p>Section 8.4 Charles Valley – Long Street Goulburn</p>	<p>Delete:</p> <p>8.4.3 Subdivision</p> <p>Note: Reference chapter 7 of this Plan.</p>	<p>Inconsistent with other proposed amendments and unnecessary clutter.</p>

Section	Amendment	Reason
	<p>Objectives</p> <p><i>To encourage subdivision layouts that:</i></p> <ul style="list-style-type: none"> ▪ <i>allow integration of neighbourhoods between “natural” boundaries or barriers and connections between the neighbourhoods</i> ▪ <i>minimise environmental impact by ensuring subdivision into rural residential lots only occurs on land free of development constraints</i> ▪ <i>are based on a hierarchy of roads for the efficient movement of vehicle traffic. Roads will be connective and efficient, giving motorist multiple travel paths. Long cul-de-sacs are unsuitable for efficiency and safety reasons</i> ▪ <i>focus open space on the drainage constraints and network</i> ▪ <i>incorporate water sensitive urban design principles into subdivision design</i> ▪ <i>encourage northern orientation of dwellings for energy efficiency benefits and passive solar access</i> ▪ <i>ensure rural residential lots have a sufficient area to allow for the siting of a dwelling and ancillary buildings (including private open space, vehicle access and parking)</i> ▪ <i>provide for protection/enhancement of visually prominent sites/locations</i> ▪ <i>protect riparian areas and native vegetation areas</i> ▪ <i>consider existing residential development</i> <p>Controls</p> <p>8.4.3.1 Subdivision lot size</p> <p><i>Minimum lot size, is 2ha. However this minimum will need to take into account the suitability of the site and the infrastructure that will have to be provided.</i></p> <p><i>Battle-axe lots are generally not supported. In calculating the area of a <u>battle-axe</u> allotment, the <u>access way</u>, which includes any rights-of-carriageway/access, are to be excluded.</i></p> <p>8.4.3.2 Lot orientation</p> <p>(a) Solar access</p>	

Section	Amendment	Reason
	<p><i>The following design techniques are to be adopted to maximise opportunities for solar access to allotments and to allow for the consequent design and siting of energy efficient houses:</i></p> <ul style="list-style-type: none"> <i>(i) Align streets east-west and north-south. Aim for north-south streets within 20° west and 30° east of true north and east-west streets within 30° south and 20° north.</i> <i>(ii) Allotments on east-west orientated streets need to have greater depth and width to make best use of solar access.</i> <i>(iii) Allotments on south side of street should be sufficient depth so buildings can be set well back to allow north facing rooms to look onto larger front yards.</i> <i>(iv) Allotments on north-south streets to be of sufficient width to allow for private open space on the north side and for houses to be built on the south boundary.</i> <i>(v) Taking into account views and topography, lot orientation and layout should enable the majority of dwellings to be designed so that the main living area receives not less than 4 hours of sunlight per day between 9am and 3 pm.</i> <i>(vi) Regular rectangular shaped allotments maximises siting opportunities and increases potential lot yield.</i> <i>(vii) On sloping sites, north-facing sites improve opportunities for solar access.</i> <p>(b) Passive surveillance</p> <ul style="list-style-type: none"> <i>(i) Lots shall face toward public open space areas, vegetation conservation areas and public roads to encourage passive surveillance from dwellings over these public spaces to assist with safety and security.</i> <i>(ii) Where this cannot be achieved open style fencing is required to promote passive surveillance of public open space and public road area with some landscape screening to provide privacy.</i> <p>8.4.3.3 Bicycle and pedestrian movements</p>	

Section	Amendment	Reason
	<p><i>Bicycle and pedestrian movements to be addressed in accordance with Council’s Bicycle Strategy 2007.</i></p> <p><i>Cyclists can be integrated into the road network through a combination of on and off road measures together with bike parking at clusters of community and commercial facilities.</i></p> <p><i>To encourage cycling as an easy transport alternative, on-road and off-road cycle networks will be clearly highlighted with signposting and pavement logos. Engineering works, including signposting and line marking must comply with the appropriate engineering standards.</i></p> <p>8.4.3.4 Streetscape</p> <p><i>Existing trees are to be retained where possible and appropriate.</i> <i>Existing trees should be located near boundaries of proposed allotments to avoid conflict with proposed building envelopes (refer Council Policy – Bushfires and Vegetation Controls)</i></p> <p><i>Streetscape planting themes are to be developed based on native tree species suitable for the locality and in an urban context.</i></p> <p>...</p> <p>Residential development</p> <p>Objectives</p> <p><i>To encourage residential development in which:</i></p> <ul style="list-style-type: none"> ▪ <i>there is a diversity of housing stock and type to meet diverse housing needs</i> ▪ <i>dwellings to face public spaces for passive surveillance</i> ▪ <i>living areas are orientated to the north for energy efficiency benefits</i> ▪ <i>dwelling design and siting respects the privacy of neighbours</i> ▪ <i>on site vehicle parking is provided to minimise congestion within the streets</i> ▪ <i>garages and fences do not dominate the streetscape</i> 	

Section	Amendment	Reason
	<ul style="list-style-type: none"> ▪ <i>there is easy access to community facilities</i> ▪ <i>Rainwater tanks are provided to supplement water supply and control stormwater runoff.</i> <p>Controls</p> <p>8.4.4.1 Detached dwellings and “secondary dwellings”</p> <p>(a) Streetscape</p> <p><i>Dwellings are to face public spaces (roads and open space areas).</i></p> <p><i>Dwellings are not to be hidden by high fences.</i></p> <p><i>Garages are to be located behind the building facade so that they do not dominate the streetscape.</i></p> <p><i>Fences shall be of a design that is sympathetic to the existing semi-rural character of this locality.</i></p> <p>(b) Height</p> <p><i>Maximum recommended height is two storeys.</i></p> <p>(c) Energy efficiency</p> <p><i>To maximise energy efficiency the internal and external living areas should be located to the north side of the dwelling. Further requirements are specified in clause 4.1.3 of this plan.</i></p> <p>(d) Privacy</p> <p><i>Private open spaces and living rooms of adjacent dwellings should be protected from direct overlooking, by:</i></p> <ul style="list-style-type: none"> ▪ <i>appropriate dwelling layout</i> ▪ <i>use of distance or slope</i> ▪ <i>screening devices like screen vegetation and courtyard walls</i> <p><i>First floor decks, balconies and the like, are not supported where they overlook or have the potential to directly overlook habitable rooms or private open space of adjoining properties.</i></p>	

Section	Amendment	Reason
	<p><i>Windows of one dwelling should not be located opposite the windows of another dwelling unless direct views are restricted:</i></p> <ul style="list-style-type: none"> ▪ <i>off-set windows</i> ▪ <i>use of narrow, translucent or obscured windows</i> ▪ <i>provide sufficient distance between dwellings</i> <p style="text-align: center;">(e) Acoustic privacy</p> <p><i>Noise generating area of a development (e.g. driveway, air conditioning units, swimming pool areas) should be adequately screened or located away from the bedroom areas to minimise impact on neighbours.</i></p> <p><i>Bedroom windows to be a minimum 3m from shared streets, driveways and parking areas of other dwellings.</i></p> <p><i>Transmission of noise between adjoining properties should be minimised.</i></p> <p><i>Locate active recreation areas (swimming pools, spas, tennis courts, BBQs), driveways, carports, garages and garbage collection areas, pumps and air conditioners, away from bedrooms of adjacent dwellings.</i></p> <p><i>Dwellings adjoining and other noise generating land uses should be designed and sited to minimise noise impacts.</i></p> <p><i>Locate bedrooms and other noise sensitive rooms away from the road.</i></p> <p style="text-align: center;">(f) Parking</p> <p><i>Provision for a least one covered parking space per dwelling (e.g. carport or garage) and one tandem vehicle space (e.g. driveway area in front of garage or carport).</i></p> <p style="text-align: center;">(g) Rainwater tanks</p> <p><i>A rainwater tank is to be provided per dwelling to supplement water supply and control stormwater runoff.</i></p>	

Section	Amendment	Reason
	<p><i>The tank shall have a minimum capacity of 10,000 litres.</i></p> <p><i>The rainwater tank supply shall be connected to the hot water service, laundry and toilet facilities with a top up connection into the tank.</i></p> <p>(h) Water sensitive urban design</p> <p><i>House design should include water sensitive urban design features such as porous paving, infiltration devices and landscaping.</i></p>	
<p>Section 8.5 Clyde Street</p>	<p>Delete:</p> <p>8.5.7 Subdivision</p> <p>Note: Reference chapters 7.4.3 and 7.6 of this Plan.</p> <p>Objectives</p> <p><i>To encourage subdivision layouts that:</i></p> <ul style="list-style-type: none"> ▪ <i>allow integration of neighbourhoods between “natural” boundaries or barriers and connections between the neighbourhoods</i> ▪ <i>minimise environmental impact by ensuring subdivision into residential lots only occurs on land free of development constraints</i> ▪ <i>are based on a hierarchy of roads for the efficient movement of vehicle traffic. Roads will be connective and efficient, giving motorist multiple travel paths. Long cul-de-sacs are unsuitable for efficiency and safety reasons</i> ▪ <i>focus open space on the drainage constraints and network</i> ▪ <i>incorporate water sensitive urban design principles into subdivision design</i> ▪ <i>encourage northern orientation of dwellings for energy efficiency benefits and passive solar access</i> ▪ <i>ensure residential lots have a sufficient area to allow for the siting of a dwelling and ancillary buildings (including private open space, vehicle access and parking)</i> ▪ <i>residential lots face public areas (including open space areas) for passive surveillance</i> ▪ <i>provide for protection/enhancement of visually prominent sites/locations</i> ▪ <i>protect riparian areas and native vegetation areas</i> 	<p>Inconsistent with other proposed amendments and unnecessary clutter.</p>

Section	Amendment	Reason
	<p>▪ <i>consider existing residential development</i></p> <p><i>Controls</i></p> <p>8.5.7.1 Subdivision lot size</p> <p><i>Minimum lot size is 2000m². However this minimum will need to take into account the suitability of the site and the infrastructure provided (refer to clause 7.3 of the LEP 2009).</i></p> <p><i>Battle-axe lots are generally not supported. In calculating the area of a <u>battle-axe</u> allotment, the <u>access way</u>, which includes any rights-of-carriageway/access, are to be excluded.</i></p> <p><i>Allotments should be able to accommodate a building envelope of 150m² with the minimum dimensions of 10m by 15m, within a 6m front building setback and a 1m side and rear setback and clear of any easements.</i></p> <p>8.5.7.2 Lot orientation</p> <p>(a) Solar access</p> <p><i>The following design techniques are to be adopted to maximise opportunities for solar access to allotments and to allow for the consequent design and siting of energy efficient houses:</i></p> <ul style="list-style-type: none"> <i>(i) Align streets east-west and north-south. Aim for north-south streets within 20° west and 30° east of true north and east-west streets within 30° south and 20° north.</i> <i>(ii) Allotments on east-west orientated streets need to have greater depth and width to make best use of solar access.</i> <i>(iii) Allotments on south side of street should be sufficient depth so buildings can be set well back to allow north facing rooms to look onto larger front yards.</i> <i>(iv) Allotments on north-south streets to be of sufficient width to allow for private open space on the north side and for houses to be built on the south boundary.</i> <i>(v) Taking into account views and topography, lot orientation and layout should enable the majority of dwellings to be designed so that the main</i> 	

Section	Amendment	Reason
	<p><i>living area receives not less than 4 hours of sunlight per day between 9am and 3 pm.</i></p> <p><i>(vi) Regular rectangular shaped allotments maximises siting opportunities and increases potential lot yield.</i></p> <p><i>(vii) On sloping sites, north-facing sites improve opportunities for solar access.</i></p> <p>(b) Passive surveillance</p> <p><i>Lots shall face toward public open space areas, vegetation conservation areas and public roads to encourage passive surveillance from dwellings over these public spaces to assist with safety and security.</i></p> <p><i>Where this cannot be achieved open style fencing is required to promote passive surveillance of public open space and public road area with some landscape screening to provide privacy.</i></p> <p>8.5.7.3 Bicycle and pedestrian movements</p> <p><i>Bicycle and pedestrian movements to be addressed in accordance with Council’s Bicycle Strategy 2007.</i></p> <p><i>Cyclists can be integrated into the road network through a combination of on and off road measures together with bike parking at clusters of community and commercial facilities.</i></p> <p><i>To encourage cycling as an easy transport alternative, on-road and off-road cycle networks will be clearly highlighted with signposting and pavement logos. Engineering works, including signposting and line marking must comply with the appropriate engineering standards.</i></p> <p>8.5.7.4 Streetscape</p> <p><i>Existing trees are to be retained where possible and appropriate.</i></p> <p><i>Existing trees should be located near boundaries of proposed allotments to avoid conflict with proposed building envelopes (refer Council Policy – Bushfires and Vegetation Controls)</i></p> <p><i>Streetscape planting themes are to be developed based on native tree species suitable for the locality and in an urban context.</i></p>	

Section	Amendment	Reason
	<p>...</p> <p>8.5.8 Residential development</p> <p>Objectives</p> <p><i>To encourage residential development in which:</i></p> <ul style="list-style-type: none"> ▪ <i>there is a diversity of housing stock and type to meet diverse housing needs</i> ▪ <i>dwellings to face public spaces for passive surveillance</i> ▪ <i>living areas are orientated to the north for energy efficiency benefits</i> ▪ <i>dwelling design and siting respects the privacy of neighbours</i> ▪ <i>on site vehicle parking is provided to minimise congestion within the streets</i> ▪ <i>garages and fences do not dominate the streetscape</i> ▪ <i>there is easy access to community facilities</i> ▪ <i>rainwater tanks are provided to supplement water supply and control stormwater runoff.</i> <p>Controls</p> <p>8.5.8.1 Detached dwellings</p> <p>(a) Streetscape</p> <p><i>Dwellings are to face public spaces (roads and open space areas).</i></p> <p><i>Dwellings are not to be hidden by high fences.</i></p> <p><i>Garages are to be located behind the building facade so that they do not dominate the streetscape.</i></p> <p><i>Fences shall be of a design that is sympathetic to the existing semi-rural character of this locality.</i></p> <p>(b) Height</p> <p><i>Maximum recommended height is two storeys.</i></p> <p>(c) Energy efficiency</p> <p><i>To maximise energy efficiency the internal and external living areas should be located to the north side of the dwelling. Further requirements are specified in chapter 4 of this plan.</i></p> <p>(d) Privacy</p>	

Section	Amendment	Reason
	<p><i>Private open spaces and living rooms of adjacent dwellings should be protected from direct overlooking, by:</i></p> <ul style="list-style-type: none"> ▪ <i>appropriate dwelling layout</i> ▪ <i>use of distance or slope</i> ▪ <i>screening devices like screen vegetation and courtyard walls</i> <p><i>First floor decks, balconies and the like, are not supported where they overlook or have the potential to directly overlook habitable rooms or private open space of adjoining properties.</i></p> <p><i>Windows of one dwelling should not be located opposite the windows of another dwelling unless direct views are restricted:</i></p> <ul style="list-style-type: none"> ▪ <i>off-set windows</i> ▪ <i>use of narrow, translucent or obscured windows</i> ▪ <i>provide sufficient distance between dwellings</i> <p>(e) Acoustic privacy</p> <p><i>Noise generating area of a development (e.g. driveway, air conditioning units, swimming pool areas) should be adequately screened or located away from the bedroom areas to minimise impact on neighbours.</i></p> <p><i>Bedroom windows to be a minimum 3m from shared streets, driveways and parking areas of other dwellings.</i></p> <p><i>Transmission of noise between adjoining properties should be minimised.</i></p> <p><i>Locate active recreation areas (swimming pools, spas, tennis courts, BBQs), driveways, carports, garages and garbage collection areas, pumps and air conditioners, away from bedrooms of adjacent dwellings.</i></p> <p><i>Dwellings adjoining and other noise generating land uses should be designed and sited to minimise noise impacts.</i></p> <p><i>Locate bedrooms and other noise sensitive rooms away from the road.</i></p> <p>(f) Parking</p>	

Section	Amendment	Reason
	<p><i>Provision for a least one covered parking space (e.g. carport or garage) and one tandem vehicle space (e.g. driveway area in front of garage or carport).</i></p> <p>(g) Rainwater tanks <i>A rainwater tank is to be provided to supplement water supply and control stormwater runoff.</i></p> <p><i>The tank shall have a minimum capacity of 10,000 litres.</i></p> <p><i>The rainwater tank supply shall be connected to the hot water service, laundry and toilet facilities with a top up connection into the tank.</i></p> <p>(h) Water sensitive urban design <i>House design should include water sensitive urban design features such as porous paving, infiltration devices and landscaping.</i></p> <p>(i) Dual occupancy and multi dwelling housing accommodation <i>Development and density requirements in the subject R5 Large Lot Residential zone are contained in chapter 4 and also chapter 6 for development in Zone R5, Large Lot Residential</i></p> <p>...</p> <p>8.5.8.3 Open space <i>Council's Leisure – Recreation and Social Planning Study identifies that there is sufficient active recreational reserves and sports grounds provided elsewhere in the City, which are adequate to cater for any organised sporting needs from the area. However, identified detention basins can have a dual function to any unidentified active sporting recreation needs if required.</i></p> <p><i>The balance of the open space can be satisfied via the passive open space created along the drainage lines along with any neighbourhood park requirements. These areas can also provide for informal active recreation areas.</i></p>	

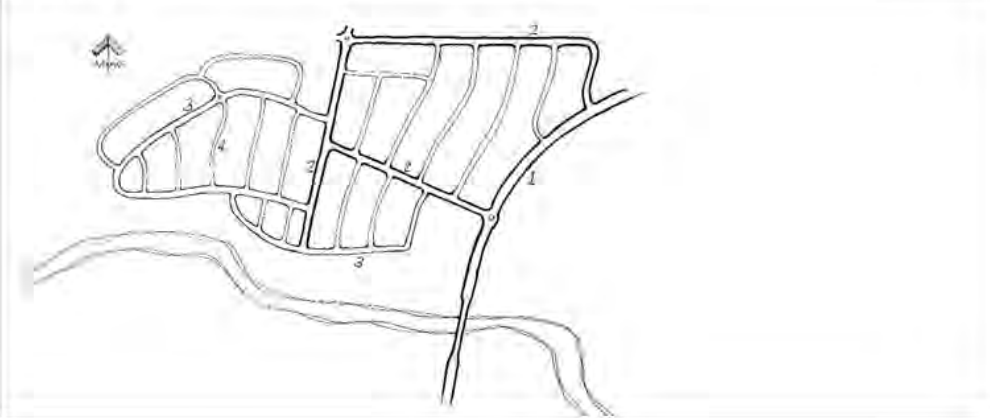
Section	Amendment	Reason
<p>Section 8.7 Marys Mount</p>	<p>Delete:</p> <p>8.7.4 Subdivision requirements</p> <p>8.7.4.1 Subdivision lot size</p> <p>(a) <i>Battle-axe lots are generally not supported. In calculating the area of a battle-axe allotment, the access way, which includes any rights-of-carriageway/access, are to be excluded.</i></p> <p>(b) <i>Allotments should be able to accommodate a building envelope of 150m² with the minimum dimensions of 10 metres by 15 metres, within a 6 metre front building setback and a 1m side and rear setback and clear of any easements.</i></p> <p>8.7.4.2 Lot orientation</p> <p>a) Solar Access</p> <p><i>The following design techniques are to be adopted to maximise opportunities for solar access to allotments and to allow for the consequent design and siting of energy efficient houses.</i></p> <ul style="list-style-type: none"> <i>i. Align streets east-west and north-south. Aim for north-south streets within 200 west and 300 east of true north and east-west streets within 300 south and 200 north.</i> <i>ii. Allotments on east-west orientated streets need to have greater depth and width to make best use of solar access.</i> <i>iii. Allotments on the south side of a street should have a sufficient depth so that buildings can be set well back to allow north facing rooms to look onto larger front yards.</i> <i>iv. Allotments on south-north streets to be of sufficient width to allow for private open space on the north side and for houses to be built on the south boundary.</i> <i>v. Taking into account views and topography, lot orientation and layout should enable the majority of dwellings to be designed so that the main living area receives not less than 4 hours of sunlight per day between 9am and 3pm.</i> <i>vi. Regular rectangular shaped allotments maximises site opportunities and increases potential lot yield</i> 	<p>Inconsistent with other proposed amendments and unnecessary clutter.</p>

Section	Amendment	Reason
	<p>vii. <i>On sloping sites, north-facing sites improve the opportunities for solar access.</i></p> <p>b) Passive Surveillance</p> <p>(i) <i>Lots shall face toward public open space areas, vegetation conservation areas and public roads. Where this cannot be achieved open style fencing is required to promote passive surveillance of public open space and public road area with some landscape screening to provide privacy.</i></p> <p>(ii) <i>Visually contain the carriageway to promote steady, predictable traffic speeds by:</i></p> <ul style="list-style-type: none"> ○ <i>Encouraging hedging or front fences;</i> ○ <i>Using upright kerbs;</i> ○ <i>Provide on-street parking;</i> ○ <i>Providing wide verges;</i> ○ <i>Planting street trees at regular spacing within the carriageway or verge; and</i> ○ <i>Only use narrow streets, when lot frontages are wide (at least 15 metres).</i> <p>8.7.4.3 Bicycle and pedestrian movements</p> <p>(a) <i>Provision for bicycle and pedestrian movements are to be provided throughout the area.</i></p> <p>(b) <i>Provide footpaths on both sides of the street. They must be provided in accordance with Council’s Standards for Engineering works.</i></p> <p>(c) <i>Cyclists can be integrated into the road network through a combination of on and off road measures together with bike parking and clusters of community and commercial facilities (Refer to Council’s Bicycle Strategy 2008-2018).</i></p> <p>(d) <i>On -road and off-road cycle networks will be clearly highlighted with signposting and pavement logos.</i></p> <p>...</p>	

