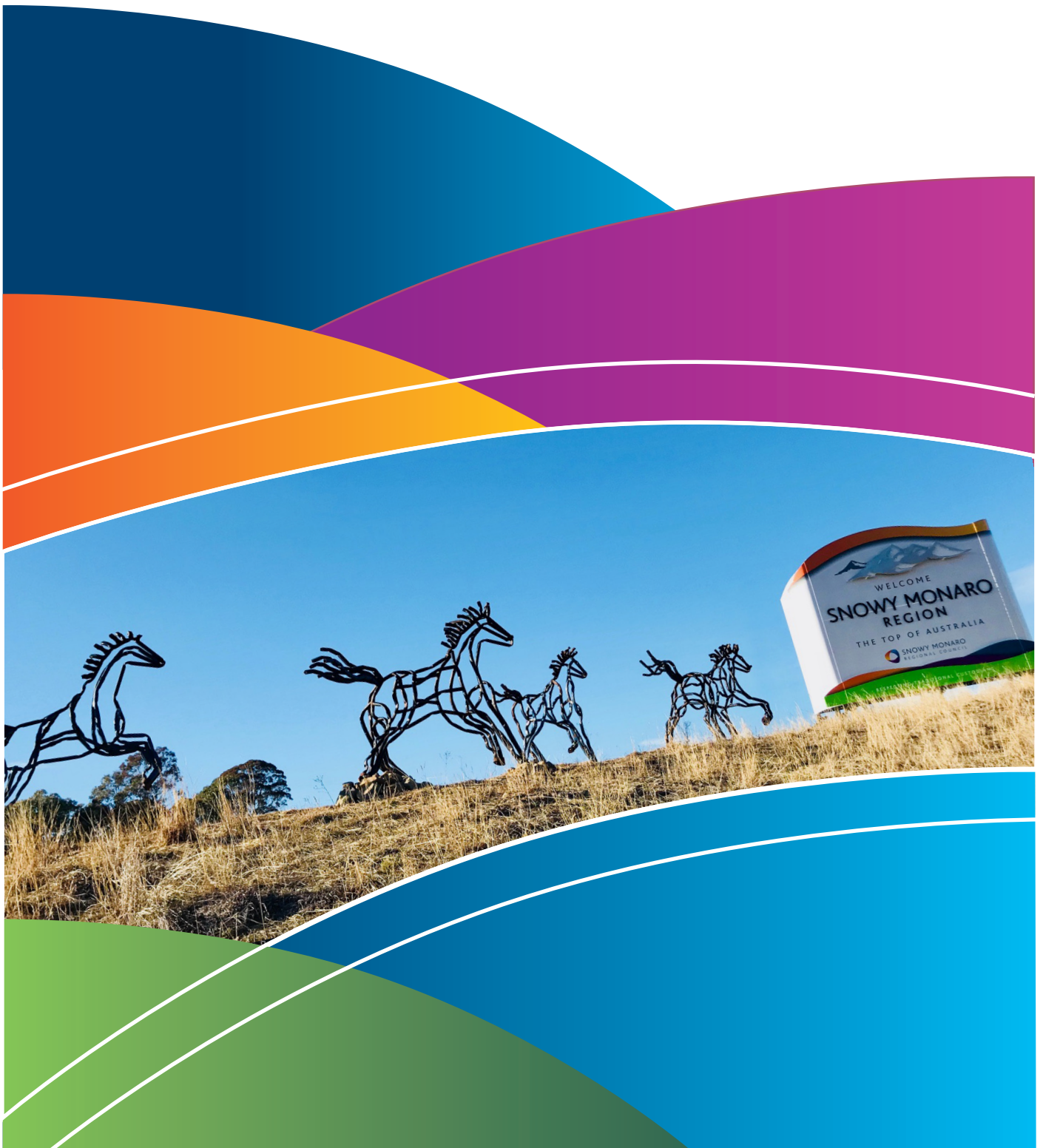


2018 ANNUAL REPORT



Purpose of this Report

This Annual Report is the key method for Council to communicate and maintain accountability and transparency with the community. The Annual Report has been prepared in accordance with the *Local Government Act, 1993* and the *Local Government (General) Regulation, 2005*.

This Annual Report provides a comprehensive account of Council's performance from 1 July 2017 to 30 June 2018 and details the progress made towards the 2018 Operational Plan.

All fiscal information contained within this Annual Report is based on Council's *2018 Audited Financial Statements*.

Further Information

The Annual Report is intended to provide a snapshot of our activities and achievements during the year.

For further information visit:



www.snowymonaro.nsw.gov.au



Snowy Monaro Regional Council



@snowymonaroregionalcouncil



Snowy Monaro Regional Council

Your Feedback

A copy of this report can be obtained from Council's website, www.snowymonaro.nsw.gov.au.

We are interested in your thoughts about this report

This report details Council's achievements in implementing the Community Strategic Plan and the progress towards addressing the objectives of the Delivery Program.

Your comments and suggestions are valuable because they highlight opportunities for us to improve the quality of our services, plans and report.

If you would like to comment or require additional information regarding this report please contact us.

Contact Us

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Berridale

2 Myack Street Berridale NSW 2628

Bombala

71 Caveat Street Bombala NSW 2632

Jindabyne

2/1 Gippsland Street Jindabyne NSW 2627

Contents

Introduction	4	Key Direction One - Sustaining our Environment for Life	22
Message from the Mayor	5	Key Direction Two - Expanding Connections within the Region and Beyond	24
Message from the General Manager	6	Key Direction Three - Strengthening our Local Economy	26
Vision and Values	7	Key Direction Four - Creating a Safer, Healthier and Thriving Community	28
Regional Profile	8	Key Direction Five - Enhancing our Healthy, Active Lifestyle	30
Regional Statistics	9	Key Direction Six - Managing Development & Service Delivery to Retain the Things we Love	32
Our Functions and Services	10	Key Direction Seven - Providing Effective Civic Leadership and Citizen Participation	34
Organisational Chart	11	Highlights from Council's Services	36
Our Council	12	Stronger Communities Fund Major Project Program	62
Role of Our Councillors	13	Statutory Information	69
Council Meetings	13	Audited Financial Statements	87
Attendance at Council Meetings	13		
Councillor Induction and Professional Development	14		
Representation on Committees	16		
Section 355 Committees	18		
Integrated Planning and Reporting	20		
Our Achievements on the Objectives of the 2018 Operational Plan	21		

Acknowledgement to Country

Snowy Monaro Regional Council acknowledges the traditional custodians of the Region, the Ngarigo, Walgalu, Ngunnawal, and Bidjawal peoples. We pay our respects to elders past, present, and future



Curiosity Rocks, Jindabyne

Introduction

Snowy Monaro Regional Council is proud to present our Annual Report for 2017/18. This report has been developed for our community, to share our accomplishments and milestones over the past financial year.

This report summarises our activities under Community Strategic Plan 2032. It provides an overview of Council's financial position, operations and progress, and is prepared in accordance with the *Local Government Act, 1993*.

During this year the Local Government Elections were held on 9th September 2017, following the post amalgamation administration period.

Council has been elected for a term of three years until 2020.

Message from the Mayor



On behalf of Snowy Monaro Regional Council, I am pleased to present our 2018 Annual Report. Within this document, we outline the progress Council has made in the last twelve months to deliver the *Operational Plan 2018*.

It's been a busy, and productive twelve months for our Council. We have just marked nine months since our elected Councillors took office and together we are committed to ensuring Snowy Monaro is a place our residents are proud to call home.

In May, Council adopted the *Community Strategic Plan 2040*, an important document that outlines the community's priorities for the Snowy Monaro region. The plan will guide Council's decision making as we work with residents to deliver the best services and outcomes possible.

The last twelve months has been a year of progress. We have made continued improvements to the quality of the Bombala drinking water. Thorough cleaning of the Bombala water supply has led to significant improvements to the town's water.

To ensure our community is an active participant in Council's decision making, we frequently ask our residents for their feedback on a range of issues. This Council recognises that the community is becoming more digitally connected, and to meet these needs, Council utilises an online engagement platform, *Your Say Snowy Monaro*.

Your Say is a platform for the community to help shape the future of our region. This has been demonstrated through the community providing feedback on the Stronger Communities Fund Major Projects.

Concept designs, 3D images, and surveys have allowed residents to help shape the Major Projects, in particular the 10 playgrounds and streetscape upgrades that are being delivered.

Council was recognised for its work in the community when it was named as a finalist in six categories for the 2018 Local Government Excellence Awards. The nominated projects were: L'Etape Australia, Companion Animals Project, Cooking for Cohesion, Lake Wallace Dam, and Snowy Monaro Youth Council.

Council's Innovation and Business Development team was awarded a 'highly commended' in the Service Delivery Initiative category for undertaking extensive service review analysis projects.

Council has continued rolling out the Major Projects. So far we have 23 Major Projects completed, and with a busy works schedule planned for the coming months, we look forward to unveiling many more projects.

The next year promises to be a productive time for Council. I look forward to Council working closely with the community as we strengthen our service delivery.

John Rooney
Mayor

Message from the General Manager



I'm pleased to present Snowy Monaro Regional Council's 2018 Annual Report. In what's been a busy year for Council we have adopted a new organisational structure, commenced working on our enterprise risk management framework, worked towards finalising the merger project and moving towards a continuous improvement culture through systems thinking and design.

The Local Government Elections were held on 9 September 2017, with eleven Councillors from across the Region being elected to represent the community. I would like to congratulate and welcome all the Councillors elected as the first Councillors of the Snowy Monaro Region and John Rooney for being elected as the first Mayor of Snowy Monaro Regional Council.

The first Council Meeting of the new Council brought an end to the Administration period. The Administrator's End of Term Report can be found on Council's website.

We are progressing well towards completing the projects under the merger initiated *Stronger Communities Fund - Major Projects Program (SCFMPP)*. To date all of the 100 projects have commenced with 23 projects being completed during the year. Some of the projects completed include: upgrades and purchase of equipment for community halls and swimming pool facilities, installation of solar at Council's aged care facilities and installation of drinking water stations across the region. Delivering these vital projects will enhance the social, economic and tourism potential of towns and villages across the region.

Council continues to work closely with both tiers of government to obtain funding to improve infrastructure and services within our community. A few key projects for which grants have been secured are the Bombala Sewage Treatment Plant upgrade, improvements to roads

and township CBDs, such as the redesign of Snowy River Avenue in Jindabyne, along with the Jindabyne Boat Ramp access road upgrade. This funding is in addition to the NSW Government's commitment to provide \$15 million for upgrades to the water systems of Bombala and Delegate. Council is working hard for our community, and I am confident that we will see more success as we actively pursue future grant opportunities for the betterment of the Region.

In conjunction with the community Council developed the suite of Integrated Planning and Reporting strategic documents. In May Council adopted the *2040 Snowy Monaro Community Strategic Plan (CSP)*. This forward looking publication outlines the aspirations and goals our community hold for the future of the region. These strategic documents will assist us to collaborate with stakeholders and other levels of government to deliver Snowy Monaro 2040.

Council commenced a review into Residential Aged Care across the Local Government Area (LGA). The review will support and inform Council's commitment to the adequate provision of quality Residential Aged Care for Snowy Monaro residents. It will also provide Council with a factual assessment of the long term demand for places throughout the region, infrastructure and operational requirements.

Staff completed extensive service reviews in two major operational services – Roads and Waste. Council was awarded highly commended for this initiative at the LG Professionals Excellence Awards, well done!

I am proud of what council has achieved in the last twelve months. I would like to congratulate and thank all the staff of Snowy Monaro Regional Council for their continued hard work and support throughout the year.

After twelve years with Snowy River Shire Council and two with Snowy Monaro Regional Council I have resigned from Council as I move on to future ventures. The new Council is faced with a great responsibility to shape an organisation that will play a key role in the future of the Snowy Monaro Region, and I wish them all the success in the future.

Joseph G Vescio
General Manager

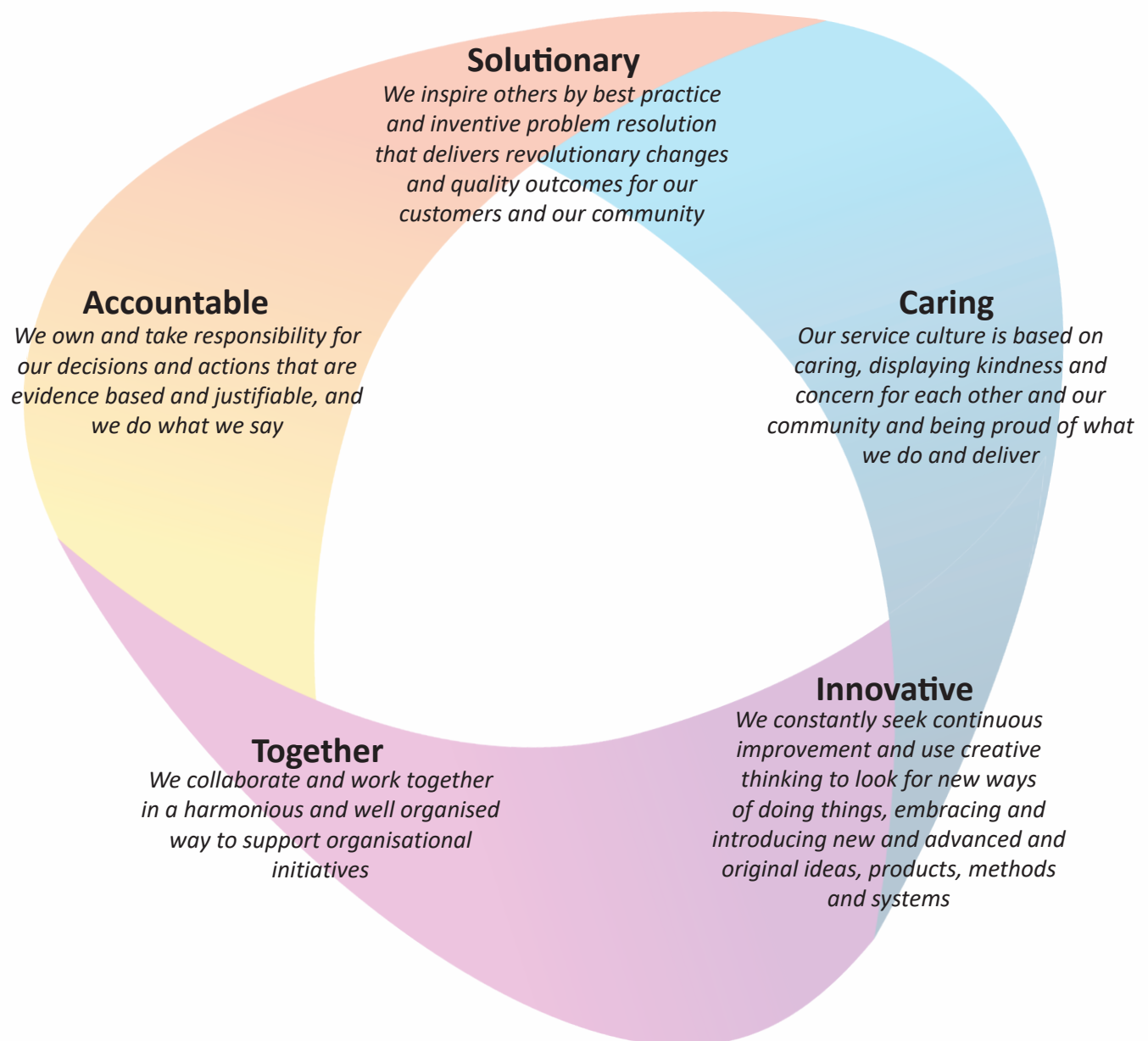
Vision and Values

Council Vision

“A trusted community partner”

Council continually strives to uphold its vision of being a “trusted community partner”. Through providing a transparent, honest and hardworking organisation, Council has fostered important links with the community to establish itself as a trusted partner.

Council Values



Regional Profile

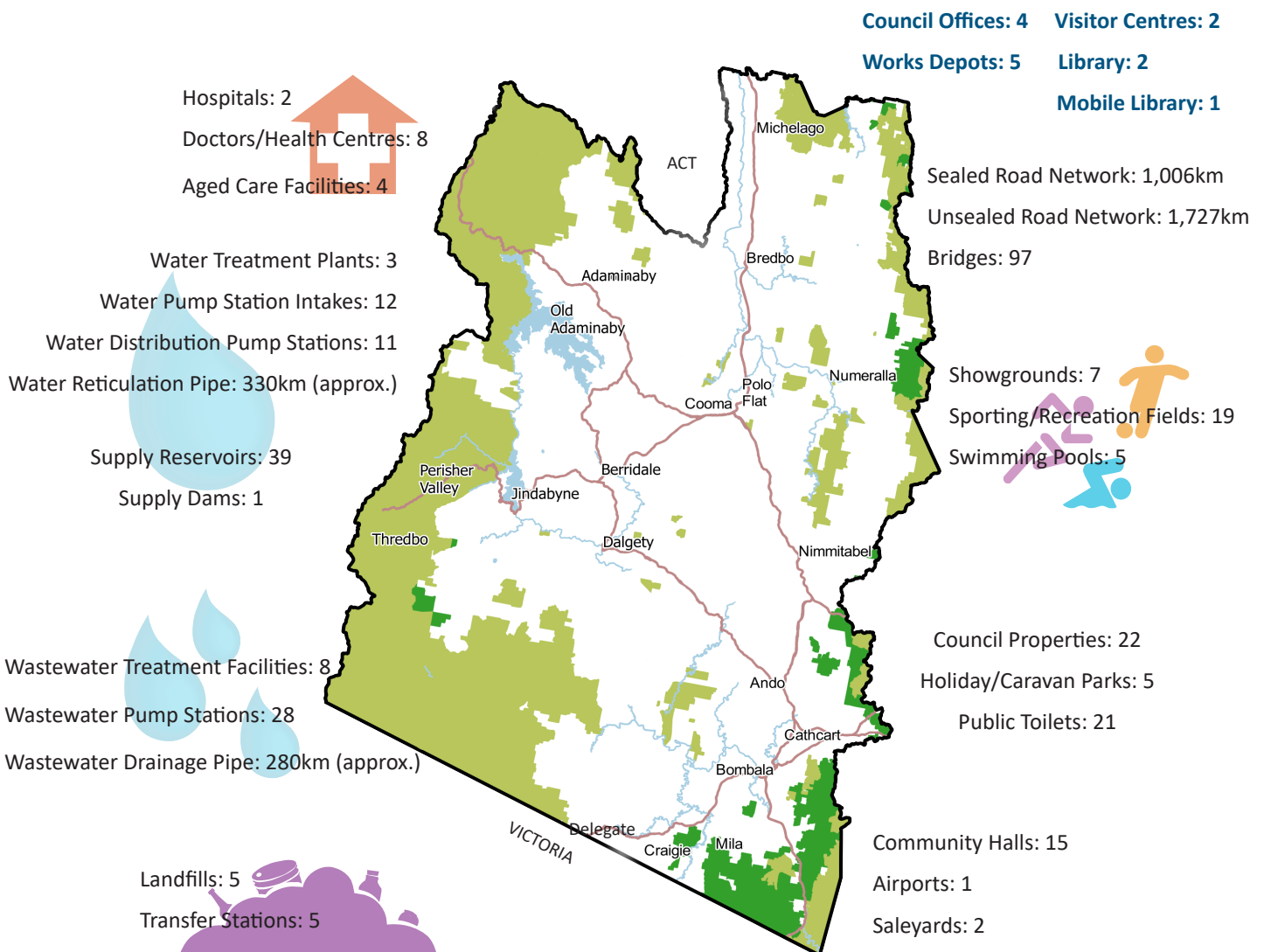
The Snowy Monaro Regional Council is located on land traditionally home to the Ngarigo, Walgalu, Bidawal and Southern Ngunnawal people and covers a diverse geographic area with a varied social and economic profile. From the tourism-driven snowfields to vast timber forests, across the sweeping Monaro Plains and the iconic and rugged Snowy River, through quaint country villages and modern regional centres, the Snowy Monaro region has it all.

The Snowy Monaro Region is one of the richest natural environments in NSW. We are also one of the largest NSW Council areas. The Council stretches from the ACT border to the north and to the Victorian border in the south and covers 15,158 square kilometres and has an approximate population of 20,218 (2016 Census).

Our diverse economy supports our main industries of tourism and agriculture, predominately sheep and cattle farming, forestry and timber production.

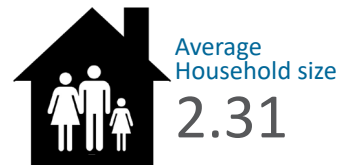
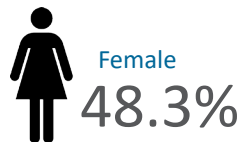
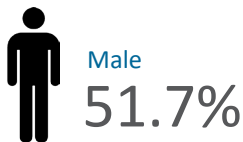
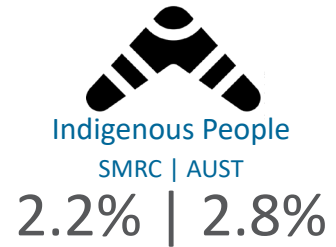
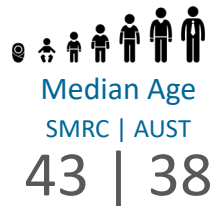
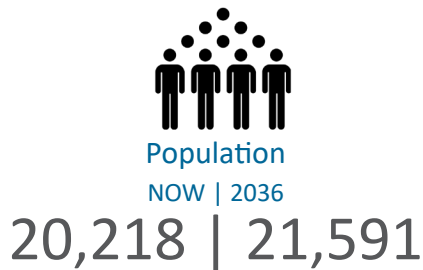
Council's role is to protect and sustain what makes our communities great while fostering a prosperous and diverse economy. We are working to build a region for all generations and ensure long term sustainability.

Council has a role to support the changing needs of the community. We will advocate for and deliver facilities and services that meet the needs of all residents.

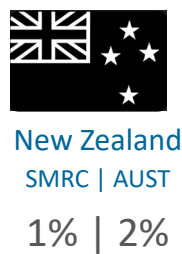


Regional Statistics

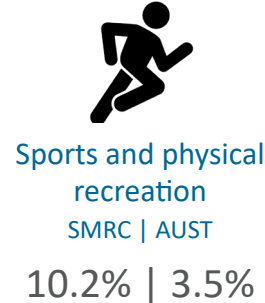
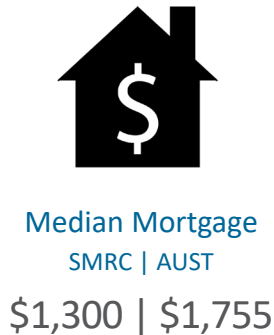
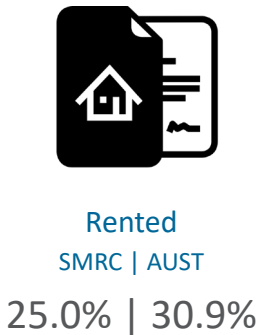
The following Community profile statistics for the Snowy Monaro Regional Council are taken from the Australian Bureau of Statistics (ABS) Population and Housing 2016 Census.



Country of Birth - Top 5



Dwelling Structure



(*Gross Regional Products - Our strongest industry contributors are: Accommodation and Food Services, Electricity, Gas, Water and Waste, Agriculture, Forestry and Fishing)

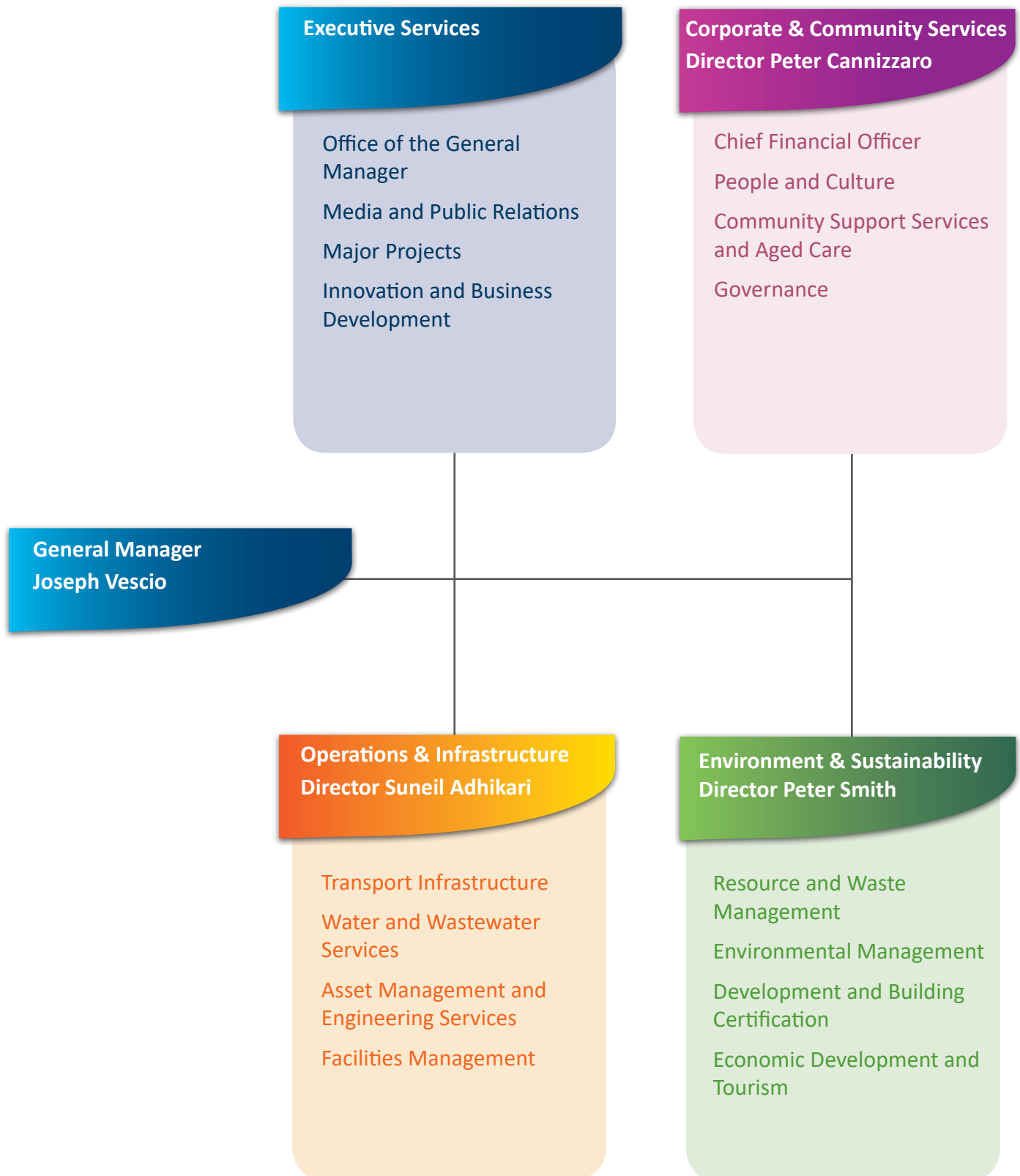
Our Functions and Services

Council provides a range of functions and services to the community. The organisational structure identifies the Business Units within Council responsible for managing these activities. Many of these are regulated and while provided by the Council, are frequently delivered on behalf of State Government. For example, the administration of the *NSW Companion Animals Act, 1998*, which control the management of animal registration and offences under this Act.

The provision of these ongoing functions and services, such as those detailed below, form the considerable basis of what Council delivers to the community.



Organisational Chart



Our Council

The first three months of the financial year signified the final three months of the Administration period, prior to the elections held in September 2017. During this time Council meetings were presided over by the Administrator, Dean Lynch.

During the administration period, Administrator Delegation Meetings were held on a regular basis to make a number of decisions in accordance with the milestones set by the State Government, to this effect Administrator Delegation Meetings were held to approve reports in between Council meetings.

Election of the New Council

Elections for merged Councils were held on Saturday, 9 September 2017. There were eleven Councillor positions to be elected, twenty seven candidates from the community stood for office.

Following the Council Election on 9 September 2017, and the confirmation of elected candidates an Extraordinary Council Meeting was held on 26 September 2017 to have the eleven Councillors sworn in and elect the Mayor and Deputy Mayor, John Rooney was elected as Mayor with Lynley Miners elected as Deputy Mayor.

The term of Council is usually for four years, however, Councils whose elections were held in September 2017 have a three year term to September 2020 to align with the Local Government Election schedule.

The Mayor and Deputy Mayor have been elected for a two year term until September 2019.



*Back row (left to right): Clr John Castellari, Clr Peter Beer, Clr John Last, Clr James Ewart, Clr Rogan Corbett, Clr Bob Stewart
Front row (left to right): Clr Brian Old, Clr Anne Maslin, Mayor John Rooney, Deputy Mayor Lynley Miners, Clr Sue Haslingden*

Role of Our Councillors

Snowy Monaro Regional Council has eleven elected Councillors representing the region.

The role of a councillor as prescribed by the *Local Government Act, 1993* is as follows:

- To be an active and contributing member of the governing body
- To make considered and well informed decisions as a member of the governing body
- To participate in the development of the Integrated Planning and Reporting Framework
- To represent the collective interests of residents, ratepayers and the local community
- To facilitate communication between the local community and the governing body
- To uphold and represent accurately the policies and decisions of the governing body
- To make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor.

Role of Our Mayor

The role of the Mayor as prescribed by the *Local Government Act, 1993* includes:

- To be the leader of the Council and a leader in the local community
- To be the principal member and spokesperson of the governing body, including representing the views of the Council as to its local priorities
- To exercise, in cases of necessity, the policy-making functions of the governing body of the Council between meetings of the Council
- To preside at meetings of the Council and ensure that meetings of the Council are conducted efficiently, effectively and in accordance with this Act
- To ensure the timely development and adoption of the strategic plans, programs and policies of the Council
- To advise, consult with and provide strategic direction to the General Manager in relation to the implementation of the strategic plans and policies of the Council

- To represent the Council on regional organisations and at inter-governmental forums at regional, State and Commonwealth level
- To exercise any other functions of the Council that the council determines.

Council Meetings

Council Meetings were held monthly until 15 March 2018 with the exception of January 2018 where no Council meeting was held. Following a resolution by Council, from April 2018 two meetings a month were held on the first and third Thursday of each month. The Council Meetings have been rotated between the Bombala, Berridale and Cooma Offices. Fifteen Council Meetings were held during the reporting period.

Council meetings held in Cooma have been live webcast for increased community access. Archive versions of these meetings are available on Council's website.

Attendance at Council Meetings

The following table details the attendance of Councillors at Council Meetings during the 2017/18 financial year.

