

November 18, 2020

ORDINARY MONTHLY MEETING

TO BE HELD

WEDNESDAY, NOVEMBER 25, 2020

Please address all communications to:
The General Manager
240 Blende Street
PO Box 448
Broken Hill NSW 2880
Phone 08 8080 3300
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council@brokenhill.nsw.gov.au
www.brokenhill.nsw.gov.au

ABN 84 873 116 132

Dear Sir/Madam,

Your attendance is requested at the Ordinary Meeting of the Council of the City of Broken Hill to be held **via Videoconference** on **Wednesday, November 25, 2020** commencing at 6:30pm to consider the following business:

- 1) Opening Meeting
- 2) Apologies and Leave of Absence
- 3) Prayer
- 4) Acknowledgement of Country
- 5) Minutes for Confirmation
- 6) Disclosure of Interest
- 7) Mayoral Minute(s)
- 8) Notice of Motion
- 9) Notices of Rescission
- 10) Reports from Delegates
- 11) Reports
- 12) Committee Reports
- 13) Questions Taken on Notice from Previous Council Meeting
- 14) Questions for Next Meeting Arising from Items on this Agenda
- 15) Confidential Matters
- 16) Conclusion of the meeting

JAMES RONCON
GENERAL MANAGER

LIVESTREAMING AND RECORDING OF COUNCIL MEETINGS

***PLEASE NOTE:** This Council meeting is being livestreamed via YouTube and recorded and published online via Facebook.*

To those present in the meeting today, by participating in this public meeting you are consenting to your image, voice and comments being recorded and published.

The Mayor and/or General Manager have the authority to pause the livestream if comments or debate are considered defamatory or otherwise inappropriate for publishing.

Participants are advised that they may be subject to legal action if they engage in unlawful behaviour or commentary.

MINUTES FOR CONFIRMATION

Minutes of the Ordinary Meeting of the Council of the City of Broken Hill held Wednesday, October 28, 2020.

Minutes of the Extraordinary Meeting of the Council of the City of Broken Hill held Monday, November 09, 2020.

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Due to the COVID-19 pandemic and the government's protocol for social distancing and indoor gatherings, the meeting was closed to the public. The meeting was held via videoconference. Meeting commenced at 6:30pm.

PRESENT:

Councillor D. Turley (Mayor) Councillor C. Adams (Deputy Mayor)
Councillors B. Algate, M. Browne, M. Clark, D. Gallagher, T. Kennedy,
B. Licul, J. Nolan and R. Page.

General Manager, Chief Financial Officer, Director Corporate, Manager
Communications, Governance Officer and Executive Support Officer.

APOLOGIES:

Nil.

PRAYER

Councillor Adams delivered the prayer.

ACKNOWLEDGEMENT OF COUNTRY

Councillor Gallagher delivered the Acknowledgment of Country

MINUTES FOR CONFIRMATION

RESOLUTION

Minute No. 46363

Councillor D. Gallagher moved
Councillor B. Licul seconded

Resolved

) That the Minutes of the Ordinary Meeting of the
) Council of the City of Broken Hill held
September 30, 2020 be confirmed.

That the Minutes of the Extraordinary Meeting of
the Council of the City of Broken Hill held
October 06, 2020 be confirmed.

CARRIED UNANIMOUSLY

DISCLOSURE OF INTEREST

Nil.

MAYORAL MINUTES

Nil.

NOTICES OF MOTION

ITEM 1 - MOTIONS OF WHICH NOTICE HAS BEEN GIVEN NO. 17/20 - DATED OCTOBER 16, 2020 - TELLUS HOLDINGS LTD - PROPOSED BLUE BUSH PROJECT

11/467

Motion

Councillor T. Kennedy moved)

Councillor B. Algate seconded)