Section	Amendment	Reason
	<p>(a) Council's Leisure- Recreation and /social Planning Study identifies that there is sufficient active recreational reserves and sports grounds provided elsewhere in the City.</p> <p>(b) Goulburn Mulwaree Contributions Plan details community facilities and open space requirements.</p> <p>...</p> <p>8.7.5.3 Access roads</p> <p>(a) Access roads should prioritise pedestrians and cyclists- they should provide a pleasant environment that encourages walking and social interaction.</p> <p>(b) Houses on access road corners should address both street frontages.</p> <p>(c) Avoid cul-de-sacs wherever possible. If they are used:</p> <ul style="list-style-type: none"> (i) Limit their length so the end point is visible from the access point; (ii) Provide access to 10 house at the most (iii) Avoid cul-de-sac at activity centres (i.e. near shops) & where they would limit direct access to transport. <p>(d) Level 1 Access Roads are roads servicing more than 15 lots and that have direct access to a collector road are to have a minimum road reserve width of 20 metres and a pavement width of 9 metres, unless the road has:</p> <ul style="list-style-type: none"> (i) Trees in the verge, a pavement width of 9.6m are required; (ii) With trees in the carriageway + verge, a pavement width of 9.6m is required; (iii) With parking bays, a pavement width of 10.4m is required; (iv) With trees in the carriageway and swales, a pavement width of 9.6m is required. <p>(e) Level 2 Access roads are roads servicing more than 15 lots are to have a minimum road reserve width of 18 metres and a pavement width of 9 metres, unless the road has:</p> <ul style="list-style-type: none"> (i) Trees in the verge, a pavement width of 9.6m are required; (ii) With trees in the carriageway + verge, a pavement width of 9.6m is required; (iii) With parking bays, a pavement width of 10.4m is required; 	

Section	Amendment	Reason															
	<p>(iv) <i>With trees in the carriageway and swales, a pavement width of 9.6m is required.</i></p> <p>(f) <i>Level 3 Access Roads are roads servicing less than 15 lots are to have a minimum road reserve width of 15 metres and a pavement width of 6 metres.</i></p> <p>8.7.5.4 Intersections</p> <p>(a) <i>Design intersections to reflect street hierarchy.</i></p> <p>(b) <i>On collector and access roads use four-way intersections where possible.</i></p> <p>(c) <i>Avoid roundabouts wherever possible by:</i></p> <p style="padding-left: 20px;">(i) <i>ensuring the design indicates the presence of the intersection on all approaches; and</i></p> <p style="padding-left: 20px;">(ii) <i>using short block lengths (<70metres) on access roads.</i></p> <p>8.7.5.5 Road hierarchy</p> <p>(a) <i>Figure 8-7-4 & 8-7-5 illustrate the arterial roads, cycle-ways, existing and future collector roads.</i></p> <p>(b) <i>All developments in the precinct are required to contribute towards the upgrading of collector and arterial roads.</i></p> <p>Table 8-7-1: Road Hierarchy</p> <table border="1" data-bbox="512 906 1516 1251"> <thead> <tr> <th data-bbox="512 906 763 1002">Street Type</th> <th data-bbox="763 906 916 1002">Road Reserve Width (M)</th> <th data-bbox="916 906 1081 1002">Carriageway Width (M)</th> <th data-bbox="1081 906 1384 1002">Appropriate Use</th> <th data-bbox="1384 906 1516 1002">Reference</th> </tr> </thead> <tbody> <tr> <td data-bbox="512 1002 763 1161">Arterial Road</td> <td data-bbox="763 1002 916 1161">N/A</td> <td data-bbox="916 1002 1081 1161">N/A</td> <td data-bbox="1081 1002 1384 1161">Arterial roads are generally used to link and pass through a town or suburban regional/sub regional centres.</td> <td data-bbox="1384 1002 1516 1161">Crookwell Road</td> </tr> <tr> <td data-bbox="512 1161 763 1251">Collector Road - with landscaped buffer</td> <td data-bbox="763 1161 916 1251">30</td> <td data-bbox="916 1161 1081 1251">10</td> <td data-bbox="1081 1161 1384 1251">Collector Roads link neighbourhoods together. They usually carry bus</td> <td data-bbox="1384 1161 1516 1251">1 Marys Mount Road</td> </tr> </tbody> </table>	Street Type	Road Reserve Width (M)	Carriageway Width (M)	Appropriate Use	Reference	Arterial Road	N/A	N/A	Arterial roads are generally used to link and pass through a town or suburban regional/sub regional centres.	Crookwell Road	Collector Road - with landscaped buffer	30	10	Collector Roads link neighbourhoods together. They usually carry bus	1 Marys Mount Road	
Street Type	Road Reserve Width (M)	Carriageway Width (M)	Appropriate Use	Reference													
Arterial Road	N/A	N/A	Arterial roads are generally used to link and pass through a town or suburban regional/sub regional centres.	Crookwell Road													
Collector Road - with landscaped buffer	30	10	Collector Roads link neighbourhoods together. They usually carry bus	1 Marys Mount Road													

Section	Amendment				Reason
				<p><i>routes within as well as between neighbourhoods.</i></p>	
	<p><i>Level 1 Access Road</i> - with trees in verge - with trees in the carriageway + verge - with parking bays - with trees in the carriageway + swales</p>	<p>20</p>	<p>9 9.6 9.6 10.4 9.6</p>	<p><i>Level 1 Access Roads are roads servicing more than 15 lots and that have direct access to a collector road. They the predominant street type within a neighbourhood. They provide access to the dwellings, parks and neighbourhood edges.</i></p>	<p>2</p>
	<p><i>Level 2 Access Road</i> - with trees in verge - with trees in the carriageway + verge - with parking bays - with trees in the carriageway + swales</p>	<p>18</p>	<p>9 9.6 9.6 10.4 9.6</p>	<p><i>Level 2 Access roads are roads servicing more than 15 lots that do not have direct access to a collector road. They the predominant street type within a neighbourhood. They provide access to the dwellings, parks and neighbourhood edges.</i></p>	<p>3</p>
	<p><i>Level 3 Access Road</i></p>	<p>15</p>	<p>6</p>	<p><i>Level 3 Access Roads have limited use. Use only where:</i> - traffic volumes are low - there is low parking demand and - where the lot width is 15m or more.</p>	<p>4</p>

Section	Amendment	Reason
	 <p>...</p> <p>8.7.6 Residential development controls Objectives <i>To encourage residential development in which:</i></p> <ul style="list-style-type: none"> ▪ <i>There is a diversity of housing stock and type to meet diverse housing needs</i> ▪ <i>Dwellings to face public spaces for passive surveillance</i> ▪ <i>Living areas are oriented to the north for energy efficiency benefits</i> ▪ <i>Dwelling design and siting respects the privacy of neighbours</i> ▪ <i>On site vehicle parking is provided to minimise congestion within the streets</i> ▪ <i>Garages and fences do not dominate the streetscape</i> ▪ <i>There is easy access to community facilities</i> ▪ <i>Rainwater tanks are provided to supplement water supply and control stormwater runoff</i> <p>8.7.6.3 Detached dwellings Controls</p>	

Section	Amendment	Reason
	<p>a) Streetscape</p> <ul style="list-style-type: none"> <i>i. Dwellings are to face public spaces (roads and open space areas)</i> <i>ii. Limit the height of front fences and hedges to 1.2 metres to enable surveillance of the street and to contribute to the streets amenity.</i> <i>iii. Garages are to be located behind the building façade so that they do not dominate the streetscape.</i> <i>iv. Rear private open space areas are to be accessible by vehicles.</i> <p>b) Height</p> <ul style="list-style-type: none"> <i>(i) Maximum recommended height is 2 storeys.</i> <p>c) Energy Efficiency</p> <ul style="list-style-type: none"> <i>(i) Internal and external living areas should be located to the north side of the dwelling.</i> <i>(ii) A BASIX Certificate shall support all approvals for a dwelling.</i> <p>d) Visual Privacy</p> <ul style="list-style-type: none"> <i>(i) Private open spaces and living rooms of adjacent dwellings should be protected by: <ul style="list-style-type: none"> <i>o appropriate dwelling layout</i> <i>o use of distance or slope</i> <i>o screening devices like fences, window screens, screen vegetation and courtyard walls</i> </i> <i>(ii) First floor decks, balconies and the like are not supported where they overlook or have the potential to directly overlook habitable rooms or private open space.</i> <i>(iii) Windows of one dwelling should not be located opposite the windows of another dwelling unless direct views are restricted.</i> <i>(iv) Use of narrow, translucent or obscured windows is encouraged</i> <p>e) Acoustic Privacy</p>	

Section	Amendment	Reason
	<ul style="list-style-type: none"> <u>(i)</u> <i>Noise generating areas of a development (such as a driveway, air conditioning unit or swimming pool areas) should be adequately screened or located away from bedroom areas to minimise impact on neighbours.</i> <u>(ii)</u> <i>Bedrooms of one dwelling shall not share walls with living rooms or garages of adjacent dwellings.</i> <u>(iii)</u> <i>Bedroom windows to be a minimum 3 metres from shared streets, driveways and parking areas of other dwellings</i> <u>(iv)</u> <i>Transmission of noise between adjoining properties should be minimised.</i> <u>(v)</u> <i>Location of active recreation areas (swimming pools, spas, tennis courts, BBQs), driveways, carports, garages and garbage collection areas, pumps and air conditioners should be away from bedrooms of adjacent dwellings.</i> <u>(vi)</u> <i>Dwellings adjoining Marys Mount Road and other noise generating land uses should be designed and sited to minimise noise impacts.</i> <u>(vii)</u> <i>Location of bedrooms and other noise sensitive rooms should be away from the road.</i> f) Parking <u>(i)</u> <i>Provision for at least one covered parking space and one tandem vehicle space.</i> g) Water <u>(i)</u> <i>Rainwater tanks of a minimum capacity of 10,000 litres shall be connected to the hot water service, laundry and toilet facilities with a top up connection into the tank.</i> <u>(ii)</u> <i>House design should include water sensitive urban design features such as porous paving, infiltration devices and appropriate landscaping.</i> 8.7.7 Other development controls (a) Community Facilities <u>(i)</u> <i>Community facilities should be clustered, which will assist in promoting multi-use trips, reducing traffic impacts and improving accessibility.</i> 	

Section	Amendment	Reason
	<p>(ii) <i>Community facilities should be located at the periphery of residential neighbourhoods to avoid traffic impact intruding into residential areas.</i></p> <p>(b) Schools</p> <p>(i) <i>No additional school facilities have been identified for the area to serve the estimated population.</i></p> <p>(c) Retail Premises & Neighbourhood Shops</p> <p>(i) <i>Land at corner of Crookwell Road and Marys Mount Road has been zoned 'B1 Neighbourhood Centre'. A wider range of retail uses are permissible in this zone.</i></p> <p>(ii) <i>Two appropriate sites for neighbourhood shop development are identified in Figure 8-7-3 - Development Potential.</i></p> <p>(iii) <i>Additional neighbourhood shops within the residential zones will only be considered where supported by an economic supply and demand analysis. A proposal should demonstrate consistency with the Draft Centres Design Guidelines (Department of Planning 2011) and any relevant strategy of Council.</i></p>	



4 Principal development controls – Urban

4.1 Residential development

Reference: The NSW Housing Code (SEPP (Exempt and Complying Development Codes) 2008) commenced Friday 27 February 2009.

The SEPP specifies exempt development and complying development and the complying development conditions. The Policy has State – Wide application.

This Section applies to residential development, residential development in business zones and miscellaneous development in residential zones.

4.1.1 Site facilities

Objectives

Design to integrate adequate and convenient site facilities such as storage, recycling and collection areas into the overall development.

Ensure site facilities are practical and easily maintained.

Controls

Garbage bins, waste recycling areas, mailboxes and external storage facilities should be adequate in size, durable, waterproof, blend in with the development, avoid visual clutter and be accessible to the users of the building and service vehicles.

Ensure garbage storage and waste recycling areas are not located adjacent to any residential habitable rooms.

Provide adequate internal storage and design internal layouts to allow the building to be re-used for other purposes in the future.

4.1.2 Site planning, Bulk, Scale and Density

Objective

Achieve a coherent site layout that provides a pleasant, attractive, manageable, resource efficient and sustainable living environment.

Ensure bulk and scale does not have an unacceptable impact on the streetscape and the character of the locality.



Higher density developments are located close to public transport shopping and community facilities.

Controls

Ensure the site layout integrates with the surrounding environment through:

- adequate pedestrian, cycle and vehicle links to street and open space networks;
- buildings facing streets and public open spaces;
- building, streetscape and landscape design relating to the site topography and the surrounding neighbourhood character.

(i) Floor space ratio – Residential Development in Business zones

Building bulk is to be controlled by the following floor space ratio's (FSR) in business zones:

- B2 Local Centre – FSR 1.2:1;
- B3 Commercial Centre – FSR 2:1;
- B4 Mixed Centre – FSR 1.5:1
- B6 Enterprise Corridor – FSR 0.8:1

FSR represents the ratio of the gross floor area of all buildings within the site. Clause 4.5 (LEP), demonstrates the method of calculation of floor space ratio and site area.

Residential accommodation is permissible in Business zones:

- B2 Local Centre (except residential flat buildings);
- B4 Mixed Centre; and
- B6 Enterprise Corridor (except residential flat buildings and shop top housing).

Residential accommodation is prohibited in Business zones B1 and B3 (except shop top housing).

Percentage of residential development allowed in Business zones:

- B1 Neighbourhood Centre and B3 Commercial Core – Nil (except for shop top housing);
- B2 Local Centre– 40% of gross floor area;



- B4 Mixed Business – 100% of gross floor area;
- B6 Enterprise Corridor – 20% of gross floor area.

The minimum gross floor area for dwelling units all Business zones is 150m².

The following is an example of the calculation of maximum number of multi unit dwellings allowed in the Business B2 Local Centre zone:

- Subject lot area – 1000m²;
- Gross floor area (GFA) is calculated by multiplying FSR (1.2) by site area (1000) which is 1200m²;
- Minimum GFA for a single dwelling unit is 150m²;
- Allowable residential percentage is 40%;
- Number of dwelling units is calculated by dividing 40% of the FSR (1200) by minimum GFA for a single dwelling unit (150) which is 3.2.

Maximum theoretical number of dwelling units for this site is 3.

Developments with higher floor space ratios are to be located:

- within walking distance of good public transport; or
- within reasonable walking distance of shopping and community facilities; or
- where favourable physical conditions exist such as an outlook onto public open space, a wide road, corner position, a north-facing slope, rear lanes or multiple access opportunities; or on sites larger than normal infill sites (eg. greater than 1000m²).

- (ii) Neighbourhood shop development in residential zones.

The total floor area for “neighbourhood shops” in R1 General Residential and R2 Low Density Residential zones is not to exceed 1000m² of which a small supermarket shall be no more than 800m².

- (iii) Places of public worship in R2 Low Density Residential zones.

Gross floor area of places of public worship shall not exceed 150m².

- (iv) Multi unit residential accommodation density.



The minimum average amount of site area required for each dwelling in dual occupancy and multi unit residential accommodation development is:

- R1 General Residential and R2 Low Density Residential – 350m² per dwelling unit.
- R5 Large Lot Residential (minimum lot size 2000m²) – 1000m² per dwelling unit.
- R5 Large Lot Residential (minimum lot size 2 hectares) – 1 hectare per dwelling unit.
- RU5 Village – 750m² per dwelling unit.

Note: To ascertain minimum allowable lot sizes for individual sites reference should be made to the lot size maps (LEP 2009).

Multi unit residential accommodation is permissible in:

- R1 General Residential zone;
- R2 Low Density Residential zone (except residential flat buildings);
- R5 Large Lot Residential zone (except attached dwellings, multi dwelling housing and residential flat buildings);
- RU5 Village

The following is an example of the calculation of maximum number of multi unit dwellings allowed in residential zones:

- Zone R1 General Residential;
- Subject lot area – 1000m²;
- Average Site area required for each proposed dwelling unit – 350m²;
- Number of dwelling units is calculated by dividing lot area (1000) by unit site area required (350);
- Maximum number of units allowed (rounded) is 3.

Note: this theoretical calculation is based on full reticulated services being available to the site.

- (v) Residential Flat Design Code



Reference:

- State Environmental Planning Policy No 65 – Design Quality of Residential Flat Development and Residential Flat Design Code found at:

<http://www.planning.nsw.gov.au/design-quality-of-residential-flat-buildings>

When designing Residential Flat development, at a minimum the proposal shall comply with the stated design code.

4.1.3 Number of storeys

Objective

Minimise the impact of building heights on neighbours of proposed residential development.

Controls

Dwellings and multi dwellings are recommended to have a maximum of 2 storeys outside the statutory height mapped areas

(Refer also to height of buildings maps in the LEP 2009).

4.1.4 Solar access

Objective

Achieve energy efficient urban housing, using passive solar design that provides residents with year round comfort and reduces energy consumption.

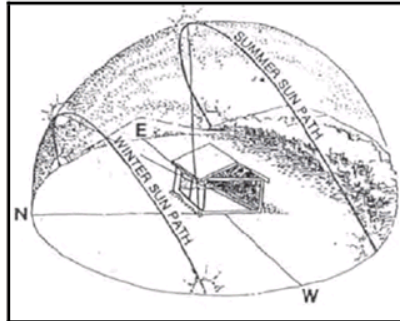
Controls

Residential buildings shall be designed to ensure that the proposed dwelling, adjoining residential buildings, and the major part of their landscaped open space, have at least four hours of sunlight between 9.00am and 3.00pm on 21 June (winter solstice).

Figure 4-1 identifies the variation of the sun's path in winter and summer.

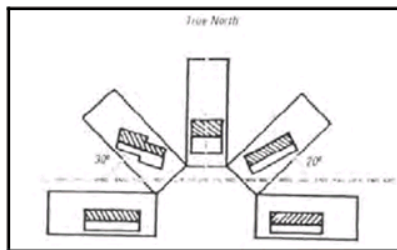


Figure 4-1: Variation of the sun's path



The dwelling should be designed and positioned so that the greatest potential for adequate shade in summer and exposure to sunlight in winter occurs (where windows to living areas of dwellings have an orientation within an angle of 20 degrees east and 30 degrees west from the north).

Figure 4-2: Best orientation of buildings



Shaded areas in **Figure 4-2** identify the preferred location of habitable rooms relative to True North to maximise energy efficiency. Where possible, buildings are orientated on a north-south or east-west access to maximise solar access.

Figure 4-3: Shading of north facing windows

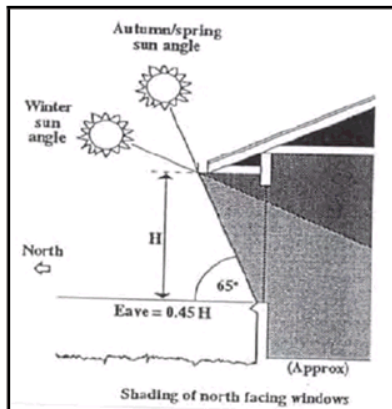


Figure 4-3 demonstrates the shading of north facing windows in buildings with optimum orientations. Eaves on north facing walls should be designed to completely shade windows in summer but allow the sun to shine through in winter. To calculate the distance the eaves should overhang, from the base of the window on an elevated plan, draw a line at 65°. Methods for shading the glass with awnings or vegetation should be considered.



4.1.5 Privacy

Objectives

Ensure privacy between dwellings.

Avoid overlooking of living spaces in buildings and private open spaces.

Controls

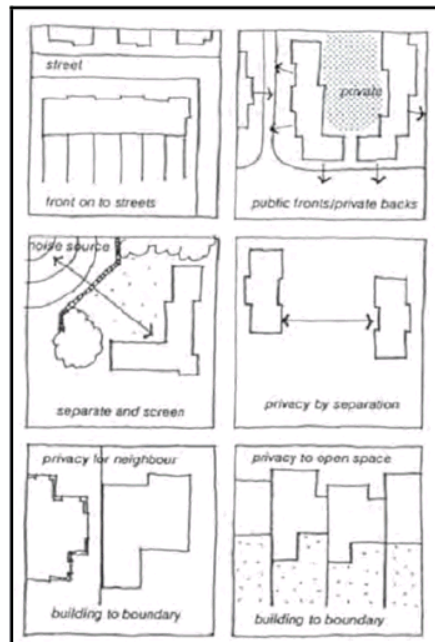
Figure 4-4: Locating windows to reduce overlooking



Visual privacy for adjoining properties and within development projects can be achieved by:

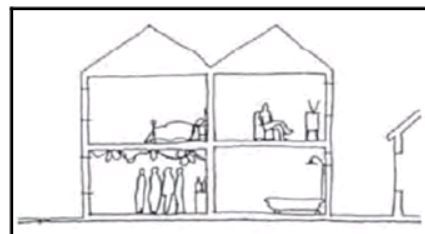
- using windows which are narrow, translucent, or obscured
- ensuring that windows do not face directly onto the windows, balconies, or courtyards of adjoining dwellings (refer to **Figure 4-4**)

Figure 4-5: Designing for privacy



- screening devices and landscaping opposing windows, balconies and courtyards
- windows and balconies of dwellings to be separated or screened from commercial areas so as to avoid overlooking of private open space (refer to **Figure 4-5**)

Figure 4-6: Designing for acoustic privacy



Noise generating areas of a development (e.g. driveway entrances to car parks, air conditioning plant and swimming pool areas) should be adequately screened or located away from the bedroom areas to minimise their impact on neighbouring areas (refer to **Figure 4-6**).