	Attended	Apology	Absent
Clr John Rooney (Mayor)	15	0	0
Clr Lynley Miners (Deputy Mayor)	12	1	2
Clr Peter Beer	14	1	0
Clr John Castellari	15	0	0
Clr Rogan Corbett	15	0	0
Clr James Ewart	15	0	0
Clr Sue Haslingden	14	1	0
Clr John Last	14	0	1
Clr Anne Maslin	11	4	0
Clr Brian Old	12	3	0
Clr Bob Stewart	14	0	1

Councillor Induction and Professional Development

Amendments to the *Local Government Act 1993* (the Act) by the *Local Government Amendment (Governance and Planning) Act 2016* in August 2016 saw the inclusion in the prescribed role of councillors under Section 232 a responsibility “to make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor”.

Mayors and councillors come from a diverse range of backgrounds and bring different knowledge, skills, perspectives and insights to their roles. This is one of the strengths of a democratic and representative system of local government.

Under the guidelines, Council's Induction and Professional Development programs are to consist of three elements:

- **Pre-election Candidate Sessions** – these are to ensure prospective candidates are aware of what will be expected of them if elected (these are not mandatory but are encouraged)
- **Induction Program** – this aims to equip Mayors and Councillors with the information they need to perform their role effectively over the first few months and has a particular focus on building positive, collaborative relationships between Councillors and with staff
- **Professional Development Program** – this is to be developed in consultation with all councillors and delivered over the term of the council to build the skills, knowledge and personal attributes necessary to be an effective Mayor or Councillor

Snowy Monaro Regional Council has facilitated a range of programs to support Councillor professional development both prior to the Election in September 2017 and ongoing.

Pre-Election Candidate Sessions

Prior to the Election a series of sessions were held throughout the community for perspective candidates. This program covered a variety of topics:

- Key Dates for the Election
- Who can be a Candidate
- How to Enrol as a Candidate
- Election Funding, Campaigning Material, Scrutineering and Poll Declarations
- What Councils Do
- The Role of the Mayor and Councillors
- The Role of the General Manager
- Integrated Planning and Reporting Overview
- How Councils Generate Income
- Policy and Legislation
- Time Commitments “A day in the life of a Councillor”
- Schedule of Commitments Post-election, including the Induction Program Schedule

Induction Program

A two day induction program was provided to elected Candidates following the Poll declaration and prior to taking the oath of office. This program was designed to ensure Councillors were briefed on key policies and council operations. The induction sessions were held on 23 and 26 September 2017 and included the following topics:

- Council's Code of Conduct
- Code of Meeting Practice
- Delegations
- Confidentiality and Misuse of Information
- Defamation
- Role of Councillors in Planning and Development Matters
- Personal Liability
- Who does what: Councillors, Mayors, General Managers, Senior Staff, Staff
- Behavioural Expectations Framework
- Councillor-Staff Interaction
- Independent Commission Against Corruption Act Obligations
- Public Interest Disclosures Act Obligations
- Local Government IR landscape

Professional Development

Councillors are advised of programs run through Local Government NSW, Office of Local Government (OLG) and regional bodies that may provide them with development to assist in performing their obligations on Council.

- Hit the Ground Running
- Chairing Council Meetings Training

Councillor Professional Development Attendance

Councillor Training	Induction 1	Induction 2	OLG Councillor - Hit the Ground Running Workshop
Date of Training	23/09/17	26/09/17	12/10/17
Mayor John Rooney	Present	Present	Present
Deputy Mayor Lynley Miners	Apology	Present	Present
Clr Peter Beer	Present	Present	Apology
Clr John Castellari	Present	Present	Present
Clr Rogan Corbett	Present	Present	Apology
Clr James Ewart	Apology	Present	Present
Clr Sue Haslingden	Present	Present	Present
Clr John Last	Apology	Apology	Apology
Clr Anne Maslin	Present	Present	Present
Clr Brian Old	Present	Apology	Apology
Clr Bob Stewart	Present	Present	Apology

In addition to these external programs the Snowy Monaro Regional Council has provided sessions on the following topics:

- Roads Masterclass
- Aged Care Review
- Media Training
- Integrated Planning and Reporting
- Financial Issues in Local Government
- Water and Sewer Pricing
- Development Application and Planning
- Stronger Communities Fund

Representation on Committees

Council maintains links with a range of community based and other organisations via representation on relevant committees. Such representation is usually by appointment of either elected members or members of staff as delegates.

External Committees

In October 2017 Council resolved the following representations on External Committees

Name of Committee	Council Representation	Council Representative
Aboriginal Liaison Committee	Councillor & Staff from the Community Development area	Councillor Castellari
ANU Medical School - Community Advisory Committee Board	Councillor	Councillor Haslingden
Cooma Correctional Centre Community Consultative Committee	Mayor	Mayor Rooney
Community Safety Precinct Committee	Councillor	Councillor Beer Alternate - Councillor Corbett
Local Traffic Committee	Councillor and staff from Operations and Infrastructure	Deputy Mayor Miners
District Bush Fire Management Committee	Councillor	Councillor Ewart
Monaro Regional Interagency	Councillor & Staff from Community Development area	Councillor Castellari
Jindabyne Liquor Accord	Councillor & Staff from Community Development area	Councillor Beer Alternate – Councillor Old
Southern Monaro Local Emergency Management Committee (LEMC)	GM and staff from Operations and Infrastructure	Councillor Corbett
Southern Monaro Local Emergency Rescue Committee (LERC)	GM	General Manager
South East Arts	Councillor or Staff from Community Development area	Councillor Haslingden
Boco Rock Community Fund Committee	Mayor & GM	Mayor Rooney, Councillor Corbett, Councillor Stewart and General Manager
Bundian Way Advisory Committee	Staff – Economic Development Officer	Councillor Castellari Alternates – Councillor Maslin & Councillor Stewart
Cooma Universities Centre (CUC)	Councillor	Councillor Maslin Alternate – Mayor Rooney
Delegate Progress Association	Councillor	Councillor Haslingden
Southern Joint Regional Planning Panel	GM & Mayor	Mayor Rooney & General Manager

Name of Committee	Council Representation	Council Representative
Monaro Housing Taskforce	Council and staff from Community Development area	Councillor Beer
Snowy Mountains Neighbourhood Centre	Councillor and staff from Community Development area	Councillor Old
Upper Murrumbidgee Catchment Co-ordinating Committee	Staff from Planning area	Planning Staff
South East Australian Transport Strategy (SEATS)	Councillor and staff from Transport and Infrastructure (Operations) area	Deputy Mayor Miners Alternate - Councillor Stewart



SMRC Youth Council

The Snowy Monaro Regional Youth Council provides an opportunity for young people to have increased opportunities for leadership, to provide strategic advice to Council and to celebrate the contributions of young people to our community

Section 355 Committees

Under the *Local Government Act, 1993* Section 355, Council is able to delegate some of its functions to a committee of Council. Council uses this delegation and appoints members of the community manage its facilities or functions through a committee or board of management.

Snowy Monaro Regional Council fully acknowledges and appreciates the valuable contribution made by those of the community who serve as members of Council's Community Committees. This is an important role providing a valuable contribution to the respective local communities that we serve.

Section 355 Advisory Committees

Section 355 Advisory Committees advise Council on areas of Council's operations and are often comprised of a mixture of Council representatives and community members. In November 2017 Council resolved to consolidate the number of Advisory Committees from twenty five to eleven following amalgamation.

Committee	Councillor	Additional Councillors
Residential Aged Care Advisory	Councillor Castellari	
Community Care Advisory	Councillor Beer	
Inclusion Action Committee (IAC)	Councillor Castellari	
Arts & Culture	Councillor Haslingden	Councillor Maslin
Snowy Monaro Tourism Committee	Councillor Beer	Councillor Corbett Councillor Maslin
Yamaga Sister City	Councillor Corbett	
Snowy Monaro Weeds Committee	Councillor Stewart	Councillor Haslingden
Snowy Monaro Cemeteries Committee	Councillor Ewart	
Recreational Facilities Committee	Councillor Castellari Councillor Corbett	Councillor Haslingden Councillor Ewart
Cooma Saleyards	Deputy Mayor Miners	
Koala Management Plan	Mayor Rooney	
Waste Management Committee	Councillor Corbett	Deputy Mayor Miners Councillor Ewart

Section 355 Management Committees

Section 355 Management Committees manage facilities on behalf of Council. These Committees are managed by Community Volunteer representation.

The following committees were active during the reporting period:

- Adaminaby School of Arts Hall
- Berridale Pool, Community Centre & Sportsground
- Bibbenluke Hall and Sportsground
- Bombala Exhibition Ground Management
- Bombala Racecourse and Recreation Ground
- Bombala Railway Land Development
- Bombala Tennis Club
- Bredbo Hall
- Bungarby Memorial Hall Preservation
- Cathcart School of Arts
- Craigie Hall
- Dalgety Hall Management Committee
- Dalgety Showground
- Delegate & District Pre-School
- Delegate Early Settlers Hut
- Delegate School of Arts
- Delegate Sportsground
- Jindabyne Memorial Hall
- Jindabyne Shared Trails
- Jindabyne Sportsground and Recreation Areas Management Committee
- Kybeyan Hall
- Michelago Hall
- Mila Country Club
- Nimmitabel Hall
- Nimmitabel Showground Management
- North Ridge Reserve
- Numeralla Hall
- Old Cooma Grasslands Reserve
- Peakview Hall
- Shannons Flat Hall
- Smiths Road Hall



Integrated Planning and Reporting

The Integrated Planning and Reporting Framework was introduced by the NSW Government in 2009. It provides local governments with a framework for translating community priorities and aspirations into operational objectives.

During this reporting period Council was operating from a consolidated view of the Delivery Programs and Operational Plans under the *Community Strategic Plan (CSP) 2032*, from the three former Councils. The 2017/18 financial year represents the final year of reporting from the 2032 Plan.

The new Council, elected in September 2017, was required under legislation, to develop and adopt a revised Community Strategic Plan, Delivery and Operation Plan.

Based on consultation with our Community, the *Snowy Monaro 2040 Community Strategic Plan* was adopted by Council in May 2018.

Over the next two decades, Council, along with key stakeholders and other levels of government, will collaborate in the delivery of this Plan.

On 28 June 2018, Council adopted the *2018-21 Delivery Program*, incorporating *2019 Operational Plan* and the *2018-28 Resourcing Strategy*. These documents are the basis on which Council plans its activities and programs to meet the commitments set out in the *Snowy Monaro 2040 Community Strategic Plan*.

These documents are available for the public to view on Council's website.



Our Achievements on the Objectives of the 2018 Operational Plan

Council's Integrated Planning and Reporting recognises that communities do not exist in isolation, but are part of larger natural, social, economic and political environments that influence and shape the communities future.

The following pages outline our progress against those directions. While there are many highlights completed within the reporting year, there are several significant activities that are ongoing, and have been included in the *2019 Operational Plan*.

The 2018 Operational Plan set out seven key directions:

- Sustaining our environment for life
- Expanding connections within the Region and beyond
- Strengthening our local economy
- Creating a safer, healthier and thriving community
- Enhancing our active lifestyle
- Managing development and service delivery whilst retaining what we value
- Providing effective civic leadership and citizen participation



Our Achievements Towards the 2018 Operational Plan

Key Direction One - Sustaining our Environment for Life

A healthy and functioning natural environment, which the community values and enjoys and which is protected and managed for future generations

Completed Actions

Responsibility	Action
Transport Infrastructure	<ul style="list-style-type: none"> Implement Stormwater strategies in accordance with agreed prioritisation recommendations
Water and Wastewater Services	<ul style="list-style-type: none"> Carry out Wastewater maintenance throughout the Region on a priority basis
Facilities Management	<ul style="list-style-type: none"> Council have safe, reliable, sustainable and cost effective assets through the management of facilities
Environment & Sustainability	<ul style="list-style-type: none"> Assist Council Departments with advice and procedures in areas relating to environmental management and protection Review service delivery methods in accordance with Biosecurity Act Effective vegetation and pest animal management on all land under Council ownership, care and control to maintain their environmental values Protect natural areas and rehabilitate degraded environmental areas The Vegetation Management Program achieves Regional Weed Strategies and statutory requirements Reduce non-compliance across the Region in an effort to minimise the impact of invasive weeds on Council assets
Resource and Waste Management	<ul style="list-style-type: none"> Efficient operation of domestic and commercial recycling collection services Investigate new technology and implement best practice in waste and recycling management Cap and closure of Adaminaby Landfill Conduct Annual Program of Annual Household chemical collection Manage performance of Resource Management contracts Efficient and compliant operation of Councils Waste Facilities Meet EPA Licence requirements at Landfill Facilities Deliver community education on Resource and Waste strategies through a variety of public initiatives Increase material diverted from landfill to the Buy Back facilities through promotion, education and resident participation Participate and develop strategies for waste minimisation and landfill diversion with the CRJO Resource Recovery Working Group
Economic Development and Tourism	<ul style="list-style-type: none"> Ensure that the local planning framework facilitates the protection of water quality and biodiversity Monitor change in the natural environment, locate and protect important environment assets in strategic framework
Innovation and Business Development	<ul style="list-style-type: none"> Achieve more efficient use of water and energy within organisation and support renewable energy initiatives

Ongoing Actions

Responsibility	Action
Resource and Waste Management	<ul style="list-style-type: none"> Develop and Implement a Landfill Environment Management Plan (LEMP) for Bombala and Delegate Waste Depots Undertake identified improvements at Bombala and Delegate Waste Depots
Water and Wastewater Services	<ul style="list-style-type: none"> Implement and review the Liquid Trade Waste (LTW) program where currently available Develop Liquid Trade Waste (LTW) program for areas where not currently implemented Develop maintenance management plans for Water and Wastewater services
Innovation and Business Development	<ul style="list-style-type: none"> Develop a Sustainability Strategy for Council

Highlights

Biosecurity Officers completed 1,192 property inspections under the R4egional Weeds Action Program

154 requests for Water and Wastewater assistance received through Council's after hours contact number



ScrapMart welcomed its 50,000th customer

Biosecurity Officers provided education to the Community by holding stalls at 5 Rural Shows, 6 Landcare Meetings and the Spring Day Activities at Mitre 10

Waste education provided to schools

Our Achievements Towards the 2018 Operational Plan

Key Direction Two - Expanding Connections within the Region and Beyond

A holistic approach to connecting out towns, people and businesses - both within the Region and to the wider world - through efficient use of funding, better transport systems and by maximising the potential of emerging technologies

Completed Actions

Responsibility	Action
Transport Infrastructure	<ul style="list-style-type: none"> Investigate strategic development of State and Federal transportation study to determine impacts of future freight movement into the Region Implement a Bridge construction and maintenance program in accordance with Council's Strategic Bridge Asset Management Implement Council's transportation construction and maintenance program in accordance with the Strategic Transportation Asset Management Liaise with communities, implement a study into public perception and develop an appropriate long term action plan regarding Pedestrian and Shared Pathways
Asset Management and Engineering Services	<ul style="list-style-type: none"> Asset Management systems are integrated with GIS, Finance, CRM and are maintained and accurate The Asset Management Strategy informs decision making Asset Management resources achieve regulatory standards of service
Environmental Management	<ul style="list-style-type: none"> Implement parking enforcement through education, community programs and regular patrols in consultation with key stakeholders
Economic Development and Tourism	<ul style="list-style-type: none"> Continue to liaise with air service providers to maintain a year round service to the Region
Community Support Services and Aged Care	<ul style="list-style-type: none"> Continue to develop & deliver a viable, efficient & accessible community transport service

Ongoing Actions

Responsibility	Action
Transport Infrastructure	<ul style="list-style-type: none"> Create a Strategic Quarry Operations Business Plan for extraction, processing and use of quarry products from Council owned and managed Quarries Develop an integrated parking management strategy in consultation with the community inclusive of caravan, campervan, bus and trailer parking
Chief Financial Officer	<ul style="list-style-type: none"> Implement centralised procurement and stores facility

Highlights



Shared Footpath Lake Jindabyne

Community Consultation for planning and delivery of footpaths within Townships of Nimmitabel, Numeralla, Michelago, Jindabyne, Berridale and Cooma

Council Quarries remain cost neutral and extracted products used in road maintenance activities



Sealing of Bucky Springs Road

Request for funding to seal 38 Kilometres of unsealed (Collector) roads

Community Transport expanded with new partnerships engaging local bus companies

Inspection and condition reports developed for bridges

10,556 one way trips provided through Community Transport



Two (2) NRMA Electronic Vehicle Charging Units installed, with plans for a third unit

Our Achievements Towards the 2018 Operational Plan

Key Direction Three - Strengthening our Local Economy

The Region attracts increased investment and creates sustainable value in local employment generating industries. Residents have access to a range of learning opportunities that support future employment

Completed Actions

Responsibility	Action
Facilities Management	<ul style="list-style-type: none"> Provide appropriate, self-funded, Regional facilities for livestock selling for the Snowy Monaro Region
Economic Development and Tourism	<ul style="list-style-type: none"> Support tourist loops linking mountains, coast and major centres to the Region Provide facilities and amenities to accommodate visitors and their needs Support development of Tourism infrastructure Maintain key relationships with relevant State and Federal agencies Ensure that the local planning framework protects high-value agricultural land Support educational opportunities throughout the Region Assist appropriate agencies, agricultural and forestry enterprises, to work together to ensure the long term viability of our local agriculture and timber sectors Support local business networks and our Chambers of Commerce Support strategies to establish and grow creative industries within the Region Identify local initiatives to broaden our economy and improve employment and apprenticeship opportunities Deliver effective services through the Visitor Information Centres Promote the Region as bicycle and motorcycle friendly Collaboration with each of the Chamber of Commerce throughout the Region to investigate expansion of a rewards style card, encouraging tourists and locals to shop locally Provide relevant information that encourages visitors to stay longer in the Region and encourages residents to utilise the Region's attractions
Community Support Services and Aged Care	<ul style="list-style-type: none"> Support Snowy Monaro University Centre Operate and develop the Snowy Monaro Regional Library Service
Governance	<ul style="list-style-type: none"> Continue to deliver Service NSW from Bombala Office

Ongoing Actions

Responsibility	Action
Economic Development and Tourism	<ul style="list-style-type: none"> Investigate opportunities for industry diversification across the Region Develop a strategic approach to tourism in the region by integrating land use planning, product development and promotion Review and implement Economic Development Strategy for the Region Develop and implement regional events strategy that increase local and visitor participation Improve Tourism signage across the region

Highlights

Working with Department of Education and local schools for potential joint use projects



Photo: Josh Armstead: Riding a mountain bike trail

Development of the new Mountain Bike trails in the Mount Gladstone network commence

Regular collaboration with State Agencies for potential grant opportunities



L'Etape

L'Etape held for the second year, attracting several thousand riders and visitors to the region as a premier cycling destination

Facilitated regional Chamber of Commerce meetings



Cooma Saleyards

Cooma Livestock Selling facilities remain self-funded

Service NSW operations provided for the Bombala and surrounding areas

Our Achievements Towards the 2018 Operational Plan

Key Direction Four - Creating a Safer, Healthier and Thriving Community

A safe and healthy community, rich in a diverse offering of activities and services available throughout the Region that foster social connections and enhance wellbeing

Completed Actions

Responsibility	Action
Transport Infrastructure	<ul style="list-style-type: none"> Council's LEMO provide executive support to the LEMC/LERC, along with operational support to the LEOCON once the Emergency Operations Centre is activated
Facilities Management	<ul style="list-style-type: none"> Support Community Projects Team Program throughout the Region Advocate and seek additional funding from the State Government for the expansion of the medical precinct identified in the Master Plan for Thredbo Terrace Operate and maintain the Snowy River Health Centre in accordance with DoHA requirements Continue to engage with existing and emerging Medical and general Health Services throughout the Region
Environment & Sustainability	<ul style="list-style-type: none"> Implement programs to enhance public health compliance Ensure Local Government Act applications are processed Fulfill obligations and contract requirements as prescribed by NSW Department of Health and NSW Food Authority Minimise the risk of disease and environmental harm from onsite sewerage system Continual improvement and maintenance of Regional cemeteries Management of Companion Animals is implemented in accordance with relevant legislative requirements Management of stock is undertaken in accordance with relevant legislative requirements and agreements with other enforcement agencies
Development and Building Certification	<ul style="list-style-type: none"> Provide building certification services in accordance with legislative requirements
Economic Development and Tourism	<ul style="list-style-type: none"> Promote and provide operational assistance to enhance and encourage events and tourism Support and facilitate cultural diversity across the region Support initiatives that build positive relationships and address needs of community Continued support and engagement with Aboriginal community

Completed Actions - cont.

Responsibility	Action
Community Support Services and Aged Care	<ul style="list-style-type: none"> • Support delivery of arts and culture in activities across the Region • Strengthen, support and promote volunteering within Council and in the Community as a valued vocation that builds social capacity • Participate in groups and networks that improve access to health and social services • Support initiatives that encourage social inclusion • Support and develop community groups and initiatives • Deliver and facilitate youth programs and services throughout the Region • Provide a range of services which meet the needs of people with a disability, their families and carers • Ensure provision of high quality aged care in compliance with legislative and accreditation requirements • Provide an effective home based care service • Update Social Plan summary

Ongoing Actions

Responsibility	Action
Environment & Sustainability	<ul style="list-style-type: none"> • Develop Regional Cemetery Management Plan
Development and Building Certification	<ul style="list-style-type: none"> • Develop and implement a Heritage Strategy
Economic Development and Tourism	<ul style="list-style-type: none"> • Implement the Destination Management Plan
Community Support Services and Aged Care	<ul style="list-style-type: none"> • Implement Disability Access and Inclusion Plan

Highlights

“Meet the Elders” event held in Jindabyne in aid of NAIDOC week

Ongoing participation with the Bundian Way Committee

110 Carers throughout the Region supported by Community Support Services

Drinking Water 550 microbiological and 50 Chemical samples collected and tested

Implementation of Disability Inclusion Action Plan commenced

Engaging with NSW Health in regards to a dedicated Doctors Residence in Bombala

Our Achievements Towards the 2018 Operational Plan

Key Direction Five - Enhancing our Healthy, Active Lifestyle

Through best use of our environment and natural assets, our community and our visitors enjoy active lifestyle and recreation opportunities, which lead to improved health wellbeing throughout their lives

Completed Actions

Responsibility	Action
Facilities Management	<ul style="list-style-type: none">• Ensure accessibility to all Council facilities• Maintain Council swimming pools to comply with statutory reporting requirements on water quality, pool operations and equipment• Council holiday parks are managed and promoted appropriately• Crown Reserves in Council's Trusteeship managed to meet Council's service requirements• Maintain and improve the infrastructure that facilitates active and healthy travel options, such as walking and cycling, in all localities in accordance with the ten year management plan• Implement the recommendations from Councils Playground Strategy
Economic Development and Tourism	<ul style="list-style-type: none">• Advocate for increased funding to continue the expansion and enhancement of trail networks across the Region

Ongoing Actions

Responsibility	Action
Facilities Management	<ul style="list-style-type: none">• Recreation, Open Space, Property Asset Management Plan and Long Term Financial Plan to be approved and implemented by Council

Highlights



Jindabyne Indoor Swimming Pool

Council facilities recognised with a high satisfactory rating for appearance of open space and sporting facilities

New Council facilities will have all-access provisions



Photo: Flynn Medson, mountain biking, Jindabyne

Prepared grant funding application for new and upgrade to existing bike trail networks across the Region

Our Achievements Towards the 2018 Operational Plan

Key Direction Six - Managing Development & Service Delivery to Retain the Things we Love

Well-planned and managed growth that takes place in ways that meets community expectations and respects our values. Region-wide growth is supported by high water, sewage and water infrastructure, within our economic means

Completed Actions

Responsibility	Action
Transport Infrastructure	<ul style="list-style-type: none"> Remove urban littering throughout the Region's towns, villages and open spaces
Water and Wastewater Services	<ul style="list-style-type: none"> Development of Regional Water Asset Management Plan Carry out Water maintenance throughout the region which consistently meets Australian Drinking Water Guidelines (ADWG) Develop a Trainee recruitment program and associated budget Finalise water charging process for the Region
Facilities Management	<ul style="list-style-type: none"> Beautification of Townships Undertake identified upgrades to Delegate Disadvantaged Housing stocks
Development and Building Certification	<ul style="list-style-type: none"> Ensure development assessment is undertaken in accordance with adopted Local Environmental Plans, Development Control Plans, Council Policy and State and Federal legislation
Economic Development and Tourism	<ul style="list-style-type: none"> Ensure that the local planning framework enhances amenity, safety and sustainability of community neighbourhoods Ensure that amenity, safety and sustainability of community neighbourhoods is enhanced through compliance and enforcement Oversee and direct the regular review and updating of land use planning instruments
Community Support Services and Aged Care	<ul style="list-style-type: none"> Facilitate a range of appropriate, accessible and affordable housing choices across the Region to meet the needs of the permanent and visitor populations

Chair and facilitate the Monaro Regional Housing Forum



Town beautification

Commenced plans to recruit Trainees across regional areas

Ongoing Actions

Responsibility	Action
Water and Wastewater Services	<ul style="list-style-type: none"> • Develop Backflow Prevention (BFP) Program throughout the Region • Investigate Regional Integrated Water Cycle Management (IWCM) Plan • Implement annual Wastewater Capital Works Program • Implement annual Water Capital Works Program • Develop consolidated S64 Plans across the region • Implement the current Strategic Business Plan for Water & Wastewater to comply with regulatory requirements
Economic Development and Tourism	<ul style="list-style-type: none"> • Review Local Environment Plan • Develop a detailed strategic Landuse Strategy for the Region • Review and implement CBD structure plan items and ensure that new developments meet expected minimum standards • Ensure the new growth and development contribute appropriately towards the cost of new infrastructure through the development and review of Section 94A and 94 Plans • Implement the recommendations from the Jindabyne Action Plan • Continue to work with stakeholders to revitalise Jindabyne Town Area including development of supporting plans, policy, procedures and outdoor dining

Highlights



Snowy River Avenue concept

Progressed upgrade design to commencement of construction works for Snowy River Avenue in Jindabyne

Conducted a comparative analysis of the text within the three existing Local Government Plans in preparation for harmonisation

On-going testing and publishing of Wastewater Treatment Plant results on Council's website

Our Achievements Towards the 2018 Operational Plan

Key Direction Seven - Providing Effective Civic Leadership and Citizen Participation

Local government effectively represents our community and provides people with opportunities to participate in local decision-making. Council's governance systems deliver efficient management that meets community expectations, balanced with our ability to resource these needs

Completed Actions

Responsibility	Action
Economic Development and Tourism	<ul style="list-style-type: none"> • Manage Council's community and land use planning processes to achieve regulatory requirements and community aspirations • Advocate with State and Federal Government for the removal of barriers to economic and community development
Chief Financial Officer	<ul style="list-style-type: none"> • Completion of Financial statutory and regulatory reports in accordance with specified requirements • Provide timely, accurate and relevant information to Council to enable informed decision making • Effective management of Council funds to ensure financial sustainability • Budgets developed, monitored and reviewed and adopted by Council • Annual Rates and Charges are set in accordance with Policy and Legislation • Undertake Water Billing in line with Water Charging Policy • Effective Management of Debtors • Provide customer service centres throughout the Snowy Monaro Regional Council area that meets the communities and Councils standards and needs • Customer Service provide advice and training throughout the organisation to ensure services are delivered in accordance with Customer Service Charter
People and Culture	<ul style="list-style-type: none"> • Ensure Council attracts, retains and develops a capable workforce that delivers positive outcomes • Council will maintain effective personnel management systems that ensure the organisation is sustainable

Highlights

Harmonisation of purchasing process into one system

Adopted the Community Strategic Plan 2040

Organisational Restructure adopted and implemented

New Council elected in September 2017

Community consultation undertaken including "Your Say Snowy Monaro" website

Completed Actions - cont.

Responsibility	Action
Governance	<ul style="list-style-type: none"> • Ensure statutory registers are maintained and publicly available • Complete reporting requirements in accordance with legislation • Ensure that appropriate governance structures are in place enabling open, transparent government • Ensure Councillors are provided with opportunities to contribute to their professional development • Undertake Local Government Elections for 2017 - 2020 • Ensure community members are afforded the opportunity to review, comment and participate in Council decision making • Ensure process and delivery solutions to satisfy State Records Standards contained within the <i>State Records Act, 1998</i> and Council's Records Policy • Geographic information systems are managed and developed to meet the needs of the organisation • Partner with business managers to continually review the use of technology, looking for new and innovative ways of service delivery • Ensure the community is able to access Council information and services utilising a range of technologies
Innovation and Business Development	<ul style="list-style-type: none"> • Achieve a stronger, more efficient Council through a successful merger • Undertake an ongoing and systematic review of Council services in accordance with agreed prioritisation to deliver efficiencies • Improve organisation wide Risk Management through use of ISO 31000 principles • Support and encourage public engagement methods which invite comment from community and informs the decision making
General Manager	<ul style="list-style-type: none"> • Advocate to State and Federal Government for facilities and services that address identified and agreed community needs • Undertake processes to identify and address cost shifting by State and Federal Government • Increased public awareness of our service delivery through community education and consultation • The Executive Leadership Team will be responsible for implementing the organisation's strategies and objectives, and for carrying out the day-to-day management and control of Council's affairs

Ongoing Actions

Responsibility	Action
Chief Financial Officer	<ul style="list-style-type: none"> • Commence process for harmonisation of rates between the three councils that now form the Snowy Monaro Regional Council
People and Culture	<ul style="list-style-type: none"> • Develop and implement WHS systems
Governance	<ul style="list-style-type: none"> • Provide a high quality corporate technology platform that enables Council to deliver services to internal and external stakeholders

Highlights from Council's Services

Operations and Infrastructure

Transport Infrastructure (Operations)

Road Maintenance and Staff Levels

Staff have completed an extensive gravel road maintenance program with over 75% of Council's unsealed road network maintained and a comprehensive program of gravel re-sheeting taking place on Council's Collector Road network; this equates to approximately 1300 kilometres of gravel road maintained out of 1700 kilometres across the region.

The structure for Transport & Infrastructure (Operations) was approved in June 2017 with a total of 72 full time equivalent staff positions contracted in areas of both Maintenance and Construction from Depots in Bombala, Cooma and Berridale. Throughout the 2017/18 financial year, staff levels have been low with approximately 20 on-going vacancies which has impacted upon the delivery of Councils Capital Works program and Asset Maintenance Schedule without contracted support.

RMS Ordered Works

Snowy Monaro Regional Council was contracted by the RMS to deliver road rehabilitation and a new overtaking lane along the MR286 Kosciuszko Road near the airport between Cooma and Berridale. This project was estimated at in excess of \$3M to deliver and used a combination of Council and contracted staff over a period of 5 months. The project wasn't without difficulty and initial completion delivered a rough finish for motorists. However, consultation with RMS identified a solution that rectified any ride issues and the overtaking lane was finally open without restriction in May 2018.

One of the benefits for Council staff by providing exposure to significant Capital Works projects is to provide employment opportunities and improve construction skills in areas not traditionally available through Council Works Programs. The additional benefit of RMS Ordered Works, especially when aligned with the RMS Road Maintenance Council Contract (RMCC) is that a percentage of the value of works is profit to Council.