1. That Motions of Which Notice has been Given No. 17/20 dated October 16, 2020, be received.
2. That Broken Hill City Council reports to the November 2020 Ordinary Meeting of Council on ways the Council can engage with the community to understand the support or lack of support for the proposed toxic waste dump close to Broken Hill.
3. That Broken Hill City Council reports on potential effects the proposed toxic waste dump will have on tourism and population growth.
4. That Broken Hill City Council approach the State Government so that any royalties generated from the toxic waste dump if it proceeds is granted to Broken Hill.
5. That Broken Hill City Council approach the Federal Government to grant Broken Hill City Council an additional \$5m per annum to keep ovals, parks and footpaths grassed and maintained to offset any negative effect if the toxic waste dump proceeds.
6. That Broken Hill City Council approach the proposed toxic waste dump owners to contribute \$3m per annum to offset the negative impacts on population and tourism if the toxic waste dump proceeds.
7. That Councillors consider the arguments contained within the Notice of Motion.

Amendment

Councillor M. Clark moved)

Councillor B. Licul seconded)

1. That Motions of Which Notice has been Given No. 17/20 dated October 16, 2020, be received.
2. That Council writes to the Coolgardie Shire Council and the Alice Springs Town Council to seek advice on any positive effects or negative effects that the hazardous waste disposal facility has had on their communities and in particular regarding the creation of

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employment; also any fears that the community had prior to the construction of the facility which may have been allayed once the facility was operational.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

AGAINST: Crs Algate and Kennedy

The amendment becomes the motion.

RESOLUTION

Resolved

Minute No. 46364

Councillor M. Clark moved)

Councillor B. Licul seconded)

1. That Motions of Which Notice has been Given No. 17/20 dated October 16, 2020, be received.
2. That Council writes to the Coolgardie Shire Council and the Alice Springs Town Council to seek advice on any positive effects or negative effects that the hazardous waste disposal facility has had on their communities and in particular regarding the creation of employment; also any fears that the community had prior to the construction of the facility which may have been allayed once the facility was operational.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

AGAINST: Crs Algate and Kennedy

ITEM 2 - MOTIONS OF WHICH NOTICE HAS BEEN GIVEN NO. 18/20 - DATED OCTOBER 16, 2020 - INSTALLATION OF LOADING ZONES

11/392

Motion

Councillor T. Kennedy moved)

Councillor B. Algate seconded)

1. That Motions of Which Notice has been Given No. 18/20 dated October 16, 2020, be received.
2. That Broken Hill City Council investigates and reports to the November 2020 Ordinary Meeting of Council for the installation of loading zones in and around commercial precincts where parking is a problem.
3. That Broken Hill City Council consider the arguments contained within the Notice of Motion.

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Amendment

- | | | |
|------------------------------|---|--|
| Councillor M. Browne moved |) | 1. That Motions of Which Notice has been |
| Councillor C. Adams seconded |) | Given No. 18/20 dated October 16, 2020, be received. |
| | | 2. That the matter be referred to the Broken Hill Traffic Committee. |

Councillor Kennedy withdrew his Notice of Motion in favour of the amendment.

The amendment becomes the motion.

RESOLUTION

Resolved

Minute No. 46365

- | | | |
|------------------------------|---|--|
| Councillor M. Browne moved |) | 1. That Motions of Which Notice has been |
| Councillor C. Adams seconded |) | Given No. 18/20 dated October 16, 2020, be received. |
| | | 2. That the matter be referred to the Broken Hill Traffic Committee. |

CARRIED UNANIMOUSLY

RESCISSION MOTIONS

Nil.

REPORTS FROM DELEGATES

Nil.

REPORTS

**ITEM 3 - BROKEN HILL CITY COUNCIL REPORT NO. 135/20 - DATED OCTOBER 13, 2020 -
CORRESPONDENCE REPORT - NSW GOVERNMENT SMALL BUSINESS SUPPORT GRANTS**

11/175

Motion

- | | | |
|------------------------------|---|--|
| Councillor C. Adams moved |) | 1. That Broken Hill City Council Report No. 135/20 dated October 13, 2020, be received. |
| Councillor M. Clark seconded |) | 2. That correspondence dated 6 October 2020 from The Premier of NSW, The Hon Gladys Berejiklian MP regarding the NSW Small Business Support Grant and Small Business Recovery Grant and advising that the correspondence has been forwarded to The Treasurer, The Hon Dominic Perrottet MP, be received and noted. |
| | | 3. That Council writes to the Premier of NSW, The Hon Gladys Berejiklian MP and The |

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Treasurer, The Hon Dominic Perrottet MP, requesting that Broken Hill be considered as a border town given its proximity to the South Australian border and its remoteness in order for Broken Hill businesses to be eligible for the NSW Small Business Support Grant and Small Business Recovery Grant.