Bedrooms of one dwelling must not share walls with living rooms or garages of adjacent dwellings; and

Bedroom windows are to be at least 3 metres from shared streets, driveways and parking areas of other dwellings.

4.1.6 Private Open Space

Objective

Provide open space for recreation within the site.

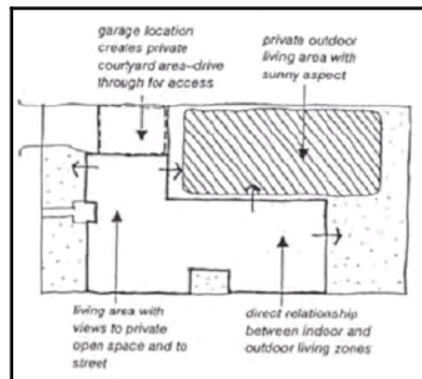


Maintain and enhance the existing streetscape and landscape character.

Provide for privacy and shade.

Controls

Figure 4-7: Optimising private open space



Whenever possible, open space is to be orientated to have a north easterly aspect and living areas are to open out thereon, whenever possible (refer to **Figure 4-7**).

Areas used for driveways, car parking, drying yards and service yards shall not be included as landscaped open space.

Recommended amount of private open space per dwelling is 75 m².

4.1.7 Setbacks

Objective

Setbacks should relate to the traffic function of the street and to setbacks of adjacent development. The objective of a setback is to:

- maintain, as a minimum, the following setbacks for both privacy and amenity
- set back buildings from roads so as to enable landscaping to provide for attractive streetscapes
- permit flexibility in the siting of buildings
- minimise adverse impact on adjacent and adjoining properties

In established areas, the objective is to blend new development into the public streetscape. The setback of buildings contributes to existing or proposed streetscape character, assists the integration of new development into the public streetscape, makes efficient use of the site and provides amenity for residents.

Controls



4.1.7.1 Side and rear setback

Council will generally consider setback applications on their merits provided that dwelling structures are adequately separated for privacy and overshadowing does not result (including private open space and dwelling structures on adjoining land not in the same ownership). In addition, the wall proposed to be constructed adjacent to the allotment boundary must comply with the Building Code of Australia fire rating requirements and where the site can be viewed from a public place side and rear set backs shall be a minimum of 3 metres.

4.1.7.2 Front setback (building line)

Generally, Council will consider flexibility in front setbacks, however the following development standards are recommended.

In areas being newly-developed areas, setbacks (inclusive of verandah, porch etc) from the street boundary should be a minimum of 6 metres, however Council will consider setbacks in accordance with **Table 4-1** where it can be demonstrated that the setback is appropriate.

Table 4-1: Minimum front setbacks in new areas

Street Type	Minimum frontage setback (m)	Minimum side setback to corner street (m)
Local access street	3	3
Classified road	6	3

The setback may be averaged, providing no part of the building is setback less than 2 metres.

In established areas where the setback of an adjacent building is greater than 3m, infill development is to be setback:

- the same distance as one of the other adjoining buildings, provided the difference between the setbacks of the two adjoining buildings is less than or equal to 2 metres
- the average of the setbacks of the adjoining dwellings if the difference between the setbacks of the adjoining building is greater than 2 metres

The setback of buildings in the Heritage Conservation Area or near heritage items shall match that of adjacent development.



In establishing areas where the setbacks of adjacent buildings are 0-3 metres, infill development is to be set back the same distance as one or the other of the adjoining dwellings.

Garages are to be setback a minimum of 5.5 metres from the front property boundary to allow vehicles to stand on site.

4.1.8 Views

Objectives

To minimise, where possible, the obstruction of views from adjoining buildings or public places.

To maximise views from living areas within the allotment.

Controls

Step buildings to follow the slope of the land.

Minimise the height of buildings and planting on the highest part of the site.

Council may require an applicant to provide a survey showing the position of the proposal on its site, the location of adjoining buildings and the degree of view lost.

Retain and protect existing vegetation where possible.

4.1.9 Traffic safety and management

Objectives

Reduce the visual impact of garages, carports and parking areas on the streetscape and improve dwelling presentation.

Provide sufficient and convenient parking for residents, visitors and service vehicles.

Ensure vehicular and pedestrian safety.

Encourage access design to form part of the overall landscape design.

Provide acceptable levels of access, safety and convenience for all road users.

Controls



4.1.9.1 Car parking and driveways

Figure 4-8: Preferred garage treatment



The visual impact of garages is to be minimised, as illustrated on **Figure 4-8**.

All garage and carport entries are to be set back from the front facade of the dwelling by a minimum of 1 metre, and a minimum of 5.5 metres from the front property boundary.

For residential development, the minimum standard of provision is detailed at **clause 3.4** of this plan.

Parking areas and driveways shall be designed in accordance with Council's Standards for Engineering Works, July 2009 and Access, Driveways and Parking Areas, 2001

All driveways, paths, car parking areas are to be paved in brick pavers, bitumen, concrete or another approved manner. Use of decorative paving is encouraged.

Long, straight driveways are to be avoided, eliminated or appropriately screened to Council's satisfaction.

Paved area is to be minimised.

Access for one dwelling via right of carriageways is to be a minimum of 3.5 metres in width (excludes traffic control devices), except when it is more than 40 metres long where the minimum width increases to 5 metres.

4.1.10 Site facilities

Objectives

Design to integrate adequate and convenient site facilities such as storage, recycling and collection areas into the overall development.

Ensure site facilities are practical and easily maintained.

Controls



Garbage bins, waste recycling areas, mailboxes and external storage facilities should be adequate in size, durable, waterproof, blend in with the development, avoid visual clutter and be accessible to the users of the building and service vehicles.

Ensure garbage storage and waste recycling areas are not located adjacent to any residential habitable rooms.

Provide adequate internal storage and design internal layouts to allow the building to be re-used for other purposes in the future.

4.1.11 Energy efficient siting and layout

Objective

Achieve improved energy efficiency through the siting and design of all buildings.

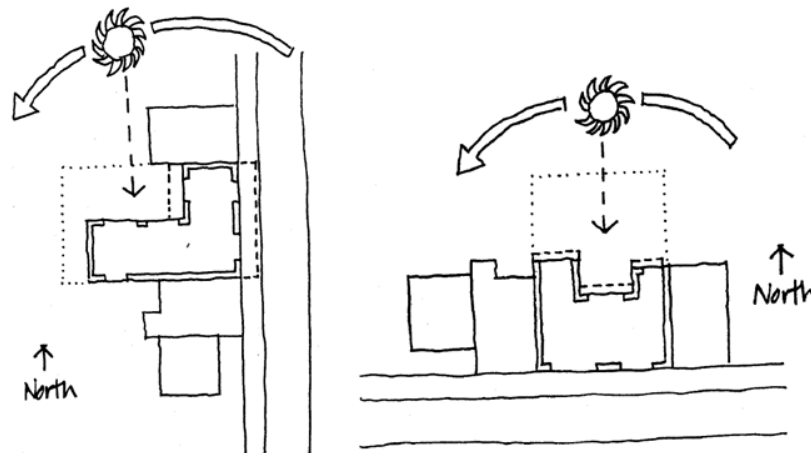
Building shape and orientation have a high impact on the energy performance of a building. A well designed building has the potential to reduce energy costs by up to 50%. The improved performance does not have to add to the project cost or change the appearance of a building.

Controls

Building shape and orientation are major influences that affect energy consumption. The most critical element of a building's form is the size and orientation of its windows. The shape of a building influences the amount of floor area that can benefit from daylight through windows. Daylight is generally useful to a depth of 4-6 metres from a window.

Buildings should be designed to ensure that much of the floor area is within a 4-6 metre distance of an external window. An elongated plan shape produces this characteristic, as will the use of an atrium or courtyard. Maximise north and south facades, whilst minimising east and west facades (refer to **Figure 4-2 & 4-9**).

Figure 4-9: Examples of building orientations to maximise energy efficiency



4.1.12 External window shading and internal and external lighting

Objectives

Integrate external window shading into the design of buildings to improve energy efficiency and comfort.

Maximise natural light to buildings and reduce the use of non-renewable energy resources.

Controls

Ideally, shading devices should be external.

North facing windows can provide valuable heat gain and light in winter but should be shaded from direct sunlight in summer.

East and west facing windows are difficult to shade in summer and should be minimised. South facing windows require no shading but can cause substantial heat loss in winter.

Maximise north and south windows and minimise those facing east and west.

For north facing walls provide horizontal shading devices such as awnings, upper floor balconies, pergolas, verandas, eaves and overhangs.

Where windows face east or west, vertical shading devices such as blinds, shutters, adjustable awnings and landscaping should be used.

Consider the location, shape, type and height of fully grown trees when using landscaping as a shading device.



Shading materials are to comply with C1.10 of the Building Code of Australia.

The choice of glass depends upon whether you want to maximise the sunlight or heat loss, or minimise heat gain into the building.

The use of skylights, light wells, and atriums can let additional daylight into a building although provision of shading in summer and possible heat loss in winter will need to be considered.

The need for artificial lighting can be reduced by the correct orientation and design of the building and the size and placement of windows and service areas which require high lighting levels (e.g. desks or workstations, by individual task lights).

Lighting costs can be reduced by selecting low energy lamps, ballasts and fittings which provide the desired level of illumination but consume 75% less energy. Lighting controls can be fitted to ensure that lights are not left on when not required. For instance, switches should be provided for separate zones within a large room and for task lights. Time switches or movement sensors should be employed for areas with sporadic use.

Lighting systems should be designed to supplement daylight in order to provide appropriate lighting levels for specific tasks.

4.1.13 Insulation

Objectives

Improve the energy efficiency and comfort of buildings by designing to make the best use of natural ventilation.

Controls

Windows should be oriented to take advantage of the cooling summer breezes. The position of internal walls and partitions should allow the passage of air through the building although, in some cases, ceiling fans may be required.

In cases where mechanical ventilation is necessary (e.g. kitchens, some computer rooms or areas where external noise levels are high), ensure that the system installed has appropriate controls which can cater for the particular use of the building whilst maximising the conservation of non-renewable energy.

Significant factors affecting natural air movement are:

- building form and the location of windows
- site and landscaping features



- internal planning and design

Ventilation can be achieved in the following ways:

- cross ventilation, where air enters a building from one side passing out on the other, replacing warm inside air with cooler outside air
- stack effect, where warm air rises through the height of the building, and is replaced by cool air at the base of the building
- artificial ventilation, where fans are used to extract warm air allowing it to be replaced by cool air

For effective ventilation:

- locate openings on opposite sides of rooms
- locate windows and openings in line with each other, and where possible, in line with prevailing breezes - a low level inlet and high level outlet is preferable
- use water features such as fountains in strategic positions to cool breezes
- consider strategic positioning of vegetation to modify wind direction
- use ceiling fans to provide a high level comfort on most hot days, at low running costs

Use window types that provide security while allowing for good ventilation.

Design buildings with a maximum internal dimension between openings of 14m to maximise natural ventilation without compromising other design elements.

Ensure ventilation can be achieved by permanent openings, windows, doors or other devices, which have an aggregate opening or openable size of not less than 5% of the floor area of the room.

In restaurants or buildings with kitchens where mechanical ventilation is needed, use those which operate directly above cookers, rather than designing high ventilation rates through the whole kitchen.

4.1.14 Space heating and cooling

Objectives

Where thermal comfort cannot be achieved through building design elements choose energy-efficient and environmentally-friendly space heating and cooling systems.



Controls

If air conditioning is necessary, install a unit with sufficient controls to ensure that it is used only when required. Consider partial air-conditioning directed to areas, rooms where it is needed, whilst the rest of the building remains naturally ventilated.

When choosing heating, consider which type is most suited to your particular needs, i.e usage patterns, location of staff etc. As with other equipment select heating devices that have appropriate controls to cater for the particular use of the building whilst maximising the conservation of non-renewable energy.

Use passive methods of minimising heat gain.

Design buildings with window shading, appropriate insulation, and sealed against hot air infiltration during the day, incorporating ventilation and natural cooling.

4.1.15 Water pollution

Objectives

Minimise water pollution caused by new development.

Controls

During construction the potential to pollute is high. To reduce this risk Council may require:

- on-site wheel and vehicle base cleaning facilities to reduce soil and contaminated material leaving the site
- protection of as much existing vegetation as possible to reduce erosion
- storage of building materials on site to minimise stormwater contamination

To ensure all potential water pollutants are controlled and dealt with on site. Council may require devices such as:

- effective bunding
- retention pits
- grease traps
- booms and trash racks
- silt and litter arrester pits
- siltation ponds

These lists are not exhaustive and may vary as innovative products and methods are developed.



The pollution of any waters is prohibited. Discharges from premises of any matter, whether solid, liquid or gaseous into any waters is required to conform with the *Protection of the Environment Operations Act 1997* and its Regulations, or an environment protection licence issued by the Department of Environment and Climate Change for Scheduled Premises.

4.1.16 Working hours – Residential and Business

Objectives

Ensure the operations of the proposed development will not cause nuisance to residents by way of working hours.

Controls

Council seeks to ensure that the hours of operation of businesses, commercial premises and places of work are compatible with the type of activities carried out on the premises and the relationship with neighbouring residential occupiers.

Where residential buildings are physically attached to non-residential buildings, hours of operation should not normally fall outside the hours of 7.30am and 6.00pm Monday to Friday and 7.30am and 1pm on Saturday.

Hours of operation will depend on the type of use proposed, its location in relation to residential properties and the impact of extended hours on the occupiers of those properties.

Where development sites are within a residential area, hours of work during site preparation and construction should not normally fall outside the hours of 7.30am and 6.00pm Monday to Friday and either 8.00am to 2.00pm on Saturday or 8.00am to 2.00pm on Sunday.

4.1.17 Subdivision

Note: Reference chapter 7 of this Plan. – All roads etc are to be designed and constructed in accordance with Council's Standards for Engineering Works 2009.

Objective

Control the density of development in order to manage population growth and maintain the character of urban areas.

Promote lot sizes of appropriate size to accommodate residential dwellings and related private open space.



4.1.17.1 Minimum lot sizes in Residential areas (LEP 2009)

R1 General Residential and R2 Low Density Residential – 700m²;

R5 Large Lot Residential – 2,000m²;

R5 Large Lot Residential (Run-O-Waters) – 2 hectares;

RU5 Village – 1,500m².

Note: 1. To ascertain minimum lot sizes for individual sites reference should be made to the lot size maps (LEP 2009).

Note: 2. Unserviced land may not be able to achieve the quoted minimum lot size.

Qualifications

- (i) The minimum lot size quoted for zones R1, R2 (700m²) and R5 (2,000m²) are for serviced land where each lot created will be connected to reticulated water and sewerage services.
- (ii) The minimum lot size quoted for zones part R5 (Run-O-Waters) and RU5 are for unserviced land.
- (iii) For unserviced land the lot size quoted depends on a satisfactory detailed investigation on:
 - Accumulative water quality issues associated with wastewater management of effluent disposal and stormwater disposal for the subdivision proposal and
 - The provision of an adequate water supply to each lot for drinking (potable supply), ablutions and fire fighting purposes. (Chapter 5.3 discusses development standards for individual rural dwellings and should be noted for the purpose of these investigations).

4.1.17.2 General provisions

Objectives

To encourage subdivision layouts that:

- allow integration of neighbourhoods between “natural” boundaries or barriers and connections between the neighbourhoods
- minimise environmental impact by ensuring subdivision into residential lots only occurs on land free of development constraints



- are based on a hierarchy of roads for the efficient movement of vehicle traffic
- focus open space on the drainage constraints and network
- incorporate water sensitive urban design principles into subdivision design
- encourage northern orientation of future dwellings for energy efficiency benefits and passive solar access
- ensure residential lots have a sufficient area to allow for the siting of a dwelling and ancillary buildings (including private open space, vehicle access and parking)
- ensure residential lots face public areas (including open space areas) for passive surveillance
- provide for protection/enhancement of visually prominent sites/locations
- protect riparian areas and native vegetation areas

Controls

Site area

Battleaxe lots are generally not supported. In calculating the area of a battleaxe allotment, the accessways, which includes any rights-of-carriageway/access, are to be excluded.

Allotments should be able to accommodate a building envelope of 150m² with the minimum dimensions of 10m by 15m, within a 6m front building setback and a 1m side and rear setback and clear of any easements.

Lot orientation

The following design techniques are to be adopted to maximise opportunities for solar access to allotments and to allow for the consequent design and siting of energy efficient houses:

- align streets east-west and north-south. Aim for north-south streets within 20° west and 30° east of true north and east-west streets within 30° south and 20° north.
- allotments on east-west orientated streets need to have greater depth and width to make best use of solar access.
- allotments on south side of street should be sufficient depth so buildings can be set well back to allow north facing rooms to look onto larger front yards.
- allotments on north-south streets to be of sufficient width to allow for private open space on the north side and for houses to be built on the south boundary.



- taking into account views and topography, lot orientation and layout should enable the majority of dwellings to be designed so that the main living area receives not less than 4 hours of sunlight per day between 9am and 3pm.
- regular rectangular shaped allotments maximises siting opportunities and increases potential lot yield.
- on sloping sites, north-facing sites improve opportunities for solar access.

Lots shall face toward public open space areas, vegetation conservation areas and public roads to encourage passive surveillance from dwellings over these public spaces to assist with safety and security.

Bicycle and pedestrian movements

Provision for bicycle and pedestrian movements are to be provided throughout the subdivided area.

Cyclists can be integrated into the road network through a combination of on and off road measures together with bike parking at clusters of community and commercial facilities (refer Council's Bicycle Strategy 2007).

To encourage cycling as an easy transport alternative, on-road and off-road cycle networks will be clearly highlighted with signposting and pavement logos. Engineering works, including signposting and line marking must comply with the appropriate engineering standards.

Paved footpaths are to be provided in accordance with Council's Standards for Engineering Works, July 1996, and the hierarchy of roads (e.g. both sides for higher order roads, single side only on lower order roads).

Retention of Significant Environmental Features

Where significant environmental features such as natural landforms, remnant native vegetation, wetlands or natural drainage lines or water courses occur on a development site, they shall be conserved and or enhanced. Subdivision design shall incorporate these elements as much as can practicably be achieved. This may necessitate larger lot sizes in order to maintain these features.

Road Reserves

Should remnant vegetation be located in either existing or proposed road reserves it shall be conserved in the design and construction process. Access to new lots should be located in an alternate position or to take advantage of existing road reservations where



they exist. Council will require that access to lots (driveways) be nominated in Section 88(b) instruments in order to protect existing vegetation and to reduce their visual impact.

Service infrastructure is also to be located in such a way as to ensure minimal environmental disturbance.

Landscape embellishment

A condition of Council's subdivision approval will be to carry out landscape treatment of lots and public road reserves with the objective of enhancing vegetation and specifically native vegetation in the locality. The landscape treatment shall be designed to mitigate the:

- environmental impact of the development;
- visual obtrusiveness of new development and enhance the visual connection of the newly created landscape with any remnant native vegetation in the locality.

Building Envelopes

Street Trees

Street tree planting is required where new or existing lots are developed in order to create a consistent theme. Street trees add to the areas character and reduce the visual impact of new development. They have environmental benefits of reducing the impacts of sun in the summer months; reducing global warming and when natives are used providing possible habitat for native fauna.

Important Street Tree principles are:

- Preserve vistas to and from significant heritage buildings and to rural areas;
- Reinforce traditional exotic planting themes and prominent gardens where they exist;
- Retain and enhance significant existing trees and remnant native areas;
- Reinforce the planting themes of the central town or village area.

4.2 Non-residential development – Retail, Commercial and Industrial

Note: **Clause 4.2** of this plan applies to new business, industrial and other non specified residential development irrespective of the zoning of the land.



Floor Space Ratio (FSR) controls on bulk and scale are found in the LEP 2009 clauses 4.4 and 4.5 for zones B2, B3, B4 and B6.

Heritage controls are found in **chapter 3.1** of this plan.

Separate controls for the business zones of Goulburn's CBD are found in **Appendix I**, "Good Design Statement" 2005.

4.2.1 Retail and Commercial (General)

Chapter 8 contains site specific provisions for:

- The Marulan Local Business Centre – George Street Marulan, Chapter 8.4 and
- The Goulburn City Business District – Chapter 8.6.

These chapters relate to Council's main retail and commercial areas.

Retail and commercial development outside of these areas should refer to the general principles outlined in these sub-chapters.

Heritage principles are also found in Chapter 3.1. Previous design principles which are still worth referencing are contained in "Goulburn Mulwaree Good Design Statement", September 2005 – Appendix I.

Background material for **chapter 8.6** are found at **Appendices J, K, L and M**.

4.2.2 Design principles – Industrial

Objectives

Encourage a high standard of architectural design which contributes to a visually cohesive character.

Encourage building design which allows energy efficient development and good solar access.

Controls:

Large blank wall surfaces visible from a public place (eg road) shall be articulated by structural variations and/or blend of external finishes.

Prominent elevations and 'areas of visual importance' are to have a building form of significant architectural and design merit, with special attention to scale, form, external finishes, setbacks, height limits and landscaping.



Areas of visual importance include:

- gateway entries to the City, township or village
- developments than can be viewed from residential and public areas
- Heritage Conservation Area and heritage items

Prominent elevations include:

- arterial road frontage
- public reserve exposure.
- Visual

4.2.3 Visual Quality – Industrial

Objectives

Identify areas of visual importance.

Limit external storage of goods.

Controls

External storage areas shall not be visible from a public place.