Jindabyne Boat Ramp

Since 2014, Council has been engaged with the community and the NSW Boating Now Group to improve access to Lakes Jindabyne and Eucumbene. Funding through NSW Boating Now enabled the completion of concept designs for Lake Jindabyne (Jindabyne Boat Ramp and Claypits) and Eucumbene (Old Adaminaby). Following a decision of Council, funding was identified through agreements with Snowy Hydro, NSW Boating Now and Councils Stronger Communities Fund to extend the Lake Jindabyne Boat Ramp from concept to detailed design, tender and construction. This means a new access road will be delivered for community use to the Jindabyne Boat Ramp within the first half of the 2018/19 financial year.

Snowy River Avenue Upgrade Stage 1

Over the last four years, Council has been focused on Jindabyne's Central Business District (CBD) and in particular Snowy River Avenue; this requirement was born out of the *Jindabyne Action Plan 2010* that provided the community's vision of Jindabyne over the next twenty years. Council has replaced/installed new water and sewer services, stormwater services and 2017 saw construction of Snowy River Avenue Stage 1 to improve pedestrian access through Jindabyne's CBD and address the significant deterioration in the road infrastructure.

This project spans three separate stages; the first is construction of parking, footpaths and road restoration between Kalkite Street and Gippsland Street. The second stage will focus on Gippsland Street between Park Road and Snowy River Avenue (inclusive of the intersection with Snowy River Avenue). The third and final stage will focus on the Avenue between Gippsland Street and Thredbo Terrace. Each stage will address footpaths, road condition and enhancements of pedestrian movement throughout the CBD.

During Stage 1 construction, it was identified that opportunities existed to address the shortfall in car parking within the CBD and designs were completed for improvements to Kalkite Street car park, including the delivery of two NRMA Level 3 Electronic Vehicle Charging Units. The charging units were installed in May 2018 and declared operational that same month.

Work scheduled for early in the 2018/19 financial year will see modification to Kalkite Street, Kalkite Street car park and completion of the Central Park Apartments shop front.

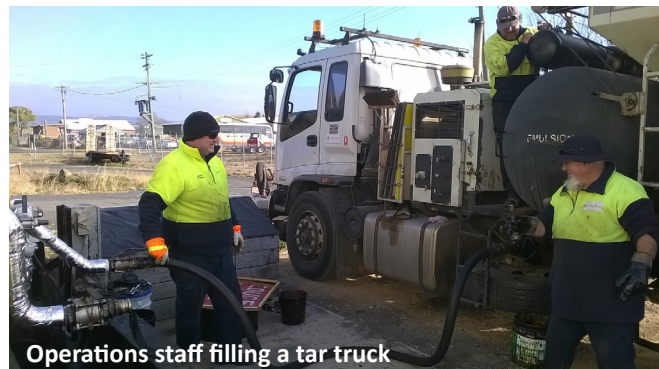
Bridges

Throughout the 2017/18 reporting period, reports were submitted to Council and decisions made in relation to Parsonage Creek Bridge, Burra Creek Bridge and Tombong Bridge with commitments and funding necessary to implement repairs and/or replacements within the 2018/19 financial year.

During the year repair/replacement work was undertaken on the following bridges:

- Merima Bridge
- Broadview Bridge
- Horsey Swamp Creek Bridge
- Kellies Bridge
- Jones Creek Bridge
- Burra Creek Bridge

Funding through RESTART NSW enabled level 2 and level 3 inspections of all bridges within former Bombala Council and Cooma-Monaro Shire Council. With the assistance of bridge inspection reports from former Snowy River Shire Council (as at June 2015), a comprehensive program of bridge inspections, repairs, upgrades and replacements are being programmed across Councils' fifty eight concrete and thirty nine timber bridges.



Operations staff filling a tar truck



Operations staff clearing culverts



Sealing operation on Bucky Springs Road

Water and Wastewater Services

Bombala Town Water Supply

In November 2017 councils technical staff undertook a review of the towns Water Treatment Plant facility in response to the communities concerns regarding the quality of water produced from the facility.

From this review the team developed plans and undertook the task of improving the ageing facility.

Works began to clean and report on the reservoirs condition resulting in the extensive clean out by divers and the removal of sixty nine cubic meters of sludge residue from two service reservoirs and the clearwell at the Treatment Plant.

Once the cleaning works had been completed air scouring of reticulation mains began to flush out the lines throughout the town.

Upgrades to the electrical and control system were also completed as part of the on-going improvements.

After Hours Services

Councils Water and Wastewater teams continue to provide around the clock emergency repairs to the region and are frequently addressing many issues including:

- Burst water mains
- Leaking water meters
- Sewer cokes
- Discolouration
- Tree roots in mains

The delivery of this service has been an on-going success with the availability of the afterhours call centre. Management of emergency call out teams across the region has been effective in minimising the disruption to town services.

Alongside the on-going emergency repairs the teams carry out routine quality testing and scheduled maintenance programs of the infrastructure.



Bombala Water Treatment Plant



Reservoir 2 sediment profile (200mm)



Level of sediment evident on post base after scouring



Before scouring



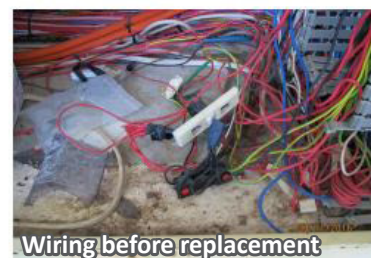
After scouring



Replacement of electrical components



Circuits before replacement



Wiring before replacement

Asset Management and Engineering Services

Emergency Services

Council is an activate participant of the Local Emergency Management Committee (LEMC). This Committee meets regularly with representatives from emergency services responsible to ensure the community has adequate Disaster Management Plans in place.

The Committee regularly undertakes emergency response field exercises; training was conducted at the Snowy Mountains Airfield. Key learnings from this event have been reviewed, and actions identified to ensure improved response for emergencies within the Region.

During the 2018/19 financial year the LEMC will develop a detailed understanding about the possible impact of Snowy 2.0 on emergency management. Collaboration with Snowy Valleys Council LEMC will assist our Council find some solutions for the emergency management response to this construction project for the region.

Asset Management

An Asset Management Strategy and policy has been developed, as well as Asset Management Plans for each asset category. These are living documents that will be reviewed and updated on an ongoing basis, and will inform decision making and help manage Council's asset portfolio.

Staff have also been working towards consolidating the asset registers of the three former Councils into a single asset register.



Excavator



Emergency management is not just about responding to an emergency.

Emergency management is a range of measures to manage risks to communities and the environment. It includes the development and maintenance of arrangements to prevent, prepare for, respond to and recover from emergencies

Fleet Management

Council manage approximately 1,300 plant and fleet with a current estimated value of \$11,476,808 comprising:

- Light vehicles
- Heavy vehicles
- Earthmoving plant
- Ground care plant and equipment
- Minor plant



An example of some of the assets managed



Mechanic Emma working on a Grader



Street Sweeper

Facilities Management

Management of Facilities

Council's Facilities team have been working to ensure service levels and safe operation improvements of all Council facilities throughout the region and have responded effectively to mitigate identified risks.

Regional Facilities for Livestock Selling for the Snowy Monaro Region

The saleyards continue to operate successfully throughout the year with regular sales being held. Council has continued to undertake maintenance on the facility including scoping of additional upgrades for the sheep loading ramps. The team has met with stakeholders and is working to improve the overall operation of the Infrastructure.

Support Community Projects Team Program throughout the Region

Facilities team have been working with various community groups initially as part of the \$14M SCFMPP. The team have provided support to the Major Projects assisting with scoping and Facilities Management advice to the ongoing suitability of additional and upgrading of assets. The Facilities team has also provided funds from aligned Capital Projects that has enabled improved outcomes.

Snowy River Health Centre

Snowy River Health Centre is working well with lessees in the ongoing management of this facility. Negotiations for a renewed lease are underway with the expectation that an agreement will be made early in the 2018/19 financial year.



Accessibility to all Council Facilities

A new all-accessible amenities building in Berridale has been completed. The Facilities team continue to explore options in relation to the Building Code of Australia (BCA) compliance and identifying accessibility improvements for Council Buildings throughout the Region.

Swimming Pools

All Council pools met water quality requirements throughout the year. A new chlorination plant was purchased for the Bombala pool to resolve on-going issues with the existing system. Pump replacements and routine maintenance have been undertaken at all pools in the Region. Council has applied grant funding to assist with improvements to Cooma, Bombala and Jindabyne pools with the outcome to be determined in the 2018/19 financial year.

Council Caravan and Holiday Parks

Caravan and Holiday Parks, both Council operated and leased continue to be promoted and are well utilised across the Region. Council continue to assist with management of day to day operations and facilitate upgrades to amenities. Electrical upgrades are being undertaken at Bill Jeffrey’s Caravan Park in Delegate along with improvements under Capital Projects.



Cooma Saleyards



Berridale Oval

Environment & Sustainability

Resource and Waste Management

Waste and Recycling Services

Rollouts of new waste and recycling bins has seen a steady increase in the amount of comingled recyclables being collected from the Region.

Coinciding with the new bin roll outs, Council also commenced the new Resource and Waste Management contract for the Bombala and Delegate area.

A local school student's creative flair with a recycling inspired artwork is showcased on the side of a kerbside collection vehicle, which is helping promote the Waste and Recycling message throughout the area.

Bombala received its first Household Chemical Collection day which was well attended with over 16.29 tonne of material being disposed of on the day. Further collection days being organised.



Recycling collection

Resource and Waste Education Team

Council's Resource and Waste Education Team have been providing education sessions to schools, community groups and the Waste Expo throughout the year helping to promote the "Recycle Right" and "Reduce and Reuse Recycle" messages. Organisation is underway for the annual Garage Sale Trail which is growing each year and will be held later in 2018. Ongoing training for the Waste Education team has been provided to ensure they are well prepared to support the community and deliver up to date information.



Council's Waste Education Team

Adaminaby Landfill Rehabilitation

The Adaminaby Landfill rehabilitation project has commenced with the last landfill cell area now being capped and revegetated and the project expecting to be completed in mid to late 2018. The rehabilitation project was jointly funded by Council and the Waste Less Recycle More Initiative's Landfill Consolidation and Environmental Improvements Grants Program.

Further site improvements are being undertaken to ensure the safety, operational and environmental needs are improved. These will include new skip bay fencing and improved site bunding areas to ensure that litter and liquid wastes are more effectively contained.



Waste Management Centre



Collection of recycling

ScrapMart Cooma

After nine years of finding second uses and homes for items that would have normally gone to landfill, celebrations are being organised for ScrapMart's 10th Birthday in 2019.

Waste and Recycling Services for Events

Community and Regional events are on the increase and Council's Resource and Waste services have provided assistance to the majority of events held throughout the Region including:

- Local shows
- Folk festivals
- Field days
- Major events - L'Etape and the Land Rover 70th Anniversary.



Waste education

Environmental Management

Cemetery Management

Under the Stronger Communities Grant project, Council's Cemetery team applied for and was granted funds to undertake a number of projects to upgrade and improve our regional cemeteries.

The funds from the project have been used to:

- Replace a storage shed at the Bredbo cemetery
- Install a new fence around the heritage wall of headstones at the Mount Cooper Cemetery near Bombala to protect the headstones from damage that may be caused by livestock
- Install new fencing and a gateway at the Numeralla Cemetery

Two of the community groups involved with the Council cemeteries also applied for specific funding within this project and the funds were granted for Numeralla and Nimmitabel.

An arborist report of all trees located in the Region's cemeteries under the care and control of Council was completed which has identified the condition of some nine hundred trees throughout the twenty three cemeteries. Many of the pine trees and some eucalypts were identified as requiring immediate attention and it also identified trees which will require attention within the next five years. One tree in particular, a large pine in the Old Adaminaby Cemetery, required immediate removal with the use of a crane due to its size.



Biosecurity Weeds

The 2017/18 financial year has been one of change for the Biosecurity Weeds team. The implementation of the new *Biosecurity Act, 2015* has required Council to prepare new Local Weed Management Plans that were adopted by Council in April 2018, to align with the South East Regional Strategic Weed Management Plan.

All Biosecurity Weed staff undertook training to equip themselves as delegated officers under the new *Biosecurity Act, 2015* and are now delegated Biosecurity Officers at Council.

The Regional Weed Action Program activity requirements have been undertaken by Council's Biosecurity Officers that includes property inspections totalling 1192.

Council's Aerial Spray Program was also completed which equated to a cost of approximately \$200,000 and covered 200Ha of private property.

The surveillance of the new incursion of Hawkweed has engaged not only Council Biosecurity staff but also private landholders and other State Government agencies including National Parks and Wildlife Services (NPWS) and Local Land Services (LLS). The summer season of 2017 covered surveillance of over 8,400Ha and used techniques such as drones and sniffer dogs to detect individual Hawkweed plants.



Public Health and Environment

Food Surveillance

Council undertook two hundred and forty fixed food premises inspections as part of our partnership agreement with the NSW Food Authority for compliance with the *Food Act, 2003* and the *Food Safety Standards*.

Scores on Doors

Council completed the roll out of the 'Scores on Doors' initiative for retail food businesses that rates compliance with hygiene and food safety requirements from existing mandatory inspections. The completed roll out schedule now covers all retail food businesses across the Region. The ultimate goal of the program is to reduce foodborne illness within the community and to encourage businesses to maintain hygiene and food safety standards. Certificates range from five Star down to a three Star rating depending on the score given at the time of the inspection.

On-Site Sewage Management

In June 2018, Council adopted the Snowy Monaro Regional Council's On-Site Sewage Management Strategy. Council currently has over 4300 systems to regulate and monitor.

NSW Drinking Water Monitoring Program

Council's Environmental Health team undertook the NSW Health Drinking Water Monitoring Program. This involves thirteen water supplies and three staff located in different offices collecting samples each week from the reticulation systems.

Protection of the Environment

During the year Council staff undertook numerous investigations in relation to pollution events reported either directly by the public or via the Environment Hotline manned by NSW EPA.

The types of incidences include:

- Dumping of tyres
- Asbestos
- General household waste

Council is an active member of the NSW Environment Protection Authority (EPA) and ACT Government Cross Border Illegal Dumping forum and attends quarterly meetings to address numerous illegal dumping issues and actively records incidences on the NSW EPA hosted Report Illegal Dumping (RID) online.



Drones used for Hawkweed Surveillance

Development and Building Certification

Development

Development throughout the Snowy Monaro Region continues to grow with a steady stream of developments being approved during the reporting period. Significant number of approvals have been issued for the Jindabyne area which is expanding at a rapid rate with several large sub-divisions being approved for residential developments. Council is currently working on our practices and procedures to streamline the development assessment process to ensure best practice customer service principles are implemented for our customers.

Heritage

In conjunction with the NSW Office of Heritage and Environment Council participated in the “Places Grant Program” during 2017/18 financial year. Five recipients were awarded funds totalling \$14,170 to undertake improvements on Heritage Items throughout the region. This generated works up to a total value of \$29,580. All works were completed within the allocated timeframes and within the scope of each project.

Building Certification

Council commenced Mandatory Reporting of Building Certification to the NSW Government through the introduction of mobile and tablet app CertAbility during the reporting period. Council will be reviewing this process during the next reporting period to ensure this platform is the most efficient and effective means of meeting the NSW Government reporting requirements.



Bridge over the Snowy River, Dalgety



Photo: Vickie Pollard, Geldmacher Mill, Nimmitabel



Photo: Immogen, The (Old) Village Water Supply

Economic Development and Tourism

The Inaugural Snowy Monaro Business Awards

The Snowy Monaro Business Awards were organised in conjunction with local Chambers of Commerce and local businesses from across the region have been recognised and celebrated at the inaugural Snowy Monaro Business Awards.

The success of Snowy Monaro businesses was on show at the gala awards night held on 18 May 2018 at The Station, Jindabyne. More than one hundred and fifty business leaders, owners and guests attended the occasion which provided a platform for local businesses to be honoured and thanked for the contribution they make to the region. Deputy Premier and Member for Monaro John Barilaro was also in attendance and delivered the keynote address.

Local Business

Council worked with the CRJO to gain grant money used to produce marketing promotions advocating to potential investors and based around five local business owners which is hosted on the Canberra Region website.



Upgrades to bike paths

70th Anniversary of Land Rover Event

Cooma Visitor Centre undertook the organisation and promotion of this event held in Cooma across the 2018 Easter weekend, which attracted hundreds of visitors to the Region. One of the highlights of the event included a street parade of almost 1000 vehicles through Cooma's main street, where large crowds of both locals and visitors aligning Sharp Street to enjoy the large range of Land Rovers, with makes and models from all era's on display. The overall success of the event resulted in Cooma being promoted on Land Rovers international website which has over sixteen million followers worldwide so some great international promotion of our unique region.



70th Anniversary of Land Rover Parade

Shared Trails

A substantial amount of community consultation has taken place with the Region's townships to identify issues and future requirements for pedestrian and shared pathways. Council's Economic Development and Tourism department having been working with Council departments, National Parks and Wildlife Service and Snowy Hydro to achieved the delivery of bike trails along Lake Jindabyne, extensions from Crackenback to Jindabyne and upgrades in Cooma's Mount Gladstone bike park.

Youth Council

The first inaugural Snowy Monaro Youth Council was elected along with the first Youth Mayor for the Region. The Youth Council provides an opportunity for young people to have increased opportunities for leadership, to provide strategic advice to Council and to celebrate the contributions of young people to our community, advocate for the needs of young people and provide a mechanism for their participation and involvement in decision making on community issues.

During this year's Youth Week the Youth Council also arranged activities which were not only fun for young people, but also create learning opportunities in careers and future employment areas in our region. These events allowed a wide range of young people to engage with activities that reflected their interests and skills.



Youth events across the Region

Heritage Studies

Preparation was undertaken of draft Heritage Studies for the former Bombala Shire including a study for the Bombala and Delegate Mainstreet Heritage.

Community Development

Continued overseeing of the operation for the Delegate Wood Working room. The Wood Working room has provided a great place for local people to come and learn new skills and has encouraged cohesion and connection within the community.



Snowy Ride

Corporate and Community Services

Chief Financial Officer

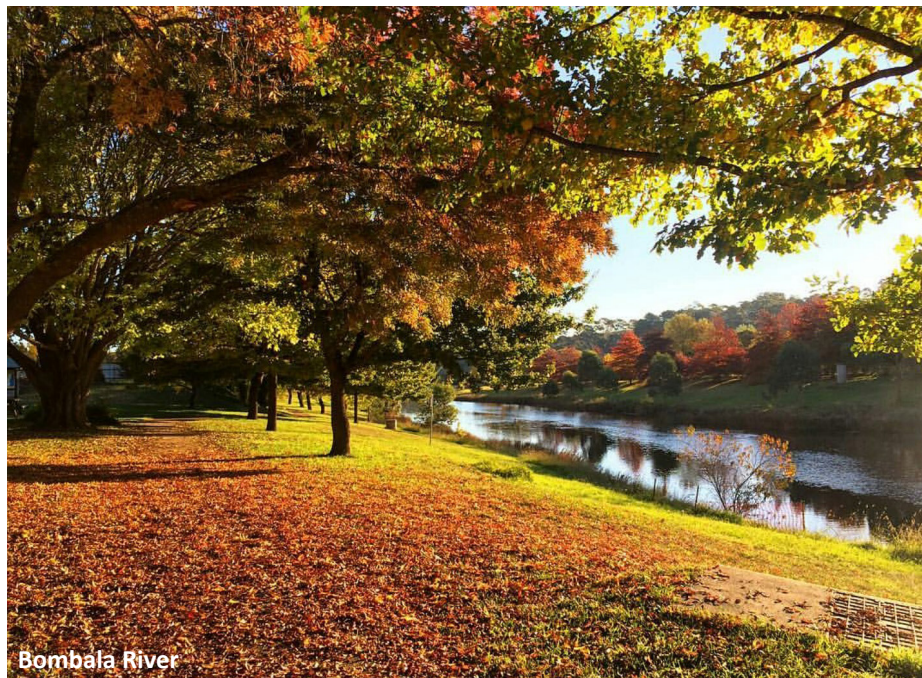
Part of the finance unit's role is to advocate on behalf of Council for increased funding to services and capital improvements. Through dedicated efforts we have been successful competing for grants during 2017/18. From smaller projects worth tens of thousands of dollars, to formal execution of the \$3.5 million committed by the Federal Government towards the \$7 million Bombala Sewage Treatment Plant (STP) Upgrade.

Successful grants announced during 2017/18 include \$400,000 under the NSW Boating Now Program towards the \$1 million upgrade of the Lake Jindabyne Boat Ramp access road. Three grants secured under Round 1 of the Stronger Country Communities Fund being Bombala Platypus Reserve Upgrade \$218,502; Cooma Basketball & Gymnastics facility and Cooma North Playground Upgrades \$195,000; and Bombala Racecourse Amenity Improvement Works \$517,472.

Negotiations were completed to deliver combined Flood Study activities for Cooma, Bredbo, Michelago and Berridale, via funding under the NSW Floodplain Management Program.

After a successful pilot program Council secured State government funding which will contribute to the continued hosting of a Road Safety Officer (RSO) role. The RSO in NSW local councils has a wide role encompassing not only behavioural road safety education, but also influencing the construction of infrastructure to improve the safety of road users. We look forward to working with Roads and Maritime Services NSW and our Community to deliver practical road safety initiatives for our Council. Council has applied to the NSW Safe & Secure Water Program with the aim of securing the balance of funds required to deliver the full upgrade scope at the Bombala STP. We continue to partner with other agencies in order deliver these projects, and many others, to the Community.

Council acknowledges the support of both the NSW State Government and the Australian Government for the provision of funding, without which, many of the projects and services that Council delivers would not be possible. In particular, the Australian Government's Financial Assistance Grants are essential for the continued delivery of services and infrastructure.



Bombala River



Photo: Ursula Kryj, Rushes Bay Jindabyne



NRMA Charging Station, Jindabyne

People and Culture

Organisational Restructure

Snowy Monaro Regional Council (SMRC) adopted its organisational structure on 30 June 2017. Following this, the People and Culture team undertook a project to laterally transfer staff into new positions within the structure which were determined to be the 'same or substantially the same'. The focus of this project was to facilitate the movement of staff with minimal disruption through a fair, consistent and transparent process. This involved comprehensive analysis of data for three hundred and twenty two staff members including; duties, responsibilities and remuneration of the position they held in the previous structure against the position they were to be transferred to and the new salary system. In addition new position descriptions were created. The result of the analysis enabled two hundred and seventeen staff to be directly transferred with a further twenty one staff appointed through internal recruitment processes. The initial restructure realised one hundred and twenty four vacancies.

The protection of employment conditions for staff during the period following the amalgamation will remain in place until 11 May 2019. In addition all recruitment and transfer activities are carried out under the same set of restrictions under the *Local Government Act, 1993*.

It is noteworthy that, to date, Council has not been subject to industrial dispute with regard to the

restructure or its processes in transforming the workforce.

In November 2017, the People and Culture team commenced a program to amend the adopted structure. On 18 April 2018 amendments to the organisational structure were adopted by Council.

After the lateral transfers, and running concurrently with the structural amendment, the recruitment of vacant positions continued. During the reporting period one hundred and three positions were advertised with four hundred and eighteen applications received. There were two hundred and thirty two candidates interviewed, of these ninety eight were successfully appointed with sixty nine of these being internal appointments. At 30 June 2018 there were ninety four vacancies.

Onboarding

In January 2018, the People and Culture team rolled out a new Group Induction Program as part of its onboarding process. All new staff participate in the half day program which includes an introduction to the General Manager and Executive Leadership Team and presentations on Councils Model Code of Conduct, Performance Management, Probation Periods, Essential and Professional Development Training, Work Health and Safety and Organisational Risk.



Personnel Evaluation System

During the reporting period, the People and Culture team finalised the configuration of the Personnel Evaluation System (PES), and it was rolled out to staff for completion of the 2017/18 annual performance reviews. Staff were assessed against Council’s five core values, tasks contained within the *Delivery and Operational Plan* and the key accountabilities and general responsibilities as detailed in position descriptions.

Payroll

All staff were transferred to a single payroll system from the former three systems during the year.

In addition electronic timesheets have been implemented for all staff.

Work Health and Safety

Council’s insurer StateCover, provides an Annual Report summarising Council’s performance across various workplace risk indicators. The report showed pleasing results.

The 2016/17 report denoted Council’s performance when compared to the Office of Local Government Group (OLG Group) and was ranked number one of the top ten lowest average premium rates of all StateCover Members for the reporting year. The report highlights include:

Category	SMRC	OLG Group Average
Average Premium Rate	1.83%	3.62%
Claim Performance Rate	0.66	2.27
Average Cost of Premium Impacting Claims	\$1,236	\$4,709
Average Incurred Claims Costs	\$2,676	\$13,071
Claims Frequency Per 100 Employees	4.19	5.79



Cooma Visitors Centre Team



Biosecurity Team

Community Support Services and Aged Care

Snowy Monaro Regional Library (SMRL)

Over the past year the Library continued to run many successful cross generational events and programs. These one hundred events were attended by almost four thousand people at both Cooma and Bombala Libraries and included regular Preschool Storytime, School Holiday crafts and movie screenings to all age groups. Special Storytime sessions saw the Mayor reading to Lambie Street Pre-school for National Simultaneous Storytime, a visit from LAOKO with Sophie, a real wombat, a multicultural dance and story performance by MAGIC, a yoga session and our ever popular Pyjama Storytime.

Our annual charity events Food For Fines and Biggest Morning Soup continued to gain much support from the community with ten large boxes of food donated to the Salvation Army and St Vincent de Paul, and \$265 raised for the Cancer Council.

SMRL continued to partner with local organisations and schools to provide many programs. The highlight was the seven Science in the Snowies shows performed by Dr Graham Walker at four schools around the region. The Science Week activities finished with a Brain Break Morning Tea where participants had enormous fun making ice-cream in a bag and slime!

Our Digital Seniors Sessions are a big success thanks to the IT students from Monaro High School who present one-on-one sessions for seniors to explore and expand their digital knowledge on their own devices.

The Mobile Library launched its new wrap at Nimmitabel in July 2017 with seventy people attending to celebrate the new look. The entire story and promotion was featured on the front cover of the Winter edition of the State Library Public Library News magazine.

Community Transport

Community Transport was successful in obtaining an increase in grant funding which has enabled our services to continue to develop strong partnerships with a number of community and sporting groups. Transport is often listed as the biggest barrier for groups to access their community, with cost being the number one issue. These new partnerships have seen Community Transport engage local bus companies to provide transportation in the absence of resources through the Community Transport program. The engagement has been positive. Council will continue to offer these services in addition to building new partnerships.

Community Transport volunteers undertook a staggering 8,008 hours of driving and travelled 322,892 kilometres. This is an amazing achievement. The following calculation provides an example of the numeracy value that volunteers provide to our Council. Community Transport drivers contributed 8,008 hours x \$41.72 (amount prescribed by the Australian Bureau of Statistics (ABS) May 2017 – May 2018) over the last year. If these services were provided by a paid employee, it would have cost our service \$334,094.

This year we said goodbye to four of our wonderful volunteers. George Bowden and Col Cottam retired from volunteers after 12 years. Polly Oldfield and Chrissy Gordon also retired. Council thank all our volunteers for their continued support, dedication and friendship.

Home Care Packages

Community Support Services continued to deliver Home Care Packages on a Consumer Directed Care basis. There continues to be a shortage of Level 3 and Level 4 packages Australia wide. This year we provided support to:

- 27 Level 2 packages
- 9 Level 3 packages
- 11 Level 4 packages

Commonwealth Home Support Program Home Support Services

The Commonwealth Home Support Program (CHSP) has seen a large increase in demand for services this financial year. This has resulted in our services at times being at full capacity specifically personal care and domestic assistance.

There has also been an increase in hot meal requests through Meals on Wheels. Our team of dedicated volunteers ensures this service is more than just a meal, they take the time to chat with consumers on delivery of their food. Our Meals on Wheels volunteers contributed an estimated 2000 hours x \$41.72 (amount prescribed by the ABS May 2017 – May 2018) over the last year. If the delivery of Meals on Wheels was provided by a paid employee, it would have cost our Council \$83,440.

Social Support Group and Day Programs

Over the last 12 months we have developed new programs which show case our region's townships and communities. This has supported consumers to get to know their Region, allowing the development of friendships, while combined group activities supported our consumers to come together as one. This has worked extremely well and has seen the groups start to develop and grow.

In responding to Aged Care reform, our programs have had a focus on health, wellness and enablement. We have developed a partnership with Southern NSW Local Health District, who have provided training to our group facilitators in the art of Tai Chi. Tai Chi sessions across multiple locations has been of great success and well received.

Flexible Respite Program

Community Support Services provides support to numerous carers throughout the region by offering flexible respite in the consumers' home or at our centres in Cooma and Bombala. This year we supported 110 carers under the Commonwealth Home Support Program Care Relationships and Carer Support Sub-Program.

Under the *Carers Recognition Act, 2010* we ensured we provided quality in home respite which allowed

working carers or those who needed a break, reliable and consistent service which supported them in their caring role.

National Disability Insurance Scheme

The National Disability Insurance Scheme (NDIS) continues to grow and develop in our Region. All our consumers have now transitioned from our former Department of Ageing Disability and Home Care block funding to the National Disability Insurance Scheme individual packages.

We continue to support those who need services however do not fit the criteria of the NDIS.

Over the past year we have concentrated on increasing the number of social outings on offer. Programs included salt water fishing, trips to Canberra for ten pin bowling and also shopping at the food markets. Feedback from participants has been positive with the request for more in the future.

Residential Aged Care

Snowy River Hostel

The local Berridale community are committed to Snowy River Hostel through the Berridale Inn meat raffles. This fundraising has enabled the design and construction of a new outdoor space that can be accessed year round. It is scheduled for construction in 2019. The Hostel Support Group continue to assist residents with fundraising adventures.

Snowy River Hostel residents continue to gain much pleasure by entering the Dalgety Show, with many prizes for resident art & craft entries being proudly displayed around the facility.

Yallambee Lodge

Residential Aged Care has been going through an review aimed at ensuring sustainable high quality care continues to be offered across our region.

Yallambee Lodge were fortunate to have a visit from students participating in the Duke of Edinburgh program. Students came from Cronulla High School in Sydney and enjoyed the day gardening, assisting in the kitchen and attending to morning tea with residents.

Governance

Council Elections

The Corporate Governance team facilitated the first Snowy Monaro Regional Council Elections held on the 9 September 2017 and the following onboarding of the newly elected Councillors. As newly elected Local Government Officials, Councillors are given the opportunity to undertake a series of workshops training to assist their transition into the new Council and gain a deeper understanding of the processes and responsibilities.