Amendment

- Councillor T. Kennedy moved)
Councillor B. Algate seconded)
1. That Broken Hill City Council Report No. 135/20 dated October 13, 2020, be received.
 2. That correspondence dated 6 October 2020 from The Premier of NSW, The Hon Gladys Berejiklian MP regarding the NSW Small Business Support Grant and Small Business Recovery Grant and advising that the correspondence has been forwarded to The Treasurer, The Hon Dominic Perrottet MP, be received and noted.
 3. That Council writes to the Premier of NSW, The Hon Gladys Berejiklian MP and The Treasurer, The Hon Dominic Perrottet MP, requesting that Broken Hill be considered as a border town given its proximity to the South Australian border and its remoteness in order for Broken Hill businesses to be eligible for the NSW Southern Border Small Business Support Grant along with the NSW Small Business Support Grant and Small Business Recovery Grant.
 4. That Council develops a policy that engages and helps small businesses that are struggling through difficult times.

CARRIED

FOR: Crs Adams, Algate, Gallagher, Kennedy, Licul, Nolan, Page and Turley
AGAINST: Crs Browne and Clark

The amendment becomes the motion.

RESOLUTION

Minute No. 46366

Councillor T. Kennedy moved)
Councillor B. Algate seconded)

Resolved

1. That Broken Hill City Council Report No. 135/20 dated October 13, 2020, be received.
2. That correspondence dated 6 October 2020 from The Premier of NSW, The Hon Gladys Berejiklian MP regarding the NSW Small Business Support Grant and Small Business Recovery Grant and advising that the correspondence has been forwarded to The

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Treasurer, The Hon Dominic Perrottet MP, be received and noted.

3. That Council writes to the Premier of NSW, The Hon Gladys Berejiklian MP and The Treasurer, The Hon Dominic Perrottet MP, requesting that Broken Hill be considered as a border town given its proximity to the South Australian border and its remoteness in order for Broken Hill businesses to be eligible for the NSW Southern Border Small Business Support Grant along with the NSW Small Business Support Grant and Small Business Recovery Grant.
4. That Council develops a policy that engages and helps small businesses that are struggling through difficult times.

CARRIED UNANIMOUSLY

ITEM 4 - BROKEN HILL CITY COUNCIL REPORT NO. 136/20 - DATED SEPTEMBER 30, 2020 - CORRESPONDENCE REPORT - SEALING OF THE SILVER CITY HIGHWAY BETWEEN BROKEN HILL AND TIBOOBURRA

11/161

RESOLUTION

Resolved

Minute No. 46367

Councillor C. Adams moved)
Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 136/20 dated September 30, 2020, be received.
2. That the following correspondence be received and noted:
 - a) Correspondence dated 28 September 2020 from the Principal Manager of Transport for NSW acknowledging the contributions of Mr Peter Beven, Mr Peter Black, Mr John Elliott and Mr John Williams in advocating for the sealing of the Silver City Highway between Broken Hill and Tibooburra.
 - b) Correspondence dated 29 September 2020 from Mr Peter Beven regarding the sealing of the Silver City Highway between Broken Hill and Tibooburra and enclosing a report on the official opening event held in Tibooburra on 1 July 2020.