External storage areas are to be:

- located behind a building, or
- suitably screened (with dense landscaping and/or solid fencing);

In assessing development applications involving external storage of goods, Council shall take into consideration:

- height and arrangement of stored goods
- safety issues
- access arrangements
- aesthetics and ease of maintenance

4.2.4 Building setbacks – Industrial

Objective

Provide an open streetscape which will enhance visual quality of development and the urban landscape.

Controls



All setback areas are to be landscaped (refer to **Figure 4-11**).

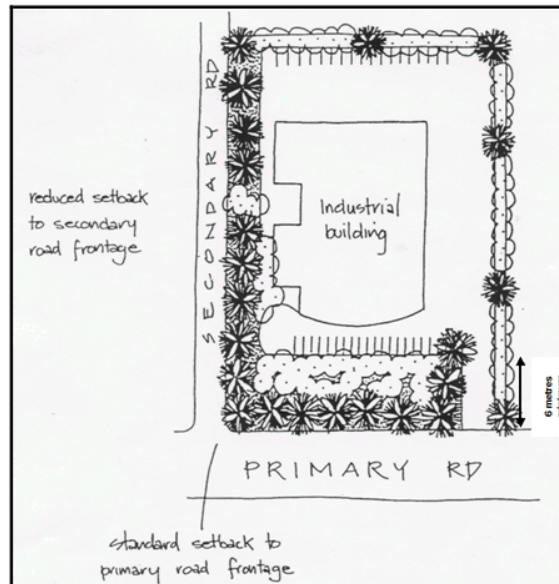
No parking will be permitted within setback areas.

Minimum requirements:

- frontage – 6 metres;
- side and rear – setbacks required for corner allotments (secondary road frontage) and in areas of visual importance.

Note: Setback distances are proportionally related to required building materials so as to satisfy wall fire ratings – refer to Building Code of Australia for details.

Figure 4-11: Preferred industrial setbacks



4.2.5 Height – Industrial

Objectives

Encourage building forms to respond to topography and the site’s relative position to other allotments and the streetscape.

Maintain the visual quality of the locality.

Controls



On land within a residential Zone, a maximum 8 metre height limit is recommended (distance measured vertically from any point on the roof of the building to the ground level immediately below that point).

Variations on land within such zones will only be considered where it can be demonstrated that:

- the proposed height is in keeping with the character of the locality
- it is not visually obtrusive
- the additional height is required due to the nature of the proposal
- the overall design, including landscaping and building materials, reduces the impact of height and bulk

On land not affected by the height of building maps, no height limit is specified, however the height (as defined above), shall take into account and address the following matters in the development application's, statement of environmental effects:

- the proposed height is in keeping with the character of the locality
- it is not visually obtrusive
- the height is required due to the nature of the proposal
- the overall design, including landscaping and building materials, reduces the impact of height and bulk

4.2.6 External materials and finishes - Industrial

Objectives

Promote the use of appropriate external finishes and innovative use of materials.

Ensure that industrial development contributes to the streetscape and visual aesthetics of the area.

Controls

The external walls of industrial buildings shall be profiled colour treated cladding or masonry materials, or a combination of both and incorporate visual relief elements.

Particular consideration shall be given to the design and use of materials for the street elevation of industrial buildings.

Where the side or rear elevation of an industrial building is visible from residential or public areas, colours and wall profiles should be selected to minimise their visual impact.



4.2.7 Noise and vibration – general requirements

Objectives

Minimise the impact of noise and vibration by proposed operations and on proposed developments of existing and projected future sources of noise and vibration.

Controls

Council is the appropriate regulatory authority for noise related activities, such a heavy industries, mining, extractive industry, motor racing tracks and the like under the *Protection of the Environment Operations Act 1997*. If development sensitive to noise were to be approved on adjacent properties to the noise source, Council will be responsible for regulating any resulting noise impacts.

Council recommends applicants utilise the following documents to assist them in making decisions relating to acceptable noise levels for noise generating and noise sensitive developments:

- NSW Industrial Noise Policy
- Environmental Criteria for Road Traffic Noise
- Noise Guide for Local Government

The above documents are available from the Department of Environment and Climate Change website: www.environment.nsw.gov.au/noise

The impact of noise generated by a proposal can be minimised to comply with the statutory requirements in different ways. The following guidelines address means of achieving the standards.

Incorporate sound proofing for machinery or activities considered likely to create a noise nuisance during design development.

Locate noisy operational equipment within a noise insulated building away from residential areas.

Design logistically efficient business practises to minimise the use of equipment, movements per site, and number of vehicle movements per site per day.

Where sites adjoin a residential area, limit the number of hours and times at which mechanical plant and equipment is used in conjunction with the measures described above.



Ameliorate the noise and vibration impact of transport operations by using appropriate paving or track mounting and installing acoustic barriers as required to meet standards on neighbouring uses.

Incorporate appropriate noise and vibration mitigation measures into the site layout, building materials, design, orientation and location of sleeping recreation/work areas of all developments proposed in areas adversely impacted upon by road or rail related noise and vibration.

4.2.8 Air pollution - Industrial

Objectives

Minimise air pollution caused by new development.

Controls

The operation of any new premises and any machinery or plant to be installed or any process to be used must not cause emissions contrary to the *Protection of the Environment Operations Act 1997* and Regulations. Applicants will need to demonstrate that these standards are met. Approvals may also be required from the Department of Environment and Climate Change for some types of development.

Machinery and operations should be designed to minimise the emission of air impurities. This includes minimising vehicular movements to and from the site.

Restricting the hours of operation may reduce any emissions to an acceptable level.

4.2.9 Water pollution – Industrial

Objectives

Minimise water pollution caused by new development.

Controls

During construction the potential to pollute is high. To reduce this risk Council may require:

- on-site wheel and vehicle base cleaning facilities to reduce soil and contaminated material leaving the site
- protection of as much existing vegetation as possible to reduce erosion
- storage of building materials on site to minimise stormwater contamination



To ensure all potential water pollutants are controlled and dealt with on site. Council may require devices such as:

- effective bunding
- retention pits
- grease traps
- booms and trash racks
- silt and litter arrester pits
- siltation ponds

These lists are not exhaustive and may vary as innovative products and methods are developed.

The pollution of any waters is prohibited. Discharges from premises of any matter, whether solid, liquid or gaseous into any waters is required to conform with the *Protection of the Environment Operations Act 1997* and its Regulations, or an environment protection licence issued by the Department of Environment and Climate Change for Scheduled Premises.

4.2.10 Mixed use development – Industrial and Residential

Objectives

Ensure that industrial development does not have an unacceptable impact on existing residential development within the same zone or at the interface between industrial and residential development.

Controls

Building set backs between residential (existing) and proposed industrial development shall be 9m.

Height of industrial buildings in a mixed use situation are to be consistent with nearby housing development.

Traffic management and calming measures are to be recommended on roads shared by both industrial and residential traffic.

Change of use in mixed use situations are to detail and include amenity protection measures for existing residential development.

These measures may include (but not limited to):

- additional landscaping provisions (reference chapter 3.3);



Goulburn Mulwaree
Development Control Plan 2009

- additional amenity considerations and actions;
- additional privacy provisions built into the proposal (reference chapter 4.1.4);
- traffic safety and management provisions (reference chapter 4.1.8);
- industrial design to 'fit' with residential streetscape and character (reference chapter 4.1.9);
- noise and vibration generation mitigation measures (reference chapter 4.2.15);
- reduce hours of operation (reference chapter 4.2.18);
- use of hard (solid barriers) and soft (vegetation) buffers at the interface between residential and industrial developments (principles of the use of buffers are contained in chapter 5.8).

DRAFT

Goulburn Mulwaree Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Goulburn Mulwaree Council

Financial Statements 2020

General Purpose Financial Statements for the year ended 30 June 2020

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Overview

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

184-194 Bourke Street
Goulburn NSW 2580

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.goulburn.nsw.gov.au.

Goulburn Mulwaree 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.

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Goulburn Mulwaree Council

Financial Statements 2020

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 20 October 2020.**

Cr Bob Kirk
Mayor
20 October 2020

Cr Peter Walker
Councillor
20 October 2020

Warwick Bennett
General Manager
20 October 2020

Brendan Hollands
Responsible Accounting Officer
20 October 2020

Goulburn Mulwaree 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				
36,446	Rates and annual charges	3a	36,715	35,206
15,053	User charges and fees	3b	16,181	15,073
1,051	Other revenues	3c	1,670	1,891
11,393	Grants and contributions provided for operating purposes	3d,3e	12,649	10,395
47,744	Grants and contributions provided for capital purposes	3d,3e	22,390	12,660
1,381	Interest and investment income	4	1,922	2,477
–	Net gains from the disposal of assets	6	2,801	–
255	Rental income	14e	322	–
113,323	Total income from continuing operations		94,650	77,702
Expenses from continuing operations				
25,115	Employee benefits and on-costs	5a	24,567	23,973
1,387	Borrowing costs	5b	1,432	1,553
12,669	Materials and contracts	5c	13,458	11,923
14,677	Depreciation and amortisation	5d	18,779	17,589
6,501	Other expenses	5e	5,723	5,965
–	Net losses from the disposal of assets	6	–	5,076
–	Fair value decrement on investment properties	12	150	128
60,349	Total expenses from continuing operations		64,109	66,207
52,974	Operating result from continuing operations		30,541	11,495
52,974	Net operating result for the year		30,541	11,495
52,974	Net operating result attributable to council		30,541	11,495
5,230	Net operating result for the year before grants and contributions provided for capital purposes		8,151	(1,165)

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.

Goulburn Mulwaree 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)		30,541	11,495
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	11(a)	156,403	5,082
Total items which will not be reclassified subsequently to the operating result		156,403	5,082
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (other than equity instruments)		-	156
Total items which will be reclassified subsequently to the operating result when specific conditions are met		-	156
Total other comprehensive income for the year		156,403	5,238
Total comprehensive income for the year		186,944	16,733
Total comprehensive income attributable to Council		186,944	16,733

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.

Goulburn Mulwaree Council

Financial Statements 2020

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	8,435	8,587
Investments	7(b)	80,002	80,012
Receivables	8	7,270	7,411
Inventories	9a	291	273
Contract assets	13a	2,281	–
Other	9b	325	330
Current assets classified as 'held for sale'	10	468	1,181
Total current assets		99,072	97,794
Non-current assets			
Investments	7(b)	12,000	5,156
Receivables	8	56	55
Infrastructure, property, plant and equipment	11(a)	1,148,421	972,395
Investment property	12	4,158	4,300
Right of use assets	14a	421	–
Total non-current assets		1,165,056	981,906
Total assets		1,264,128	1,079,700
LIABILITIES			
Current liabilities			
Payables	15	8,739	7,893
Income received in advance	15	–	1,305
Contract liabilities	13b	3,276	–
Lease liabilities	14b	148	–
Borrowings	15	1,652	1,693
Provisions	16	7,945	7,073
Total current liabilities		21,760	17,964
Non-current liabilities			
Lease liabilities	14b	254	–
Borrowings	15	17,477	19,129
Provisions	16	7,648	7,544
Total non-current liabilities		25,379	26,673
Total liabilities		47,139	44,637
Net assets		1,216,989	1,035,063
EQUITY			
Accumulated surplus	17	411,335	385,656
Revaluation reserves	17	805,654	649,251
Other reserves	17	–	156
Council equity interest		1,216,989	1,035,063
Total equity		1,216,989	1,035,063

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.

Goulburn Mulwaree 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	Financial assets at FVOCI	Total equity	Accumulated surplus	IPP&E revaluation reserve	Financial assets at FVOCI	Total equity
Opening balance		385,656	649,251	156	1,035,063	369,334	648,996	-	1,018,330
Changes due to AASB 1058 and AASB 15 adoption	17	(5,018)	-	-	(5,018)	-	-	-	-
Changes due to AASB 16 adoption	17	-	-	-	-	-	-	-	-
Opening balance		380,638	649,251	156	1,030,045	369,334	648,996	-	1,018,330
Net operating result for the year		30,541	-	-	30,541	11,495	-	-	11,495
Net operating result for the period		30,541	-	-	30,541	11,495	-	-	11,495
Other comprehensive income									
- Gain (loss) on revaluation of IPP&E	11(a)	-	156,403	-	156,403	-	5,082	-	5,082
- Gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (other than equity instruments)		-	-	-	-	-	-	156	156
Other comprehensive income		-	156,403	-	156,403	-	5,082	156	5,238
Total comprehensive income		30,541	156,403	-	186,944	11,495	5,082	156	16,733
Transfers between equity items		156	-	(156)	-	4,827	(4,827)	-	-
Equity – balance at end of the reporting period		411,335	805,654	-	1,216,989	385,656	649,251	156	1,035,063

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.

Goulburn Mulwaree 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				
<i>Receipts:</i>				
36,446	Rates and annual charges		37,884	35,140
15,053	User charges and fees		15,220	14,090
1,381	Investment and interest revenue received		2,479	2,622
56,653	Grants and contributions		24,193	20,002
–	Bonds, deposits and retention amounts received		–	305
1,306	Other		7,226	6,958
<i>Payments:</i>				
(25,115)	Employee benefits and on-costs		(23,587)	(23,495)
(12,670)	Materials and contracts		(17,212)	(12,431)
(1,387)	Borrowing costs		(1,368)	(1,460)
–	Bonds, deposits and retention amounts refunded		(182)	–
(6,501)	Other		(7,643)	(10,619)
65,166	Net cash provided (or used in) operating activities	18b	37,010	31,112
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investment securities		66,647	64,884
6,507	Sale of infrastructure, property, plant and equipment		1,855	1,584
<i>Payments:</i>				
–	Purchase of investment securities		(71,002)	(67,023)
–	Purchase of investment property		(8)	(278)
(114,252)	Purchase of infrastructure, property, plant and equipment		(32,806)	(26,035)
(107,745)	Net cash provided (or used in) investing activities		(35,314)	(26,868)
Cash flows from financing activities				
<i>Receipts:</i>				
19,480	Proceeds from borrowings and advances		–	–
<i>Payments:</i>				
(1,750)	Repayment of borrowings and advances		(1,693)	(1,628)
–	Lease liabilities (principal repayments)		(155)	–
17,730	Net cash flow provided (used in) financing activities		(1,848)	(1,628)
(24,849)	Net increase/(decrease) in cash and cash equivalents		(152)	2,616
22,504	Plus: cash and cash equivalents – beginning of year	18a	8,587	5,971
(2,345)	Cash and cash equivalents – end of the year	18a	8,435	8,587
–	plus: Investments on hand – end of year	7(b)	92,002	85,168
(2,345)	Total cash, cash equivalents and investments		100,437	93,755

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.

Goulburn Mulwaree 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 . Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not for-profit entity.

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

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 11
- (ii) employee benefit provisions-Refer Note 17

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
- Domestic Waste Management Fund
- Water Supply Fund
- Sewerage service Fund

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

(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

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.

Volunteer services

Volunteer services are not recognised as they are not reliably measured, would not be otherwise purchased and not regarded to be material.

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 the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 17.

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Goulburn Mulwaree 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										
Civic Leadership	32,896	26,835	13,218	17,285	19,678	9,550	8,038	5,174	72,731	46,819
Community	5,677	2,194	4,861	4,925	816	(2,731)	3,451	2,608	68,792	62,264
Economy	420	310	2,489	1,528	(2,069)	(1,218)	58	49	8,447	7,496
Environment	15,192	10,985	7,159	5,770	8,033	5,215	2,023	1,224	125,598	78,329
Infrastructure	40,465	37,378	36,382	36,699	4,083	679	8,652	3,605	988,560	884,792
Total functions and activities	94,650	77,702	64,109	66,207	30,541	11,495	22,222	12,660	1,264,128	1,079,700

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

Civic Leadership

Our Leadership - Council administration including executive management, councillor expenses, human resources, financial services, organisational overheads and oncosts, information and technology, customer service and administrative support. Governance such as access to information, code of conduct, legal services, insurances and policies and procedures.

Community

Our Community - Community services and education, including development, youth services, aged and disabled services. Community amenities such as public cemeteries, public conveniences and street lighting. Recreation and cultural services including, public library, art gallery and museums, community halls, sporting grounds and venues, swimming pool, parks and gardens, and other sport and recreation.

Economy

Our Economy - Economic affairs including marketing, visitor information and events, strategic planning and property management.

Environment

Our Environment - Activities such as public health, noxious plants and animal control, solid waste management, street cleaning, drainage and stormwater management, other environmental protection activities.

Infrastructure

Our Infrastructure - Includes the following networks; sewerage services, water supplies, bridges, footpaths, parking areas, sealed and unsealed roads, urban streets, rural and regional roads.

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Goulburn Mulwaree 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)	13,607	12,972
Farmland	1058 (1)	2,565	2,486
Business	1058 (1)	4,616	4,505
Less: pensioner rebates (mandatory)	1058 (1)	(450)	(447)
Rates levied to ratepayers		<u>20,338</u>	<u>19,516</u>
Pensioner rate subsidies received	1058 (1)	249	244
Total ordinary rates		<u>20,587</u>	<u>19,760</u>
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	4,080	3,729
Water supply services	1058 (1)	2,427	2,358
Sewerage services	1058 (1)	9,355	9,148
Waste management services (non-domestic)	1058 (1)	474	417
Less: pensioner rebates (mandatory)	1058 (1)	(462)	(452)
Annual charges levied		<u>15,874</u>	<u>15,200</u>
Pensioner subsidies received:			
– Water	1058 (1)	93	91
– Sewerage	1058 (1)	90	88
– Domestic waste management	1058 (1)	71	67
Total annual charges		<u>16,128</u>	<u>15,446</u>
TOTAL RATES AND ANNUAL CHARGES		<u>36,715</u>	<u>35,206</u>

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".

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.

\$ '000	AASB	2020	2019
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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (1)	7,227	6,950
Sewerage services	15 (1)	2,098	1,896
Waste management services (non-domestic)	15 (1)	1,380	1,346
Total specific user charges		10,705	10,192
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation	15 (2)	206	227
Planning and building regulation	15 (2)	762	765
Private works – section 67	15 (1)	94	112
Regulatory/ statutory fees	15 (2)	164	118
Section 10.7 certificates (EP&A Act)	15 (1)	78	76
Section 603 certificates	15 (1)	70	59
Total fees and charges – statutory/regulatory		1,374	1,357
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Cemeteries	15 (1)	324	251
Library and art gallery	15 (1)	33	44
Swimming centres	15 (2)	385	537
Waste disposal tipping fees	15 (1)	2,697	2,140
Aged and disabled services	15 (1)	203	215
Hire of council properties	15 (1)	65	101
Sports stadium/recreation facilities	15 (1)	92	104
Animal Impounding	15 (1)	15	16
Other	15 (1)	288	116
Total fees and charges – other		4,102	3,524
TOTAL USER CHARGES AND FEES		16,181	15,073

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

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

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

Accounting policy for user charges and fees

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

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

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

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

2019 accounting policy

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

\$ '000	AASB	2020	2019
(c) Other revenues			
Rental income – investment property (2019 only)		–	246
Fines – parking	1058 (1)	95	115
Fines – other	1058 (1)	5	7
Legal fees recovery – rates and charges (extra charges)	1058 (1)	79	117
Legal fees recovery – other	1058 (1)	137	–
Commissions and agency fees	1058 (1)	5	5
Gas Main Rental	15 (1)	22	48
Diesel rebate	1058 (1)	112	111
Insurance claims recoveries	1058 (1)	200	13
Sales – general	15 (1)	507	779
Insurance rebates	1058 (1)	132	111
Low value exception lease income	15 (1)	43	41
Employee contributions	15 (1)	168	132
License Agreements	15 (1)	30	28
Other	15 (1)	135	138
TOTAL OTHER REVENUE		1,670	1,891

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",

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

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

Accounting policy for other revenue

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

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.

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance	1058 (1)	1,709	1,708	-	-
Financial assistance – local roads component	1058 (1)	860	830	-	-
Payment in advance - future year allocation					
Financial assistance	1058 (1)	2,724	2,631	-	-
Total general purpose		5,293	5,169	-	-
Specific purpose					
Water supplies	1058 (1)	26	85	-	-
Sewerage services	1058 (1)	-	-	2,000	-
Bushfire and emergency services	1058 (1)	228	181	-	-
Community care	1058 (1)	172	176	-	-
Employment and training programs		-	5	-	-
Environmental programs	1058 (2)	142	254	389	198
Heritage and cultural	1058 (2)	110	104	3,137	975
Library – per capita	1058 (1)	180	88	-	-
LIRS subsidy	1058 (1)	60	74	-	-
Noxious weeds	1058 (1)	150	491	-	-
Recreation and culture	1058 (2)	259	159	5,881	1,646
Street lighting	1058 (1)	157	157	-	-
Transport (roads to recovery)	1058 (1)	1,703	503	-	-
Transport (other roads and bridges funding)	1058 (2)	528	62	1,670	2,285
Road safety initiatives	1058 (1)	57	48	34	-
Other	1058 (1)	46	-	-	-
Total specific purpose		3,818	2,387	13,111	5,104
Total grants		9,111	7,556	13,111	5,104
Grant revenue is attributable to:					
- Commonwealth funding		7,470	5,750	5,462	1,694
- State funding		1,641	1,709	7,649	3,410
- Other funding		-	97	-	-
		9,111	7,556	13,111	5,104

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".