Community Strategic Plan 2040

Governance facilitated the development of the new *Community Strategic Plan 2040* and supporting documents:

- *Delivery Program 2018 – 2021 incorporating 2019 Operational Plan*
- *2018 – 2028 Resourcing Strategy*

This process involved a significant amount of Community consultation which included drop in sessions being held throughout the Regions towns. Multiple functions within the Council were well represented with staff in attendance to discuss the future plans and direction of the Council with the community.

Council Meetings

A total of fifteen Council meetings were coordinated by the team across the region. These meetings have been well attended by the public on-site in Cooma, Bombala and Berridale.

The introduction of live streaming Cooma based Council meetings has provided the opportunity to the wider community to view meetings online. During the 2017/18 financial year Council recorded a total 1,795 live views and 1,406 archive views.

Delegations Review

As part of newly elected Council's requirements to review its delegations during the first twelve months of each term of office. Governance commenced the full review of the previous Delegations Register through to adoption by Council in February 2018 and is published on the Council website.

Annual Report

The 2016/17 Annual Report was completed and presented to Council in November 2017.

Sponsorship and Donations

Implementation of the new Sponsorship and Donations process was completed with the first submission round released. A total of forty four (44) submission were received from the community and presented to Council for consideration at the 19 July 2018 meeting.

SNOWY MONARO
REGIONAL COUNCIL
SNOWY MONARO 2040
COMMUNITY STRATEGIC PLAN



SNOWY MONARO
REGIONAL COUNCIL

DELIVERY PROGRAM 2018-21,
incorporating
2019 OPERATIONAL PLAN



The Community Strategic Plan 2040 and Delivery Program incorporating 2019 Operational Plan are available on Council's website

Boco Rock Wind Farm Community Enhancement Fund

A new committee was established to facilitate the funding distribution. Expressions of interest were sought from the community to participate on the Committee, which has a registration of nine members including the Mayor, General Manager two Councillors, representation from Boco Rock Wind Farm and four community members.

The Committee developed a revised charter and the first round of funding from the consolidated committee will be undertaken in the first half of the 2018/19 financial year.

Information Technology and Communications

Councils' new *Information Communication and Technology Strategy* was presented and implemented to support organization in providing clear direction and support for its growing technology demands over the next four years.

The Information Technology and Communications team continues to work on enhancing and harmonisation of information and communication services for the organisation. This has provided staff with mobility to work across the various locations in the Region and provide the appropriate tools for more effective Customer Service needs.



Photo: Deb Talan, Boco Rock Wind Farm

Executive Services

Innovation and Business Development

Business Development

Sharing Knowledge with the Industry

In October 2017 the Innovation & Business Development (IBD) team was asked to present at the Local Government Professionals – Service Review Workshop. Being involved in this industry forum, enabled us to connect with peers and other councils from across the state, enabling us to building partnerships with other Councils.

Project Management Framework

It has been known that applying project management principles in delivery outcomes can assist at many levels of the organisation. IBD has staff who have been developing a framework including tools and support for the progress of any project from an idea to a tangible outcome.

Community Satisfaction Survey

In 2017, a Community Satisfaction Survey (CSS) was undertaken by Council. A briefing paper was prepared on the results of the survey outlining recommendations that have been endorsed.

Innovation

Over several months our team has been working closely with technical staff in the Environmental Management team to scope and develop a business case for the introduction of drone technology into the organisation. A formal project was included in the 2019 Operational Plan and a pilot project for this technology has been successfully funded.

Productivity Sessions

We have seen and heard many times that emails can get out of control so quickly these days. IBD members shared some practical tips on how to better manage our email system. The session was so well received that it has been delivered to several groups of people across the council footprint area.

Embedding Continuous Improvement

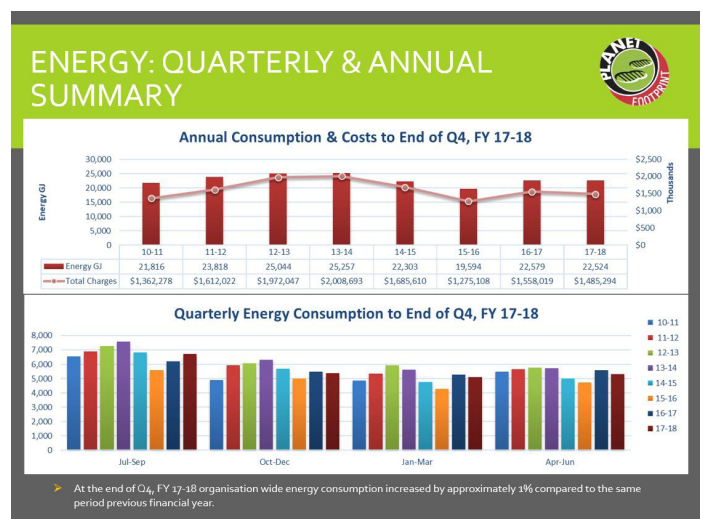
A big focus for this year has been understanding how the new IBD business unit can facilitate and assist continuous improvement with our operational business partners. Our strategy focuses on three (3) key results that rely on sharing knowledge, promoting and progressing ideas for change, big or small, and facilitating conversations that look at our systems and processes.

Sustainability

The Green Team is an internal committee that has been working for a long time in improving Council's ecological sustainability. In March 2018 the 'Sustainable Business Development Policy' was drafted and has shifted Council's focus to continue looking at environmental sustainability options as well as social and financial sustainability.

Planet Footprint

We receive consolidated information from our 'Planet Footprint' data for council assets across the Region. This third party system includes analysis of our energy usage and consumption as well as the electricity costs. We receive a quarterly report which highlights areas of our operations that would benefit from considering alternatives ways of using energy, including renewable energy options.



Sustainable Living Guide

Council is now a proud partner with 'Natural Strategies Group' to share and promote information on how individuals and organisations in our community can incorporate sustainability practices into their day-to-day.

Internal Audit

In September 2017, we welcomed two new members to our Audit, Risk and Improvement Committee (ARIC), Mr Adam Vine and Mr John Barbeler.

Having resources dedicated to internal audit and an independent committee, provides assurance to Council and the Community that we are undertaking necessary risk management, have in place control frameworks, meet legislative compliance, and perform internal audit responsibilities.

To see more about Council's ARIC visit our website.

Enterprise Risk

The adopted organisation structure has seen a full time position focusing on Enterprise Risk Management. During the first six months, investigation into a technology solution for risk management was sourced, configured and tested. In January, a permanent appointment was made to the position which took on responsibility for progressing the initiatives to develop our risk management maturity and insurance management.

- Consolidated cloud-based system accessed via the internet
- Three separate risk registers, simplifying management and application of risk assessment
- Consolidation of seventeen risk categories to seven categories

Stronger Councils Framework

September 2017 was a milestone for the merger project. With the incoming council being elected, it was a timely opportunity to review achievement of the goals of Phase 1 of the amalgamation. A report on the progress was provided to the Audit, Risk and Improvement Committee and detailed data that was being used to measure success against the framework.

Merger Road Map Actions

The final report on the merger project actions at 30 June 2018, was presented to Council on 16 August 2018.

Performance:

- 34 tasks recorded an increase in progress to 30 June 2018
- 6 tasks remained steady, including two which were completed

Management:

- 27 tasks have been completed
- 13 incomplete tasks have been carried forward into Council's *2019 Operational Plan*

Local Government Excellence Awards

Council nominated for eight awards under the Local Government Excellence Awards program. Council was a finalist in six categories and was awarded highly commended for the completion of the Service Reviews.



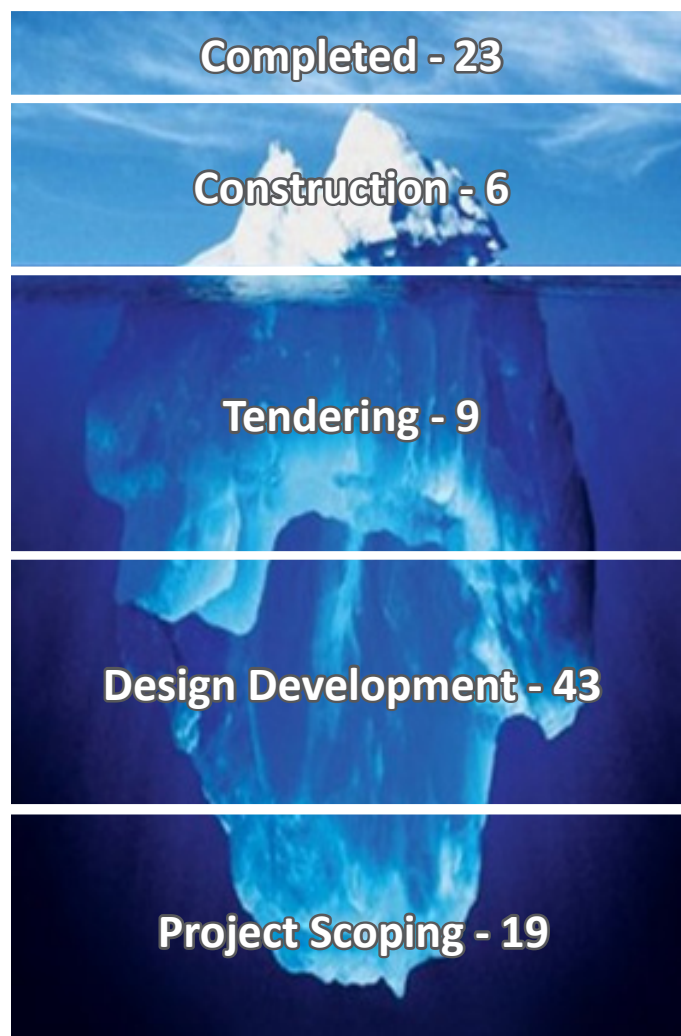
Stronger Communities Fund Major Project Program

100 Projects, \$14 Million

The Stronger Communities Fund was established by the NSW Government to delivery new or improved infrastructure or services to the community.

The projects included in this program of works were developed in consultation with the Local Representative Committees (LRC's) and the wider community and adopted in May 2016 by Council. As at 30 June 2018 all projects have commenced.

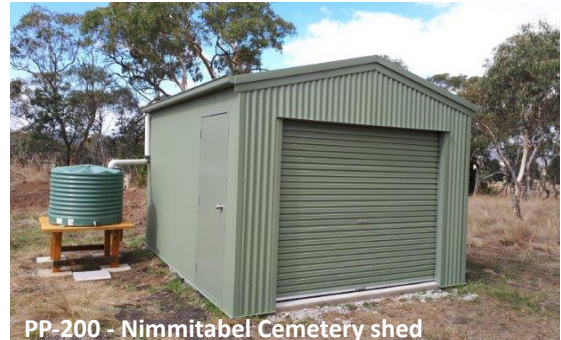
Project Status as at 30 June 2018



Completed Projects



PP-059 - Lake Williams Facilities upgrade



PP-200 - Nimmitabel Cemetery shed



PP-066 - Berridale Community Hall change rooms



PP-125 - Cathcart playground roof extension



PP-176 - Storage space at The Hub, Cooma



PP-208 - Delegate Sportsground seating



PP-146 - Water drinking station, Bombala



PP-122 - Mt Gladstone safety fence

Project Status as at 30 June 2018

	Building Upgrade or Modification Projects - 27
Completed	PP-059 Upgrade of the amenities at Lake Williams Nimmitabel
	PP-066 Upgrade to the change rooms at Berridale Community Hall
	PP-073 Finalise planning for Aitchison House Cottage Restoration Project
	PP-124 Internal painting at Delegate School of Arts building
	PP-125 Seating, Concrete and drainage works at the Cathcart School Of Arts Park
	PP-133 Purchase & install chairs, tables, IT / Wi-Fi equipment and furniture at The HUB Cooma
	PP-176 Construction of Storage space at The Hub Youth Centre Cooma
	PP-215 Installation of wing wall curtains and track at the Jindabyne Memorial Hall
	PP-239 Insulation of main classroom at the Delegate Preschool
Tendering	PP-032 Upgrade to Snowy Oval amenities building
Design Development	PP-018 Upgrade to the Cooma Visitors Centre
	PP-101 Replacement of Pavers along the Promenade at Jindabyne Town Centre
	PP-130 Upgrade of dining room at the Bombala Showground Exhibition Hall
	PP-171 Construction of new Toilet Facilities in Bombala CBD
	PP-183 Demolition of old toilet block at Jindabyne Town Centre
	PP-184 Upgrade of Parking area, bin covers, foliage at Jindabyne Town Centre
	PP-192 Construction of new Public Toilets Jindabyne Town Centre
PP-213 Extension of stage lighting control at the Jindabyne Memorial Hall	
Project Scoping	PP-017 Investigate options for the upgrade of the Bandshell facility in Cooma
	PP-061 Development of options analysis for Learning and Information Hub at Jindabyne
	PP-068 Refurbish the Dalgety Showground Pavilion
	PP-071 Refurbish the existing toilet facilities at Adaminaby School of the Arts
	PP-081 Options investigation for amenities building upgrades at the Jindabyne Sportsground
	PP-136 Roof and heater replacement at the Nimmitabel Hall
	PP-147 Upgrade the foyer and change rooms at the Cooma Basketball and Gymnastics Facility
	PP-202 Upgrade to the kiosk facilities at the Bombala Exhibition Ground
PP-206 Upgrade to the kiosk facilities at the Delegate Sportsground	

Project Status as at 30 June 2018

	Public Health Projects (Including Cemeteries) - 6
Completed	PP-199 Replacement of fence at the Numeralla Cemetery
	PP-200 Improvement for maintaining Nimmitabel Cemetery
Construction	PP-139 Undertake various works at Cemeteries in the Cooma area
	PP-139 Undertake various works at Cemeteries in the Bombala area
	PP-139 Undertake various works at Cemeteries in the Snowy area
Tendering	PP-138 Develop strategic plan for the Snowy Monaro Regional Pound facilities

	Streetscape Projects - 17
Tendering	PP-231 Jindabyne Streetscape Project (Kalkite St Carpark)
Design Development	PP-113 Delegate Streetscape Project
	PP-137 Installation of Banners in Bombala
	PP-137 Installation of Banners in Cooma, Michelago, Bredbo & Nimmitabel
	PP-137 Installation of Banners in Jindabyne, Berridale and Adaminaby
	PP-154 Bombala Streetscape Project - Therry St Square (Balancing Project)
	PP-155 Myack St Intersection Berridale
	PP-224 Adaminaby Streetscape Project
	PP-226 Bombala Streetscape Project
	PP-227 Bredbo Streetscape Project
	PP-228 Cathcart Streetscape Project
	PP-229 Dalgety Streetscape Project
	PP-230 Delegate Streetscape Project
	PP-232 Michelago Streetscape Project
	PP-233 Nimmitabel Streetscape Project
	PP-234 Numeralla Streetscape Project
PP-235 Bibbenluke Streetscape Project	

Project Status as at 30 June 2018

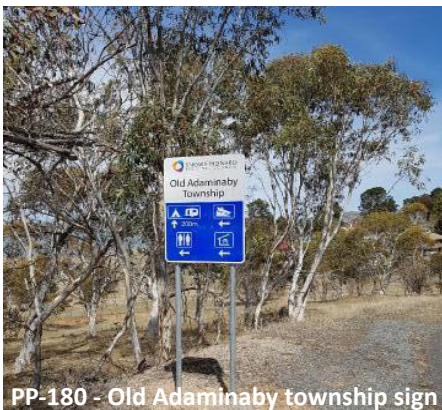
	Roads and Bridges Projects - 13
Completed	PP-122 Installation of additional Safety fencing at Mt.Gladstone for the Hill Climb races
	PP-180 Installation of additional signage at Old Adaminaby
Construction	PP-236 Undertake critical Bridge Repairs within Bombala Area
Design Development	PP-099 Construction of a roundabout at the intersection of Baron and Sharp St
	PP-143 Design and approvals for the upgrade to Rockflat Creek Bridge
Project Scoping	PP-152 Finalise project design and approvals for the Bombala Heavy Vehicle Bypass Route (Balancing Project)
	PP-161 Accessibility and footpath upgrades in the Bombala area
	PP-161 Accessibility and footpath upgrades in the Cooma area
	PP-161 Accessibility and footpath upgrades in the Snowy River area
	PP-219 Undertake project to alignment the road and road reserves in the Bombala area
	PP-219 Undertake project to alignment the road and road reserves in the Cooma area
	PP-219 Undertake project to alignment the road and road reserves in the Snowy River area
PP-242 Development Jerrara Drive improvement options	

	Renewable Energy Projects - 6
Completed	PP-088 Installation of solar energy at Yallambee Aged Care Facility
	PP-089 Installation of solar energy at Berridale Aged Care Facility
	PP-090 Installation of Solar heating at Berridale Swimming Pool
Tendering	PP-240 Renewable Energy - Investigation and installation in the Snowy River area
	PP-240 Renewable Energy - Investigation and installation in the Bombala area
	PP-240 Renewable Energy - Investigation and installation in the Cooma area

Project Status as at 30 June 2018

	Recreational Facilities Projects - 31
Completed	PP-076 Upgrade of pump at Adaminaby Swimming Pool
	PP-083 Supply of pool vacuum at Berridale Swimming Pool
	PP-123 Purchase of multimedia equipment for the Michelago Memorial Hall
	PP-146 Installation of Water Drinking Stations in the Bombala area
	PP-146 Installation of Water Drinking Stations in the Cooma area
	PP-146 Installation of Water Drinking Stations in the Snowy River area
	PP-208 Installation of new seating around Delegate Sportsground
Construction	PP-135 Construction of BBQ and shelter at the Nimmitabel Caravan park
	PP-145 Installation of access path at John Connors Oval Jindabyne
	PP-174 Upgrade of facilities at the Nimmitabel Caravan Park
Tendering	PP-190 Installation of Playground at Michelago
Design Development	PP-025 Nijong Oval Improvements; including upgrade to amenities, car park, playground installation
	PP-031 Improvement at the Cooma Festival Swimming Pool
	PP-034 Upgrade playground at Cooma North shops
	PP-037 Upgrade of Playground at Rotary Oval
	PP-041 Upgrade to Cooma Centennial Park playground
	PP-046 Complete the missing links for shared path in Cooma
	PP-053 Finalise Design and approvals for the Shared path from Lion Park to Murrumbidgee River reserve; undertake stage 1 of the works (Balancing Project)
	PP-057 Installation of additional Fitness Stations Jindabyne
	PP-129 Upgrade of Adaminaby Playground
	PP-156 Replacement of Berridale Lions Park Playground Equipment
	PP-157 Replacement of Dalgety Showground equipment
	PP-163 Construction of an All abilities Playground at Bombala
	PP-167 Badja Picnic Area upgrades at Numeralla
	PP-182 Upgrade of Jindabyne Boat Ramp area (Balancing Project)
	PP-221 Construct of a playground at Kalkite
	PP-223 Undertake design and approvals for the Lake Jindabyne Shared Trail
PP-241 Installation of Dalgety Precinct equipment	
Project Scoping	PP-148 Resurfacing of Berridale Oval
	PP-220 Review of facilities at Jindabyne Pool and undertake key works
	PP-222 Upgrade to Clay Pits area at Lake Jindabyne Foreshore (Balancing Project)

Completed Projects



Statutory Information

Audited Financial Statements

The Snowy Monaro Regional Council 2018 Audited Financial Statements and Auditors Report are located in Appendix 1.

Rates and Charges Written Off for the Year

Under Clause 132 of the *Local Government (General) Regulation, 2005* Council is required to report on rates and charges that were written off in the 2017/18 financial year.

During the 2017/18 financial year the following bad and doubtful debts were written off:

Expense Type	Amount \$
Movement in Provision for Bad Debts	Nil
Bad Debts Written Off	51,254
Interest Written Off	6,911
Total	58,165

Report on Special Variation

Under the *Special Rate Variation Guidelines, 7.1*, Council is required to report any activities funded via a special rate variation of general income.

Council did not apply for any Special Rate Variations during the 2017/18 financial year, as such there are no activities to report.

Payment of Expenses and Provision of Facilities

Councillor and Administrator Fees, Expenses and Facilities

Payments of Expenses and Provision of Facilities for the Mayor and Councillors are made under the guidance of Council's SMRC2 - Payment of Expenses and Provision of Facilities for Mayor and Councillors Policy, which can be located on Council's website.

Money Expended on Mayor, Councillor and Administrator Fees

Council incurred the following fees during the 2017/18 financial year:

Expense Type	Amount \$
Mayoral Fees	33,345
Councillor Fees	168,158
Administrator Fee	42,923
Total Amount Expended for Provision of Facilities*	94,027
Total	338,453

Provision of Facilities

Council incurred the following fees and expenses for the provision of facilities during the 2017/18 financial year:

Section	Expense Type	Amount \$
(i)	Provision of dedicated office equipment allocated to councillors	2,363
(ii)	Telephone calls made by Councillors	9,325
(iii)	Conferences and seminars	29,897
(iv)	Training and development from prior year	Nil
(v)	Interstate visits	Nil
(vi)	Overseas visits	Nil
(vii)	Person accompanying administrator	Nil
(viii)	Child or Family Member Care	Nil
	Travel (excluding overseas & interstate visits)	18,864
	Food and Catering	13,043
	Vehicle Allowance	20,021
	Other	514
	Total	94,027

Statement of Total Remuneration of General Manager

During the 2017/18 financial year Council employed a General Manager, following is a statement of the total remuneration.

Section LGR 217(B)	Remuneration Component	Amount \$
(i)	Salary	208,134
(ii)	Additional payment	Nil
(iii)	Contribution to superannuation	26,961
(iv)	Non cash benefits	7,134
(v)	Fringe Benefits Tax on Non-Cash Benefits	7,771
	Total	250,000

Statement of Total Remuneration of Senior Staff

During the 2017/18 financial year Council employed four Directors as Senior Staff, following is a statement of the combines total remuneration.

Section LGR 217 (C)	Remuneration Component	Amount \$
(i)	Salary	559,486
(ii)	Additional Payment	Nil
(iii)	Contribution to superannuation	76,392
(iv)	Non cash benefits	8,803
(v)	Fringe Benefits Tax on Non-Cash Benefits *	2,065
	Total	646,746

* Fringe Benefits Tax on leaseback vehicles

Overseas Visits by Staff, Councillors or Other Persons

There were no overseas visits by staff, Councillors or other persons during the 2017/18 financial year.



Statements of External Bodies

Statement of Other Bodies, Companies, Joint Ventures and Partnerships that Council held a Controlling Interest

There were no other bodies, companies, joint ventures and partnerships that Council held a controlling interest during the 2017/18 financial year.

Statement of External Bodies that Exercised Functions Delegated by Council

Council delegated functions to the below external bodies as required to be reported under the *Local Government (General) Regulation Clause 217*:

- Aboriginal Liaison Committee
- ANU Medical School - Community Advisory Committee Board
- Canberra Region Joint Organisation of Councils (CRJO)
- Cooma Correctional Centre Community Consultative Committee
- Community Safety Precinct Committee
- Local Traffic Committee
- District Bush Fire Management Committee
- Monaro Regional Interagency
- Jindabyne Liquor Accord
- Southern Monaro Local Emergency Management Committee
- Southern Monaro Local Emergency Rescue Committee
- South East Arts
- Boco Rock Community Fund Committee
- Bundian Way Advisory Committee
- Cooma Universities Centre
- Delegate Progress Association
- Joint Regional Planning Panel
- Monaro Housing Taskforce
- Snowy Mountains Neighbourhood Centre
- Upper Murrumbidgee Catchment Co-ordinating Committee

Statement of Other Bodies, Companies, Joint Ventures and Partnerships that Council Participated

Snowy Monaro Regional Council has continued to be a shareholder in the Southern Phone Company, a telecommunications company covering the south east region of NSW. All former Councils were a shareholder of this company.

Council was a member of Canberra Region Joint Organisation of Councils' during the reporting period.

Council was a member of Statewide Mutual Liability Scheme during the reporting period and also a member of StateCover a workers compensation scheme.

Contracts Awarded

Details of Contracts awarded during 2017/18 financial year under the *Local Government (General) Regulation 2005 - Clause 217(1)(a2)*

Details of each contract awarded by Council during 2017/18 (whether as a result of tender or otherwise) other than contracts for less than \$150,000 or such other amount as may be prescribed by the regulations, including the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract.

Name of Contractor	Goods or Services Provided	Total Contract Value \$
Arkwood Organic Recycling	Dewater & Disposal of Biosolids Cooma, Adaminaby, Berridale & Jindabyne STP	158,660
Tutt Bryant Equipment Pty Ltd	Supply and Delivery of one New CCF Class 12.5 Self Propelled Smooth Drum Roller	163,900
Cooma Steel	Numeralla RFB Shed	202,668
Cardno (NSW/ACT) Pty Ltd	Transport Design Project	204,800
Infinite Energy	Renewable Energy project	204,915
Komatsu Australia	Komatsu WA200PZ	258,899
SMEC Australia Pty Ltd	Flood Study and Floodplain Risk Management Study and Plan	291,429
Wagga Trucks	Supply, registration and delivery of Two (2) Heavy Rigid 6x4 Tipper Trucks	396,251
Bucher Municipal Pty Ltd	Supply and Delivery of one New Mobile Garbage Compactor 29m ³ Side Load	429,720
Spoutvac	Wastewater Vacuum Truck	456,940
Timber Restoration Systems Pty Ltd	Church Creek Bridge	499,487
Moduplay Group Pty Ltd	Design and Construction of Playgrounds	781,520
Hunter H20 Pty Ltd	Stage -2 – Bombala and Adaminaby STP Augmentation	921,802
RD Miller	Watermains Replacement - Jindabyn, Cooma, Bombala	928,125
Downer EDI	2018/2020 Bitumen Resealing	2,512,598
Jindabyne Landscaping	Mount Gladstone Mountain Bike Trail Detail Design & Construction	150,000
Service NSW	Council Service Centre - Bombala Office	187,703 Income

Legal Proceedings

During the 2017/18 financial year, Council was involved in three legal proceedings exceeding \$10,000. Of the three proceedings all are ongoing as at 30 June 2018.

A summary of the amounts incurred and the progress of each legal proceeding is as follows:

Legal Proceedings	Amount Incurred to 30 June 2018 \$
Planning and Development	83,749
Debt Recovery	111,913
Other*	375,256

*Other includes matters pertaining to Animal Control, Human Resources, and Executive Support.

Works Carried out on Private Land

During the 2017/18 financial year Council undertook access road maintenance for ratepayers including road grading, gravelling and ramp cleaning. All work was undertaken at commercial plant hire rates and not subsidised. All works were undertaken on private land not under the control of Council.



Photo: Ryan Smiles, Morning fog over Lake Jindabyne

Financial Assistance Provided

During the 2017/18 financial year Council facilitated cash and inkind donations and sponsorships to 88 organisations and community groups across the Region. Council has now implemented a new process for the administration of donations and sponsorships that will become effective in the 2018/19 financial year.

Organisation	Council Approved \$
Snowy Monaro Arts Council	1,000
Cooma Public School	100
Cooma Bombala Legacy	1,000
Jindabyne Central School	1,000
Fire & Rescue NSW Jindabyne 338 Branch	750
Berridale Chamber of Commerce	1,000
Adaminaby Races	1,200
Charmed Events	1,000
Dalgety Show Society	278
Cooma & District Kennel & Obedience Club	330
Michelago Region Community Association	643
Michelago Public School	1,528
Bombala Jockey Club	689
Dalgety Chamber of Commerce	800
Bombala Platypus Men's Shed	922
Rotary Club of Cooma	2,760
Cooma Show	1,000
Cooma Monaro Race Club Inc	1,000
Delegate Pastoral & Agricultural Show	1,000
Lake Light Sculpture Inc	4,000
Snowy River RSL Sub-Branch	1,500
Nimmitabel Garden Club	720
Bombala Historic Engine & Machinery Society Inc	5,000
Rotary Club of Bombala	285
Snowy Mountains Bowmen	1,000
Colin Shingles - Louis Mould Fundraiser	1,570
Snowy Mountains Photographic Club	800
Snowy Mountains Readers Writers Festival Inc	350
Bombala Exhibition Society	1,000
Bombala Exhibition Society / Australia Day Committee	300
Jerangle Progress Association	300
Bredbo Progress Association	200
Jindabyne Lions Club	200

Table on Financial Assistance Provided continued over page

Table on Financial Assistance Provided continued from Page 77

Organisation	Council Approved \$
Numeralla Countegany Volunteer Bushfire Brigade	200
Nimmitabel Lions Club	200
Michelago Region Community Assoc (MRCA)	200
Numeralla Folk Festival	5,062
Lateral Events - L'Etape	7,948
Mountain Life Church	510
Snowy Mountains Quilt & Craft Group	520
Jindabyne Lions Club	2,170
Seaside Scavenge	7,036
Sue Walker (Shave for a Cure)	500
Nimmitabel Men's Shed	709
Cooma Little Theatre	500
Ngarigo Nation Indigenous Corporation	570
Delegate Show	350
Delegate Campdraft	350
SMRC community events	6,000
Anglicare Op Shop	800
St Vincent de Paul Society	800
Snowy Monaro Assemblies of God (Abundant Life Centre)	800
Anglican "Seek and Find" Op Shop	800
Bombala Campdraft	740
Bombala Rotary Club	528
Nimmitabel Steam Punk Event	2,140
Berridale Public School & Berridale Little Stars	310
Action Sports Training	930
Raglan Art Gallery	2,200
Cooma Rotary	545
Nimmitabel & District Garden Club	504
Nimmitabel Heritage Trail / Mill Committee	990
Michelago Region Community Association	890
NSW Rural Doctors Network	3,300
Jindabyne Chamber of Commerce	600
School end of year presentations, \$100 was donated to each school in the Region	24,000
Total	87,227

Statement of Activities to Implement our Equal Employment Opportunity Management Plan

The Equal Employment Opportunity (EEO) Management Plan underpins Council's Equal Employment Opportunity Policy and, as required under the *Local Government Act, 1993*, outlines the programs by which the principles are to be achieved:

- *EEO Management Plan 2012-2021* completed and published on Internet and Intranet
- Actions plans have been captured in an electronic database
- EEO references are contained within Recruitment Advertising , Position Descriptions and performance review activities and reflected in Council's Vision and Values.

Report on Compliance with the Carer Recognition Act, 2010

Council's *Equal Employment Opportunity Management Plan* refers to a workplace that promotes equity referring specifically to Carers.

Council's obligations under the *Local Government (State) Award*, with regard to carers' leave and flexible arrangements for staff, who are carers, is in accordance with the guidelines of the *Carer Recognition Act, 2010*.



Photo: Dawn Mackay, Myalla Road

Government Information Public Access

Council received two Formal applications under the Government Information (Public Access) Act 2009, (GIPA) and the Government Information (Public Access) Regulation 2018, for the 2017/18 financial year. The following information is pertaining to the abovementioned Acts as required to be reported.

In addition to the formal applications Council facilitated 40 informal GIPA requests during the year.