CARRIED UNANIMOUSLY

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**ITEM 5 - BROKEN HILL CITY COUNCIL REPORT NO. 137/20 - DATED SEPTEMBER 30, 2020 -
CORRESPONDENCE REPORT - MENINDEE LAKES SUSTAINABLE DIVERSION LIMIT
ADJUSTMENT MECHANISM PROJECT**

11/151

Motion

- | | | |
|------------------------------|---|---|
| Councillor M. Browne moved |) | 1. That Broken Hill City Council Report No. 137/20 dated September 30, 2020, be received. |
| Councillor C. Adams seconded |) | |
| | | 2. That correspondence dated 22 September 2020 from The Hon Melinda Pavey MP, Minister for Water, Property and Housing regarding the Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project be received and noted. |

Amendment

- | | | |
|------------------------------|---|---|
| Councillor T. Kennedy moved |) | 1. That Broken Hill City Council Report No. 137/20 dated September 30, 2020, be received. |
| Councillor J. Nolan seconded |) | |
| | | 2. That correspondence dated 22 September 2020 from The Hon Melinda Pavey MP, Minister for Water, Property and Housing regarding the Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project be received and noted. |
| | | 3. That Council writes to the The Hon Melinda Pavey MP, Minister for Water, Property and Housing requesting an amendment to the terms of reference within the document "Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project" to remove the 106gl water savings target, thus allowing many potential water saving ideas. |

Councillor Browne withdrew her motion in favour of the amendment.

The amendment becomes the motion.

RESOLUTION

Resolved

Minute No. 46368

- | | | |
|------------------------------|---|---|
| Councillor T. Kennedy moved |) | 1. That Broken Hill City Council Report No. 137/20 dated September 30, 2020, be received. |
| Councillor J. Nolan seconded |) | |
| | | 2. That correspondence dated 22 September 2020 from The Hon Melinda Pavey MP, Minister for Water, Property and Housing regarding the Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project be received and noted. |

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3. That Council writes to the The Hon Melinda Pavey MP, Minister for Water, Property and Housing requesting an amendment to the terms of reference within the document "Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project" to remove the 106gl water savings target, thus allowing many potential water saving ideas.

CARRIED UNANIMOUSLY

ITEM 6 - BROKEN HILL CITY COUNCIL REPORT NO. 138/20 - DATED SEPTEMBER 25, 2020 - PUBLIC INTEREST DISCLOSURES ANNUAL REPORT 2019/2020 12/67

RESOLUTION

Resolved

Minute No. 46369

- | | | |
|------------------------------|---|--|
| Councillor C. Adams moved |) | 1. That Broken Hill City Council Report No. 138/20 dated September 25, 2020, be received. |
| Councillor B. Licul seconded |) | |
| | | 2. That the Broken Hill City Council Public Interest Disclosures Annual Report 2019/2020 be forwarded to the Minister for Local Government and the NSW Ombudsman by 30 October 2020. |

CARRIED UNANIMOUSLY

ITEM 7 - BROKEN HILL CITY COUNCIL REPORT NO. 139/20 - DATED OCTOBER 08, 2020 - CULTURAL FACILITIES OPENING HOURS 11/212

Motion

- | | | |
|------------------------------|---|---|
| Councillor C. Adams moved |) | 1. That Broken Hill City Council Report No. 139/20 dated October 8, 2020, be received. |
| Councillor M. Clark seconded |) | |
| | | 2. That Council note the below report and subsequent budget adjustment presented in the September Quarterly Budget Review. |
| | | 3. That Council note that a review of the Visitors Information Centre operational model will form part of the 2021/22 Operational Plan. |

Amendment

- | | | |
|-------------------------------|---|---|
| Councillor T. Kennedy moved |) | 1. That Broken Hill City Council Report No. 139/20 dated October 8, 2020, be received. |
| Councillor B. Algate seconded |) | |
| | | 2. That Council note the below report and subsequent budget adjustment presented in the September Quarterly Budget Review. |
| | | 3. That Council note that a review of the Visitors Information Centre operational model will form part of the 2021/22 Operational Plan. |

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4. That all Council cultural facilities be opened to normal opening hours and a report be presented to the November Council Meeting detailing the additional costs to be incurred.

LOST

FOR: Crs Algate, Kennedy and Page

AGAINST: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan and Turley

The original motion was put.