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
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(e) Contributions

Developer contributions:
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):

Cash contributions

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Goulburn Mulwaree Council

Financial Statements 2020

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
S 7.11 – contributions towards amenities/services		1058 (1)	1,464	1,072	254	332
S 7.12 – fixed development consent levies		1058 (1)	387	390	–	–
S 64 – water supply contributions		1058 (1)	–	–	709	1,063
S 64 – sewerage service contributions		1058 (1)	–	–	1,600	1,757
S 64 – stormwater contributions		1058 (1)	–	–	249	252
Total developer contributions – cash			1,851	1,462	2,812	3,404
Non-cash contributions						
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	2,238	1,188
S 64 – water supply contributions		1058 (1)	–	–	499	415
S 64 – sewerage service contributions		1058 (1)	–	–	1,044	577
S 64 – stormwater contributions		1058 (1)	–	–	505	1,497
Total developer contributions non-cash			–	–	4,286	3,677
Total developer contributions	25		1,851	1,462	7,098	7,081
Other contributions:						
Cash contributions						
Community services		15 (1)	5	–	–	–
Heritage/cultural		1058 (1)	98	106	–	16
Other councils – joint works/services		15 (1)	16	17	–	–
Recreation and culture		15 (1)	3	6	–	–
Roads and bridges		1058 (1)	–	–	23	55
RMS contributions (regional roads, block grant)		1058 (1)	690	519	–	–
Sewerage (excl. section 64 contributions)		1058 (1)	–	–	37	35
Water supplies (excl. section 64 contributions)		1058 (1)	–	–	372	369
Other		1058 (1)	99	65	25	–
Veolia host fee		15 (1)	776	664	–	–
Total other contributions – cash			1,687	1,377	457	475
Non-cash contributions						
Bushfire services		1058 (1)	–	–	1,648	–
Other			–	–	76	–
Total other contributions – non-cash			–	–	1,724	–
Total other contributions			1,687	1,377	2,181	475
Total contributions			3,538	2,839	9,279	7,556
TOTAL GRANTS AND CONTRIBUTIONS			12,649	10,395	22,390	12,660

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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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. 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 Consent 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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Goulburn Mulwaree 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
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(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	1,499	561
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	–	1,144
Add: operating grants received for the provision of goods and services in a future period	126	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(206)
Less: operating grants received in a previous reporting period now spent and recognised as income	(1,291)	–
Unexpended and held as externally restricted assets (operating grants)	334	1,499

Control over operating grants is normally obtained upon their receipt and is valued at the fair value of the grant at the date of the transfer.

Capital grants

Unexpended at the close of the previous reporting period	4,142	3,035
Add: capital grants recognised as income in the current period but not yet spent (2019 only)	–	1,811
Add: capital grants received for the provision of goods and services in a future period	227	–
Less: capital grants recognised in a previous reporting period now spent (2019 only)	–	(704)
Less: capital grants received in a previous reporting period now spent and recognised as income	(1,689)	–
< Enter Description >	–	–
Unexpended and held as externally restricted assets (capital grants)	2,680	4,142

Where grants recognised as revenues during the financial year were obtained on condition that they be expended on a particular asset and those conditions were un-discharged at reporting date, the unused grant is disclosed above.

Contributions

Unexpended at the close of the previous reporting period	19,885	16,996
Add: contributions recognised as income in the current period but not yet spent	4,137	5,239
Add: contributions received for the provision of goods and services in a future period	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate (2019 only)	–	–
Less: contributions recognised in a previous reporting period now spent	(4,386)	(2,350)
Unexpended and held as externally restricted assets (contributions)	19,636	19,885

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

Note 4. Interest and investment income

\$ '000	2020	2019
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Interest on financial assets measured at amortised cost

– Overdue rates and annual charges (incl. special purpose rates)	89	77
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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income (continued)

\$ '000	2020	2019
– Cash and investments	1,800	2,366
Dividend income relating to investments held at fair value through other comprehensive income	45	31
Fair value adjustments		
– Movements in investments at fair value through profit and loss	(11)	3
– Movements in investments (other)	–	1
Amortisation of premiums and discounts		
– 'Held to maturity' investments	(1)	(1)
Finance income on the net investment in the lease	–	–
Total Interest and investment income	<u>1,922</u>	<u>2,477</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	41	34
General Council cash and investments	633	437
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	58	166
– Section 64	89	212
Water fund operations	472	743
Sewerage fund operations	578	798
Domestic waste management operations	51	87
Total interest and investment revenue	<u>1,922</u>	<u>2,477</u>

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.

Goulburn Mulwaree Council

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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	18,965	17,726
Employee leave entitlements (ELE)	4,189	4,513
Superannuation	2,260	2,144
Workers' compensation insurance	656	862
Fringe benefit tax (FBT)	68	69
Payroll tax	89	144
Protective clothing	102	101
Total employee costs	26,329	25,559
Less: capitalised costs	(1,762)	(1,586)
TOTAL EMPLOYEE COSTS EXPENSED	24,567	23,973
Number of 'full-time equivalent' employees (FTE) at year end	292	290

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 20 for more information.

\$ '000	Notes	2020	2019
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on leases		2	–
Interest on loans		1,357	1,453
Total interest bearing liability costs		1,359	1,453
Total interest bearing liability costs expensed		1,359	1,453
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	16	73	100
Total other borrowing costs		73	100
TOTAL BORROWING COSTS EXPENSED		1,432	1,553

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	4,314	3,819
Contractor and consultancy costs	8,815	7,233
Auditors remuneration ²	61	65
Legal expenses:		
– Legal expenses: planning and development	50	392
– Legal expenses: debt recovery	82	119
– Legal expenses: other	136	126
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	169
Total materials and contracts	<u>13,458</u>	<u>11,923</u>
TOTAL MATERIALS AND CONTRACTS	<u>13,458</u>	<u>11,923</u>
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:		
Buildings	–	148
Other	–	21
	<u>–</u>	<u>169</u>
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	61	65
Remuneration for audit and other assurance services	<u>61</u>	<u>65</u>
Total Auditor-General remuneration	<u>61</u>	<u>65</u>
Non NSW Auditor-General audit firms		
Total Auditor remuneration	<u>61</u>	<u>65</u>

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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		1,027	972
Office equipment		677	597
Furniture and fittings		57	54
Land improvements (depreciable)		57	63
Infrastructure:	11(a)		
– Buildings – non-specialised		1,679	1,584
– Other structures		217	173
– Roads		7,467	7,199
– Bridges		454	443
– Footpaths		208	203
– Stormwater drainage		977	941
– Water supply network		2,935	3,146
– Sewerage network		2,239	1,605
– Swimming pools		56	54
– Other open space/recreational assets		236	198
Right of use assets	14	136	–
Other assets:			
– Library books		117	147
– Other		42	19
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	16,11(a)	184	184
– Quarry assets	16,11(a)	14	7
Total gross depreciation and amortisation costs		<u>18,779</u>	<u>17,589</u>
Total depreciation and amortisation costs		<u>18,779</u>	<u>17,589</u>
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		<u>18,779</u>	<u>17,589</u>

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 11 for IPPE assets and Note 14 for right of use assets.

Impairment of non-financial assets

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

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.

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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
(e) Other expenses		
Advertising	249	223
Training costs (other than salaries and wages)	138	368
Bad and doubtful debts	13	62
Bank charges	178	175
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	41	41
– NSW fire brigade levy	103	109
– NSW rural fire service levy	327	301
Councillor expenses – mayoral fee	45	43
Councillor expenses – councillors’ fees	183	178
Councillors’ expenses (incl. mayor) – other (excluding fees above)	13	15
Donations, contributions and assistance to other organisations (Section 356)	258	226
Electricity and heating	1,419	1,413
Insurance	1,149	1,125
Postage	130	121
Printing and stationery	174	174
Street lighting	589	691
Subscriptions and publications	191	170
Telephone and communications	243	264
Valuation fees	132	124
Other	148	142
Total other expenses	5,723	5,965
TOTAL OTHER EXPENSES	5,723	5,965

Accounting policy for other expenses

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

Goulburn Mulwaree Council

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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		–	1,276
Less: carrying amount of property assets sold/written off		–	(410)
Net gain/(loss) on disposal		–	866
Plant and equipment			
	11(a)		
Proceeds from disposal – plant and equipment		338	308
Less: carrying amount of plant and equipment assets sold/written off		(283)	(268)
Net gain/(loss) on disposal		55	40
Infrastructure			
	11(a)		
Less: carrying amount of infrastructure assets sold/written off		(548)	(5,981)
Net gain/(loss) on disposal		(548)	(5,981)
Investments			
	7(b)		
Proceeds from disposal/redemptions/maturities – investments		66,647	64,884
Less: carrying amount of investments sold/redeemed/matured		(64,156)	(64,885)
Net gain/(loss) on disposal		2,491	(1)
Non-current assets classified as ‘held for sale’			
	10		
Proceeds from disposal – non-current assets ‘held for sale’		1,516	–
Less: carrying amount of ‘held for sale’ assets sold/written off		(713)	–
Net gain/(loss) on disposal		803	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		2,801	(5,076)

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.

Goulburn Mulwaree Council

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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	2,731	1,937
Cash-equivalent assets		
– Deposits at call	5,704	6,650
Total cash and cash equivalents	8,435	8,587

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'	2,002	–	2,012	–
b. 'Financial assets at amortised cost'	78,000	12,000	78,000	5,000
d. 'Financial assets at fair value through other comprehensive income'	–	–	–	156
Total Investments	80,002	12,000	80,012	5,156
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	88,437	12,000	88,599	5,156
Financial assets at fair value through the profit and loss				
NCD's, FRN's (with maturities > 3 months)	2,002	–	2,012	–
Total	2,002	–	2,012	–
Financial assets at amortised cost				
Long term deposits	78,000	12,000	78,000	5,000
Total	78,000	12,000	78,000	5,000
Financial assets at fair value through other comprehensive income				
Unlisted equity securities	–	–	–	156
Total	–	–	–	156

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

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.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has shares in Southern Phone Company Limited over which it does not have significant influence nor control. Council has made an irrevocable election to classify this equity investment as fair value through other comprehensive income as they are not held for trading purposes.

This investment is carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

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

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

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

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

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	88,437	12,000	88,599	5,156
attributable to:				
External restrictions	66,162	12,000	70,199	5,156
Internal restrictions	20,119	–	17,220	–
Unrestricted	2,156	–	1,180	–
	88,437	12,000	88,599	5,156
\$ '000			2020	2019

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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 (continued)

\$ '000	2020	2019
Details of restrictions		
External restrictions – included in liabilities		
Specific purpose unexpended grants – general fund (2020 only)	2,871	–
Specific purpose unexpended loans – water	138	138
Employee leave entitlements – domestic waste	293	276
Employee leave entitlements – sewerage	622	605
Employee leave entitlements – water	692	649
Specific purpose unexpended grants – water fund (2020 only)	60	–
Specific purpose unexpended grants – domestic waste fund (2020 only)	69	–
External restrictions – included in liabilities	4,745	1,668
External restrictions – other		
Developer contributions – general	3,966	6,507
Developer contributions – water fund	7,788	7,404
Developer contributions – sewer fund	7,467	5,974
Specific purpose unexpended grants (recognised as revenue) – general fund	14	4,835
Specific purpose unexpended grants (recognised as revenue) – water fund	–	85
Water supplies	19,246	20,568
Water supplies – incomplete works	3,114	1,566
Sewerage services	17,149	17,457
Sewerage services – incomplete works	12,526	7,372
Domestic waste management	2,147	1,198
Specific purpose unexpended grants – DWM	–	721
External restrictions – other	73,417	73,687
Total external restrictions	78,162	75,355
Internal restrictions		
Plant and vehicle replacement	1,725	2,134
Employees leave entitlement	1,066	1,066
Asset management	–	60
Bridges	833	963
Buildings	241	(53)
Cemeteries	6	51
Collex/Veolia host fee	1,288	911
Community assistance scheme	226	230
Election reserve	120	80
Energy efficiency	5	5
Environment	1,455	1,001
Financial Assistance Grant	2,724	2,632
Gallery	18	96
Insurance rebates	128	137
Library development	206	346
Local roads/infrastructure	422	1,579
Marulan hall	138	138
Museums	681	1,343
Outdoor pool renewal	742	1,078
Performing arts	3,189	885
Proceeds from land sales	620	120
Public entertainment venue	509	509
Risk management	269	200

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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 (continued)

\$ '000	2020	2019
Social plan	33	61
Special projects	2,052	25
Strategic planning	399	308
Technology	324	93
Tip replacement	263	263
Tourism	74	100
Training	100	131
Open Space	-	400
Printers	120	-
Landscaped Areas	89	278
Other	54	50
Total internal restrictions	20,119	17,220
TOTAL RESTRICTIONS	98,281	92,575

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Goulburn Mulwaree Council

Financial Statements 2020

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	1,264	56	1,019	55
Interest and extra charges	39	–	29	–
User charges and fees	1,177	–	1,062	–
Accrued revenues				
– Interest on investments	325	–	880	–
– Other income accruals	1,844	–	2,054	–
Net investment in finance lease	–	–	–	–
Government grants and subsidies	2,250	–	1,199	–
Net GST receivable	450	–	1,234	–
Total	7,349	56	7,477	55
Less: provision of impairment				
Rates and annual charges	(34)	–	(33)	–
User charges and fees	(39)	–	(19)	–
Other debtors	(6)	–	(14)	–
Total provision for impairment – receivables	(79)	–	(66)	–
TOTAL NET RECEIVABLES	7,270	56	7,411	55
Externally restricted receivables				
Water supply				
– Rates and availability charges	107	–	101	–
– Other	1,305	–	1,563	–
Sewerage services				
– Rates and availability charges	363	–	370	–
– Other	402	–	631	–
Domestic waste management	94	–	76	–
Total external restrictions	2,271	–	2,741	–
Unrestricted receivables	4,999	56	4,670	55
TOTAL NET RECEIVABLES	7,270	56	7,411	55

\$ '000	2020	2019
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	66	66
+ new provisions recognised during the year	13	–
Balance at the end of the year	79	66

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

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

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

Impairment

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

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

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 1 year past due, whichever occurs first. None of the receivables that have been written off are subject to enforcement activity.

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

Rates and annual charges outstanding are secured against the property.

Goulburn Mulwaree 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	291	-	273	-
Total inventories at cost	291	-	273	-
TOTAL INVENTORIES	291	-	273	-
(b) Other assets				
Prepayments	325	-	330	-
TOTAL OTHER ASSETS	325	-	330	-

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Total externally restricted assets	-	-	-	-
Total internally restricted assets	-	-	-	-
Total unrestricted assets	616	-	603	-
TOTAL INVENTORIES AND OTHER ASSETS	616	-	603	-

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.

Land held for resale/capitalisation of borrowing costs

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

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

Note 10. Non-current assets classified as held for sale

(i) Non-current assets and disposal group assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Non-current assets 'held for sale'				
Land	450	-	1,032	-
Buildings	18	-	149	-

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Notes to the Financial Statements

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Note 10. Non-current assets classified as held for sale (continued)

Total non-current assets 'held for sale'	468	–	1,181	–
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	468	–	1,181	–

(ii) Details of assets and disposal groups

Comprising 2/1 Dossie Street land and minor ancillary nursery buildings which will be presented to the market during the 2021 financial year.

(iii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	2020 Assets 'held for sale'	2019 Assets 'held for sale'
Opening balance	1,181	1,004
Less: carrying value of assets/operations sold	(713)	–
Balance still unsold after 12 months:	468	1,004
<u>Plus new transfers in:</u>		
– Assets 'held for sale'	–	177
Closing balance of 'held for sale' non-current assets and operations	468	1,181

Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Goulburn Mulwaree Council

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

Note 11(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	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000													
Capital work in progress	12,862	-	12,862	-	15,593	-	-	(7,309)	-	-	21,146	-	21,146
Plant and equipment	18,154	(10,467)	7,687	24	3,279	(283)	(1,027)	-	-	-	21,561	(11,881)	9,680
Office equipment	4,053	(1,827)	2,226	367	168	-	(677)	79	-	-	4,667	(2,504)	2,163
Furniture and fittings	1,293	(930)	363	-	11	-	(57)	-	-	-	1,304	(987)	317
Land:													
- Operational land	21,595	-	21,595	-	-	-	-	-	-	-	21,595	-	21,595
- Community land	18,673	-	18,673	-	406	-	-	-	-	-	19,079	-	19,079
- Land under roads (post 30/6/08)	83	-	83	-	21	-	-	-	-	-	104	-	104
Land improvements – depreciable	2,190	(529)	1,661	-	-	-	(57)	-	-	-	2,191	(587)	1,604
Infrastructure:													
- Buildings – non-specialised	83,213	(40,226)	42,987	345	1,712	-	(1,679)	1,873	-	-	87,143	(41,905)	45,238
- Other structures	5,706	(1,844)	3,862	562	-	-	(217)	392	-	-	6,660	(2,061)	4,599
- Roads	577,338	(158,945)	418,393	3,728	1,028	(462)	(7,467)	2,150	-	37,607	641,634	(186,657)	454,977
- Bridges	45,349	(14,593)	30,756	-	44	(85)	(454)	-	-	77,593	143,187	(35,333)	107,854
- Footpaths	16,424	(2,802)	13,622	-	750	-	(208)	13	-	22,031	44,443	(8,235)	36,208
- Stormwater drainage	96,796	(31,079)	65,717	181	701	(1)	(977)	372	-	40,161	145,392	(39,238)	106,154
- Water supply network	310,845	(101,105)	209,740	2,953	810	-	(2,935)	388	(13,465)	-	294,786	(97,295)	197,491
- Sewerage network	182,807	(67,192)	115,615	2,367	1,050	-	(2,239)	255	(7,524)	-	174,445	(64,921)	109,524
- Swimming pools	1,331	(561)	770	-	-	-	(56)	-	-	-	1,331	(617)	714
- Other open space/recreational assets	4,070	(1,707)	2,363	1,906	706	-	(236)	1,787	-	-	8,470	(1,944)	6,526
Other assets:													
- Library books	1,076	(686)	390	-	119	-	(117)	-	-	-	1,194	(802)	392
- Other	455	(82)	373	162	104	-	(42)	-	-	-	721	(124)	597
Reinstatement, rehabilitation and restoration assets (refer Note 17):													
- Tip assets	4,538	(2,087)	2,451	-	-	-	(184)	-	-	-	4,538	(2,271)	2,267
- Quarry assets	282	(76)	206	-	-	-	(14)	-	-	-	282	(90)	192
Total Infrastructure, property, plant and equipment	1,409,133	(436,738)	972,395	12,595	26,502	(831)	(18,643)	-	(20,989)	177,392	1,645,873	(497,452)	1,148,421

(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 11(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	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Tfrs from/(to) investment properties	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000															
Capital work in progress	28,831	-	28,831	4,077	6,273	-	-	(26,319)	-	-	-	-	12,862	-	12,862
Plant and equipment	18,103	(10,686)	7,417	1,456	53	(267)	(972)	-	-	-	-	-	18,154	(10,467)	7,687
Office equipment	4,285	(2,274)	2,011	547	266	(1)	(597)	-	-	-	-	-	4,053	(1,827)	2,226
Furniture and fittings	1,263	(877)	386	21	10	-	(54)	-	-	-	-	-	1,293	(930)	363
Land:															
- Operational land	22,105	-	22,105	-	-	(340)	-	-	-	(170)	-	-	21,595	-	21,595
- Community land	18,859	-	18,859	-	-	(69)	-	-	-	(7)	(110)	-	18,673	-	18,673
- Land under roads (post 30/6/08)	83	-	83	-	-	-	-	-	-	-	-	-	83	-	83
Land improvements – depreciable	2,190	(466)	1,724	-	-	-	(63)	-	-	-	-	-	2,190	(529)	1,661
Infrastructure:															
- Buildings – non-specialised	82,987	(39,009)	43,978	517	295	(233)	(1,584)	14	-	-	-	-	83,213	(40,226)	42,987
- Other structures	5,318	(1,671)	3,647	82	246	-	(173)	60	-	-	-	-	5,706	(1,844)	3,862
- Roads	575,236	(154,772)	420,464	4,639	2,235	(3,699)	(7,199)	1,953	-	-	-	-	577,338	(158,945)	418,393
- Bridges	44,157	(14,151)	30,006	-	226	-	(443)	967	-	-	-	-	45,349	(14,593)	30,756
- Footpaths	16,006	(2,606)	13,400	111	284	(16)	(203)	46	-	-	-	-	16,424	(2,802)	13,622
- Stormwater drainage	94,994	(30,138)	64,856	-	1,595	-	(941)	207	-	-	-	-	96,796	(31,079)	65,717
- Water supply network	304,045	(97,137)	206,908	2,748	415	(476)	(3,146)	-	-	-	3,291	-	310,845	(101,105)	209,740
- Sewerage network	166,939	(79,230)	87,709	5,395	827	(1,557)	(1,605)	23,055	-	-	-	1,791	182,807	(67,192)	115,615
- Swimming pools	1,302	(506)	796	28	-	-	(54)	-	-	-	-	-	1,331	(561)	770
- Other open space/recreational assets	3,808	(1,510)	2,298	80	166	-	(198)	17	-	-	-	-	4,070	(1,707)	2,363
Other assets:															
- Library books	967	(540)	427	110	-	-	(147)	-	-	-	-	-	1,076	(686)	390
- Other	344	(63)	281	47	64	-	(19)	-	-	-	-	-	455	(82)	373
Reinstatement, rehabilitation and restoration assets (refer Note 17):															
- Tip assets	4,538	(1,903)	2,635	-	-	-	(184)	-	-	-	-	-	4,538	(2,087)	2,451
- Quarry assets	150	(69)	81	-	-	-	(7)	-	132	-	-	-	282	(76)	206
Total Infrastructure, property, plant and equipment	1,396,510	(437,608)	958,902	19,858	12,955	(6,658)	(17,589)	-	132	(177)	(110)	5,082	1,409,133	(436,738)	972,395

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

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Note 11(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 valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

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

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
Water and sewer assets		Drains	80 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	20
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unsealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

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

Land under roads

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11(a). Infrastructure, property, plant and equipment (continued)**Crown reserves**

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

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

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed". Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land and buildings.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11(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	360	–	360	554	–	554
Plant and equipment	366	262	104	513	383	130
Furniture and fittings	4	4	–	4	4	–
Land						
– Operational land	2,089	–	2,089	2,137	–	2,137
– Improvements – depreciable	397	130	267	397	122	275
Buildings	1,310	956	354	1,310	940	370
Other structures	18	14	4	18	13	5
Infrastructure	294,786	97,294	197,492	310,844	101,105	209,739
Total water supply	299,330	98,660	200,670	315,777	102,567	213,210
Sewerage services						
WIP	484	–	484	340	–	340
Plant and equipment	325	278	47	368	307	61
Furniture and fittings	5	5	–	5	5	–
Land						
– Operational land	6,645	–	6,645	6,645	–	6,645
– Community land	143	–	143	143	–	143
Buildings	1,992	1,636	356	1,992	1,611	381
Other structures	35	26	9	35	25	10
Infrastructure	174,445	64,922	109,523	182,806	67,192	115,614
Total sewerage services	184,074	66,867	117,207	192,334	69,140	123,194
Domestic waste management						
Plant and equipment	8	8	–	8	8	–
Other structures	29	12	17	29	11	18
Total DWM	37	20	17	37	19	18
TOTAL RESTRICTED IPP&E	483,441	165,547	317,894	508,148	171,726	336,422

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Investment properties

\$ '000	2020	2019
Owned investment property		
Investment property on hand at fair value	4,158	4,300
Total owned investment property	<u>4,158</u>	<u>4,300</u>

(a) Reconciliation – owned investment property

Reconciliation of annual movement:

Opening balance	4,300	4,150
– Capitalised expenditure – this year	8	168
– Net gain/(loss) from fair value adjustments	(150)	(128)
– Transfers from/(to) owner occupied (Note 11)	–	110
CLOSING BALANCE – OWNED INVESTMENT PROPERTY	<u>4,158</u>	<u>4,300</u>

(b) Valuation basis

Valuation basis

The basis of valuation of investment property 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: Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton. FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

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

Refer to Note 18 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	–	172
Later than 1 year but less than 5 years	–	748
Later than 5 years	–	204
Total minimum lease payments receivable	<u>–</u>	<u>1,124</u>

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

Rental income from investment property:

– Minimum lease payments	–	246
Net revenue contribution from investment property	<u>–</u>	<u>246</u>

plus:

Fair value movement for year	–	(128)
Total income attributable to investment property	<u>–</u>	<u>118</u>

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Investment properties (continued)

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 a separate line item.