Clause 74: Review carried out by Council Under Section 7 (3) of the Act

A full review of councils Publication guide was reviewed and adopted by Council in the current year.

Clause 7B: Total Number of Applications Received

During the 2017/18 financial year Council received a total number of two applications, including any withdrawn applications but not including invalid applications.

Clause 7C: Refused Applications

Council did not refuse any applications during the 2017/18 financial year.

Schedule 2 Statistical Information

Table A: Number of Applications by Type of Applicant and Outcome*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/ Deny whether Information is Held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0	0	0
Private Sector Business	0	0	0	0	0	0	0	0	0	0
Not for Profit Organisations or Community Groups	0	0	0	0	0	0	0	0	0	0
Members of the public (by legal representative)	0	0	0	0	0	0	0	0	0	0
Members of the Public (other)	2	0	0	0	0	0	0	0	2	100
Total	2	0	0	0	0	0	0	0	2	100
% of Total	100	0	0	0	0	0	0	0		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of Applications by Type of Application and Outcome

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/ Deny whether Information is Held	Application Withdrawn	Total	% of Total
Personal Information Applications*	1	0	0	0	0	0	0	0	1	100
Access Applications (Other than personal Information Applications)	1	0	0	0	0	0	0	0	1	100
Access Applications that are Partly Personal Information Applications and Partly Other	0	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	0	0	0	0	2	100
% of Total	100	0	0	0	0	0	0	0		

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid Applications

	Number of Applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	0	0
Application is for excluded information of the agency (section 43 of the Act)	0	0
Application contravenes restraint order (section 110 of the Act)	0	0
Total number of invalid applications received	0	0
Invalid applications that subsequently became valid applications	0	0

Table D: Conclusive Presumption of Overriding Public Interest Against Disclosure

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

*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

Table E: Other Public Interest Considerations Against Disclosure

	Number of Times Consideration Used	% of Total
Responsible and effective government	0	0
Law enforcement and security	0	0
Individual rights, judicial processes and natural justice	0	0
Business interests of agencies and other persons	0	0
Environment, culture, economy and general matters	0	0
Secrecy provisions	0	0
Exempt documents under interstate Freedom of Information legislation	0	0
Total	0	

Table F Timeliness

	Number of Applications	% of Total
Decided within the Statutory Timeframe (20 Days plus any extensions)	2	100
Decided after 35 days (by agreement with applicant)	0	0
Not Decided within time (deemed refusal)	0	0
Total	2	

Table G: Number of Applications Reviewed under Part 5 of the Act by Type of Review and Outcome

	Deciion Varied	Decision Upheld	Total	% of Total
Internal review	0	0	0	0
Review by Information Commissioner*	0	0	0	0
Internal review following recommendation under Section 93 of Act	0	0	0	0
Review by NCAT	0	0	0	0
Total	0	0	0	0
% of Total	0	0		

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

Table H: Applications for Review under Part 5 of the Act by Type of Applicant

	Number of Applications for Review	% of Total
Applications by access applicants	0	0
Applications by persons to whom information the subject of access application relates (see Section 54 of the Act)	0	0
Total	0	

Table I: Applications Transferred to Other Agencies

	Number of Applications Transferred	% of Total
Agency-Initiated Transfers	0	0
Applicant - Initiated Transfers	0	0
Total	0	

Public Interest Disclosures

There were no public interest disclosures made under the *Public Interest Disclosures Act, 1994* and *Regulation 2011*, herein referred to as the Act, as required to be reported for the 2017/18 financial year.

No public interest disclosures, received since 1 January 2012, have been finalised during the reporting period.

Council has developed Policy SMRC 338 - Public Interest Disclosures (PID) Internal Reporting to meet the requirements of internal reporting as required under the Act.

Report on Capital Works Projects

Council did not have any projects that meet reporting criteria under the OLG *Capital Expenditure Guidelines* during the 2017/18 financial year.

Environmental Upgrade Agreements

There were no Environmental Upgrade Agreements entered into during the 2017/18 financial year.

Compliance with Planning Agreements

The Voluntary Planning Agreement, (VPA), for Tyrolean Village will be finalised through final handover of recreational space by the end of 2018.

The VPA for Tyrolean Village required works to be completed prior to hand over however the Council has agreed through resolution to take a monetary payment equivalent to those works. This payment will be made in September 2018 and the process for handover of land is underway.

Stormwater Management Services

A Stormwater Levy exists for the Bombala Area that was imposed by the former Bombala Shire Council and inherited by Snowy Monaro Regional Council on amalgamation. However there isn't a Stormwater Levy across the whole of Snowy Monaro Regional Council's LGA.

Work is underway to create Developer Service Plans (DSP) for Stormwater, this will calculate the developer contributions required for future stormwater infrastructure along with what levy can be applied to maintain existing stormwater infrastructure. This work is expected to be finalised within the 2018/19 financial year at which point it will be presented to Council for approval.

Recovery and Threat Abatement Plans

Council was not referenced in any Recovery and Threat Abatement Plans during the 2017/18 financial year.

Inspections of Private Swimming Pools

Council officers completed inspections of private swimming pools in the Region in accordance with the *Swimming Pools Act, 1992* and *Swimming Pools Regulation, 2008*.

Number of Inspection of Tourist & Visitor Accommodation	10
Number of inspections with more than 2 dwellings	Nil
Number of inspections that resulted in issuance of certificate of compliance under Section 22D of the Act	11
Number of inspections that resulted in issuance of certificate of non-compliance under Clause 18BA of Regulation	Nil

Coastal Protection Service Provided

Council does not have any coastal areas, as such there are no levied services to report.

Companion Animals Act 1998 and Regulation Companion Animals Statement on Activities

Lodgement of Data Relating to Dog Attacks

Pound data has been entered in Companion Animals Register with the Division by Council Rangers. For the 2017/2018 financial year:

- 165 dogs were impounded
- 115 were released to the owner
- 7 sold
- 36 released and rehomed with the Cooma Branch RSPCA
- 7 dogs declared as restricted were euthanised

Lodgement of Data Relating to Dog Attacks

All dog attacks have been entered into the OLG Companion Animal Register with either Menacing or Dangerous Dog Declarations issued.

Amount of Funding Spent on Companion Animal Management and Activities

Under Section 85 (1A) of the *Companion Animals Act, 1998*, the following table details the use of fund money used for managing and controlling companion animals across the Region during the 2017/18 financial year.

Expense	Amount \$
Employment Costs	154,620
Materials & Contracts	10,898
Other Operating Expenses	105,600
Depreciation	1,495
General Asset Expenses	Nil
Internal Plant Charges	24,102
Internal Charges	279
Internal Payroll Charges	51,216
Total	348,210

Companion Animal Community Education Programs

On a regular basis Council posts information on social media and provides guides, factsheets and general information on Councils web page.

Council promoted and undertook free microchipping of dogs at the Bombala and Delegate shows to encourage owners to not only to get their dogs microchipped but register their dogs as well.

Strategies to Promote and Assist the De-Sexing of Dogs and Cats

On a regular basis Council posts information on social media and provides guides, factsheets and general information on Councils web page.

Strategies to Seek Alternatives to Euthanasia for Unclaimed Animals

Only restricted dogs that cannot be rehomed are euthanised. All other dogs are rescued by the Cooma RSPCA or other rescue groups such as the Golden Oldies.

Funds Spent on Management Activities

Under Section 16.2(b) of *Guidelines on the Exercise of Functions under the Companion Animals Act, 1998* council spent \$256,814 on companion animal management activities for the 2017/18 financial year.

Snowy Monaro Regional Council Off Leash Areas

Off leash areas across the Region include:

Bombala

Bombala River - Along the reserve of the Bombala River



Berridale

Myack Creek Reserve - On Myack Creek Reserve near Ivy Cottage Estate



Jindabyne

Claypits - Along the Foreshore, west of the toilet block at the clay pits, to the east of the sailing club



Pooh Bay - Along Pooh Bay Foreshore, off Cobbon Crescent



Cooma

Yallakool Road – Fenced off area within the Lions Park



Church Road - the grassed area which extends along Church Road and is bound on the far side by Cooma Creek. Signs showing boundaries and bins for waste are provided



Implementation of Disability Inclusion Action Plan

Council's Disability Inclusion Action Plan (DIAP) was prepared in 2017 Council has maintained the implementation of 38 current strategies which support a more inclusive and liveable community. Highlights from within these activities include:

- Increased and improved communications in existing and new mediums across the region with a focus on writing style and accessibility of information
- Ongoing infrastructure upgrades are conducted in line with relevant Codes and Standards to ensure improved accessibility and consumer safety
- International Day of People with Disability events in Cooma and Bombala. A multi-agency planning committee was established to plan and deliver the event, including representation from people with disability, service providers, education institutions and community members. Approximately 250 people over two events. In Cooma, the Celebrate Ability Festival was held in Centennial Park with entertainment, celebration and service provider information. In 2017, the event was held for the 8th consecutive year and included awards for people with disability who are achieving great things in social, recreational, sporting and economic participation as well as for those who support and champion people with disability.

DIAP Recommendations Implemented

The following recommendations from the DIAP have been implemented and completed:

- Implementation of webcasting provides people with disability the opportunity to access Council Meetings and information in their homes
- Successful finalisation of transition from block funded disability service programs to individualised NDIS packages. Development of increased and age appropriate NDIS services for younger people with disability across the region
- The Pay It Forward program was implemented by the Environmental Management team (Rangers). Pay It Forward provided low cost long term animal

health programs including microchipping and de-sexing for dogs and cats and vaccinations for dogs, in particular for people who are experiencing financial difficulty such as those on a disability pension.

DIAP Recommendations in Progress

The following recommendations are in progress:

- Development of community engagement policy and associated processes, tools and methods
- Review of SMRC website to ensure compliance with existing best practice Web Content Accessibility Guidelines (WCAG) 2.0 standards and plan for creation of future content to comply with incoming WCAG 2.1.

Report on Disability Inclusion Action Plan

Bring Positive Attitudes

- Communication through an increased variety of channels including online and in print
- Continued delivery of programs for people with disability through Community Services. Increased and individualised programs for younger people with disability
- Community Development programs which include and champion people with disability
- Successful International Day of People with Disability events in Cooma and Bombala
- Participation in forums, networks, collaborations and events which support increased diversity and stronger communities.

Creating Liveable Communities

- Community consultation processes held for SCFMPP programme
- Inclusion of accessible features in SCFMPP playground projects
- Continued roll out of donations /sponsorships programs supporting community groups
- Operational upgrades including recent infrastructure works to improve accessibility
- Pay It Forward program supporting people on low income including disability payments to access low cost registration, microchipping and vaccinations

- Provides Library services which are accessible in a range of communities and fosters the “community hub” aspect of libraries including Mobile Library.

Supporting Access to Meaningful Employment

- pragmatic approach to providing meaningful opportunities for people with potential support needs. People and Culture seek specialist advice where required
- Participation in networks and forums as necessary which support ongoing and increased opportunities for community based employment for people with disability. Establishes and maintains relationships with education and employment providers including disability specialist organisations
- Celebrate Ability Awards presented during International Day of People with Disability events includes Employer of the Year (Fletcher Lee Shield) and Employee of the Year
- All staff receive training / induction which promotes Council’s Vision and Values; A Trusted Community Partner through being Solutionary, Together, Caring, Accountable and Innovative
- Provides access to an EAP for all staff.

Accessible Systems, Information or Processes

- Development and delivery of Snowy Guide app
- Ensures that SMRC website complies with WCAG
- Development and implementation of content and communication templates which provide increased accessibility
- Working towards development of additional online resources for staff and community to increase awareness and accessibility
- Implementation of web casting for Council meetings held in Cooma Chambers.

How have you determined that you’re meeting the needs of people with disability?

- Continued engagement with community groups and networks which include people with disability and service providers
- Consultation with service recipients and their families/carers

- Consultation included in the CSP, Planning and Delivery process
- The DIAP was adopted on 26 June 2017, allowing implementation to begin in the 2017/18 financial year
- Monitoring of complaints through Governance team to identify complaints related to accessibility of facilities, infrastructure, access to information, discriminatory practices etc.

Describe your challenges and successes in delivering on your parts of the DIAP

Challenges:

- Improving education deliveries to the organisation and the inclusion of DIAP considerations within the Project Management process to achieve a proactive engagement at various project stages
- Raising the profile of the DIAP to encourage more proactive buy-in across the broad spectrum of Council operations

Successes:

- Identifying many of Council's existing processes have accessibility/inclusion outcomes included
- Working with the Council's Communications team to review current strategies to improve access to information, systems and processes. Future initiatives are being developed.

Is there anything else you’re doing or planning for the future to contribute to greater outcomes for people with disability?

2019 FY actions identified for implementation and recommended to Council.

Additional information and comments about the information provided (include any contentious issues)

Nil to report.

Audited Financial Statements

Snowy Monaro Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



A trusted community partner

Snowy Monaro Regional Council

General Purpose Financial Statements for the year ended 30 June 2018

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors and Management	3
3. Primary Financial Statements:	
– Income Statement	4
– Statement of Comprehensive Income	5
– Statement of Financial Position	6
– Statement of Changes in Equity	7
– Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
– On the Financial Statements (Sect 417 [2])	74
– On the Conduct of the Audit (Sect 417 [3])	

Overview

Snowy Monaro Regional Council is constituted under the *Local Government Act 1993 (NSW)* and has its principal place of business at:

81 Commissioner Street
COOMA NSW 2630

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.snowymonaro.nsw.gov.au.

Snowy Monaro Regional Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's Financial Statements

Introduction

Each year, individual local governments across New South Wales 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 2018.

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 annual 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.

Snowy Monaro Regional Council

General Purpose Financial Statements
for the year ended 30 June 2018

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:

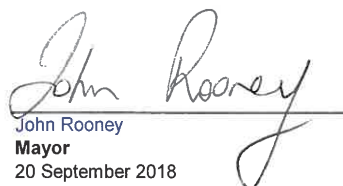
- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these financial 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 September 2018.


John Rooney
Mayor
20 September 2018


John Castellari
Councillor
20 September 2018


Peter Baseomb
Acting General Manager
20 September 2018


Matthew Payne
Responsible Accounting Officer
20 September 2018

Snowy Monaro Regional Council

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 13/5/16 to 30/6/17
Income from continuing operations				
<i>Revenue:</i>				
30,331		3a	29,198	30,281
13,522		3b	15,136	14,700
1,614		3c	2,898	2,549
2,984		3d	1,828	2,206
20,434		3e,f	20,892	32,321
3,902		3e,f	3,978	17,864
<i>Other income:</i>				
966		5	89	–
73,753			74,019	99,921
Expenses from continuing operations				
27,420		4a	27,486	31,780
399		4b	413	524
18,752		4c	17,051	19,045
18,062		4d	19,880	20,963
8,295		4e	7,690	8,485
–		5	–	768
–		4d	–	2,886
72,928			72,520	84,451
825			1,499	15,470
825			1,499	15,470
Gain on local government amalgamation				
–			–	1,170,081
825			1,499	1,185,551
825			1,499	1,185,551
			(2,479)	(2,394)
			(2,479)	(2,394)

This statement should be read in conjunction with the accompanying notes.

page 4

Snowy Monaro Regional Council

Statement of Comprehensive Income
for the year ended 30 June 2018

\$ '000	Notes	2018	13/5/16 to 30/6/17
Net result for the year (as per Income Statement)		1,499	1,185,551
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	12,229	14,705
Total items which will not be reclassified subsequently to the operating result		12,229	14,705
Total other comprehensive income for the year		12,229	14,705
Total comprehensive income for the year		13,728	1,200,256
Total comprehensive income attributable to Council		13,728	1,200,256

This statement should be read in conjunction with the accompanying notes.

page 5

Snowy Monaro Regional Council

Statement of Financial Position
as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	16,259	11,790
Investments	6b	37,000	43,984
Receivables	7	15,006	10,767
Inventories	8	1,570	974
Other	8	255	185
Total current assets		<u>70,090</u>	<u>67,700</u>
Non-current assets			
Investments	6b	32,000	22,000
Receivables	7	123	137
Infrastructure, property, plant and equipment	9	1,136,977	1,131,697
Intangible assets	10	350	382
Total non-current assets		<u>1,169,450</u>	<u>1,154,216</u>
TOTAL ASSETS		<u>1,239,540</u>	<u>1,221,916</u>
LIABILITIES			
Current liabilities			
Payables	11	10,707	7,195
Income received in advance	11	196	402
Borrowings	11	765	575
Provisions	12	6,127	6,712
Total current liabilities		<u>17,795</u>	<u>14,884</u>
Non-current liabilities			
Borrowings	11	2,467	3,445
Provisions	12	5,294	3,331
Total non-current liabilities		<u>7,761</u>	<u>6,776</u>
TOTAL LIABILITIES		<u>25,556</u>	<u>21,660</u>
Net assets		<u>1,213,984</u>	<u>1,200,256</u>
EQUITY			
Accumulated surplus	13	1,187,050	1,185,551
Revaluation reserves	13	26,934	14,705
Council equity interest		1,213,984	1,200,256
Total equity		<u>1,213,984</u>	<u>1,200,256</u>

This statement should be read in conjunction with the accompanying notes.

page 6

Snowy Monaro Regional Council

Statement of Changes in Equity
for the year ended 30 June 2018

\$ '000	Notes	2018		13/5/16 to 30/6/17		Total equity
		Accumulated surplus	IPP&E revaluation reserve	Accumulated surplus	IPP&E revaluation reserve	
Opening balance		1,185,551	14,705	–	–	–
Net result for the year		1,499	–	1,185,551	–	1,185,551
Other comprehensive income		–	12,229	–	14,705	14,705
– Gain (loss) on revaluation of IPP&E	9	–	12,229	–	14,705	14,705
Other comprehensive income		1,499	12,229	1,185,551	14,705	1,200,256
Total comprehensive income		1,499	12,229	1,185,551	14,705	1,200,256
Equity – balance at end of the reporting period		1,187,050	26,934	1,185,551	14,705	1,200,256

This statement should be read in conjunction with the accompanying notes.

Snowy Monaro Regional Council

Statement of Cash Flows
for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 13/5/16 to 30/6/17
Cash flows from operating activities				
Receipts:				
30,230			28,232	33,075
13,292			13,015	15,747
1,634			2,442	2,447
24,535			24,773	50,643
-			-	433
4,017			3,726	2,963
Payments:				
(27,475)			(28,043)	(31,034)
(18,652)			(17,386)	(21,475)
(399)			(333)	(298)
-			(199)	-
(8,295)			(5,144)	(7,038)
<u>18,887</u>		14b	<u>21,083</u>	<u>45,463</u>
Cash flows from investing activities				
Receipts:				
-			914	1,061
Payments:				
-			(3,016)	(41,984)
(39,578)			(13,724)	(19,233)
-			-	(1)
<u>(39,578)</u>			<u>(15,826)</u>	<u>(60,157)</u>
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
-			(788)	(1,080)
<u>-</u>			<u>(788)</u>	<u>(1,080)</u>
(20,691)			4,469	(15,774)
11,790		14a	11,790	-
-			-	27,564
<u>(8,901)</u>		14a	<u>16,259</u>	<u>11,790</u>
Additional Information:				
		6b	69,000	65,984
			<u>85,259</u>	<u>77,774</u>

This statement should be read in conjunction with the accompanying notes.

page 8

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Basis of preparation	10
2(a)	Council functions/activities – financial information	14
2(b)	Council functions/activities – component descriptions	15
3	Income from continuing operations	16
4	Expenses from continuing operations	23
5	Gains or losses from the disposal of assets	28
6(a)	Cash and cash equivalent assets	28
6(b)	Investments	29
6(c)	Restricted cash, cash equivalents and investments – details	30
7	Receivables	32
8	Inventories and other assets	34
9	Infrastructure, property, plant and equipment	36
10	Intangible assets	39
11	Payables and borrowings	40
12	Provisions	43
13	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	47
14	Statement of cash flows – additional information	47
15	Commitments for expenditure	48
16	Contingencies and other liabilities/assets not recognised	49
17	Financial risk management	52
18	Material budget variations	56
19	Fair value measurement	58
20	Related party transactions	63
21	Statement of developer contributions	64
22	Financial result and financial position by fund	67
23(a)	Statement of performance measures – consolidated results	69
23(b)	Statement of performance measures – by fund	70
	Additional council disclosures (unaudited)	
23(c)	Statement of performance measures – consolidated results (graphs)	72

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 20/09/2018.

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.

Basis of preparation

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 for the purpose of preparing these financial statements.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 18 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

AASB 124 Related Party Disclosures was adopted for the first time in the financial statements.

Adopting this standard has had no impact on the reporting of Council's financial position or performance.

Note 20 has now been included in these financial statements for related parties and incorporates all required related party disclosures.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

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 9,
- (ii) estimated tip remediation provisions – refer Note 12,
- (iii) employee benefit provisions – refer Note 12.

Significant judgements in applying the Council's accounting policies

- (iv) Impairment of receivables

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

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General Purpose Operations
- Water services
- Sewerage services
- Waste Services
- Jindabyne Holiday Park
- Snowy River Health Centre
- Quarry Operations
- Yallambee Lodge
- Monaro Regional Library
- Snowy River Hostel

(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 other assets 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 other assets 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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

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 which that are recoverable from, or payable to the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

As at the date of authorisation of these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

Effective for annual reporting periods beginning on or after 1 July 2018

- *AASB 9 Financial Instruments*

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities. Council is a shareholder in Southern Phone Company Limited and will be required to measure the shares at fair value in the 2019 financial year. The specific treatment and impact is to be determined.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

Effective for annual reporting periods beginning on or after 1 July 2019

- *AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

While Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards, these standards may affect the timing of the recognition of some grants and donations.

- **AASB 16 Leases**

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	2017
Governance	514	20,125	873	3,233	(359)	16,892	64	20,214	4	4
Administration	1,560	1,965	11,945	10,962	(10,385)	(8,997)	27	492	104,694	103,205
Public Order and Safety	993	949	1,685	2,021	(692)	(1,072)	894	32	3,071	3,027
Health	137	161	463	220	(326)	(59)	–	–	11	11
Environment	6,797	6,959	8,108	8,018	(1,311)	(1,059)	365	1,856	22,681	22,359
Community Services and Education	6,213	6,258	6,647	7,536	(434)	(1,278)	4,413	3,012	10,852	10,698
Housing and Community Amenities	802	1,125	3,065	4,560	(2,263)	(3,435)	66	62	6,801	6,704
Water supplies	9,485	8,063	7,518	7,389	1,967	674	1,012	1,174	100,530	99,101
Sewerage services	8,787	8,348	6,474	10,345	2,313	(1,997)	78	52	81,030	79,878
Recreation and Culture	663	957	5,387	6,335	(4,724)	(5,378)	444	229	26,125	25,754
Mining Manufacture and construction	508	663	294	666	214	17	–	–	1,062	1,047
Transport and Communication	10,309	11,591	17,810	20,069	(7,501)	(8,478)	3,982	6,571	874,264	861,833
Economic affairs	1,157	2,662	2,251	3,097	(1,094)	(435)	105	85	8,415	8,295
General Purpose Income	26,094	30,075	–	–	26,094	30,075	9,454	13,498	–	–
Total functions and activities	74,019	99,921	72,520	84,451	1,499	15,470	20,904	47,277	1,239,540	1,221,916

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

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:

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, members fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (eg GIPA) and legislative compliance.

Administration

Includes corporate support and other support services, engineering works and any Council policy compliance.

Public Order and Safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

Health

Includes food control and health centres etc.

Environment

Includes noxious plants and insect/vermin control, other environmental protection, solid waste management, including domestic waste, other waste management, other sanitation and garbage, street cleaning, drainage and stormwater management.

Community Services and Education

Includes administration and education, social protection (welfare), migrant, Indigenous and other community services and administration (excluding accommodation), youth services, aged and disabled persons services.

Housing and Community Amenities

Includes public cemeteries, public conveniences, street lighting, town planning, other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

Water supplies

Includes water supply services such as administration, regulation and operation of potable water supply future needs assessment of water and water services.

Sewerage services

Includes monitoring, reduction, collection, reticulation or treatment of all waste water including that intended for reuse or recycling.

Recreation and Culture

Includes public libraries, museums, art galleries, community centres and halls, including public halls and performing arts venues, sporting grounds and venues, swimming pools, parks, gardens, lakes, and other sporting, recreational and cultural services.

Mining Manufacture and construction

Includes building control, quarries and pits, mineral resources.

Transport and Communication

Urban, local and regional sealed and unsealed roads, bridges, footpaths, parking areas and aerodromes.

Economic affairs

Includes camping areas, and caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development and other business undertakings.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations

\$ '000	2018	13/5/16 to 30/6/17
(a) Rates and annual charges		
Ordinary rates		
Residential	8,189	7,792
Farmland	4,842	4,715
Business	2,361	2,345
Less: pensioner rebates (mandatory)	(185)	–
Total ordinary rates	15,207	14,852
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	2,644	2,591
Stormwater management services	15	17
Water supply services	2,516	3,768
Sewerage services	7,517	7,600
Waste management services (non-domestic)	1,405	1,277
Liquid trade waste	95	73
Onsite sewerage system management	59	103
Less: pensioner rebates (mandatory)	(260)	–
Total annual charges	13,991	15,429
TOTAL RATES AND ANNUAL CHARGES	29,198	30,281

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

Accounting policy for rates and annual charges

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts. 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.

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.

(b) User charges and fees

	2018	13/5/16 to 30/6/17
Specific user charges (per s.502 – specific 'actual use' charges)		
Water supply services	5,187	4,085
Sewerage services	420	267
Waste management services (non-domestic)	746	773
Total specific user charges	6,353	5,125

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(b) User charges and fees (continued)		
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Inspection services	20	81
Planning and building regulation	702	551
Private works – section 67	33	140
Regulatory fees	96	397
Section 149 certificates (EPA Act)	127	61
Section 603 certificates	71	48
Road opening permits	–	2
Animal control	36	7
Noxious weeds regulation	–	5
Sewerage inspection and application fees	19	17
Total fees and charges – statutory/regulatory	1,104	1,309
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	325	353
Fire and emergency services levy (FESL) implementation	–	78
Lease rentals	140	64
Leaseback fees – Council vehicles	145	183
Library and art gallery	1	–
Recycling income (non-domestic)	78	57
Swimming centres	117	121
Tourism	182	75
Waste disposal tipping fees	1,293	1,276
Water connection fees	20	16
Sewer connection fees	3	4
Snowy River Health Centre	101	126
Community services	160	407
Laundromat	–	7
Animal control	–	16
Holiday park fees	129	137
RMS – road maintenance council contract routine services	418	651
RMS – road maintenance council contract ordered works	3,112	2,999
Sale from stores	3	2
Residential aged care – Snowy River Hostel	238	254
Library fees	8	15
Residential aged care – Yallambee Lodge	856	958
Saleyard dues and rents	262	401
Other	88	66
Total fees and charges – other	7,679	8,266
TOTAL USER CHARGES AND FEES	15,136	14,700

Accounting policy for user charges and fees

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(c) Interest and investment revenue (including losses)		
Interest		
– Overdue rates and annual charges (incl. special purpose rates)	232	237
– Cash and investments	2,613	2,210
– Other	26	59
Other	27	43
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>2,898</u>	<u>2,549</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	232	106
General Council cash and investments	1,782	1,619
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	17	16
– Section 64	27	25
Water fund operations	384	308
Sewerage fund operations	428	355
Domestic waste management operations	28	120
<u>Total interest and investment revenue recognised</u>	<u>2,898</u>	<u>2,549</u>

Accounting policy for interest and investment revenue

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(d) Other revenues		
Rental income – other council properties	458	576
Fines – parking	50	34
Fines – other	–	42
Legal fees recovery – rates and charges (extra charges)	183	94
Legal fees recovery – other	–	9
Commissions and agency fees	67	63
Diesel rebate	134	173
Insurance claim recoveries	46	58
Sales – general	14	13
Reimbursement of expenses	36	70
Quarry sales	508	679
Tourism events	–	13
Insurance rebates	192	289
RFS expenses reimbursed	–	37
Other	140	56
<u>TOTAL OTHER REVENUE</u>	<u>1,828</u>	<u>2,206</u>

Accounting policy for other revenue

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

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

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

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

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	13/5/16 to 30/6/17 Operating	2018 Capital	13/5/16 to 30/6/17 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	3,289	6,220	–	–
Financial assistance – local roads component	1,347	2,578	–	–
Payment in advance – future year allocation				
Financial assistance – general component	3,376	3,215	–	–
Financial assistance – local roads component	1,385	1,323	–	–
Other				
Pensioners' rates subsidies – general component	57	162	–	–
Total general purpose	9,454	13,498	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Water	45	55	–	–
– Sewerage	42	52	–	–
– Domestic waste management	24	53	–	–
Water supplies	–	–	966	1,119
Sewerage services	–	–	35	–
Bushfire and emergency services	–	12	–	–
Community care	1,585	1,653	–	–
Economic development	55	90	–	–
Employment and training programs	–	24	–	–
Flood restoration	–	79	–	–
Heritage and cultural	50	33	–	–
Library	84	118	–	–
Library – special projects	17	–	20	–
Noxious weeds	331	296	–	–
NSW rural fire services	–	20	340	–
Public halls	–	5	–	–
Recreation and culture	–	–	31	18
Street lighting	47	19	–	–
Transport (roads to recovery)	2,302	3,375	–	–
Transport (other roads and bridges funding)	106	2,157	1,490	1,039
Community transport	922	533	–	–
Youth services	–	6	–	31
Planning and building regulation	19	38	–	–
Rural Fire Services M&R	894	–	–	–
Snowy River Hostel	515	430	–	–
Parks, sportsfields and reserves	–	–	–	89
Tourism	50	–	–	85
Domestic waste management	–	1,417	–	11
Youth services	33	–	–	–
Stronger communities fund	–	1,000	–	14,000
Yallambee Lodge residential aged care	1,358	241	–	–
New council implementation fund	–	5,000	–	–
Boco rock community fund	–	213	–	–
Other	27	246	62	222
Total specific purpose	8,506	17,165	2,944	16,614
Total grants	17,960	30,663	2,944	16,614

page 20

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018 Operating	13/5/16 to 30/6/17 Operating	2018 Capital	13/5/16 to 30/6/17 Capital
(e) Grants (continued)					
Grant revenue is attributable to:					
– Commonwealth funding		15,489	20,186	–	7
– State funding		2,461	10,000	2,944	16,478
– Other funding		10	477	–	129
		<u>17,960</u>	<u>30,663</u>	<u>2,944</u>	<u>16,614</u>
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	256	435
S 64 – water supply contributions		–	8	351	381
S 64 – sewerage service contributions		–	1	407	397
Total developer contributions – cash		<u>–</u>	<u>9</u>	<u>1,014</u>	<u>1,213</u>
Total developer contributions	21	<u>–</u>	<u>9</u>	<u>1,014</u>	<u>1,213</u>
Other contributions:					
Cash contributions					
Bushfire services		–	65	–	–
Other councils – joint works/services		–	26	–	–
Recreation and culture		68	–	–	–
Roads and bridges		–	5	–	–
RMS contributions (regional roads, block grant)		2,300	606	–	–
Tourism		–	1	–	–
Noxious weeds		–	2	–	–
Fire and emergency		–	778	–	–
Community care services		311	106	–	–
Residential aged care		–	–	20	37
Library		–	36	–	–
Risk management		–	5	–	–
Boco Rock Community Fund		197	–	–	–
Yallambee lodge residential aged care		–	3	–	–
Other		56	16	–	–
Total other contributions – cash		<u>2,932</u>	<u>1,649</u>	<u>20</u>	<u>37</u>
Total contributions		<u>2,932</u>	<u>1,658</u>	<u>1,034</u>	<u>1,250</u>
TOTAL GRANTS AND CONTRIBUTIONS		<u>20,892</u>	<u>32,321</u>	<u>3,978</u>	<u>17,864</u>

Accounting policy for contributions

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

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

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.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	872	–
Add: operating grants recognised in the current period but not yet spent	1,471	872
Less: operating grants recognised in a previous reporting period now spent	(427)	–
Unexpended and held as restricted assets (operating grants)	<u>1,916</u>	<u>872</u>
Capital grants		
Unexpended at the close of the previous reporting period	316	–
Add: capital grants recognised in the current period but not yet spent	952	316
Less: capital grants recognised in a previous reporting period now spent	(149)	–
Unexpended and held as restricted assets (capital grants)	<u>1,119</u>	<u>316</u>
Contributions		
Unexpended at the close of the previous reporting period	3,835	2,778
Add: contributions recognised in the current period but not yet spent	1,055	1,263
Less: contributions recognised in a previous reporting period now spent	–	(206)
Unexpended and held as restricted assets (contributions)	<u>4,890</u>	<u>3,835</u>

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 4. Expenses from continuing operations

\$ '000	Notes	2018	13/5/16 to 30/6/17
(a) Employee benefits and on-costs			
Salaries and wages		23,061	26,773
Travel expenses		58	43
Employee leave entitlements (ELE)		1,820	1,252
ELE on-costs		368	387
Superannuation		2,072	2,854
Workers' compensation insurance		283	569
Fringe benefit tax (FBT)		35	89
Payroll tax		119	119
Training costs (other than salaries and wages)		211	351
Protective clothing		42	59
Uniforms		–	50
Vehicle allowance		87	97
Recruitment expenses		100	314
Other		61	77
Total employee costs		28,317	33,034
Less: capitalised costs		(831)	(1,254)
TOTAL EMPLOYEE COSTS EXPENSED		27,486	31,780
Number of 'full-time equivalent' employees (FTE) at year end		340	336

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 16 for more information.