RESOLUTION

Resolved

Minute No. 46370

Councillor C. Adams moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 139/20 dated October 8, 2020, be received.
2. That Council note the below report and subsequent budget adjustment presented in the September Quarterly Budget Review.
3. That Council note that a review of the Visitors Information Centre operational model will form part of the 2021/22 Operational Plan.

CARRIED

FOR: Crs Adams, Browne, M Clark, Gallagher, Licul, Nolan and Turley

AGAINST: Crs Algate, Kennedy and Page

ITEM 8 - BROKEN HILL CITY COUNCIL REPORT NO. 140/20 - DATED OCTOBER 16, 2020 - RECONCILIATION ACTION PLAN 2020-2022

14/59

RESOLUTION

Resolved

Minute No. 46371

Councillor M. Clark moved)

Councillor M. Browne seconded)

1. That Broken Hill City Council Report No. 140/20 dated October 16, 2020, be received.
2. That Broken Hill City Council approves the fully endorsed Reconciliation Action Plan October 2020- October 2022.

CARRIED UNANIMOUSLY

ITEM 9 - BROKEN HILL CITY COUNCIL REPORT NO. 141/20 - DATED AUGUST 28, 2020 - ADOPTION OF DRAFT MOBILE FOOD VEHICLES, TEMPORARY FOOD STALLS AND HAWKING POLICY

12/14

RESOLUTION

Resolved

Minute No. 46372

Councillor J. Nolan moved)

1. That Broken Hill City Council Report No. 141/20 dated August 28, 2020, be received.

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Councillor C. Adams seconded)

2. That Council adopts the draft Mobile Food Vehicles, Temporary Food Stalls and Hawking Policy as a Policy of Council.
3. That adoption of the draft Mobile Food Vehicles, Temporary Food Stalls and Hawking Policy will render the Food Hawker and Vendor Regulations Policy obsolete.

CARRIED UNANIMOUSLY

ITEM 10 - BROKEN HILL CITY COUNCIL REPORT NO. 142/20 - DATED OCTOBER 19, 2020 - INDUSTRIAL RATES

17/90

Motion

Councillor B. Licul moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 142/20 dated October 19, 2020, be received.
2. That Council note the information provided by the Valuer General.
3. That Council review the city's entire rating structure as part of preparing the 2021/22 Operational Plan to ensure a fair and equitable outcome for all rating categories across the city.

Amendment

Councillor T. Kennedy moved)

Councillor B. Algate seconded)

1. That Broken Hill City Council Report No. 142/20 dated October 19, 2020, be received.
2. That Council note the information provided by the Valuer General.
3. That Council review the city's entire rating structure as part of preparing the 2021/22 Operational Plan to ensure a fair and equitable outcome for all rating categories across the city.
4. That Council presents a report to the November Council Meeting outlining scenarios that may be used to lower rates at the Kanandah Road Industrial Precinct to 2019/2020 plus rate pegging announced.

LOST
on the casting vote of the Mayor

Councillor Clark foreshadowed an amendment should Councillor Kennedy's amendment be lost.

FOR: Crs Algate, Gallagher, Kennedy, Licul and R Page

AGAINST: Crs Adams, Browne, M Clark, Nolan and Turley

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The original motion was put.

The mover of the original motion accepted an addendum by Councillor Clark.

RESOLUTION

Resolved

Minute No. 46373

Councillor B. Licul moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 142/20 dated October 19, 2020, be received.
2. That Council note the information provided by the Valuer General.
3. That Council review the city's entire rating structure as part of preparing the 2021/22 Operational Plan to ensure a fair and equitable outcome for all rating categories across the city.
4. That Council continues to pursue the Department of Crown Lands to access further land for the Kanandah Road Industrial Precinct if possible.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan and Turley

AGAINST: Crs Algate, Kennedy and Page

ITEM 11 - BROKEN HILL CITY COUNCIL REPORT NO. 143/20 - DATED OCTOBER 16, 2020 - BUDGET CARRYOVER'S 2020/21

14/175

Motion

Councillor J. Nolan moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 143/20 dated October 16, 2020, be received.
2. That Council revoke the budget items as listed below in *Table 1* for the amount of \$37,500.
3. That Council note the carryover budget items as listed below in *Table 2* for the amount of \$4,837,930.