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 13. Contract assets and liabilities

\$ '000		2020 Current	2020 Non-current
(a) Contract assets			
Construction of Transport assets		1,207	-
Construction of Open space assets		1,074	-
Total Contract assets		2,281	-

\$ '000	Notes	2020 Current	2020 Non-current
(b) Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	2,679	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	321	-
Total grants received in advance		3,000	-
User fees and charges received in advance:			
Other		276	-
Total user fees and charges received in advance		276	-
Total contract liabilities		3,276	-

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 1058 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for the leisure centre 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 Current	2020 Non-current
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Contract assets and liabilities (continued)

\$ '000	2020 Current	2020 Non-current
(i) Contract liabilities relating to restricted assets		
Externally restricted assets		
Water	60	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	2,940	-
Contract liabilities relating to externally restricted assets	3,000	-
Total contract liabilities relating to restricted assets	3,000	-
Total contract liabilities relating to unrestricted assets	276	-
Total contract liabilities	3,276	-
(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)		1,689
Operating grants (received prior to performance obligation being satisfied)		1,291
Capital contributions (to construct Council controlled assets)		-
Operating contributions (received prior to performance obligation being satisfied)		-
User Fees and Charges received in advance:		
Upfront fees – leisure centre		-
Other		172
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period		3,152

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 14. 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

(i) Council as a lessee

Council currently has a lease over part of a building that it utilises to run a community centre from. This property is located at 155 Auburn Street Goulburn. Information relating to this lease and associated balances and transactions is provided below:

Terms and conditions of leases

Buildings

Council currently has a lease over part of a building that it utilises to run a community centre from. This property is located at 155 Auburn Street Goulburn. The original lease term was for a period of 5 years and commenced on 1 July 2018. This lease allows for a renewal option for another 5 year period.

This lease contains an annual pricing mechanism based on either a 3% increase or CPI increase, whichever is greater, at each anniversary of the lease inception.

Extension options

Council included an option in this building lease to provide flexibility and certainty to Council operations and reduce costs of moving premises; and this extension option is at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension option will be exercised.

There are \$923k in potential future lease payments which are not included in lease liabilities as Council has assessed that the exercise of the option is not reasonably certain.

\$ '000	Buildings	Total
(a) Right of use assets		
Opening balance at 30 June 2019	-	-
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	462	462
Depreciation charge	(136)	(136)
RIGHT OF USE ASSETS	421	421

\$ '000	2020 Current	2020 Non-current
(b) Lease liabilities		
Lease liabilities	148	254
TOTAL LEASE LIABILITIES	148	254

(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	144	254	-	398	402

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	2020 Current	2020 Non-current
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\$ '000	2020
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(c) Income Statement

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

Interest on lease liabilities	2
Depreciation of right of use assets	136
	138

(d) Statement of Cash Flows

Total cash outflow for leases	(161)
	(161)

(ii) Council as a lessor

(e) Operating leases

Council leases out a number of properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note 12) and/or IPP&E.

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

\$ '000	2020
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(i) Operating lease income

Investment properties

Lease income (excluding variable lease payments not dependent on an index or rate)	322
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Other lease income

Total income relating to operating leases	322
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(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	260
1–2 years	244
2–3 years	243
3–4 years	46
Total undiscounted contractual lease income receivable	793

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

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.

Council has concluded that the low value exception amount to be applied is \$10,000 and below.

Note 15. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Goods and services – operating expenditure	1,660	–	570	–
Goods and services – capital expenditure	2,640	–	2,284	–
Accrued expenses:				
– Borrowings	173	–	184	–
– Salaries and wages	744	–	599	–
– Other expenditure accruals	520	–	3,061	–
Security bonds, deposits and retentions	1,007	–	1,189	–
Other	3	–	6	–
Government departments and agencies	625	–	–	–
Prepaid rates	1,367	–	–	–
Total payables	8,739	–	7,893	–
Income received in advance (2019 only)				
Payments received in advance	–	–	1,305	–
Total income received in advance	–	–	1,305	–
Borrowings				
Loans – secured ¹	1,652	17,477	1,693	19,129
Total borrowings	1,652	17,477	1,693	19,129
TOTAL PAYABLES AND BORROWINGS	10,391	17,477	10,891	19,129

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
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(a) Payables and borrowings relating to restricted assets

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

Note 15. Payables and borrowings (continued)

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Externally restricted assets				
Water	1,310	12,588	1,991	13,102
Sewer	1,511	2,889	1,369	3,434
Domestic waste management	134	–	56	–
Payables and borrowings relating to externally restricted assets	2,955	15,477	3,416	16,536
Total payables and borrowings relating to restricted assets	2,955	15,477	3,416	16,536
Total payables and borrowings relating to unrestricted assets	7,436	2,000	7,560	2,593
<u>TOTAL PAYABLES AND BORROWINGS</u>	10,391	17,477	10,976	19,129

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Note 15. Payables and borrowings (continued)

\$ '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	755	884
Total payables and borrowings	755	884

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	20,822	(1,693)	–	–	–	–	19,129
Lease liabilities	–	95	–	–	307	–	402
TOTAL	20,822	(1,598)	–	–	307	–	19,531

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	22,450	(1,628)	–	–	–	20,822
TOTAL	22,450	(1,628)	–	–	–	20,822

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

(d) Financing arrangements

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

Credit cards/purchase cards	110	110
Total financing arrangements	110	110

Undrawn facilities as at balance date:

– Credit cards/purchase cards	110	110
Total undrawn financing arrangements	110	110

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)**Accounting policy for payables and borrowings**

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

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

Payables

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

Borrowings

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	2,396	–	2,060	–
Sick leave	40	–	43	–
Long service leave	5,471	703	4,941	674
Other leave	38	–	29	–
Sub-total – aggregate employee benefits	7,945	703	7,073	674
Asset remediation/restoration:				
Goulburn tip	–	6,505	–	6,436
Gravel pits	–	440	–	434
Sub-total – asset remediation/restoration	–	6,945	–	6,870
TOTAL PROVISIONS	7,945	7,648	7,073	7,544

(a) Provisions relating to restricted assets

Externally restricted assets				
Water	655	37	584	64
Sewer	592	30	550	55
Domestic waste management	279	14	251	25
Provisions relating to externally restricted assets	1,526	81	1,385	144
Total provisions relating to restricted assets	1,526	81	1,385	144
Total provisions relating to unrestricted assets	6,419	7,567	5,688	7,400
TOTAL PROVISIONS	7,945	7,648	7,073	7,544

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

(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	5,483	4,881
	5,483	4,881

(c) Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	Other employee benefits	
2020					
At beginning of year	2,060	43	5,615	29	7,747
Additional provisions	1,566	(5)	1,340	60	2,961

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	Other employee benefits	
Amounts used (payments)	(1,318)	(1)	(1,195)	(52)	(2,566)
Remeasurement effects	88	3	414	–	505
Other	–	–	–	1	1
Total ELE provisions at end of year	2,396	40	6,174	38	8,648
2019					
At beginning of year	1,760	59	4,677	22	6,518
Additional provisions	1,773	(2)	2,024	7	3,802
Amounts used (payments)	(1,547)	(17)	(1,479)	–	(3,043)
Remeasurement effects	74	3	393	–	470
Total ELE provisions at end of year	2,060	43	5,615	29	7,747
Other provisions					
\$ '000	Asset remediation		Total		
2020					
At beginning of year			6,870		6,870
Unwinding of discount			75		75
Total other provisions at end of year			6,945		6,945
2019					
At beginning of year			6,639		6,639
Remeasurement effects			132		132
Unwinding of discount			99		99
Total other provisions at end of year			6,870		6,870

Nature and purpose of non-employee benefit provisions

Asset remediation

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

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid

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for the year ended 30 June 2020

Note 16. Provisions (continued)

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

	Provision \$000	Years to remediation
Goulburn Tip	\$5,687	12
Marulan Tip	\$818	30
Gravel Pits	\$440	1 to 20

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 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

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

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Other reserves

The value of equity Council holds in Southern Phone Company Limited (2019 only).

(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.

Costs incurred in fulfilling customer contracts

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

Upfront fees – Council leisure centre

Prior to adopting AASB 15, the Council recognised membership joining fees on receipt. Under AASB 15, since the fees do not relate to a performance obligation, they are combined with other goods and services transferred to the customer and therefore they are now spread over the expected life of the contract with the customer (i.e the membership life).

Revenue recognition from contract modifications

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

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

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 1058, 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:

- Movement of balances between receivables and contract assets.
- 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 assets	
– Under AASB 15	–
– Under AASB 1058	–
Total Contract assets	<u>–</u>
Contract liabilities	
– Under AASB 15	–
– Under AASB 1058	5,018
Total Contract liabilities	<u>5,018</u>

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- ement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	8,435	–	–	8,435	

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. 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	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Investments	80,002	–	–	80,002	
Receivables	7,270	–	–	7,270	
Inventories	291	–	–	291	
Contract assets	2,281	–	–	2,281	
Other	325	–	–	325	
Current assets classified as 'held for sale'	468	–	–	468	
Total current assets	99,072	–	–	99,072	
Current liabilities					
Payables	8,739	–	–	8,739	
Contract liabilities	3,276	(276)	–	3,000	
Lease liabilities	148	–	–	148	
Borrowings	1,652	–	–	1,652	
Provisions	7,945	–	–	7,945	
Total current liabilities	21,760	(276)	–	21,484	
Non-current assets					
Investments	12,000	–	–	12,000	
Receivables	56	–	–	56	
Infrastructure, property, plant and equipment	1,148,421	–	–	1,148,421	
Investment property	4,158	–	–	4,158	
Right of use assets	421	–	–	421	
Total non-current assets	1,165,056	–	–	1,165,056	
Non-current liabilities					
Lease liabilities	254	–	–	254	
Borrowings	17,477	–	–	17,477	
Provisions	7,648	–	–	7,648	
Total Non-current liabilities	25,379	–	–	25,379	
Net assets	1,216,989	276	–	1,217,265	
Equity					
Accumulated surplus	411,335	276	–	411,611	
Revaluation reserves	805,654	–	–	805,654	
Council equity interest	1,216,989	276	–	1,217,265	
Total equity	1,216,989	276	–	1,217,265	

AASB 15 changes revenue recognition from the current "transfer of risks and rewards" model to a "transfer of control" model and AASB 1058 is expected to more closely reflect the economic reality of the underlying transaction and will replace the vast majority of AASB 1004 Contributions.

Income Statement

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. 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
<u>Income from continuing operations</u>					
Rates and annual charges	36,715	–	–	36,715	
User charges and fees	16,181	–	–	16,181	
Other revenues	1,670	(276)	–	1,394	
Grants and contributions provided for operating purposes	12,649	–	–	12,649	
Grants and contributions provided for capital purposes	22,390	–	–	22,390	
Interest and investment income	1,922	–	–	1,922	
Net gains from the disposal of assets	2,801	–	–	2,801	
Rental income	322	–	–	322	
Total Income from continuing operations	94,650	(276)	–	94,374	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	24,567	–	–	24,567	
Borrowing costs	1,432	–	–	1,432	
Materials and contracts	13,458	–	–	13,458	
Depreciation and amortisation	18,779	–	–	18,779	
Other expenses	5,723	–	–	5,723	
Fair value decrement on investment properties	150	–	–	150	
Total Expenses from continuing operations	64,109	–	–	64,109	
Total Operating result from continuing operations	30,541	(276)	–	30,265	
Net operating result for the year	30,541	(276)	–	30,265	
Total comprehensive income	186,944	–	–	186,944	

AASB 15 changes revenue recognition from the current "transfer of risks and rewards" model to a "transfer of control" model and AASB 1058 is expected to more closely reflect the economic reality of the underlying transaction and will replace the vast majority of AASB 1004 Contributions.

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	–	–
Total assets	1,079,700	–	1,079,700
Contract liabilities	–	5,018	5,018

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Total liabilities	44,637	5,018	49,655
Accumulated surplus	385,656	(5,018)	380,638
Total equity	1,035,063	(5,018)	1,030,045

(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 prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Financial statement impact of adoption of AASB 16

Council has recognised right-of-use assets and lease liabilities of \$461,725 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 1.22%.

\$ '000	Balance at 1 July 2019
Operating lease commitments at 30 June 2019 per Council financial statements	(651)

Reconciliation of lease liabilities recognised on adoption of AASB 16 Leases

Operating lease commitments discounted using the incremental borrowing rate at 1 July 2019	(461)
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Add:

Contracts not accounted for as operating lease commitments last year	-
Finance lease liabilities	-
Extension options reasonably certain to be exercised not included in the commitments note	-
Variable lease payments linked to an index	-

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Balance at 1 July 2019
Other	-
Less:	
Short-term leases included in commitments note	-
Leases for low-value assets included in commitments note	-
Other	-
Lease liabilities recognised at 1 July 2019	<u>(461)</u>

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	-	461	461
Total assets	<u>-</u>	<u>461</u>	<u>461</u>
Payables – accrued interest on leases (30/6/2019)	-	(2)	(2)
Leases	-	(158)	(158)
Total liabilities	<u>-</u>	<u>(160)</u>	<u>(160)</u>
Accumulated surplus	-	-	-
Total equity	<u>-</u>	<u>-</u>	<u>621</u>

Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. 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)	8,435	8,587
Balance as per the Statement of Cash Flows		8,435	8,587

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income Statement		30,541	11,495
Adjust for non-cash items:			
Depreciation and amortisation		18,779	17,589
Net losses/(gains) on disposal of assets		(2,801)	5,076
Non-cash capital grants and contributions		(5,935)	(3,677)
Adoption of AASB 15/1058		(5,018)	-
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		11	(4)
– Investment property		150	128
Amortisation of premiums, discounts and prior period fair valuations			
– Financial assets at amortised cost / held to maturity (2019)		1	1
Unwinding of discount rates on reinstatement provisions		75	99
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		127	183
Increase/(decrease) in provision for impairment of receivables		13	63
Decrease/(increase) in inventories		(18)	(32)
Decrease/(increase) in other current assets		4	90
Decrease/(increase) in contract assets		(2,281)	-
Increase/(decrease) in payables		1,090	(116)
Increase/(decrease) in accrued interest payable		(11)	(6)
Increase/(decrease) in other accrued expenses payable		(2,396)	(992)
Increase/(decrease) in other liabilities		502	(146)
Increase/(decrease) in contract liabilities		3,276	-
Increase/(decrease) in provision for employee benefits		901	1,229
Increase/(decrease) in other provisions		-	132
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		37,010	31,112

(c) Non-cash investing and financing activities

Bushfire grants		1,648	-
Developer contributions 'in kind'		4,287	3,677
Total non-cash investing and financing activities		5,935	3,677

(d) Net cash flows attributable to discontinued operations

Please refer to Note 25 for details of cash flows that relate to discontinued operations

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Commitments

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

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

Property, plant and equipment

Buildings	22	1,692
Other structures	145	2,394
Plant and equipment	–	783
Roads infrastructure	692	1,419
Waste water infrastructure	1,845	589
Water infrastructure	2,440	334
Other	–	323

Investment property

– Buildings	–	3
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Total commitments	5,144	7,537
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These expenditures are payable as follows:

Within the next year	5,144	7,537
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Total payable	5,144	7,537
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Sources for funding of capital commitments:

Unrestricted general funds	(56)	1,459
Unexpended grants	5,103	4,068
Externally restricted reserves	87	1,294
Internally restricted reserves	10	716

Total sources of funding	5,144	7,537
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Details of capital commitments

Council has a number of capital projects that have been commenced but not completed. The funding for these projects has been allocated and the majority will be completed within the 2020/2021 financial year.

\$ '000	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	144	171
Later than one year and not later than 5 years	275	480
Total non-cancellable operating lease commitments	419	651

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

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

Council currently leases part of the building at 155 Auburn Street. The lease expires on 30 June 2023. Council pays rent plus outgoings for a share of the insurance premium and rates & annual charges to the lessor.

Council also leased a landfill compactor at the Marulan Waste Management Centre. The current lease expired on 30 September 2019.

Conditions relating to finance and operating leases:

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

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for the year ended 30 June 2020

Note 20. 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 standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

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

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These additional lump sum contributions are used to maintain the adequacy of funding position 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.

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 \$ 330,729.52. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$347,812.40.

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for the year ended 30 June 2020

Note 20. Contingencies (continued)

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	95.6%

* 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 \$xx as at 30 June 2020.

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

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

Council has a Bank Guarantee liability of \$35,400. This is to ensure the performance obligations under Crown Land Acquisition for easements at Goulburn for Essential Energy projects.

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for the year ended 30 June 2020

Note 20. Contingencies (continued)**2. Other liabilities****(i) Third party claims**

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

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

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

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

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

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

(iii) Upper Lachlan Council asset transfers

In accordance with the proclamation by the Minister for Local Government on 7th September 2006, in the event of the sale of the former Mulwaree Shire Council administration building in Clinton Street, Goulburn, 'Upper Lachlan Council is to be reimbursed 24.22% of the net profit.'

(iv) Legal liabilities

Council has no known contingent liabilities re legal cases at this time.

ASSETS NOT RECOGNISED**(i) Land under roads**

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

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

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.

Goulburn Mulwaree Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. 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	8,435	8,587	8,435	8,589
Receivables	7,326	7,466	7,780	7,518
Investments				
– 'Financial assets at amortised cost'	90,000	83,000	90,000	83,000
Fair value through other comprehensive income				
Investments				
– 'Financial assets at fair value through other comprehensive income'	–	156	–	156
Fair value through profit and loss				
Investments				
– 'Held for trading'	2,002	2,012	2,002	2,012
Total financial assets	107,763	101,221	108,217	101,275
Financial liabilities				
Payables	8,739	7,893	8,680	7,945
Loans/advances	19,129	20,822	19,129	20,822
Lease liabilities	402	–	–	–
Total financial liabilities	28,270	28,715	27,809	28,767

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 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 its 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

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.
- **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	200	200	(200)	(200)
Possible impact of a 1% movement in interest rates	984	984	(984)	(984)
2019				
Possible impact of a 10% movement in market values	217	217	(217)	(217)
Possible impact of a 1% movement in interest rates	916	916	(916)	(916)

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for the year ended 30 June 2020

Note 21. Financial risk management (continued)

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council quarterly and benchmarks are set and monitored for acceptable collection performance.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross carrying amount	39	901	157	167	56	1,320
2019						
Gross carrying amount	–	951	88	19	16	1,074

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	5,028	880	48	43	86	6,085
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	25.00%	0.35%
ECL provision	–	–	–	–	22	22
2019						
Gross carrying amount	5,770	303	286	22	77	6,458
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	18.00%	0.21%
ECL provision	–	–	–	–	14	14

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for the year ended 30 June 2020

Note 21. 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	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2020							
Trade/other payables	0.00%	1,007	6,365	–	–	7,372	7,372
Loans and advances	6.79%	–	1,652	4,656	12,821	19,129	19,129
Total financial liabilities		1,007	8,017	4,656	12,821	26,501	26,501
2019							
Trade/other payables	0.00%	1,189	6,704	–	–	7,893	7,893
Loans and advances	6.72%	–	1,693	5,367	13,762	20,822	20,822
Total financial liabilities		1,189	8,397	5,367	13,762	28,715	28,715

Loan agreement breaches

Detail here any breaches to loan agreements which have occurred during the reporting year.