	2018	13/5/16 to 30/6/17
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans	233	325
Total interest bearing liability costs expensed	233	325
(ii) Other borrowing costs		
Discount adjustments relating to movements in provisions (other than ELE)		
– Remediation liabilities	12 180	172
Other borrowing costs	–	27
Total other borrowing costs	180	199
TOTAL BORROWING COSTS EXPENSED	413	524

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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(c) Materials and contracts		
Raw materials and consumables	5,514	8,573
Contractor and consultancy costs		
– Weeds management	533	260
– Waste services	830	508
– RMS road maintenance council contracts	2,181	2,094
– Contractor and consultancy costs other	6,907	6,656
Auditors remuneration ⁽²⁾	133	200
Legal expenses:		
– Legal expenses: planning and development	42	143
– Legal expenses: debt recovery	112	71
– Legal expenses: other	417	278
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	304	233
– Operating lease rentals: sub lease payments ⁽¹⁾	–	29
Other	78	–
TOTAL MATERIALS AND CONTRACTS	17,051	19,045
Operating leases		
Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.		
1. Operating lease payments are attributable to:		
Computers	281	262
Other	23	–
	304	262
2. Auditor remuneration		
During the year the following fees were paid or payable for services provided by the auditor of Council, related practices and non-related audit firms		
NSW Auditor-General audit firms:		
(i) Audit and other assurance services		
Audit and review of financial statements	133	184
Remuneration for audit and other assurance services	133	184
(ii) Non-assurance services		
Tax compliance services	–	16
Remuneration for non-assurance services	–	16
Total remuneration of NSW Auditor-General audit firms	133	200
Total Auditor remuneration	133	200

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2018	13/5/16 to 30/6/17
(d) Depreciation, amortisation and impairment			
Depreciation and amortisation			
Plant and equipment		1,566	1,827
Office equipment		287	325
Furniture and fittings		64	72
Land improvements (depreciable)		7	8
Infrastructure:			
– Buildings – non-specialised		1,099	1,200
– Buildings – specialised		864	985
– Other structures		584	624
– Roads		6,933	7,239
– Bridges		1,455	1,640
– Footpaths		89	463
– Stormwater drainage		627	711
– Water supply network		3,283	2,309
– Sewerage network		2,342	2,703
– Swimming pools		202	280
– Other open space/recreational assets		83	136
Other assets:			
– Library books		75	85
– Other		185	214
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	9 & 12	108	111
Intangible assets	10	27	31
Total depreciation and amortisation costs		19,880	20,963
Impairment / revaluation decrement of IPP&E			
Infrastructure		–	2,886
Total IPP&E impairment / revaluation decrement costs / (reversals)		–	2,886
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED		19,880	23,849

Accounting policy for depreciation, amortisation and impairment expenses**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 9 for IPPE assets and Note 10 for intangible assets.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

(d) Depreciation, amortisation and impairment (continued)

Accounting policy for depreciation, amortisation and impairment expenses

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. 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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(e) Other expenses		
Advertising	103	163
Bad and doubtful debts	99	5
Bank charges	85	130
Cleaning	–	7
Computer software charges	–	95
Contributions/levies to other levels of government		
– NSW fire brigade levy	78	79
– NSW rural fire service levy	782	796
– NSW state emergency services	35	42
Councillor expenses – mayoral fee	76	3
Councillor expenses – councillors' fees	168	21
Councillors' expenses (incl. mayor) – other (excluding fees above)	59	55
Donations, contributions and assistance to other organisations (Section 356)		
– Tourism development	–	10
– SEWOL	18	4
– South east arts	16	16
– Tourism Snowy Mountains	40	61
– Boco rock community grants	16	98
– Other	94	105
Election expenses	158	–
Electricity and heating	1,414	1,829
Insurance	1,252	1,371
Office expenses (including computer expenses)	–	10
Postage	83	98
Printing and stationery	347	325
Street lighting	213	125
Subscriptions and publications	89	73
Telephone and communications	662	635
Tourism expenses (excluding employee costs)	–	30
Valuation fees	127	105
Motor vehicle registration	–	28
Community projects	–	1,000
Licence fees – other	101	19
Marketing expenses	157	7
Quality monitoring	25	59
Software licences	1,177	596
Memberships	133	85
Council administrator	–	192
Local representative council fees	–	141
Other	83	67
TOTAL OTHER EXPENSES	7,690	8,485

Accounting policy for other expenses

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	13/5/16 to 30/6/17
Property (excl. investment property)	9		
Proceeds from disposal – property		429	34
Less: carrying amount of property assets sold/written off		<u>(400)</u>	<u>(369)</u>
Net gain/(loss) on disposal		<u>29</u>	<u>(335)</u>
Plant and equipment	9		
Proceeds from disposal – plant and equipment		485	1,012
Less: carrying amount of plant and equipment assets sold/written off		<u>(425)</u>	<u>(922)</u>
Net gain/(loss) on disposal		<u>60</u>	<u>90</u>
Infrastructure	9		
Less: carrying amount of infrastructure assets sold/written off		<u>–</u>	<u>(523)</u>
Net gain/(loss) on disposal		<u>–</u>	<u>(523)</u>
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		<u>89</u>	<u>(768)</u>

Accounting policy for disposal of assets

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

Note 6(a). Cash and cash equivalent assets

\$ '000	2018	2017
Cash and cash equivalents		
Cash on hand and at bank	759	2,931
Cash-equivalent assets		
– Deposits at call	5,000	7,779
– Short-term deposits	<u>10,500</u>	<u>1,080</u>
Total cash and cash equivalents	<u>16,259</u>	<u>11,790</u>

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 6(b). Investments

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Investments				
a. 'Held to maturity'	37,000	32,000	43,984	22,000
Total investments	37,000	32,000	43,984	22,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	53,259	32,000	55,774	22,000
Held to maturity investments				
Long term deposits	37,000	32,000	43,984	22,000
Total	37,000	32,000	43,984	22,000

Accounting policy for investments

Classification

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

(a) Held to maturity investments

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

Recognition and de-recognition

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

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

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	53,259	32,000	55,774	22,000
attributable to:				
External restrictions (refer below)	22,697	27,000	22,180	18,000
Internal restrictions (refer below)	30,326	5,000	33,362	4,000
Unrestricted	236	–	232	–
	53,259	32,000	55,774	22,000

\$ '000	2018	2017
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Details of restrictions

External restrictions – included in liabilities

Yallambee Lodge accommodation bonds	3,460	2,480
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External restrictions – included in liabilities**External restrictions – other**

Developer contributions – general	1,760	1,489
Developer contributions – water fund	1,857	1,490
Developer contributions – sewer fund	1,273	856
Specific purpose unexpended grants	3,035	1,188
Water supplies	13,839	11,871
Sewerage services	17,179	14,453
Domestic waste management	4,360	3,809
Stormwater management	41	–
Snowy River Hostel accommodation bonds	880	793
Crown land reserves	21	21
Jindabyne beautification special rate	–	96
Crown land – holiday parks	1,053	921
Home and community care	458	369
Boco rock community reserve	432	145
Kamoto-cooma friendship scholarship fund	41	191
Other	8	8
External restrictions – other	46,237	37,700
Total external restrictions	49,697	40,180

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

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

\$ '000	2018	2017
Internal restrictions		
Plant and vehicle replacement	3,185	3,243
Employees leave entitlement	3,067	3,343
Deposits, retentions and bonds	682	682
HACC vehicle replacement	–	153
Quarry operations	96	96
Uncompleted works	4,812	3,232
Waste management	1,023	963
Yallambee Lodge building/equipment replacement	1,632	1,632
Former Snowy River LGA	740	906
Former Cooma-Monaro LGA	–	890
Former Bombala LGA	3,144	3,270
Merger implementation funding	2,216	3,112
Stronger communities fund	13,509	14,362
Other	1,220	1,478
Total internal restrictions	35,326	37,362
TOTAL RESTRICTIONS	85,023	77,542

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	6,164	–	5,245	–
Interest and extra charges	216	–	375	–
User charges and fees	5,892	–	2,772	–
Accrued revenues				
– Interest on investments	1,013	–	398	–
– Other income accruals	36	–	566	–
Government grants and subsidies	1,075	–	978	–
Net GST receivable	498	–	541	–
Loans receivable	17	123	19	137
Other debtors	236	–	14	–
Total	15,147	123	10,908	137
Less: provision for impairment				
Rates and annual charges	(18)	–	(65)	–
User charges and fees	(123)	–	(76)	–
Total provision for impairment – receivables	(141)	–	(141)	–
TOTAL NET RECEIVABLES	15,006	123	10,767	137
Externally restricted receivables				
Water supply				
– Specific purpose grants	–	–	11	–
– Rates and availability charges	1,270	–	1,097	–
– Other	2,366	–	1,154	–
Sewerage services				
– Specific purpose grants	–	–	10	–
– Rates and availability charges	2,800	–	2,338	–
– Other	278	123	196	–
Domestic waste management	591	–	597	–
Total external restrictions	7,305	123	5,403	–
Unrestricted receivables	7,701	–	5,364	137
TOTAL NET RECEIVABLES	15,006	123	10,767	137
Movement in provision for impairment of receivables			2018	13/5/16 to 30/6/17
Balance at the beginning of the year			141	152
+ new provisions recognised during the year			–	(11)
Balance at the end of the year			141	141

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

Impairment

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

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income statement.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
Inventories at cost				
Real estate for resale (refer below)	441	–	441	–
Stores and materials	1,129	–	487	–
Trading stock	–	–	46	–
Total inventories at cost	1,570	–	974	–
TOTAL INVENTORIES	1,570	–	974	–
(b) Other assets				
Prepayments	255	–	185	–
TOTAL OTHER ASSETS	255	–	185	–
Externally restricted assets				
Water				
Stores and materials	–	–	61	–
Total water	–	–	61	–
Sewerage				
Stores and materials	–	–	35	–
Total sewerage	–	–	35	–
Total externally restricted assets	–	–	96	–
Total unrestricted assets	1,825	–	1,063	–
TOTAL INVENTORIES AND OTHER ASSETS	1,825	–	1,159	–

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 8. Inventories and other assets (continued)

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(i) Other disclosures				
(a) Details for real estate development				
Residential	441	–	441	–
Total real estate for resale	441	–	441	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	441	–	441	–
Total costs	441	–	441	–
Total real estate for resale	441	–	441	–
Movements:				
Real estate assets at beginning of the year	441	–	440	–
– Purchases and other costs	–	–	1	–
Total real estate for resale	441	–	441	–

Accounting policy**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 basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

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

Land held for resale/capitalisation of borrowing costs

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

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 9. Infrastructure, property, plant and equipment

Asset class	as at 30/6/2017			Asset movements during the reporting period							as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	4,372	–	4,372	6,797	–	–	–	(871)	–	–	10,298	–	10,298
Plant and equipment	23,708	12,457	11,251	–	1,358	(426)	(1,566)	10	–	–	24,649	14,022	10,627
Office equipment	3,410	2,203	1,207	–	–	–	(287)	–	–	–	3,410	2,490	920
Furniture and fittings	898	550	348	–	109	–	(64)	–	–	–	1,007	614	393
Land:													
– Operational land	20,806	–	20,806	14	–	(400)	–	–	(154)	783	21,049	–	21,049
– Community land	11,254	–	11,254	–	–	–	–	–	154	–	11,408	–	11,408
Land improvements – depreciable	1,896	138	1,758	–	–	–	(7)	–	–	–	1,896	145	1,751
Infrastructure:													
– Buildings – non-specialised	43,468	25,399	18,069	–	43	–	(1,099)	–	4,134	4,796	60,057	34,114	25,943
– Buildings – specialised	42,997	24,935	18,062	–	–	–	(864)	20	(4,134)	3,190	57,194	40,920	16,274
– Other structures	14,528	6,479	8,049	222	–	–	(584)	6	–	–	14,756	7,063	7,693
– Roads	418,722	158,164	260,558	1,955	–	–	(6,933)	138	–	–	420,816	165,098	255,718
– Bridges	113,154	53,385	59,769	–	–	–	(1,455)	–	–	–	113,154	54,840	58,314
– Footpaths	16,637	8,455	8,182	108	–	–	(89)	–	–	–	16,745	8,544	8,201
– Bulk earthworks (non-depreciable)	515,602	–	515,602	–	–	–	–	–	–	–	515,602	–	515,602
– Stormwater drainage	31,389	14,346	17,043	–	–	–	(627)	–	–	–	31,389	14,973	16,416
– Water supply network	196,222	104,030	92,192	842	–	–	(3,283)	–	–	1,936	201,185	109,498	91,687
– Sewerage network	136,933	64,375	72,558	25	–	–	(2,342)	697	–	1,524	140,530	68,068	72,462
– Swimming pools	13,644	8,639	5,005	57	–	–	(202)	–	–	–	13,644	8,784	4,860
– Other open space/recreational assets	4,997	3,010	1,987	–	–	–	(83)	–	–	–	5,053	3,149	1,904
Other assets:													
– Library books	1,375	1,020	355	–	52	–	(75)	–	–	–	1,427	1,095	332
– Other	4,162	1,565	2,597	359	–	–	(185)	–	–	–	4,521	1,750	2,771
Reinstatement, rehabilitation and restoration assets (refer Note 12):													
– Tip assets	1,804	1,164	640	–	–	–	(108)	–	1,789	–	3,566	1,245	2,321
– Quarry assets	38	5	33	–	–	–	–	–	–	–	38	5	33
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	1,622,016	490,319	1,131,697	10,379	1,562	(826)	(19,853)	–	1,789	12,229	1,673,394	536,417	1,136,977

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

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

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every 5 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 asset 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	3 to 10	Playground equipment	5 to 15
Office furniture	5 to 30	Benches, seats etc.	5 to 15
Computer equipment	2 to 10		
Vehicles	2 to 8	Buildings	
Heavy plant/road making equipment	5 to 20	Buildings: masonry	50 to 100
Other plant and equipment	5 to 20	Buildings: other	10 to 128
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	30 to 100
Bores	20 to 40	Culverts	30 to 100
Reticulation pipes: PVC	70 to 80	Flood control structures	100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	10 to 20	Bulk earthworks	Infinite
Sealed roads: structure	30 to 100	Swimming pools	5 to 100
Unsealed roads	30 to 100	Other open space/recreational assets	5 to 100
Bridge: concrete	25 to 100	Other infrastructure	
Bridge: other	25 to 100		
Road pavements			
Kerb, gutter and footpaths	30 to 100		

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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

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

Land under roads

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

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

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

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

Under section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all fire fighting 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 fire fighting equipment has been purchased or constructed".

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service plant and vehicle assets. Land and buildings maintained by Council have been recognised.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 10. Intangible assets

\$ '000	2018	2017
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	488	488
Accumulated amortisation (1/7)	(106)	(75)
Net book value – opening balance	382	413
Movements for the year		
– Amortisation charges	(27)	(31)
– Gross book value written off	(138)	–
– Accumulated amortisation charges written off	133	–
Closing values:		
Gross book value (30/6)	350	488
Accumulated amortisation (30/6)	–	(106)
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE ¹	350	382

¹ The net book value of intangible assets represent:

– Software	–	32
– Hostel bed licences	350	350
	350	382

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 11. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	3,449	–	1,617	–
Accrued expenses:				
– Borrowings	18	–	112	–
– Salaries and wages	808	–	745	–
– Other expenditure accruals	527	–	45	–
Advances	784	–	308	–
Security bonds, deposits and retentions	896	–	1,095	–
Yallambee Lodge accommodation bonds	3,354	–	2,480	–
Snowy River Hostel accommodation bonds	864	–	793	–
Other	7	–	–	–
Total payables	10,707	–	7,195	–
Income received in advance				
Payments received in advance	196	–	402	–
Total income received in advance	196	–	402	–
Borrowings				
Loans – secured ¹	765	2,467	575	3,445
Total borrowings	765	2,467	575	3,445
TOTAL PAYABLES AND BORROWINGS	11,668	2,467	8,172	3,445

(a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	157	264	209	349
Sewer	340	1,104	176	1,613
Domestic waste management	221	843	290	1,056
Yallambee Lodge accommodation bonds	3,354	–	2,480	–
Snowy River Hostel accommodation bonds	864	–	793	–
Payables and borrowings relating to externally restricted assets	4,936	2,211	3,948	3,018
Total payables and borrowings relating to restricted assets	4,936	2,211	3,948	3,018
Total payables and borrowings relating to unrestricted assets	6,732	256	4,224	427
TOTAL PAYABLES AND BORROWINGS	11,668	2,467	8,172	3,445

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 17.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

\$ '000

(b) Changes in liabilities arising from financing activities

Class of borrowings	Opening balance as at 1/7/17	Cash flows	Non-cash changes			Closing balance as at 30/6/18
			Acquisition	Fair value changes	Other non-cash movements	
Loans – secured	4,020	(788)	–	–	–	3,232
TOTAL	4,020	(788)	–	–	–	3,232

\$ '000

2018

2017

(c) Financing arrangements

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

Bank overdraft facilities ⁽¹⁾	300	–
Credit cards/purchase cards	75	–
Total financing arrangements	375	–
Undrawn facilities as at balance date:		
– Bank overdraft facilities	300	–
– Credit cards/purchase cards	75	–
Total undrawn financing arrangements	375	–

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

Accounting policy for payables and borrowings

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 draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Finance leases

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

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 12. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	2,220	–	2,195	–
Long service leave	3,306	–	3,918	–
Other leave	–	–	34	–
Other leave – TIL and flex	325	–	230	–
ELE on-costs	276	–	335	–
Sub-total – aggregate employee benefits	6,127	–	6,712	–
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	5,294	–	3,331
Sub-total – asset remediation/restoration	–	5,294	–	3,331
TOTAL PROVISIONS	6,127	5,294	6,712	3,331

(a) Provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

\$ '000	2018	2017
(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	3,151	–
	3,151	–

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Provisions (continued)

\$ '000

(c) Description of and movements in provisions

Other provisions

2018	Asset remediation	Total
At beginning of year	3,331	3,331
Changes to provision:		
Additional provisions	1,963	1,963
Total other provisions at end of year	5,294	5,294
2017	Asset remediation	Total
At beginning of year	3,159	3,159
Changes to provision:		
Additional provisions	172	172
Total other provisions at end of year	3,331	3,331

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. The above provisions account for active landfill sites at Bombala, Cooma and Jindabyne only. The additional provisions for 2018 above include a \$1.79m increase to the Bombala Landfill remediation provision based on revised cost and remaining life estimates.

There is also a project in progress to review all legacy sites of the 3 former Council's, quantify the liability and include a provision in the 2018-2019 Financial Statements. This will also be included in Council's Long Term Financial Plan 2019-2029 detailing the impact of financing the remediation.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Provisions (continued)

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 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.

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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Provisions (continued)

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

Restoration

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

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg 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.

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.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 13. 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.

Note 14. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	16,259	11,790
Balance as per the Statement of Cash Flows		16,259	11,790
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		1,499	15,470
Adjust for non-cash items:			
Depreciation and amortisation		19,880	20,963
Net losses/(gains) on disposal of assets		(89)	768
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		–	2,886
Unwinding of discount rates on reinstatement provisions		174	172
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(4,225)	4,568
Increase/(decrease) in provision for doubtful debts		–	(11)
Decrease/(increase) in inventories		(596)	138
Decrease/(increase) in other assets		(70)	292
Increase/(decrease) in payables		1,832	(2,568)
Increase/(decrease) in accrued interest payable		(94)	54
Increase/(decrease) in other accrued expenses payable		545	340
Increase/(decrease) in other liabilities		1,023	2,010
Increase/(decrease) in employee leave entitlements		(585)	381
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		21,083	45,463

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 15. Commitments for expenditure

\$ '000	2018	2017
Capital commitments (exclusive of GST)		
Capital expenditure committed at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Transport Infrastructure	1,209	–
Plant and equipment	900	–
Water Infrastructure	628	919
Sewer Infrastructure	629	–
Other Infrastructure	1,518	–
Total commitments	4,884	919
These expenditures are payable as follows:		
Within the next year	4,884	919
Total payable	4,884	919
Sources for funding of capital commitments:		
Externally restricted reserves	1,257	919
Internally restricted reserves	3,627	–
Total sources of funding	4,884	919

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

While the scheme's most recent full actuarial review indicated that the net assets of the scheme were sufficient to meet the accrued benefits of the scheme's defined benefit member category, member councils are required to make contributions in future years where the scheme goes into deficit (as has occurred in previous years).

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of any share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future planned contributions being made to the defined benefit scheme to rectify past (and projected) deficit positions will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Member councils are treated as Pooled Employers for the purposes of AASB119. 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 \$40.0 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as 30 June 2017.

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

As stated 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.

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 entity.

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

There is no provision for the allocation of any surplus which may be present at the date of withdrawal of an employer.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised (continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(i) Defined benefit superannuation contribution plans (continued)

The plan is a defined benefit plan. However, 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). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of Council employer contributions to the defined benefit section of the Fund and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2018 was \$77,287.68.

The last valuation of the Fund was by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ended 30 June 2017.

Council's expected contributions to the Fund for the next annual reporting period is \$87,800.64.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2018 is:

Employer reserves only *	\$ millions	Asset Coverage
Assets	1,817.8	
Past Service Liabilities	1,787.5	101.7%
Vested Benefits	1,778.0	102.2%

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

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

Investment return	6.0% 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.

Please note that the estimated employer reserves financial position above is a preliminary calculation and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2018.

Council's additional lump sum contribution is around 0.09% of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2017 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub-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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised (continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED:

(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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 17. Financial risk management

\$ '000

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.

	Carrying value		Fair value	
	2018	2017	2018	2017
Financial assets				
Cash and cash equivalents	16,259	11,790	–	–
Investments				
– 'Held to maturity'	69,000	65,984	–	–
Receivables	15,129	10,904	–	–
Total financial assets	100,388	88,678	–	–
Financial liabilities				
Payables	10,707	7,195	–	–
Loans/advances	3,232	4,020	–	–
Total financial liabilities	13,939	11,215	–	–

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.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 17. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the investments 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.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

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

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 10% movement in market values	6,900	6,900	(6,900)	(6,900)
Possible impact of a 1% movement in interest rates	690	690	(690)	(690)
13/5/16to 30/6/17				
Possible impact of a 10% movement in market values	6,598	6,598	(6,598)	(6,598)
Possible impact of a 1% movement in interest rates	660	660	(660)	(660)

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 17. Financial risk management (continued)

\$ '000

(b) Credit risk

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

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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.

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

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

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

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

A profile of Council's receivables credit risk at balance date follows:

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	24%	85%	0%	87%
Overdue	76%	15%	100%	13%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(ii) Ageing of receivables – value			2018	2017
Rates and annual charges				
Current			1,456	–
< 1 year overdue			3,417	3,807
1 – 2 years overdue			670	746
2 – 5 years overdue			469	523
> 5 years overdue			152	169
			<u>6,164</u>	<u>5,245</u>
Other receivables				
Current			7,741	5,026
0 – 30 days overdue			421	521
31 – 60 days overdue			237	24
61 – 90 days overdue			92	10
> 91 days overdue			615	219
			<u>9,106</u>	<u>5,800</u>

page 54

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 17. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
2018							
Trade/other payables		896	9,811	–	–	10,707	10,707
Loans and advances	6.37%	–	972	2,766	–	3,738	3,232
Total financial liabilities		896	10,783	2,766	–	14,445	13,939
2017							
Trade/other payables		1,095	6,100	–	–	7,195	7,195
Loans and advances	6.33%	–	808	2,694	1,177	4,679	4,020
Total financial liabilities		1,095	6,908	2,694	1,177	11,874	11,215

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 18. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 28 June 2017 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Report 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.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2018 Budget	2018 Actual	2018 Variance*		
REVENUES					
Rates and annual charges	30,331	29,198	(1,133)	(4%)	U
The transition to a user pays based water billing policy has seen a \$1.16 million drop in water access/availability charges which is more than offset by a \$1.6m increase in water usage charges.					
User charges and fees	13,522	15,136	1,614	12%	F
As above, the transition to a user pays based water billing policy has seen \$1.6 million increase in water usage charges which is partially offset by the \$1.16m decrease in water access/availability charges.					
Interest and investment revenue	1,614	2,898	1,284	80%	F
The additional \$27 million of extra cash on hand due to capital works below the original budget and a greater than expected average rate of return on term deposit investments has seen a significant increase in interest earned.					
Other revenues	2,984	1,828	(1,156)	(39%)	U
The original budget for other revenues included internal charges income which was appropriately reallocated to offset against internal charge expenses during the Quarterly Budget Review Process. The March Quarterly Budget Review Statement shows a revised projected year end result of \$1.45 million meaning councils other revenues ended \$380 thousand (26%) above the revised budget.					
Operating grants and contributions	20,434	20,892	458	2%	F
Capital grants and contributions	3,902	3,978	76	2%	F
Net gains from disposal of assets	966	89	(877)	(91%)	U
Councils plant and fleet sales during the year were less than expected however acquisitions were also significantly less than estimated with many purchases being deferred to the 2019 financial year.					

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 18. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	27,420	27,486	(66)	(0%)	U
Borrowing costs	399	413	(14)	(4%)	U
Materials and contracts	18,752	17,051	1,701	9%	F
The most significant contributor to this variance was less than expected contract, repairs and maintenance expenses for the water and wastewater departments of \$1.26 million with an original budget of \$4.88 million vs actual expenditure of \$3.62 million.					
Depreciation and amortisation	18,062	19,880	(1,818)	(10%)	U
Water infrastructure asset values increased significantly as a result of the 2017 revaluation and has resulted in a \$908 thousand increase in depreciation vs budget. Depreciation on transport infrastructure depreciation was also \$650 thousand above the original budget estimate.					
Other expenses	8,295	7,690	605	7%	F
The main contributors to this favourable variance are benefits from the merger and consolidation of electricity contracts and insurance policies. Council was under budget in electricity by \$328 thousand and insurance by \$318 thousand.					

Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	18,887	21,083	2,196	11.6%	F
Relates to additional interest earned and savings in other expenses as detailed in the income and expenditure variation comments.					
Cash flows from investing activities	(39,578)	(15,826)	23,752	(60.0%)	F
Relates to less than expected investment in infrastructure, property, plant and equipment. The main contributing factors include deferred plant purchases, the budget includes multi year projects that were adjusted in subsequent Quarterly Budget Reviews and staff vacancies impacting the capital works program.					
Cash flows from financing activities	-	(788)	(788)	(100.0%)	U
Borrowings not classified separately in original budget.					

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2018	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					
Infrastructure, property, plant and equipment					
Plant & Equipment	13/05/16	–	–	10,627	10,627
Office Equipment	13/05/16	–	–	920	920
Furniture & Fittings	13/05/16	–	–	393	393
Operational Land	30/06/18	–	21,049	–	21,049
Community Land	13/05/16	–	–	11,408	11,408
Land Improvements	13/05/16	–	–	1,751	1,751
Buildings - Specialised	30/06/18	–	–	16,274	16,274
Buildings - Non Specialised	30/06/18	–	25,943	–	25,943
Other Structures	13/05/16	–	–	7,693	7,693
Road infrastructure	13/05/16	–	–	255,718	255,718
Bridges	13/05/16	–	–	58,314	58,314
Footpaths	13/05/16	–	–	8,201	8,201
Bulk Earthworks	13/05/16	–	–	515,602	515,602
Stormwater Drainage	13/05/16	–	–	16,416	16,416
Water Supply Network	30/06/17	–	–	91,687	91,687
Sewerage Network	30/06/17	–	–	72,462	72,462
Swimming Pools	13/05/16	–	–	4,860	4,860
Other Open Space/Recreational Assets	13/05/16	–	–	1,904	1,904
Library Books	13/05/16	–	–	332	332
Tip Restoration Asset	30/06/18	–	–	2,321	2,321
Quarry Restoration Asset	13/05/16	–	–	33	33
Other Assets	13/05/16	–	–	2,771	2,771
Total infrastructure, property, plant and equipment		–	46,992	1,079,687	1,126,679

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

2017	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					
Infrastructure, property, plant and equipment					
Plant & Equipment	13/05/16	–	–	11,251	11,251
Office Equipment	13/05/16	–	–	1,207	1,207
Furniture & Fittings	13/05/16	–	–	348	348
Operational Land	13/05/16	–	20,806	–	20,806
Community Land	13/05/16	–	–	11,254	11,254
Land Improvements	13/05/16	–	–	1,758	1,758
Buildings - Specialised	13/05/16	–	–	18,062	18,062
Buildings - Non Specialised	13/05/16	–	18,069	–	18,069
Other Structures	13/05/16	–	–	8,049	8,049
Road infrastructure	13/05/16	–	–	260,558	260,558
Bridges	13/05/16	–	–	59,769	59,769
Footpaths	13/05/16	–	–	8,182	8,182
Bulk Earthworks	13/05/16	–	–	515,602	515,602
Stormwater Drainage	13/05/16	–	–	17,043	17,043
Water Supply Network	30/06/17	–	–	92,192	92,192
Sewerage Network	30/06/17	–	–	72,558	72,558
Swimming Pools	13/05/16	–	–	5,005	5,005
Other Open Space/Recreational Assets	13/05/16	–	–	1,987	1,987
Library Books	13/05/16	–	–	355	355
Tip Restoration Asset	13/05/16	–	–	640	640
Quarry Restoration Asset	13/05/16	–	–	33	33
Other Assets	13/05/16	–	–	2,597	2,597
Total infrastructure, property, plant and equipment		–	38,875	1,088,450	1,127,325

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

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

	Level 3 I, PP and E	Total
Opening balance – 13/5/16	1,075,823	1,075,823
Purchases (GBV)	13,772	13,772
Disposals (WDV)	(1,568)	(1,568)
Depreciation and impairment	(19,732)	(19,732)
FV gains – other comprehensive income	14,705	14,705
FV gains – Income Statement ¹	(2,886)	(2,886)
WIP transfers	8,336	8,336
Closing balance – 30/6/17	1,088,450	1,088,450
Purchases (GBV)	5,087	5,087
Disposals (WDV)	(426)	(426)
Depreciation and impairment	(18,754)	(18,754)
FV gains – other comprehensive income	6,650	6,650
WIP transfers	871	871
Other adjustments and transfers	(2,191)	(2,191)
Closing balance – 30/6/18	1,079,687	1,079,687

b. 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.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
IPP&E			
Plant & Equipment	10,627	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Office Equipment	920	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Furniture & Fittings	393	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Community Land	11,408	Current replacement cost	Cost per sq metre, Valuer General's Valuation
Land Improvements	1,751	Depreciated replacement cost	Useful life, residual value, condition of asset

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

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

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
IPP&E (continued)			
Buildings - Specialised	16,274	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Other Structures	7,693	Depreciated replacement cost	Cost per unit rates, pattern of consumption, components, useful life, asset condition
Road infrastructure	255,718	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Bridges	58,314	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Footpaths	8,201	Depreciated replacement cost	Cost per sq metre, pattern of consumption, components, useful life, condition of asset
Bulk Earthworks	515,602	Current replacement cost	Cost per sq metre
Stormwater Drainage	16,416	Depreciated replacement cost	Unit rates, cost per metre, useful life, condition of asset
Water Supply Network	91,687	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Sewerage Network	72,462	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Swimming Pools	4,860	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Other Open Space/Recreational Assets	1,904	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Library Books	332	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Tip Restoration Asset	532	Depreciated replacement cost	Cost per cubic / square metre, useful life
Quarry Restoration Asset	33	Depreciated replacement cost	Cost per cubic / square metre, useful life
Other Assets	2,771	Depreciated replacement cost	Unit rates, asset condition, useful life

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

c. The valuation process for level 3 fair value measurements

Council uses the following processes for the fair valuation of Level 3 Infrastructure, Property, Plant and Equipment:

Plant & Equipment, Furniture & Fittings, Office Equipment, Other Assets - Actual cost less accumulated depreciation.

Community Land - Land values obtained by the NSW Valuer-General.

Specialised Buildings - Valued at Depreciated Replacement Cost by an independent qualified valuer.

Other Structures - Valued at Depreciated Replacement Cost by qualified Council staff.

Roads infrastructure and stormwater assets - Valued at Depreciated Replacement Cost by a combination of qualified Council staff and independent qualified valuer.

Water Supply Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Sewerage Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Recreational Assets (other than buildings) - Valued at Depreciated Replacement Cost by qualified Council staff.

Depreciated Replacement Cost is calculated from the current replacement value less the accumulated depreciation to account for the consumption of the service potential of the asset. The asset age is determined from the date of acquisition. If the date is not known, the asset age is determined by estimating the remaining life from an assessment of the asset condition, and subtracting the remaining life from the useful life of the asset.

The Current Replacement Value is the cost of a standard modern asset that would be installed if Council were deprived of the existing asset. Where specific estimates are available, these are used to determine the replacement values. In the absence of detailed estimates, unit rates are obtained from a recognised source and are appropriately factored to reflect the regional location of the asset.

Where appropriate, disposal costs are taken into account when calculating the Depreciated Replacement Cost.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 20. Related party transactions

\$ '000

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:

Compensation:	2018
Short-term benefits	1,053
Post-employment benefits	103
Other long-term benefits	34
Total	1,190

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 21. Statement of developer contributions

\$ '000

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

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	701	74	-	8	-	-	783	-
Parking	36	-	-	1	-	-	37	-
Open space	88	33	-	1	-	-	122	-
Community facilities	29	-	-	-	-	-	29	-
Public parking	4	-	-	-	-	-	4	-
Roadworks	235	23	-	3	-	-	261	-
Open space and public art	16	7	-	-	-	-	23	-
Sport and recreation facilities	35	4	-	-	-	-	39	-
Community services and facilities	201	36	-	3	-	-	240	-
Shared pathways - Jindabyne area	6	3	-	-	-	-	9	-
Shared trails - Jindabyne area	-	23	-	-	-	-	23	-
Regional waste management	-	42	-	-	-	-	42	-
Bushfire services	21	10	-	-	-	-	31	-
S7.11 contributions – under a plan	1,372	255	-	16	-	-	1,643	-
S7.12 levies – under a plan	22	-	-	16	-	-	22	-
Total S7.11 and S7.12 revenue under plans	1,394	255	-	16	-	-	1,665	-
S7.11 not under plans	93	-	-	1	-	-	94	-
S64 contributions	2,348	756	-	27	-	-	3,131	-
Total contributions	3,835	1,011	-	44	-	-	4,890	-

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 21. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN (former Cooma-Monaro)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	701	73	-	8	-	-	782	-
Parking	36	-	-	1	-	-	37	-
Open space	88	33	-	1	-	-	122	-
Community facilities	29	-	-	-	-	-	29	-
Total	854	106	-	10	-	-	970	-

CONTRIBUTION PLAN (former Snowy River)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Public parking	4	-	-	-	-	-	4	-
Roadworks	235	23	-	3	-	-	261	-
Open space and public art	16	7	-	-	-	-	23	-
Sport and recreation facilities	35	4	-	-	-	-	39	-
Community services and facilities	201	36	-	3	-	-	240	-
Shared pathways - Jindabyne area	6	3	-	-	-	-	9	-
Shared trails - Jindabyne area	-	23	-	-	-	-	23	-
Regional waste management	-	42	-	-	-	-	42	-
Bushfire services	21	10	-	-	-	-	31	-
Total	518	148	-	6	-	-	672	-

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 21. Statement of developer contributions (continued)

\$ '000

S7.12 LEVIES – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 (former Bombala)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Other	22	-	-	-	-	-	22	-
Total	22	-	-	-	-	-	22	-

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

(former Snowy River)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	24	-	-	1	-	-	25	-
Kerb and gutter	29	-	-	-	-	-	29	-
Voluntary payment agreement	40	-	-	-	-	-	40	-
Total	93	-	-	1	-	-	94	-

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 22. Financial result and financial position by fund

Income Statement by fund			
\$ '000	2018	2018	2018
Continuing operations	Water	Sewer	General¹
Income from continuing operations			
Rates and annual charges	2,516	7,612	19,070
User charges and fees	5,074	354	9,708
Interest and investment revenue	401	438	2,059
Other revenues	190	144	1,494
Grants and contributions provided for operating purposes	37	43	20,812
Grants and contributions provided for capital purposes	1,317	442	2,219
Other income			
Net gains from disposal of assets	46	1	42
Total income from continuing operations	9,581	9,034	55,404
Expenses from continuing operations			
Employee benefits and on-costs	1,696	1,783	24,007
Borrowing costs	26	99	288
Materials and contracts	1,056	1,178	14,817
Depreciation and amortisation	3,348	2,403	14,129
Other expenses	1,552	1,327	4,811
Net losses from the disposal of assets	50	3	(53)
Total expenses from continuing operations	7,728	6,793	57,999
Operating result from continuing operations	1,853	2,241	(2,595)
Net operating result for the year	1,853	2,241	(2,595)
Net result attributable to each council fund	1,853	2,241	(2,595)
Net operating result for the year before grants and contributions provided for capital purposes	536	1,799	(4,814)

¹ General fund refers to all Council's activities other than Water and Sewer.

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

Snowy Monaro Regional Council

Notes to the Financial Statements

as at 30 June 2018

Note 22. Financial result and financial position by fund (continued)

Statement of Financial Position by fund			
\$ '000	2018	2018	2018
ASSETS	Water	Sewer	General¹
Current assets			
Cash and cash equivalents	942	1,107	14,210
Investments	8,790	10,333	17,877
Receivables	3,637	3,078	8,291
Inventories	–	–	1,570
Other	(2)	–	257
Total current assets	13,367	14,518	42,205
Non-current assets			
Investments	5,965	7,011	19,024
Receivables	–	123	–
Infrastructure, property, plant and equipment	94,938	74,359	967,680
Intangible assets	–	–	350
Total non-current assets	100,903	81,493	987,054
TOTAL ASSETS	114,270	96,011	1,029,259
LIABILITIES			
Current liabilities			
Payables	72	16	10,619
Income received in advance	–	–	196
Borrowings	85	324	356
Provisions	–	–	6,127
Total current liabilities	157	340	17,298
Non-current liabilities			
Borrowings	264	1,104	1,099
Provisions	–	–	5,294
Total non-current liabilities	264	1,104	6,393
TOTAL LIABILITIES	421	1,444	23,691
Net assets	113,849	94,567	1,005,568
EQUITY			
Accumulated surplus	97,589	93,596	995,865
Revaluation reserves	16,260	971	9,703
Total equity	113,849	94,567	1,005,568

¹ General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2018	Indicator 2018	Indicator 2017	Benchmark
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>(2,568)</u>	-3.67%	1.54%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>69,952</u>			
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>49,060</u>	66.36%	49.78%	> 60.00%
Total continuing operating revenue ⁽¹⁾	<u>73,930</u>			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	<u>40,088</u>	4.12x	3.66x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>9,724</u>			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>17,725</u>	14.76x	14.18x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>1,201</u>			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	<u>3,741</u>	10.64%	14.27%	< 10% regional & rural
Rates, annual and extra charges collectible	<u>35,168</u>			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	<u>85,259</u>	19.72 mths	15.3 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	<u>4,324</u>			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Notes 11 and 12.

⁽⁴⁾ Refer to Note 11(b) and 12(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23(b). Statement of performance measures – by fund

	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
\$ '000							
Local government industry indicators – by fund							
1. Operating performance ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
less operating expenses							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	-9.23%	-0.76%	6.49%	11.91%	20.94%	8.55%	> 0.00%
2. Own source operating revenue ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	58.36%	40.42%	85.87%	84.54%	94.64%	94.99%	> 60.00%
Total continuing operating revenue ⁽¹⁾							
3. Unrestricted current ratio							
Current assets less all external restrictions ⁽²⁾	4.12x	3.66x	85.15x	43.25x	42.70x	68.76x	> 1.5x
Current liabilities less specific purpose liabilities ^(3,4)							

Notes

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

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

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23(b). Statement of performance measures – by fund (continued)

	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
Local government industry indicators – by fund (continued)							
4. Debt service cover ratio							
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	10.12x	16.04x	64.10x	25.96x	21.51x	7.39x	> 2x
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	9.20%	9.06%	16.43%	20.77%	13.37%	22.84%	< 10% regional & rural
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	19.24	17.51	0.00	4.64	0.00	5.11	> 3 months
Monthly payments from cash flow of operating and financing activities	months	months	months	months	months	months	

Notes

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

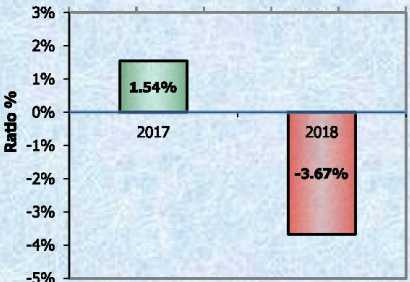
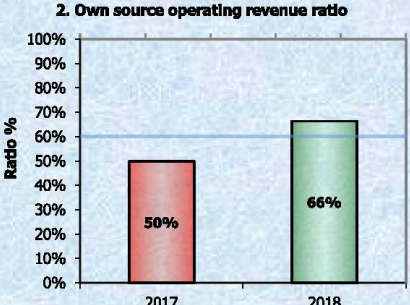
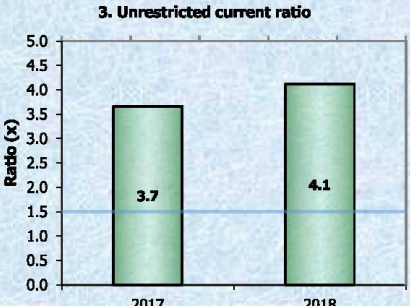
(5) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

END OF AUDITED FINANCIAL STATEMENTS

Snowy Monaro Regional Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 23(c). Statement of performance measures – consolidated results (graphs)

<p>1. Operating performance ratio</p>  <p>Benchmark: — Minimum $\geq 0.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio -3.67%</p> <p>The operating performance ratio for 2017 was boosted by the \$4.5 million received in prepaid Financial Assistance Grants (FAG). If the FAG prepayment is excluded the result for 2017 would have been -4.18% therefore the 2018 result of -3.67% is an improvement. The result is also well ahead of the budgeted 2018 operating performance ratio of -5.87%.</p>
<p>2. Own source operating revenue ratio</p>  <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 66.36%</p> <p>Council has improved fiscal flexibility over the 2018 financial year achieving higher than the benchmark of 60%. The 2017 ratio was negatively impacted by significant merger related one off grants totalling \$20 million as well as the prepaid FAG payment of \$4.5 million.</p>
<p>3. Unrestricted current ratio</p>  <p>Benchmark: — Minimum ≥ 1.50 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of unrestricted current ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 4.12x</p> <p>Council's unrestricted current assets are 4.1 times greater than its current liabilities, which is higher than the benchmark of 1.5 times.</p>

Snowy Monaro Regional Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23(c). Statement of performance measures – consolidated results (graphs)

<p>4. Debt service cover ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>14.2</td> </tr> <tr> <td>2018</td> <td>14.8</td> </tr> </tbody> </table> <p>Benchmark: Minimum ≥ 2.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	Year	Ratio (x)	2017	14.2	2018	14.8	<p>Purpose of debt service cover ratio</p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 14.76x</p> <p>Council carries low levels of debt and continues to sit above the industry benchmark minimum rate of > 2 times. This indicates council has 14.8 times the operating cash available to service its debts.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
Year	Ratio (x)							
2017	14.2							
2018	14.8							
<p>5. Rates, annual charges, interest and extra charges outstanding percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>14.27%</td> </tr> <tr> <td>2018</td> <td>10.64%</td> </tr> </tbody> </table> <p>Benchmark: Maximum <math>< 10.00\%</math> Source for Benchmark: Code of Accounting Practice and Financial Reporting #26</p>	Year	Ratio %	2017	14.27%	2018	10.64%	<p>Purpose of rates and annual charges outstanding ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 10.64%</p> <p>This ratio has been adjusted to exclude water and sewer access charges that were not due as at 30 June 2018. Council's ratio for uncollected rates and annual charges has improved on the prior year.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
Year	Ratio %							
2017	14.27%							
2018	10.64%							
<p>6. Cash expense cover ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (mths)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>15.3</td> </tr> <tr> <td>2018</td> <td>19.7</td> </tr> </tbody> </table> <p>Benchmark: Minimum ≥ 3.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	Year	Ratio (mths)	2017	15.3	2018	19.7	<p>Purpose of cash expense cover ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 19.72 mths</p> <p>Council continues to exceed the benchmark minimum ratio of over > 3 times.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
Year	Ratio (mths)							
2017	15.3							
2018	19.7							



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report

Snowy Monaro Regional Council

To the Councillors of the Snowy Monaro Regional Council

Opinion

I have audited the accompanying financial report of Snowy Monaro Regional Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 18 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Lawrissa Chan
Director, Financial Audit Services

29 October 2018
SYDNEY



Cr John Rooney
 Mayor
 Snowy Monaro Regional Council
 PO Box 714
 COOMA NSW 2630

Contact: Lawrissa Chan
 Phone no: 02 9275 7255
 Our ref: D1824991/1787

29 October 2018

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2018
 Snowy Monaro Regional Council**

I have audited the general purpose financial statements of Snowy Monaro Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2018 \$m	2017* \$m	Variance %
Rates and annual charges revenue	29.1	30.2	3.6
Grants and contributions revenue	24.8	50.2	50.4
Operating result for the year	1.5	15.5	90.3
Net operating result before capital amounts	-2.5	-2.4	4.2

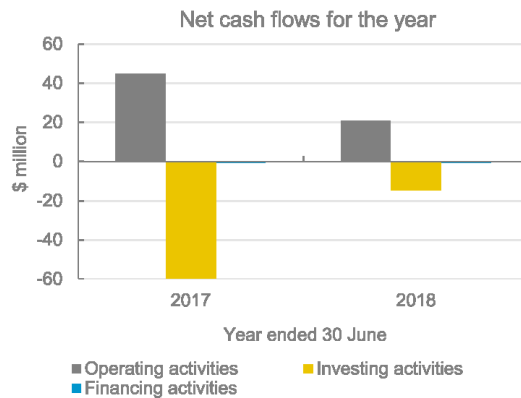
* Reporting period was 13 May 2016 to 30 June 2017.

The following comments are made in respect of Council's operating result for the year:

- The Council's operating result for the year was a surplus of \$1.5 million (\$15.5 million surplus for the year ended 30 June 2017). This is attributed to the newly amalgamated Council receiving \$15.0 million in Stronger Communities Funding in the previous financial year. The Council budgeted for a surplus of \$0.8 million.
- The Council's net operating result before capital grants and contributions was a deficit of \$2.5 million (\$2.4 million deficit for the year ended 30 June 2017). The deficit remained consistent compared with the prior year.
- Rates and annual charges revenue was \$29.1 million (\$30.2 million for the year ended 30 June 2017). The decrease of \$1.1 million is due to the Council having a longer reporting period in FY17 from 13 May 2016 to 30 June 2017. Otherwise, there was a permissible rate increase of 1.5 per cent granted by the Minister for Local Government.
- Grants and contributions revenue was \$24.8 million (\$50.2 million for the year ended 30 June 2017). The decrease of \$25.3 million (50.4 per cent) is due to merger funding provided in the prior year as a result of the amalgamation of the former three Councils. This includes stronger communities funding of \$15.0 million and new council implementation funding of \$5 million. There was also a reduction in financial assistance grants of \$3.9 million.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$16.3 million (\$11.8 million for the year ended 30 June 2017). There was a net increase in cash and cash equivalents of \$4.5 million at 30 June 2018.
- Net cash provided by operating activities has decreased by \$24.2 million. This is mainly due to the reduction in grants and contributions of \$25.9 million. In the prior year, the Council received \$15.0 million in Stronger Communities Funding and \$5 million for the new council implementation funding. There was also a reduction in financial assistance grants of \$3.9 million.
- Net cash used in investment activities has decreased by \$44.2 million. This is mainly due to the reduction in purchases of:
 - investment securities (\$39.0 million)
 - infrastructure, property, plant and equipment (\$5.5 million)
- Net cash used in financing activities has decreased by \$292k as there were less repayments of borrowings and advances.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	49,697	40,180	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The movement in externally restricted cash of \$9.5 million is due to an increase in sewerage services of \$2.7 million, water supplies of \$2.0 million and specific purpose unexpended funds of \$1.8 million. Internally restricted cash and investments have been restricted in their use by resolution or policy of Council. The movement in internally restricted funds are mainly due to the reduction in stronger communities funding of \$853k. Unrestricted cash has remained consistent year on year.
Internal restrictions	35,326	37,362	
Unrestricted	236	232	
Cash and investments	85,259	77,774	

Debt

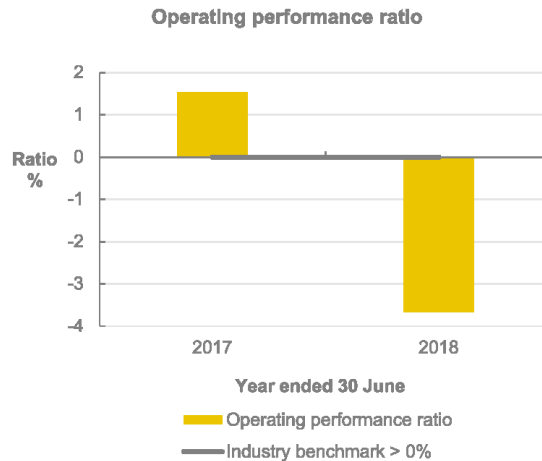
- Council has \$3.2 million of borrowings as at 30 June 2018 (2017: \$4.0 million).
- Council have an unrestricted overdraft facility of \$300k which was undrawn as at 30 June 2018, as well as \$75k of corporate credit cards facility which is undrawn as at 30 June 2018.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 23 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7 which has not been audited.

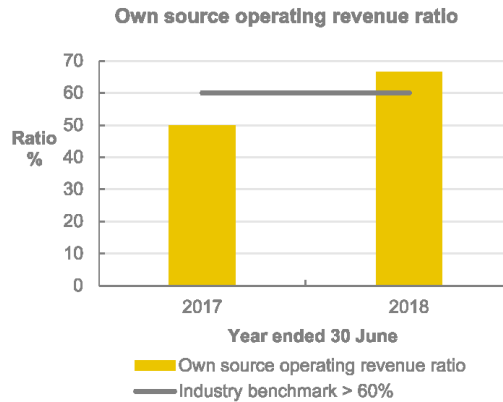
Operating performance ratio

- The 'operating performance ratio' measures how well Council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than 0%.
- The operating performance ratio of -3.67% (2017: 1.54%) is below the industry benchmark of greater than 0%.
- The operating performance ratio decreased to -3.67% compared to the prior period result due to the reduction in grants and contributions provided for operating purposes. In the prior year, \$5.0 million was received for the new council implementation fund and there was a reduction in Financial Assistance Grants of \$3.9 million.



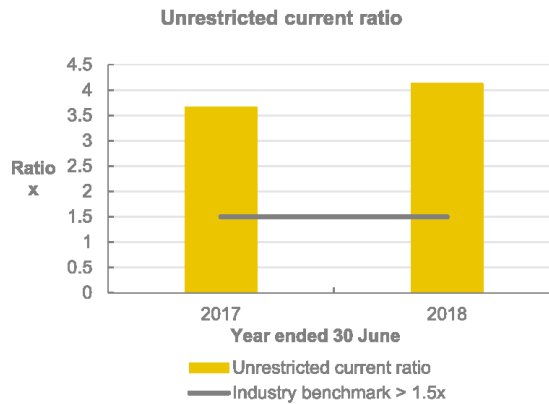
Own source operating revenue ratio

- The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 66% is above the industry benchmark of 60%. This indicates that the council is less reliant on external funding sources, such as grants and contributions.
- The own source operating revenue ratio increased to 66% (2017: 50%) as there was less funding from grants and contributions in the current year. The 2017 result was impacted by one-off funding provided to amalgamated councils.



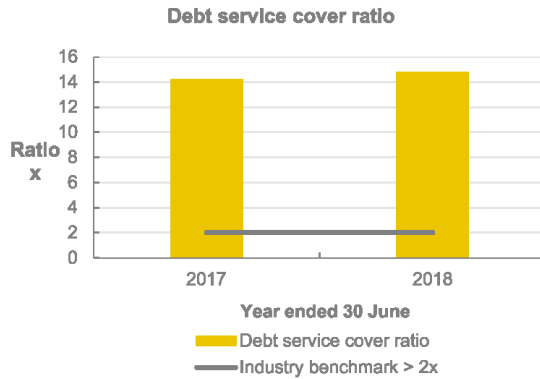
Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.
- The Council's liquidity ratio of 4.1 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The Council's unrestricted current ratio has remained steady compared with the prior year.



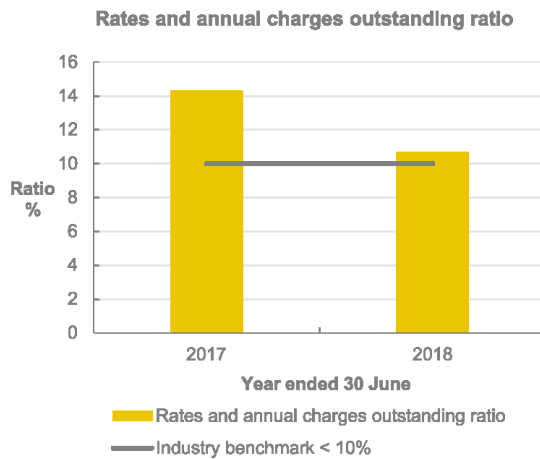
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio of 14.76 times is greater than the industry benchmark of greater than 2 times. The ratio indicates that the Council has adequate operating cash to fund its debt obligations.
- Council's debt service cover ratio has remained steady compared with the prior year.



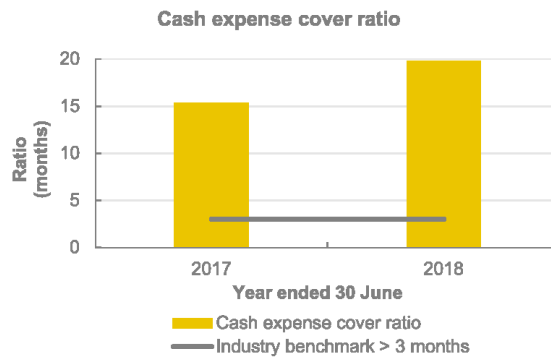
Rates and annual charges outstanding ratio

- The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.
- The Council's rates and annual charges outstanding ratio of 10.6% is slightly outside the industry benchmark of less than 10% for regional councils.
- Council has concentrated its efforts to strengthening its collection procedures which has contributed to the improvement in the ratio compared with the prior period.



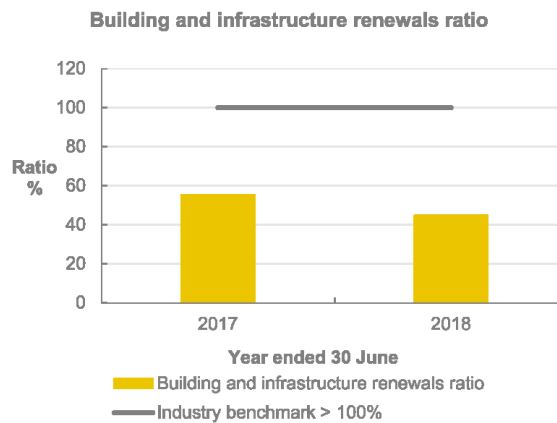
Cash expense cover ratio

- The cash expense cover ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 19.7 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 19.7 months of operating cash expenditure without additional cash inflows at 30 June 2018.
- The cash expense cover ratio increased to 19.72 months (2017: 15.3 months) due to additional cash generated from Council's water supply and sewerage services.



Building and infrastructure renewals ratio (unaudited)

- The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent. This ratio is sourced from council's Special Schedule 7 which has not been audited.
- The ratio of 44.7% is below the industry benchmark of greater than 100%.
- The Council's building and infrastructure renewals ratio decreased to 44.7% (2017: 55.1%) due to a reduction in asset renewals.



OTHER MATTERS

New accounting standards implemented

AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 11(b).

AASB 124 Related Party Disclosures'

Effective for annual reporting periods beginning on or after 1 July 2017

AASB 2015-6 extended the scope of AASB 124 to include not-for-profit public sector entities. As a result, Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of their related party relationships,
- amount and nature of their related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Lawrissa Chan
Director, Financial Audit Services

cc: Peter Bascomb, General Manager
Peter Cannizzaro, Director Corporate and Community Services
Matt Payne, Chief Financial Officer
Max Shanahan, Chair of the Audit, Risk and Improvement Committee
Tim Hurst, Chief Executive of the Office of Local Government

Snowy Monaro Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



A trusted community partner

Snowy Monaro Regional Council

Special Purpose Financial Statements for the year ended 30 June 2018

Contents	Page
1. Statement by Councillors and Management	2
2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity	3
Income Statement – Sewerage Business Activity	4
Income Statement – Other Business Activities	5
Statement of Financial Position – Water Supply Business Activity	6
Statement of Financial Position – Sewerage Business Activity	7
Statement of Financial Position – Other Business Activities	8
3. Notes to the Special Purpose Financial Statements	9
4. Auditor's Report	19

Background

- (i) These Special Purpose Financial Statements have been prepared for the use of 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).
-

Snowy Monaro Regional Council

Special Purpose Financial Statements
for the year ended 30 June 2018

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 financial 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.

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 September 2018.