Goulburn Mulwaree Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 02/06/2020 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	36,446	36,715	269	1%	F
User charges and fees	15,053	16,181	1,128	7%	F
Other revenues	1,051	1,670	619	59%	F
This result is primarily due to unanticipated insurance claims (\$185k), legal cost recoveries (\$136k) and higher than anticipated bulk water sales from standpipes (\$185k). Also contributing to this result was the receipt of \$112k for the Alternate Fuels rebate which was inadvertently omitted from the original budget.					
Operating grants and contributions	11,393	12,649	1,256	11%	F
This variation is primarily due to greater than anticipated Financial Assistance Grant received (\$275k), Veolia Host Fees (\$275k) and s94 maintenance fees received from Quarries (\$330k)					
Capital grants and contributions	47,744	22,390	(25,354)	(53)%	U
This result was primarily due to major projects (Hockey Facility (\$9M) and Rail Trail (\$16M)) being included in the original budget but being fully dependant upon external funding being sourced for them to proceed, which didn't occur in the 2019/2020 financial year. Other major projects that commenced later than anticipated included the Performing Arts Centre and Aquatic Centre upgrade which also impacted this result. This led to less than anticipated expenditure during the year on these projects and therefore less grant funding received in the 2019/2020 financial year. Both of these projects continue into the 2020/2021 financial year.					
Interest and investment revenue	1,381	1,922	541	39%	F
Council maintains a conservative approach to budgeting for revenues from investments.					
Net gains from disposal of assets	-	2,801	2,801	∞	F
Rental income	255	322	67	26%	F
EXPENSES					
Employee benefits and on-costs	25,115	24,567	548	2%	F
Borrowing costs	1,387	1,432	(45)	(3)%	U
Materials and contracts	12,669	13,458	(789)	(6)%	U
Depreciation and amortisation	14,677	18,779	(4,102)	(28)%	U
This result is due to an error in the original budgets where incorrect assumptions were used in relation to the outcomes of the revaluation of transport assets which Council had intended to undertake a year early. An assumption was incorrectly made in previous budgets that the level of depreciation would drop due to the perception that the assets were overvalued. This assumption was not overridden when the 2019/2020 budget was prepared and adopted.					

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for the year ended 30 June 2020

Note 22. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
Other expenses	6,501	5,723	778	12% F
The main driver for this result was an over-inflated projection of energy costs at the newly commissioned Waste Water Treatment Plant. Due to the unknown consumption of the new plant a budget of \$850k was set with the final actual figure being just under \$300k. The result was also impacted by Council's inability to carry-out the majority of its mandatory training program due to COVID-19 restrictions.				
Net losses from disposal of assets	-	-	-	∞ F
Fair value decrement on investment property	-	150	(150)	∞ U

STATEMENT OF CASH FLOWS

Cash flows from operating activities	65,166	37,010	(28,156)	(43)% U
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This result is primarily due to capital grants not being received as a result of grant funded projects being delayed/deferred. As mentioned above, two of these projects (Hockey Facility and Rail Trail) were included in the budget on the basis of 100% grant funding. The projects have been deferred pending external funding being sourced.

Cash flows from investing activities	(107,745)	(35,314)	72,431	(67)% F
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This result is primarily due to major capital projects being delayed/deferred. As mentioned above, two of these projects (Hockey Facility and Rail Trail) were included in the budget on the basis of 100% grant funding. The projects have been deferred pending external funding being sourced. Other projects include the Performing Arts Centre and Aquatic Centre Upgrade and the Growing Local Economies project in North Goulburn (Common Street precinct).

Cash flows from financing activities	17,730	(1,848)	(19,578)	(110)% U
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This result is primarily due to borrowings not taken up as a result of loan funded projects being delayed/deferred. The projects that were to be loan funded were the Goulburn Performing Arts Centre (\$6.3M), Aquatic Centre Upgrade (\$8.9M) and the Waste Management Centre upgrade (\$4.28M)

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Note 23. 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

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).

The fair value of an asset (or liability) should reflect market conditions at the measurement date. This has become more challenging due to the uncertainty of the economic impact of COVID 19. Some key factors and risks to consider when measuring fair value using a valuation technique including the economic activity level and the credit and liquidity risk in the current environment is quite uncertain.

- 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. Councils Non specialised buildings, specialised plant and Infrastructure assets of \$ 1,125,859,000 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. Councils Investment properties and Assets Held for sale of \$4,626,000 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. Councils Financial Assets of \$2,002,000 are valued under the income approach.

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

2020	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
	30/06/20	-	-	2,002	2,002
Investment property					
	30/06/20	-	-	4,158	4,158
		-	-	4,158	4,158

Infrastructure, property, plant and equipment

Plant and equipment	30/06/20	-	-	9,680	9,680
Office equipment	30/06/20	-	-	2,163	2,163

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Note 23. Fair Value Measurement (continued)

2020	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Furniture and fittings	30/06/20	–	–	317	317
Operational land	30/06/18	–	–	21,595	21,595
Community land	30/06/16	–	–	19,079	19,079
Land under roads (post 30/6/08)	30/06/20	–	–	104	104
Land improvements – depreciable	30/06/18	–	–	1,604	1,604
Buildings – non-specialised	30/06/18	–	–	45,238	45,238
Other structures	30/06/18	–	–	4,599	4,599
Roads	30/06/20	–	–	454,977	454,977
Bridges	30/06/20	–	–	107,854	107,854
Footpaths	30/06/20	–	–	36,208	36,208
Stormwater drainage	30/06/20	–	–	106,154	106,154
Water supply network	30/06/20	–	–	197,491	197,491
Sewerage network	30/06/20	–	–	109,524	109,524
Recreation and Open Space	30/06/18	–	–	6,526	6,526
Swimming Pools	30/06/18	–	–	714	714
Library books	30/06/20	–	–	392	392
Other	30/06/18	–	–	597	597
Tip assets	30/06/18	–	–	2,267	2,267
Quarry assets	30/06/19	–	–	192	192
Total infrastructure, property, plant and equipment		–	–	1,127,275	1,127,275
Non-current assets classified as 'held for sale'					
Land held for sale	30/06/18	–	–	450	450
Buildings held for sale	30/06/18	–	–	18	18
Total NCA's classified as 'held for sale'		–	–	468	468

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– 'Held for trading'	30/06/19	–	–	2,012	2,012
Investment property					
Investment property	30/06/19	–	–	4,300	4,300
Total investment property		–	–	4,300	4,300
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/19	–	–	7,687	7,687
Office equipment	30/06/19	–	–	2,226	2,226
Furniture and fittings	30/06/19	–	–	363	363
Operational land	30/06/18	–	–	21,595	21,595
Community land	30/06/16	–	–	18,673	18,673
Land under roads (post 30/6/08)	30/06/18	–	–	83	83
Land improvements – depreciable	30/06/18	–	–	1,661	1,661
Buildings – non-specialised	30/06/18	–	–	42,987	42,987
Other structures	30/06/18	–	–	3,862	3,862
Roads	30/06/15	–	–	418,393	418,393
Bridges	30/06/15	–	–	30,756	30,756
Footpaths	30/06/15	–	–	13,622	13,622

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Notes to the Financial Statements

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Note 23. Fair Value Measurement (continued)

2019	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Stormwater drainage	30/06/15	–	–	65,717	65,717
Water supply network	30/06/19	–	–	209,740	209,740
Sewerage network	30/06/19	–	–	115,615	115,615
Recreation and Open Space	30/06/18	–	–	2,363	2,363
Swimming Pools	30/06/18	–	–	770	770
Library books	30/06/19	–	–	390	390
Other	30/06/18	–	–	373	373
Tip assets	30/06/18	–	–	2,451	2,451
Quarry assets	30/06/19	–	–	206	206
Total infrastructure, property, plant and equipment		–	–	959,533	959,533
Non-current assets classified as 'held for sale'					
Land held for sale	30/06/18	–	–	855	855
Buildings held for sale	30/06/18	–	–	149	149
Total NCA's classified as 'held for sale'		–	–	1,004	1,004

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

Council holds a Floating Rate Note (Bendigo & Adelaide Bank). This is recorded at a valuation provided by Trustees Australia annually and matures on 21 August 2020.

Council held one ordinary and one preference share with Southern Phone Company Limited which were valued in 2018/2019 by Ernst & Young of 200 George St, Sydney. Both shares were sold during the 2019/2020 financial year and settled on 18 December 2019.

Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The investment property valuation is included in level 3 of the hierarchy. The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2020 the valuation of the investment property was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144. There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPP&E)**Property, Plant & Equipment and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment: Trucks, tractors, ride-on mowers, street sweepers, earthmoving equipment and motor vehicles.
- Office Equipment: Refrigerators, electronic whiteboards, flat-screen monitors and computer equipment.
- Furniture & Fittings: Chairs, desks and display systems.

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Note 23. Fair Value Measurement (continued)

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2018 and was performed by JLT AssetVal Pty Ltd, Nick Franks (BSc. MRICS AAPI).

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

Community Land

Valuations of all Council's Community Land and Council managed land are based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3. While Community Land has been re-valued as at 30 June 2016 in line with the Valuer General, there has been no change to the valuation process during the reporting period.

Land under Roads

Council has elected to recognise Land under Roads where the road was acquired on or after 30/06/2008. 'Land under roads' have been valued using the square metres rates applicable for nearby or adjacent Community Land having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period.

Land Improvements - Depreciable

This asset class comprises land improvements such as spectator mounds, swales, berms, gardens, mulched areas, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the cost approach by experienced Council engineers and asset management staff.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Buildings – Non Specialised

Buildings – Non Specialised were valued by JLT AssetVal Pty Ltd, Nick Franks (BSc. MRICS AAPI), in June 2018 using a combination of sales comparison approach, income capitalisation approach and cost approach. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Other Structures

This asset class comprises Boardwalks, Viewing platforms, Floodlighting Systems, Irrigation System, Pedestrian Bridges, Retaining Walls, Monuments, Statues, Fences, Wash bays, Cemetery walls and beams. The cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

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Notes to the Financial Statements

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Note 23. Fair Value Measurement (continued)**Roads**

This asset class comprises the Road Carriageway, Kerb and Gutter, Signs, and Traffic facilities. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. Cost Approach using Level 3 inputs was used to value the road carriageway and other road infrastructure assets. Valuations for the road infrastructure assets were carried out by APV Valuers and Asset Management as at 30 June 2020.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure, Bridge Abutments/Foundations and Bridge rails/handrails. Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Footpaths

Footpaths were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Stormwater drainage assets were valued by APV Valuers and Asset Management as at 30 June 2020, using the cost approach. Assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with DLG Circular 09-09. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Water Supply Network

Water Supply and Sewerage infrastructure assets were re-valued at fair value as at 30 June 2017. These assets are indexed each year in line with the Reference Rates Manual as published by the NSW Office of Water. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. This asset class is categorised as Level 3 as there are inputs used in the valuation of these assets (such as estimates of pattern of consumption, residual value, asset condition and useful life), that require significant professional judgement and are therefore unobservable. There has been no change to the valuation process during the reporting period.

Recreation and Open Space

This asset class comprises of Playground equipment, BBQ's, Shade shelters and Outdoor fitness facilities. These assets may be located on parks, reserves and also within road reserves. 'Recreation and Open Space' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from other 'Depreciable Land' and 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Swimming Pool

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Note 23. Fair Value Measurement (continued)

This asset class comprises of Swimming pools only, it does not include related plant and equipment, buildings other structures and car parks. 'Swimming Pool' assets were valued in-house using the cost approach by experienced Council engineers and asset management staff. These assets have been transferred from 'Other Structures' at 30 June 2016. Cost approach has been utilised. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Other Assets

Assets within this class comprise of all assets not classified elsewhere such as artwork. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. All new assets and asset acquisitions made after the respective dates of valuation will be recorded at their initial cost of acquisition. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. There has been no change to the valuation process during the reporting period.

Reinstatement, Rehabilitation & Restoration Assets - Tips & Quarries

Council owns and manages tips and quarries in its local government area, and it has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, installation of a final landfill gas management system, revision of the surface water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure. The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

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

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

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Community Land
2019					
Opening balance	7,417	2,011	386	21,935	18,852
Transfers from/(to) another asset class	–	–	–	–	(110)
Purchases (GBV)	1,509	813	31	–	–
Disposals (WDV)	(267)	(1)	–	(340)	(69)
Depreciation and impairment	(972)	(597)	(54)	–	–
Closing balance	7,687	2,226	363	21,595	18,673
2020					
Opening balance	7,687	2,226	363	21,595	18,673
Purchases (GBV)	1,962	535	11	–	331
Disposals (WDV)	(283)	–	–	–	–
Depreciation and impairment	(1,027)	(677)	(57)	–	–
Other movement (Tfr from WIP)	–	79	–	–	–
Closing balance	8,339	2,163	317	21,595	19,004

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

\$ '000	Land under Roads	Land improvement	Building non-specialised	Other structures	Roads
\$ '000	Land under Roads	Land improvement	Building non-specialised	Other structures	Roads
2019					
Opening balance	83	1,724	43,978	3,647	420,464
Purchases (GBV)	–	–	812	328	6,874
Disposals (WDV)	–	–	(233)	–	(777)
Depreciation and impairment	–	(63)	(1,584)	(173)	(7,199)
Revaluation increments to Equity	–	–	–	–	(2,922)
Other movement (Tfr from WIP)	–	–	14	60	1,953
Closing balance	83	1,661	42,987	3,862	418,393
2020					
Opening balance	83	1,661	42,987	3,862	418,393
Purchases (GBV)	21	–	2,057	562	4,756
Disposals (WDV)	–	–	(1,679)	–	(462)
Depreciation and impairment	–	(57)	–	(217)	(7,467)
Revaluation increments to Equity	–	–	–	–	37,607
Other movement (Tfr from WIP)	–	–	1,873	392	2,150
Closing balance	104	1,604	45,238	4,599	454,977
\$ '000	Bridges	Footpaths	Stormwater drainage	Water supply network	Sewerage network
2019					
Opening balance	30,006	13,400	64,856	206,908	87,709
Purchases (GBV)	226	395	1,595	3,163	6,222
Disposals (WDV)	–	(12)	–	(9)	(129)
Depreciation and impairment	(443)	(203)	(941)	(3,146)	(1,605)
Revaluation increments to Equity	–	(4)	–	2,824	363
Other movement (Tfr from WIP)	967	46	207	–	23,055
Closing balance	30,756	13,622	65,717	209,740	115,615
2020					
Opening balance	30,756	13,622	65,717	209,740	115,615
Purchases (GBV)	44	750	882	3,763	3,417
Disposals (WDV)	(85)	–	(1)	–	–
Depreciation and impairment	(454)	(208)	(977)	(2,935)	(2,239)
Revaluation increments to Equity	77,593	22,031	40,161	(13,465)	(7,524)
Other movement (Tfr from WIP)	–	13	372	388	255
Closing balance	107,854	36,208	106,154	197,491	109,524
\$ '000	Recreation and open space	Swimming pools	Library books	Other assets	Tip assets
2019					
Opening balance	2,298	796	427	281	2,635
Purchases (GBV)	246	28	110	111	–
Depreciation and impairment	(198)	(54)	(147)	(19)	(184)

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Note 23. Fair Value Measurement (continued)

\$ '000	Recreation and open space	Swimming pools	Library books	Other assets	Tip assets
Other movement (Tfr from WIP)	17	-	-	-	-
Closing balance	2,363	770	390	373	2,451
2020					
Opening balance	2,363	770	390	373	2,451
Purchases (GBV)	2,612	-	119	266	-
Depreciation and impairment	(236)	(56)	(117)	(42)	(184)
Other movement (Tfr from WIP)	1,787	-	-	-	-
Closing balance	6,526	714	392	597	2,267

\$ '000	Quarry assets	Investment at fair value	Investment properties	NCA Held for sale	Total
2019					
Opening balance	213	2,011	4,150	1,181	937,368
Transfers from/(to) another asset class	-	-	110	-	-
Purchases (GBV)	-	-	168	-	22,631
Disposals (WDV)	-	-	-	-	(1,837)
Depreciation and impairment	(7)	-	-	-	(17,589)
FV gains – Income Statement ¹	-	1	(128)	-	(127)
Revaluation increments to Equity	-	-	-	-	261
Other movement (Tfr from WIP)	-	-	-	-	26,319
Closing balance	206	2,012	4,300	1,181	967,026
2020					
Opening balance	206	2,012	4,300	1,181	967,026
Purchases (GBV)	-	-	8	-	22,096
Disposals (WDV)	-	-	-	(713)	(3,223)
Depreciation and impairment	(14)	-	-	-	(16,964)
FV gains – Income Statement ¹	-	(10)	(150)	-	(160)
Revaluation increments to Equity	-	-	-	-	156,403
Other movement (Tfr from WIP)	-	-	-	-	7,309
Closing balance	192	2,002	4,158	468	1,132,487

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Financial assets		
At Fair Value through Profit or Loss	Level 3	Unit price
Investment properties		
Investment Property	Level 3	Rental yield and price per hectare
Infrastructure, property, plant and equipment		
Operational Land	Level 3	<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value

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Note 23. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Community Land	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value
Land under Roads (post 30/6/08)	Level 3	<ul style="list-style-type: none"> • Unimproved capital value (price per square metre)
Land Improvements - depreciable	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Buildings - Non Specialised	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Other Structures	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Roads	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Bridges	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Footpaths	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Stormwater Drainage	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Water Supply Network	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Sewerage Network	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Recreation and Open Space	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Swimming Pools	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Library Books	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Other	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Tip Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Quarry Assets	Level 3	<ul style="list-style-type: none"> • Discount Rate • CPI
Plant and Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Office Equipment	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Furniture and Fittings	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Non-current assets classified as 'held for sale'		
2 Dossie Street	Level 3	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

(4) Highest and best use

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

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Goulburn Mulwaree Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. 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	1,098	1,076
Post-employment benefits	99	96
Total	1,197	1,172

(b) Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
2020						
Supply of Recycling Contract	1	616	-	30 days	-	-
Supply of plant and road construction	2	4,115	-	30 days	-	-
Council employee wages	3	467	-	Award wages	-	-
Commercial Waste	4	177	-	30 days	-	-
Donation	5	1	-	Donation policy	-	-
Donation – Fee waiver	6	3	-	Donation policy	-	-
Inspection Fees	7	1	-	30 days	-	-
Development application fee	8	12	-	30 days	-	-
Hire of Sporting Facilities	9	-	-	30 days	-	-
2019						

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Notes to the Financial Statements

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Note 24. Related party disclosures (continued)

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
Supply of Recycling Contract	1	484	–	30 days	–	–
Supply of plant and road construction	2	5,377	–	30 days	–	–
Council employee wages	3	475	–	Award wages	–	–
Commercial Waste	4	218	–	30 days	–	–
Donation	5	1	–	Donation policy	–	–
Donation – Fee waiver	6	7	–	Donation policy	–	–
Inspection Fees	7	1	–	30 days	–	–
Development application fee	8	12	–	30 days	–	–
Hire of Sporting Facilities	9	1	–	30 days	–	–

1 Council has appointed its recycling contract to a company of which a Councillor is a board member, the Councillor has declared his involvement and is excluded from all meetings.

2 Council engages three local companies for various plant hire and road making activities. The company directors are a related party to a Councillor, the Councillor has declared an interest and follows the code of conduct. All contracts are awarded through the tender process.

3 Four members of Council staff are related parties to KMP and Councillors. The interest is declared.

4 Council provides a debtor account for the purposes of a commercial waste service to related parties of Councillors. Interest has been declared and all fees are charged as per the adopted fees and charges. Payment terms are 30 days.

5 Council provided a donation/sponsorship to several community groups where Councillors are related parties. Interest had been declared and payments made through the executive donations procedure.

6 Council provided a donation to a charity group equal to the value of the Council facility hire fee of which a Councillor is a related party. Interest was declared and payment was made through the executive donations procedure.

7 Council conducts Health Inspection checks at the place of employment of a Councillor. There is a charge for this inspection as per adopted fees and charges and they are provided 30 day payment terms.

8 Council has received a development application where a Councillor is a member of the organisation. Interest has been declared.

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Goulburn Mulwaree Council

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

Note 24. Related party disclosures (continued)

-
- 9 Council has hired sporting facilities to related parties during the year. All charges are per the adopted fees and charges, where debtor accounts are provided 30 day payment terms are in place unless payment is required upon booking.

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

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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			Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Contributions received during the year					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
Drainage	1,598	248	-	15	(993)	-	868	-
Roads	179	-	-	1	(62)	-	118	-
Traffic facilities	(1,449)	229	-	2	(288)	-	(1,506)	-
Open space	1,110	22	-	6	(740)	-	398	-
Community facilities	79	3	-	1	-	-	83	-
Other	164	-	-	1	(36)	-	129	-
Urban and civic improvements	17	-	-	-	-	-	17	-
Rural addressing	66	-	-	-	-	-	66	-
Rural waste	293	-	-	2	(73)	-	222	-
S7.11 contributions – under a plan	2,057	502	-	28	(2,192)	-	395	-
S7.12 levies – under a plan	1,460	387	-	10	(88)	-	1,769	-
Total S7.11 and S7.12 revenue under plans	3,517	889	-	38	(2,280)	-	2,164	-
S7.11 not under plans	2,990	678	2,743	20	(1,886)	-	1,802	-
S64 contributions	13,378	2,309	1,543	89	(521)	-	15,255	-
Total contributions	19,885	3,876	4,286	147	(4,687)	-	19,221	-

S7.11 Contributions – under a plan

CONTRIBUTION PLAN - New Mulwaree Plan

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Statement of developer contributions (continued)

	as at 30/06/19		Contributions received during the year			as at 30/06/20		
	Opening Balance	Cash	Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000								
Drainage	132	1	-	1	-	-	134	-
Roads	179	-	-	1	(62)	-	118	-
Open space	73	-	-	-	-	-	73	-
Community facilities	1	-	-	-	-	-	1	-
Urban and civic improvements	17	-	-	-	-	-	17	-
Rural addressing	65	-	-	-	-	-	65	-
Rural waste	61	-	-	2	-	-	63	-
Other	164	-	-	1	(36)	-	129	-
Total	692	1	-	5	(98)	-	600	-
CONTRIBUTION PLAN - Old Mulwaree Plan								
Rural addressing	1	-	-	-	-	-	1	-
Rural waste	232	-	-	-	(73)	-	159	-
Total	233	-	-	-	(73)	-	160	-
CONTRIBUTION PLAN - New Goulburn Citywide Plan								
Drainage	839	200	-	6	(213)	-	832	-
Traffic facilities	218	17	-	1	(56)	-	180	-
Open space	34	-	-	-	-	-	34	-
Community facilities	78	3	-	1	-	-	82	-
Total	1,169	220	-	8	(269)	-	1,128	-
CONTRIBUTION PLAN - Marys Mount								
Drainage	986	47	-	6	(780)	-	259	-
Traffic facilities	(582)	180	-	-	(119)	-	(521)	-
Open space	987	22	-	6	(740)	-	275	-
Total	1,391	249	-	12	(1,639)	-	13	-
CONTRIBUTION PLAN - Ducks Lane								
Drainage	115	-	-	1	-	-	116	-
Traffic facilities	(1,351)	12	-	-	(113)	-	(1,452)	-
Total	(1,236)	12	-	1	(113)	-	(1,336)	-

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Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Statement of developer contributions (continued)

	as at 30/06/19		Contributions received during the year			Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Cash	Non-cash	Interest earned in year	Expenditure during year		Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000								
CONTRIBUTION PLAN - Clyde Street								
Drainage	(540)	-	-	-	-	-	(540)	-
Traffic facilities	203	20	-	1	-	-	224	-
Open space	6	-	-	-	-	-	6	-
Total	(331)	20	-	1	-	-	(310)	-
CONTRIBUTION PLAN - Common Street								
Drainage	66	-	-	1	-	-	67	-
Traffic facilities	63	-	-	-	-	-	63	-
Open space	10	-	-	-	-	-	10	-
Total	139	-	-	1	-	-	140	-
S7.12 Levies – under a plan								
CONTRIBUTION PLAN - S94A Levies								
Roads	1,460	387	-	10	(88)	-	1,769	-
Total	1,460	387	-	10	(88)	-	1,769	-
S7.11 Contributions – not under a plan								
S7.11 CONTRIBUTIONS – NOT UNDER A PLAN								
Drainage	-	-	505	-	-	-	-	-
Roads	2,990	678	1,307	20	(1,886)	-	1,802	-
Open space	-	-	931	-	-	-	-	-
Total	2,990	678	2,743	20	(1,886)	-	1,802	-

Goulburn Mulwaree 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	24,866	2,460	9,389
User charges and fees	6,127	7,791	2,263
Interest and investment revenue	783	520	619
Other revenues	1,411	205	54
Grants and contributions provided for operating purposes	12,623	26	–
Grants and contributions provided for capital purposes	16,128	1,580	4,682
Net gains from disposal of assets	2,768	22	11
Rental income	322	–	–
Total income from continuing operations	65,028	12,604	17,018
Expenses from continuing operations			
Employee benefits and on-costs	21,154	1,789	1,624
Borrowing costs	269	942	221
Materials and contracts	5,077	3,924	4,457
Depreciation and amortisation	13,523	2,980	2,276
Other expenses	4,773	494	456
Fair value decrement on investment property	150	–	–
Total expenses from continuing operations	44,946	10,129	9,034
Operating result from continuing operations	20,082	2,475	7,984
Net operating result for the year	20,082	2,475	7,984
Net operating result attributable to each council fund	20,082	2,475	7,984
Net operating result for the year before grants and contributions provided for capital purposes	3,954	895	3,302

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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Goulburn Mulwaree 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	2,655	2,608	3,172
Investments	25,200	24,722	30,080
Receivables	5,093	1,412	765
Inventories	291	–	–
Contract assets	2,281	–	–
Other	266	–	59
Non-current assets classified as 'held for sale'	468	–	–
Total current assets	36,254	28,742	34,076
Non-current assets			
Investments	3,780	3,708	4,512
Receivables	56	–	–
Infrastructure, property, plant and equipment	830,544	200,670	117,207
Investment property	4,158	–	–
Right of use assets	421	–	–
Other	(883)	–	883
Total non-current assets	838,076	204,378	122,602
TOTAL ASSETS	874,330	233,120	156,678
LIABILITIES			
Current liabilities			
Payables	7,434	339	966
Income received in advance	(457)	457	–
Contract liabilities	3,216	60	–
Lease liabilities	148	–	–
Borrowings	593	514	545
Provisions	6,698	655	592
Total current liabilities	17,632	2,025	2,103
Non-current liabilities			
Lease liabilities	254	–	–
Borrowings	2,000	12,588	2,889
Provisions	7,581	37	30
Total non-current liabilities	9,835	12,625	2,919
TOTAL LIABILITIES	27,467	14,650	5,022
Net assets	846,863	218,470	151,656
EQUITY			
Accumulated surplus	218,660	89,699	102,976
Revaluation reserves	628,203	128,771	48,680
Council equity interest	846,863	218,470	151,656
Total equity	846,863	218,470	151,656

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.

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Goulburn Mulwaree Council

Financial Statements 2020

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

Note 26. Result by fund (continued)

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

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

Details of individual internal loans	Council ID / Ref
Borrower (by purpose)	Sewer Fund
Lender (by purpose)	General Fund
Date of minister's approval	8 July 2019
Date raised	30 June 2019
Term (years)	15
Dates of maturity	30 June 2034
Rate of interest	2.00%
Amount originally raised	\$1,000,000
Total repaid during year (principal and interest)	\$77,331
Principal outstanding at end of year	\$922,669

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Goulburn Mulwaree 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}	5,511	7.93%	6.20%	9.45%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	69,470				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	56,821	61.86%	70.33%	53.48%	>60.00%
Total continuing operating revenue ¹	91,860				
3. Unrestricted current ratio					
Current assets less all external restrictions	30,639				
Current liabilities less specific purpose liabilities	8,041	3.81x	3.32x	3.49x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	25,722				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	3,280	7.84x	7.29x	2.08x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	1,325				
Rates, annual and extra charges collectible	37,953	3.49%	2.94%	3.02%	<10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	98,435	22.79	22.14	17.85	>3.00
Monthly payments from cash flow of operating and financing activities	4,320	mths	mths	mths	mths

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

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

Goulburn Mulwaree 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}	2.85%	(1.29)%	8.12%	12.73%	26.77%	26.05%	>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	53.80%	62.57%	87.26%	85.54%	72.49%	83.78%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	3.81x	3.32x	14.19x	11.45x	16.20x	16.04x	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7.14x	6.48x	5.11x	5.71x	26.24x	18.55x	>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	3.28%	2.41%	4.35%	4.23%	3.86%	4.02%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	9.77	20.77	44.87	∞	63.43	∞	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths		mths		mths

(1) - (2) Refer to Notes at Note 31a above.

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

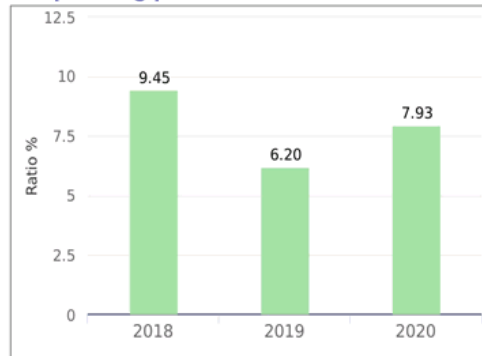
Goulburn Mulwaree Council

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



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2019/20 result

2019/20 ratio 7.93%

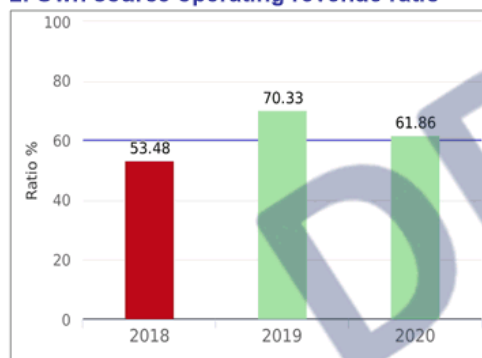
This ratio has been relatively steady for a number of years. The slight drop in the 2018/2019 financial year was primarily due to the impact of discounting Council's Employee Leave Entitlement.

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



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2019/20 result

2019/20 ratio 61.86%

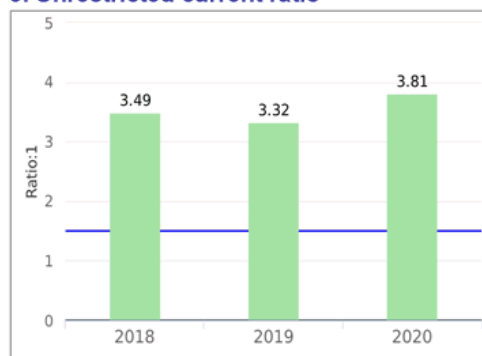
This ratio was negatively impacted in the 2017/2018 financial year due to the large amount of capital grants and contributions (both cash and in-kind) Council received. Outside of the 2017/2018 financial year this ratio has met or exceeded the benchmark.

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



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2019/20 result

2019/20 ratio 3.81x

This ratio continues to be at a healthy level to ensure Council's obligations can be met in the short-term.

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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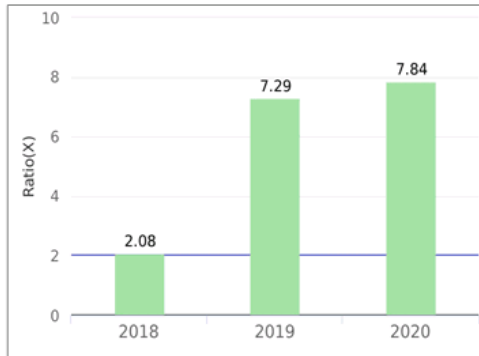
Goulburn Mulwaree Council

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



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2019/20 result

2019/20 ratio 7.84x

Council has undertaken minimal borrowing over the past 8-9 years and during this time has paid out a number of loans. The sharp drop in 2018 was due to two loans being paid out early instead of refinancing. Both of these loans related to the Water and Sewer Funds of Council.

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



Purpose of rates, annual charges, interest and extra charges outstanding

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2019/20 result

2019/20 ratio 3.49%

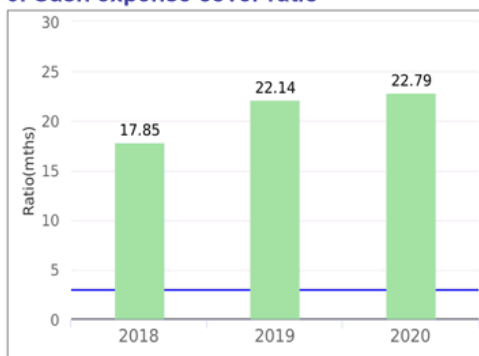
Council has continued the consistent application of its debt recovery policy whilst being mindful of its rating hardship policy. An easing on debt recovery action occurred during the last quarter of 2019/2020 financial year due to the global pandemic.

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



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2019/20 result

2019/20 ratio 22.79 mths

This ratio remains high however this will be impacted moving forward as our major projects including the Performing Arts Centre and Aquatic Centre Upgrades progress.

Benchmark: — > 3.00mths

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

Ratio achieves benchmark
Ratio is outside benchmark

Goulburn Mulwaree Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 28. Council information and contact details**Note 28. Council information and contact details****Principal place of business:**184-194 Bourke Street
Goulburn NSW 2580**Contact details****Mailing Address:**Locked Bag 22
Goulburn NSW 2580**Telephone:** 02 4823 4444**Opening hours:**8:30am - 5:00pm
Monday - Friday**Internet:** www.goulburn.nsw.gov.au**Email:** council@goulburn.nsw.gov.au**Officers****General Manager**

Warwick Bennet

Responsible Accounting Officer

Brendan Hollands

AuditorsAudit Office of NSW
15/1 Margaret Street
Sydney NSW 2000**Elected members****Mayor**

Cr Bob Kirk

CouncillorsCr Andrew Banfield
Cr Leah Ferrara
Cr Carol James
Cr Margaret O'Neill
Cr Sam Rowland
Cr Denzil Sturgiss
Cr Alfie Walker
Cr Peter Walker

Goulburn Mulwaree Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020

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Goulburn Mulwaree Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020

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Goulburn Mulwaree Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Goulburn Mulwaree 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).

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

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 20 October 2020.**

Cr Bob Kirk
Mayor
20 October 2020

Cr Peter Walker
Councillor
20 October 2020

Warwick Bennett
General Manager
20 October 2020

Brendan Hollands
Responsible Accounting Officer
20 October 2020

Goulburn Mulwaree 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	2,460	2,388
User charges	7,680	7,469
Fees	111	95
Interest	520	869
Grants and contributions provided for non-capital purposes	26	–
Profit from the sale of assets	22	–
Other income	205	95
Total income from continuing operations	11,024	10,916
Expenses from continuing operations		
Employee benefits and on-costs	1,789	1,596
Borrowing costs	942	972
Materials and contracts	3,924	2,964
Depreciation, amortisation and impairment	2,980	3,187
Loss on sale of assets	–	474
Other expenses	494	333
Total expenses from continuing operations	10,129	9,526
Surplus (deficit) from continuing operations before capital amounts	895	1,390
Grants and contributions provided for capital purposes	1,580	1,846
Surplus (deficit) from continuing operations after capital amounts	2,475	3,236
Surplus (deficit) from all operations before tax	2,475	3,236
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(246)	(382)
SURPLUS (DEFICIT) AFTER TAX	2,229	2,854
Plus accumulated surplus	87,224	83,521
Plus/less: other adjustments - Asset Revaluation Reserve realised on disposal of IPP&E	–	467
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	246	382
Closing accumulated surplus	89,699	87,224
Return on capital %	0.9%	1.1%
Subsidy from Council	–	367
Calculation of dividend payable:		
Surplus (deficit) after tax	2,229	2,854
Less: capital grants and contributions (excluding developer contributions)	(1,580)	(1,846)
Surplus for dividend calculation purposes	649	1,008
Potential dividend calculated from surplus	324	504

Goulburn Mulwaree 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	9,389	9,183
User charges	1,886	1,672
Liquid trade waste charges	375	364
Fees	2	10
Interest	619	884
Profit from the sale of assets	11	–
Other income	54	119
Total income from continuing operations	12,336	12,232
Expenses from continuing operations		
Employee benefits and on-costs	1,624	1,731
Borrowing costs	221	275
Materials and contracts	4,457	3,225
Depreciation, amortisation and impairment	2,276	1,640
Loss on sale of assets	–	1,557
Other expenses	456	617
Total expenses from continuing operations	9,034	9,045
Surplus (deficit) from continuing operations before capital amounts	3,302	3,187
Grants and contributions provided for capital purposes	4,682	2,369
Surplus (deficit) from continuing operations after capital amounts	7,984	5,556
Surplus (deficit) from all operations before tax	7,984	5,556
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(908)	(876)
SURPLUS (DEFICIT) AFTER TAX	7,076	4,680
Plus accumulated surplus	94,992	88,007
Plus/less: other adjustments - Asset Revaluation Reserve realised on disposal of IPP&E	–	1,429
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	908	876
Closing accumulated surplus	102,976	94,992
Return on capital %	3.0%	2.8%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	7,076	4,680
Less: capital grants and contributions (excluding developer contributions)	(4,682)	(2,369)
Surplus for dividend calculation purposes	2,394	2,311
Potential dividend calculated from surplus	1,197	1,155

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

Income Statement – Domestic Waste Management
for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
Income from continuing operations		
Access charges	4,030	3,679
Interest	51	87
Grants and contributions provided for non-capital purposes	7	183
Other income	50	39
Total income from continuing operations	4,138	3,988
Expenses from continuing operations		
Employee benefits and on-costs	876	815
Materials and contracts	2,954	3,393
Depreciation, amortisation and impairment	1	1
Other expenses	5	2
Total expenses from continuing operations	3,836	4,211
Surplus (deficit) from continuing operations before capital amounts	302	(223)
Surplus (deficit) from continuing operations after capital amounts	302	(223)
Surplus (deficit) from all operations before tax	302	(223)
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(83)	–
SURPLUS (DEFICIT) AFTER TAX	219	(223)
Plus accumulated surplus	1,899	2,122
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	83	–
Closing accumulated surplus	2,201	1,899
Return on capital %	1,776.5%	(1,238.9)%
Subsidy from Council	–	158

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

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

\$ '000	2020 Category 2	2019 Category 2
Income from continuing operations		
User charges	1,380	1,346
Total income from continuing operations	1,380	1,346
Expenses from continuing operations		
Employee benefits and on-costs	183	241
Materials and contracts	859	849
Depreciation, amortisation and impairment	12	8
Other expenses	2	2
Total expenses from continuing operations	1,056	1,100
Surplus (deficit) from continuing operations before capital amounts	324	246
Surplus (deficit) from continuing operations after capital amounts	324	246
Surplus (deficit) from all operations before tax	324	246
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(89)	(68)
SURPLUS (DEFICIT) AFTER TAX	235	178
Plus accumulated surplus	794	548
– Corporate taxation equivalent	89	68
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	1,118	794
Return on capital %	320.8%	229.9%

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Goulburn Mulwaree 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	2,608	2,790
Investments	24,722	25,996
Receivables	1,412	1,664
Total current assets	28,742	30,450
Non-current assets		
Investments	3,708	1,624
Infrastructure, property, plant and equipment	200,670	213,211
Total non-current assets	204,378	214,835
TOTAL ASSETS	233,120	245,285
LIABILITIES		
Current liabilities		
Contract liabilities	60	85
Payables	339	1,094
Income received in advance	457	420
Borrowings	514	477
Provisions	655	584
Total current liabilities	2,025	2,660
Non-current liabilities		
Borrowings	12,588	13,102
Provisions	37	64
Total non-current liabilities	12,625	13,166
TOTAL LIABILITIES	14,650	15,826
NET ASSETS	218,470	229,459
EQUITY		
Accumulated surplus	89,699	87,224
Revaluation reserves	128,771	142,235
TOTAL EQUITY	218,470	229,459

Goulburn Mulwaree 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	3,172	2,882
Investments	30,080	26,848
Receivables	765	1,001
Internal Loan Receivable from General Fund	59	58
Total current assets	34,076	30,789
Non-current assets		
Investments	4,512	1,678
Infrastructure, property, plant and equipment	117,207	123,195
Internal Loan Receivable from General Fund	883	942
Total non-current assets	122,602	125,815
TOTAL ASSETS	156,678	156,604
LIABILITIES		
Current liabilities		
Payables	966	862
Borrowings	545	507
Provisions	592	550
Total current liabilities	2,103	1,919
Non-current liabilities		
Borrowings	2,889	3,434
Provisions	30	55
Total non-current liabilities	2,919	3,489
TOTAL LIABILITIES	5,022	5,408
NET ASSETS	151,656	151,196
EQUITY		
Accumulated surplus	102,976	94,992
Revaluation reserves	48,680	56,204
TOTAL EQUITY	151,656	151,196

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Domestic Waste Management

as at 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
ASSETS		
Current assets		
Cash and cash equivalents	214	201
Investments	1,996	1,877
Receivables	94	76
Other	8	22
Total current assets	<u>2,312</u>	<u>2,176</u>
Non-current assets		
Investments	299	117
Infrastructure, property, plant and equipment	17	18
Total non-current assets	<u>316</u>	<u>135</u>
TOTAL ASSETS	<u>2,628</u>	<u>2,311</u>
LIABILITIES		
Current liabilities		
Contract liabilities	69	65
Payables	65	71
Provisions	279	251
Total current liabilities	<u>413</u>	<u>387</u>
Non-current liabilities		
Provisions	14	25
Total non-current liabilities	<u>14</u>	<u>25</u>
TOTAL LIABILITIES	<u>427</u>	<u>412</u>
NET ASSETS	<u>2,201</u>	<u>1,899</u>
EQUITY		
Accumulated surplus	2,201	1,899
TOTAL EQUITY	<u>2,201</u>	<u>1,899</u>

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Commercial Waste
as at 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
ASSETS		
Current assets		
Receivables	1,017	687
Total current assets	<u>1,017</u>	<u>687</u>
Non-current assets		
Infrastructure, property, plant and equipment	101	107
Total non-current assets	<u>101</u>	<u>107</u>
TOTAL ASSETS	<u>1,118</u>	<u>794</u>
NET ASSETS	<u>1,118</u>	<u>794</u>
EQUITY		
Accumulated surplus	1,118	794
TOTAL EQUITY	<u>1,118</u>	<u>794</u>

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Goulburn Mulwaree 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. Water Supply

Provide potable water for the Local Government Area.

b. Sewerage Services

Provide waste water services for the Local Government Area.

Category 2

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

a. Domestic Waste Management

Collection and disposal of domestic waste in accordance with section 504 of the Local Government Act.

b. Commercial Waste

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Goulburn Mulwaree 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)**

Collection and disposal of commercial waste on a user pays basis.

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%

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

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.

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.

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Goulburn Mulwaree 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)

(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 Department of Industry – Water 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.

Goulburn Mulwaree Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements
for the year ended 30 June 2020

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