John Rooney
Mayor
20 September 2018


John Castellari
Councillor
20 September 2018


Peter Bascomb
Acting General Manager
20 September 2018


Matthew Payne
Responsible Accounting Officer
20 September 2018

Snowy Monaro Regional Council

Income Statement of Council's Water Supply Business Activity for the year ended 30 June 2018

\$ '000	2018	13/5/16 to 30/6/17
Income from continuing operations		
Access charges	2,516	3,768
User charges	5,026	4,028
Fees	48	92
Interest	401	326
Grants and contributions provided for non-capital purposes	37	88
Profit from the sale of assets	46	–
Other income	190	289
Total income from continuing operations	8,264	8,591
Expenses from continuing operations		
Employee benefits and on-costs	1,696	1,802
Borrowing costs	26	35
Materials and contracts	1,056	1,448
Depreciation, amortisation and impairment	3,348	2,409
Loss on sale of assets	50	166
Other expenses	1,552	1,846
Total expenses from continuing operations	7,728	7,706
Surplus (deficit) from continuing operations before capital amounts	536	885
Grants and contributions provided for capital purposes	1,317	1,468
Surplus (deficit) from continuing operations after capital amounts	1,853	2,353
Surplus (deficit) from all operations before tax	1,853	2,353
Less: corporate taxation equivalent (30%) [based on result before capital]	(161)	(266)
SURPLUS (DEFICIT) AFTER TAX	1,692	2,088
Plus opening retained profits	95,736	93,383
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	161	266
Closing retained profits	97,589	95,736
Return on capital %	0.6%	1.0%
Subsidy from Council	1,935	1,348
Calculation of dividend payable:		
Surplus (deficit) after tax	1,692	2,088
Less: capital grants and contributions (excluding developer contributions)	(966)	(1,079)
Surplus for dividend calculation purposes	726	1,009
Potential dividend calculated from surplus	363	504

Snowy Monaro Regional Council

Income Statement of Council's Sewerage Business Activity
for the year ended 30 June 2018

\$ '000	2018	13/5/16 to 30/6/17
Income from continuing operations		
Access charges	7,612	7,667
User charges	323	276
Fees	31	38
Interest	438	362
Grants and contributions provided for non-capital purposes	43	53
Profit from the sale of assets	1	-
Other income	144	197
Total income from continuing operations	8,592	8,593
Expenses from continuing operations		
Employee benefits and on-costs	1,783	1,489
Borrowing costs	99	141
Materials and contracts	1,178	1,843
Depreciation, amortisation and impairment	2,403	2,793
Loss on sale of assets	3	40
Other expenses	1,327	4,478
Total expenses from continuing operations	6,793	10,784
Surplus (deficit) from continuing operations before capital amounts	1,799	(2,191)
Grants and contributions provided for capital purposes	442	397
Surplus (deficit) from continuing operations after capital amounts	2,241	(1,794)
Surplus (deficit) from all operations before tax	2,241	(1,794)
Less: corporate taxation equivalent (30%) [based on result before capital]	(540)	-
SURPLUS (DEFICIT) AFTER TAX	1,701	(1,794)
Plus opening retained profits	91,357	93,151
Plus adjustments for amounts unpaid:		
- Corporate taxation equivalent	540	-
Closing retained profits	93,598	91,357
Return on capital %	2.6%	-2.7%
Subsidy from Council	58	3,838
Calculation of dividend payable:		
Surplus (deficit) after tax	1,701	(1,794)
Less: capital grants and contributions (excluding developer contributions)	(36)	1
Surplus for dividend calculation purposes	1,665	-
Potential dividend calculated from surplus	833	-

Snowy Monaro Regional Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2018

\$ '000	Waste Management		Yallambee Lodge	
	Category 1		Category 1	
	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17
Income from continuing operations				
Access charges	3,975	3,748	–	–
User charges	817	893	–	–
Fees	1,312	1,892	861	958
Interest	122	120	106	107
Grants and contributions provided for non-capital purposes	25	60	1,336	1,661
Other income	1,759	381	30	16
Total income from continuing operations	8,010	7,094	2,333	2,742
Expenses from continuing operations				
Employee benefits and on-costs	2,650	2,614	1,695	2,296
Borrowing costs	263	275	–	–
Materials and contracts	2,996	2,311	782	368
Depreciation, amortisation and impairment	718	819	235	243
Loss on sale of assets	–	8	–	–
Other expenses	1,165	911	59	321
Total expenses from continuing operations	7,792	6,938	2,771	3,228
Surplus (deficit) from continuing operations before capital amounts	218	156	(438)	(486)
Grants and contributions provided for capital purposes	53	65	5	–
Surplus (deficit) from continuing operations after capital amounts	271	221	(433)	(486)
Surplus (deficit) from all operations before tax	271	221	(433)	(486)
Less: corporate taxation equivalent (30%) [based on result before capital]	(65)	(47)	–	–
SURPLUS (DEFICIT) AFTER TAX	206	174	(433)	(486)
Plus opening retained profits	9,059	8,838	5,765	6,251
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	65	47	–	–
Closing retained profits	9,330	9,059	5,332	5,765
Return on capital %	5.1%	5.3%	-9.1%	-10.9%
Subsidy from Council	–	–	564	592

Snowy Monaro Regional Council

Statement of Financial Position – Council's Water Supply Business Activity
as at 30 June 2018

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	942	2,024
Investments	8,790	7,557
Receivables	3,637	2,262
Inventories	–	61
Other	(2)	–
Total current assets	13,367	11,904
Non-current assets		
Investments	5,965	3,780
Infrastructure, property, plant and equipment	94,938	95,315
Total non-current assets	100,903	99,095
TOTAL ASSETS	114,270	110,999
LIABILITIES		
Current liabilities		
Payables	72	130
Borrowings	85	79
Total current liabilities	157	209
Non-current liabilities		
Borrowings	264	349
Total non-current liabilities	264	349
TOTAL LIABILITIES	421	558
NET ASSETS	113,849	110,441
EQUITY		
Accumulated surplus	97,589	95,736
Revaluation reserves	16,260	14,705
Council equity interest	113,849	110,441
TOTAL EQUITY	113,849	110,441

Snowy Monaro Regional Council

Statement of Financial Position – Council's Sewerage Business Activity
as at 30 June 2018

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	1,107	2,321
Investments	10,333	8,658
Receivables	3,078	2,544
Inventories	–	35
Total current Assets	14,518	13,558
Non-current assets		
Investments	7,011	4,330
Receivables	123	137
Infrastructure, property, plant and equipment	74,359	75,123
Total non-current assets	81,493	79,590
TOTAL ASSETS	96,011	93,148
LIABILITIES		
Current liabilities		
Payables	16	57
Borrowings	324	119
Total current liabilities	340	176
Non-current liabilities		
Borrowings	1,104	1,613
Total non-current liabilities	1,104	1,613
TOTAL LIABILITIES	1,444	1,789
NET ASSETS	94,567	91,359
EQUITY		
Accumulated surplus	93,596	91,359
Revaluation reserves	971	–
Council equity interest	94,567	91,359
TOTAL EQUITY	94,567	91,359

Snowy Monaro Regional Council

Statement of Financial Position – Council's Other Business Activities
as at 30 June 2018

	Waste Management		Yallambee Lodge	
	Category 1		Category 1	
\$ '000	2018	2017	2018	2017
ASSETS				
Current assets				
Cash and cash equivalents	5,445	2,083	–	–
Investments	111	2,996	4,373	3,720
Receivables	619	597	71	1
Total Current Assets	6,175	5,676	4,444	3,721
Non-current assets				
Receivables	–	–	–	66
Infrastructure, property, plant and equipment	9,355	8,061	4,789	4,458
Other	3	–	–	–
Total non-current assets	9,358	8,061	4,789	4,524
TOTAL ASSETS	15,533	13,737	9,233	8,245
LIABILITIES				
Current liabilities				
Payables	8	32	–	2,480
Borrowings	231	257	–	–
Total current liabilities	239	289	3,354	2,480
Non-current liabilities				
Borrowings	832	1,092	–	–
Provisions	5,255	3,294	–	–
Total non-current liabilities	6,087	4,386	–	–
TOTAL LIABILITIES	6,326	4,675	3,354	2,480
NET ASSETS	9,207	9,062	5,879	5,765
EQUITY				
Accumulated surplus	9,330	9,062	5,333	5,765
Council equity interest	9,207	9,062	5,879	5,765
TOTAL EQUITY	9,207	9,062	5,879	5,765

Snowy Monaro Regional Council

Special Purpose Financial Statements for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	10
2	Water Supply Business Best-Practice Management disclosure requirements	14
3	Sewerage Business Best-Practice Management disclosure requirements	16

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

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 1993 (NSW), the Local Government (General) Regulation, 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

Water supply services

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

b. Sewerage Service

Sewerage reticulation, treatment and associated activities

c. Waste Management

Collection and disposal of garbage

d. Yallambie Lodge

Aged care services

Category 2

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

Nil

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by Crown Lands and Water (CLAW), the amounts shown in Note 2 and Note 3 are disclosed in whole 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 – 30%

Land tax – the first \$629,000 of combined land values attracts 0%. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

In accordance with Crown Lands and Water (CLAW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

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

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

The rate applied of 30% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

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

Loan and debt guarantee fees

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

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

(ii) Subsidies

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

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

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

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

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

(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:

$$\frac{\text{Operating result before capital income + interest expense}}{\text{Written down value of I,PP\&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.63% at 30/6/18.

(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 DPIW guidelines and must not exceed:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2018 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 2. Water supply business best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	-
(ii) Number of assessments multiplied by \$3/assessment	30,882
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv) Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	363,100
(ii) Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	308,820
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 12 May 2016	1,734,700

2018 Surplus	726,200	2017 Surplus	1,008,500	2016 Surplus	-
		2017 Dividend	-	2016 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	308,820
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the water business fair and reasonable? ^a	YES

3. Required outcomes for 6 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
- Complying charges [item 2 (b) in table 1]	YES
- DSP with commercial developer charges [item 2 (e) in table 1]	NO
- If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii) Sound water conservation and demand management implemented	YES
(iv) Sound drought management implemented	YES
(v) Complete performance reporting form (by 15 September each year)	YES
(vi) a. Integrated water cycle management evaluation	NO
b. Complete and implement integrated water cycle management strategy	NO

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 2. Water supply business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2018

National Water Initiative (NWI) financial performance indicators

NWI F1	Total revenue (water) Total Income (w13) – grants for the acquisition of assets (w11a) – Interest Income (w9) – Aboriginal Communities W&S Program Income (w10a)	\$'000	8,245
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [Income from residential usage charges (w6a) + Income from residential access charges (w6b)]	%	71.28%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	–
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	4,303
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	1,534
NWI F17	Economic real rate of return (water) [total Income (w13) – Interest Income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	n/a
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	966

- Notes:
1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
 2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
 - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	-
(ii) Number of assessments multiplied by \$3/assessment	29,607
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv) Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	832,650
(ii) Number of assessments x (\$30 less tax equivalent charges per assessment)	296,070
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 12 May 2016	(127,700)

2018 Surplus	1,665,300	2017 Surplus	(1,793,000)	2016 Surplus	-
		2017 Dividend	-	2016 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

3. Required outcomes for 4 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
Complying charges	
(a) Residential [item 2 (c) in table 1]	YES
(b) Non-residential [item 2 (c) in table 1]	YES
(c) Trade waste [item 2 (d) in table 1]	NO
DSP with commercial developer charges [item 2 (e) in table 1]	NO
Liquid trade waste approvals and policy [item 2 (f) in table 1]	NO
(iii) Complete performance reporting form (by 15 September each year)	YES
(iv) a. Integrated water cycle management evaluation	NO
b. Complete and implement integrated water cycle management strategy	NO

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)		2018
National Water Initiative (NWI) financial performance indicators		
NWI F2	Total revenue (sewerage) Total Income (s14) – grants for acquisition of assets (s12a) – Interest Income (s10) – Aboriginal Communities W&S Program Income (w10a)	\$'000 8,616
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000 –
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000 4,289
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000 596
NWI F18	Economic real rate of return (sewerage) [total Income (s14) – Interest Income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	% n/a
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000 35
National Water Initiative (NWI) financial performance indicators Water and sewer (combined)		
NWI F3	Total income (water and sewerage) Total Income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – Interest Income (w9 + s10)	\$'000 16,854
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total Income (NWI F3)	% 0.47%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000 2,130
NWI F19	Economic real rate of return (water and sewerage) [total Income (w13 + s14) – Interest Income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	% n/a
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000 –
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	% 0.00%

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2018

National Water Initiative (NWI) financial performance indicators Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and Investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-15.52%
NWI F23	Interest cover (water and sewerage) Earnings before Interest and tax (EBIT) divided by net Interest Earnings before Interest and tax (EBIT): 2,518 Operating result (w15a + s16a) + Interest expense (w4a + s4a) – Interest Income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c) Net Interest: (582) Interest expense (w4a + s4a) – Interest Income (w9 + s10)		> 100
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	3,093
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	79

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
 2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
 - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Snowy Monaro Regional Council

To the Councillors of the Snowy Monaro Regional Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of Snowy Monaro Regional Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of each Declared Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage Services
- Waste Management
- Yallambie Lodge
- Saleyards
- Jindabyne Holiday Park
- Snowy River Health Centre
- Quarry.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error.

Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

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

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial report
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Lawrissa Chan
Director, Financial Audit Services

29 October 2018
SYDNEY

Snowy Monaro Regional Council

SPECIAL SCHEDULES
for the year ended 30 June 2018



A trusted community partner

Snowy Monaro Regional Council

Special Schedules for the year ended 30 June 2018

Contents		Page
Special Schedules ¹		
Special Schedule 1	Net Cost of Services	2
Special Schedule 2	Permissible income for general rates	4
Special Schedule 2	Independent Auditors Report	6
Special Schedule 3	Water Supply Operations – incl. Income Statement	7
Special Schedule 4	Water Supply – Statement of Financial Position	10
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	11
Special Schedule 6	Sewerage Service – Statement of Financial Position	14
Notes to Special Schedules 3 and 5		15
Special Schedule 7	Report on Infrastructure Assets	16

¹ Special Schedules are not audited (with the exception of Special Schedule 2).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Snowy Monaro Regional Council

Special Schedule 1 – Net Cost of Services
for the year ended 30 June 2018

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	873	450	65	(358)
Administration	11,945	1,558	2	(10,385)
Public order and safety				
Fire service levy, fire protection, emergency services	1,619	963	10	(646)
Beach control	–	–	–	–
Enforcement of local government regulations	38	19	–	(19)
Animal control	28	1	–	(27)
Other	–	–	–	–
Total public order and safety	1,685	983	10	(692)
Health	463	137	–	(326)
Environment				
Noxious plants and insect/vermin control	1,171	351	–	(820)
Other environmental protection	–	–	–	–
Solid waste management	6,209	6,378	53	222
Street cleaning	75	–	–	(75)
Drainage	–	–	–	–
Stormwater management	653	15	–	(638)
Total environment	8,108	6,744	53	(1,311)
Community services and education				
Administration and education	173	54	–	(119)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	6,319	6,098	20	(201)
Children's services	155	41	–	(114)
Total community services and education	6,647	6,193	20	(434)
Housing and community amenities				
Public cemeteries	227	327	–	100
Public conveniences	268	–	–	(268)
Street lighting	248	47	–	(201)
Town planning	686	94	202	(390)
Other community amenities	1,636	132	–	(1,504)
Total housing and community amenities	3,065	600	202	(2,263)
Water supplies	7,518	8,168	1,317	1,967
Sewerage services	6,474	8,345	442	2,313

Snowy Monaro Regional Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2018

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	697	122	19	(556)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	431	27	–	(404)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	–	–	–	–
Sporting grounds and venues	932	18	171	(743)
Swimming pools	1,101	115	–	(986)
Parks and gardens (lakes)	2,186	38	103	(2,045)
Other sport and recreation	40	50	–	10
Total recreation and culture	5,387	370	293	(4,724)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	–	–	–	–
Other mining, manufacturing and construction	294	508	–	214
Total mining, manufacturing and const.	294	508	–	214
Transport and communication				
Urban roads (UR) – local	1,967	13	160	(1,794)
Urban roads – regional	35	–	–	(35)
Sealed rural roads (SRR) – local	2,065	–	–	(2,065)
Sealed rural roads (SRR) – regional	1,527	(154)	–	(1,681)
Unsealed rural roads (URR) – local	4,159	–	–	(4,159)
Unsealed rural roads (URR) – regional	317	–	–	(317)
Bridges on UR – local	156	39	–	(117)
Bridges on SRR – local	1,044	–	–	(1,044)
Bridges on URR – local	186	–	–	(186)
Bridges on regional roads	589	–	–	(589)
Parking areas	178	–	–	(178)
Footpaths	431	5	–	(426)
Aerodromes	–	–	–	–
Other transport and communication	5,156	8,832	1,414	5,090
Total transport and communication	17,810	8,735	1,574	(7,501)
Economic affairs				
Camping areas and caravan parks	433	423	–	(10)
Other economic affairs	1,818	734	–	(1,084)
Total economic affairs	2,251	1,157	–	(1,094)
Totals – functions	72,520	43,948	3,978	(24,594)
General purpose revenues⁽¹⁾		26,093		26,093
Share of interests – joint ventures and associates using the equity method	–	–	–	–
NET OPERATING RESULT⁽²⁾	72,520	70,041	3,978	1,499

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose (2) As reported in the Income Statement grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

Snowy Monaro Regional Council

Special Schedule 2 – Permissible income for general rates
for the year ended 30 June 2019

\$'000	2018/19	2018/19	2018/19	2018/19	2018/19	2017/18	2017/18	2017/18	2017/18	2017/18
	Bombala Council	Cooma-Monaro Shire Council	Snowy River Shire Council	Snowy Monaro Regional Council	Bombala Council	Cooma-Monaro Shire Council	Snowy River Shire Council	Snowy Monaro Regional Council	Bombala Council	Cooma-Monaro Shire Council
Notional general income calculation ⁽¹⁾										
Last year notional general income yield	a	2,367	7,140	5,892	15,399	6,989	5,803	15,132	2,340	6,989
Plus or minus adjustments ⁽²⁾	b	3	47	53	103	(11)	76	55	(10)	(11)
Notional general income	c = (a + b)	2,370	7,187	5,945	15,502	6,978	5,879	15,187	2,330	6,978
Permissible income calculation										
Special variation percentage ⁽³⁾	d	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Or rate peg percentage	e	2.30%	2.30%	2.30%	2.30%	1.50%	1.50%	1.50%	1.50%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Less expiring special variation amount	g	-	-	-	-	-	-	-	-	-
Plus special variation amount	h = d x (e - g)	-	-	-	-	-	-	-	-	-
Or plus rate peg amount	i = c x e	55	165	137	357	105	88	228	35	105
Or plus Crown land adjustment and rate peg amou.	j = c x f	-	-	-	-	-	-	-	-	-
Sub-total	k = (c + g + h + i + j)	2,425	7,352	6,082	15,859	7,083	5,967	15,415	2,365	7,083
Plus (or minus) last year's carry forward total	l	2	(42)	10	(30)	15	(65)	(46)	4	15
Less valuation objections claimed in the previous	m	-	-	-	-	-	-	-	-	-
Sub-total	n = (l + m)	2	(42)	10	(30)	15	(65)	(46)	4	15
Total permissible income	o = k + n	2,428	7,310	6,092	15,828	7,098	5,902	15,369	2,369	7,098
Less notional general income yield	p	2,426	7,227	6,078	15,731	7,140	5,892	15,399	2,367	7,140
Catch-up or (excess) result	q = o - p	0	83	14	97	(42)	10	(30)	2	(42)
Plus income lost due to valuation objections cla	r	-	-	-	-	-	-	-	-	-
Less unused catch-up ⁽⁵⁾	s	-	-	-	-	-	-	-	-	-
Carry forward to next year	t = q + r - s	0	83	14	97	(42)	10	(30)	2	(42)

Snowy Monaro Regional Council

Special Schedule 2 – Permissible income for general rates for the year ended 30 June 2019

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a return (FDR) to administer this process.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1983. The OLG will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Snowy Monaro Regional Council

To the Councillors of Snowy Monaro Regional Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Snowy Monaro Regional Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Lawrissa Chan
Director, Financial Audit Services

29 October 2018
SYDNEY

Snowy Monaro Regional Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	814	991
b. Engineering and supervision	352	652
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	63
– Mains		
c. Operation expenses	4	25
d. Maintenance expenses	935	1,266
– Reservoirs		
e. Operation expenses	148	75
f. Maintenance expenses	55	123
– Pumping stations		
g. Operation expenses (excluding energy costs)	159	181
h. Energy costs	265	290
i. Maintenance expenses	81	129
– Treatment		
j. Operation expenses (excluding chemical costs)	584	305
k. Chemical costs	21	464
l. Maintenance expenses	320	301
– Other		
m. Operation expenses	453	155
n. Maintenance expenses	112	75
o. Purchase of water	–	–
3. Depreciation expenses		
a. System assets	3,283	2,321
b. Plant and equipment	65	88
4. Miscellaneous expenses		
a. Interest expenses	26	35
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	7,677	7,539

Snowy Monaro Regional Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
Income		
6. Residential charges		
a. Access (including rates)	2,083	3,143
b. Usage charges	3,540	1,179
7. Non-residential charges		
a. Access (including rates)	337	625
b. Usage charges	1,630	2,914
8. Extra charges	77	6
9. Interest Income	324	320
10. Other Income	190	316
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	966	1,174
b. Grants for pensioner rebates	37	55
c. Other grants	–	–
12. Contributions		
a. Developer charges	351	326
b. Developer provided assets	–	–
c. Other contributions	–	–
13. Total income	<u>9,535</u>	<u>10,058</u>
14. Gain (or loss) on disposal of assets	(5)	(166)
15. Operating result	<u>1,853</u>	<u>2,353</u>
15a. Operating result (less grants for acquisition of assets)	887	1,179

Snowy Monaro Regional Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	846	615
b. New assets for growth	–	1,170
c. Renewals	513	949
d. Plant and equipment	175	120
17. Repayment of debt	79	92
18. Totals	<u>1,613</u>	<u>2,946</u>
Non-operating funds employed		
19. Proceeds from disposal of assets	–	15
20. Borrowing utilised	–	–
21. Totals	<u>–</u>	<u>15</u>
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	7,335	7,389
b. Residential (unoccupied, ie. vacant lot)	323	292
c. Non-residential (occupied)	902	918
d. Non-residential (unoccupied, ie. vacant lot)	24	11
23. Number of ETs for which developer charges were received	63 ET	37 ET
24. Total amount of pensioner rebates (actual dollars)	\$ 96,035	\$ 102,665

Snowy Monaro Regional Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2018

\$'000	Current	Non-current	Total
ASSETS			
25. Cash and investments			
a. Developer charges	–	1,857	1,857
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	9,732	4,107	13,839
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	1,270	–	1,270
c. User charges	2,350	–	2,350
d. Other	16	–	16
27. Inventories	–	–	–
28. Property, plant and equipment			
a. System assets	–	91,687	91,687
b. Plant and equipment	–	3,251	3,251
29. Other assets	–	–	–
30. Total assets	<u>13,368</u>	<u>100,902</u>	<u>114,270</u>
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	72	–	72
33. Borrowings	85	264	349
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	<u>157</u>	<u>264</u>	<u>421</u>
36. NET ASSETS COMMITTED	<u>13,211</u>	<u>100,638</u>	<u>113,849</u>
EQUITY			
37. Accumulated surplus			97,589
38. Asset revaluation reserve			16,260
39. Other reserves			–
40. TOTAL EQUITY			<u>113,849</u>
Note to system assets:			
41. Current replacement cost of system assets			201,185
42. Accumulated current cost depreciation of system assets			(109,498)
43. Written down current cost of system assets			<u>91,687</u>

Snowy Monaro Regional Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	705	760
b. Engineering and supervision	188	305
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	4	87
b. Maintenance expenses	513	505
– Pumping stations		
c. Operation expenses (excluding energy costs)	188	142
d. Energy costs	100	131
e. Maintenance expenses	223	222
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	784	652
g. Chemical costs	123	150
h. Energy costs	272	314
i. Effluent management	46	67
j. Biosolids management	139	78
k. Maintenance expenses	440	952
– Other		
l. Operation expenses	531	520
m. Maintenance expenses	33	53
3. Depreciation expenses		
a. System assets	2,342	2,708
b. Plant and equipment	61	85
4. Miscellaneous expenses		
a. Interest expenses	99	135
b. Revaluation decrements	–	2,886
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	6,791	10,752

Snowy Monaro Regional Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
Income		
6. Residential charges (including rates)	6,682	6,773
7. Non-residential charges		
a. Access (including rates)	739	842
b. Usage charges	388	299
8. Trade waste charges		
a. Annual fees	95	99
b. Usage charges	63	18
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	55	4
10. Interest income	383	358
11. Other income	145	147
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	35	–
b. Grants for pensioner rebates	42	53
c. Other grants	–	–
13. Contributions		
a. Developer charges	407	397
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>9,034</u>	<u>8,990</u>
15. Gain (or loss) on disposal of assets	(2)	(32)
16. Operating result	<u>2,241</u>	<u>(1,794)</u>
16a. Operating result (less grants for acquisition of assets)	2,206	(1,794)

Snowy Monaro Regional Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	13/5/16 to 30/6/17
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	379	52
b. New assets for growth	–	–
c. Renewals	3	410
d. Plant and equipment	214	43
18. Repayment of debt	304	355
19. Totals	<u>900</u>	<u>860</u>
Non-operating funds employed		
20. Proceeds from disposal of assets	–	15
21. Borrowing utilised	–	–
22. Totals	<u>–</u>	<u>15</u>
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	6,526	6,537
b. Residential (unoccupied, ie. vacant lot)	411	321
c. Non-residential (occupied)	736	751
d. Non-residential (unoccupied, ie. vacant lot)	19	10
24. Number of ETs for which developer charges were received	63 ET	37 ET
25. Total amount of pensioner rebates (actual dollars)	\$ 96,486	\$ 96,291

Snowy Monaro Regional Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2018

\$'000	Current	Non-current	Total
ASSETS			
26. Cash and investments			
a. Developer charges	–	1,273	1,273
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	11,441	5,738	17,179
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	2,800	–	2,800
c. User charges	220	–	220
d. Other	58	123	181
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	72,462	72,462
b. Plant and equipment	–	1,897	1,897
30. Other assets	–	–	–
31. Total assets	<u>14,519</u>	<u>81,493</u>	<u>96,012</u>
LIABILITIES			
32. Bank overdraft	16	–	16
33. Creditors	–	–	–
34. Borrowings	324	1,104	1,428
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>340</u>	<u>1,104</u>	<u>1,444</u>
37. NET ASSETS COMMITTED	<u>14,179</u>	<u>80,389</u>	<u>94,568</u>
EQUITY			
38. Accumulated surplus			93,597
39. Asset revaluation reserve			971
40. Other reserves			–
41. TOTAL EQUITY			<u>94,568</u>
Note to system assets:			
42. Current replacement cost of system assets			140,530
43. Accumulated current cost depreciation of system assets			(68,068)
44. Written down current cost of system assets			<u>72,462</u>

Snowy Monaro Regional Council

Notes to Special Schedules 3 and 5 for the year ended 30 June 2018

Administration⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

Engineering and supervision⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contribution for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and not in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings	4,344	2,484	900	937	42,217	117,251	30%	11%	27%	22%	10%
	Sub-total	4,344	2,484	900	937	42,217	117,251	30.0%	11.0%	27.0%	22.0%	10.0%
Other structures	Other structures	546	287	102	139	7,693	14,756	28%	23%	38%	7%	4%
	Sub-total	546	287	102	139	7,693	14,756	28.0%	23.0%	38.0%	7.0%	4.0%
Roads	Sealed roads	11,845	5,702	3,089	1,856	119,057	202,012	16%	31%	42%	10%	1%
	Unsealed roads	11,420	7,354	2,372	2,021	89,024	160,813	16%	16%	47%	20%	1%
	Bridges	5,785	3,550	675	520	58,314	113,154	12%	32%	44%	4%	8%
	Footpaths	230	140	87	22	8,201	16,745	14%	24%	20%	42%	0%
	Other road assets	1,450	770	748	12	47,637	57,991	10%	48%	36%	6%	0%
	Bulk earthworks	–	–	–	–	515,602	515,602	100%	0%	0%	0%	0%
	Sub-total	30,730	17,516	6,970	4,431	837,835	1,066,317	55.8%	14.7%	22.0%	6.3%	1.2%

\$'000

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	13,249.86	13,250	2,012	1,503	91,687	201,185	12%	18%	38%	32%	0%
	Sub-total	13,250	13,250	2,012	1,503	91,687	201,185	12.0%	18.0%	38.0%	32.0%	0.0%
Sewerage network	Sewerage network	18,318.89	18,319	1,405	1,209	72,462	140,530	13%	34%	32%	14%	7%
	Sub-total	18,319	18,319	1,405	1,209	72,462	140,530	13.0%	34.0%	32.0%	14.0%	7.0%
Stormwater drainage	Stormwater drainage	670	560	235	27	16,416	31,389	7%	61%	9%	17%	6%
	Sub-total	670	560	235	27	16,416	31,389	7.0%	61.0%	9.0%	17.0%	6.0%
Open space/recreational assets	Swimming pools Other	1,178 345	345	160 40	87 90	4,860 1,904	13,644 5,053	13% 4%	4% 28%	79% 47%	3% 19%	1% 2%
	Sub-total	1,523	493	200	177	6,764	18,697	10.6%	10.5%	70.4%	7.3%	1.3%
	TOTAL – ALL ASSETS	69,382	52,909	11,824	8,423	1,075,074	1,590,125	42.8%	17.5%	25.7%	11.6%	2.3%

Notes:

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

Infrastructure asset condition assessment 'key'

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

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Indicator 2017	Benchmark
Infrastructure asset performance indicators * consolidated				
1. Buildings and infrastructure renewals ratio ⁽¹⁾				
Asset renewals ⁽²⁾	<u>7,856</u>	44.74%	55.12%	>= 100%
Depreciation, amortisation and impairment	<u>17,561</u>			
2. Infrastructure backlog ratio ⁽¹⁾				
Estimated cost to bring assets to a satisfactory standard	<u>69,382</u>	12.36%	11.89%	< 2.00%
Net carrying amount of infrastructure assets	<u>561,223</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>8,423</u>	71.24%	96.93%	> 100%
Required asset maintenance	<u>11,824</u>			
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	<u>52,909</u>	3.33%	3.31%	
Gross replacement cost	<u>1,590,125</u>			

Notes

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

⁽¹⁾ Excludes Work In Progress (WIP)

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

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2018

<p>1. Buildings and infrastructure renewals ratio</p> <p>Benchmark: Minimum >=100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 44.74%</p> <p>This ratio indicates the gap between the deterioration of council's infrastructure and the required funding to renew these assets.</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: Maximum <2.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of Infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 12.36%</p> <p>This ratio is based on bringing assets up to a condition 2 satisfactory standard as required by the OLG. There is work still in progress to review condition and risk ratings of councils assets and improving alignment with Council's Long Term Financial Plan (LTFP).</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: Minimum >100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 71.24%</p> <p>This indicates the current level of investment in asset maintenance is not sufficient to prevent an increase to the infrastructure backlog.</p>
<p>4. Cost to bring assets to agreed service level</p>	<p>Purpose of agreed service level ratio</p> <p>This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 3.33%</p> <p>This ratio is based on bringing assets up to a condition 3 standard for all assets except condition 2 for water and sewer infrastructure. Plans to address this cost need to be priorities based on social, economic and environmental factors including risk to the community.</p>

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	General indicators ⁽¹⁾		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
Infrastructure asset performance indicators by fund							
1. Buildings and infrastructure renewals ratio ⁽²⁾ Asset renewals ⁽³⁾ Depreciation, amortisation and impairment	52.51%	57.81%	36.77%	89.87%	16.27%	12.21%	>= 100%
2. Infrastructure backlog ratio ⁽²⁾ Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	9.52%	9.09%	14.45%	14.02%	25.28%	24.60%	< 2.00%
3. Asset maintenance ratio Actual asset maintenance Required asset maintenance	67.93%	88.29%	74.71%	117.44%	86.03%	114.30%	> 100%
4. Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	1.71%	1.69%	6.59%	6.59%	13.04%	13.04%	

Notes

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

⁽²⁾ Excludes Work In Progress (WIP)

⁽³⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



24/7 CUSTOMER SERVICE LINE 1300 345 345

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