Amendment

Councillor T. Kennedy moved)

Councillor B. Algate seconded)

1. That Broken Hill City Council Report No. 143/20 dated October 16, 2020, be received.
2. That Council revoke the budget items as listed below in *Table 1* for the amount of \$37,500.
3. That Council note the carryover budget items as listed below in *Table 2* for the amount of \$4,837,930.

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4. That Council note concern about the level of carryovers for this year.

LOST

FOR: Crs Algate and Kennedy

AGAINST: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

The original motion was put.

RESOLUTION

Resolved

Minute No. 46374

Councillor J. Nolan moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 143/20 dated October 16, 2020, be received.
2. That Council revote the budget items as listed below in *Table 1* for the amount of \$37,500.
3. That Council note the carryover budget items as listed below in *Table 2* for the amount of \$4,837,930.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

AGAINST: Crs Algate and Kennedy

**ITEM 12 - BROKEN HILL CITY COUNCIL REPORT NO. 144/20 - DATED OCTOBER 20, 2020 -
QUARTERLY BUDGET REVIEW STATEMENT FOR PERIOD ENDED SEPTEMBER 2020** 12/160

Motion

Councillor C. Adams moved)

Councillor M. Clark seconded)

1. That Broken Hill City Council Report No. 144/20 dated October 20, 2020, be received.
2. That the 1st Quarterly Budget Review Statement and recommendations be adopted.
3. That Council note the projected 2020/21 operating deficit (before capital) of \$2,580,000.
4. That Council note the 2020/21 projected capital budget expenditure of \$46,326,000.
5. That Council note the revised Long-Term Financial Plan 2021-2030

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Amendment

- Councillor T. Kennedy moved)
Councillor B. Algate seconded)
1. That Broken Hill City Council Report No. 144/20 dated October 20, 2020, be received.
 2. That the 1st Quarterly Budget Review Statement and recommendations be adopted.
 3. That a report be presented to the November Council Meeting outlining ways to reduce the deficit.
 4. That a report be presented to the November Council Meeting explaining how the \$46,326,000 was arrived at.
 5. That Council note the revised Long-Term Financial Plan 2021-2030.

LOST

FOR: Crs Adams, Algate, Kennedy and Licul

AGAINST: Crs Browne, Clark, Gallagher, Nolan, Page and Turley

The original motion was put.

RESOLUTION

Minute No. 46375

- Councillor C. Adams moved)
Councillor M. Clark seconded)

Resolved

1. That Broken Hill City Council Report No. 144/20 dated October 20, 2020, be received.
2. That the 1st Quarterly Budget Review Statement and recommendations be adopted.
3. That Council note the projected 2020/21 operating deficit (before capital) of \$2,580,000.
4. That Council note the 2020/21 projected capital budget expenditure of \$46,326,000.
5. That Council note the revised Long-Term Financial Plan 2021-2030

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

AGAINST: Crs Algate and Kennedy

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**ITEM 13 - BROKEN HILL CITY COUNCIL REPORT NO. 145/20 - DATED OCTOBER 09, 2020 -
INVESTMENT REPORT FOR SEPTEMBER 2020**

17/82

The Mayor left the meeting briefing at 8:50pm. The Deputy Mayor assumed the Chair.

The Mayor returned to the meeting at 8:52pm and resumed the Chair prior to item 13 being put to the vote.

RESOLUTION

Resolved

Minute No. 46376

- | | | |
|------------------------------|---|---|
| Councillor J. Nolan moved |) | 1. That Broken Hill City Council Report No. |
| Councillor M. Clark seconded |) | 145/20 dated October 9, 2020, be received. |

CARRIED UNANIMOUSLY

**ITEM 14 - BROKEN HILL CITY COUNCIL REPORT NO. 146/20 - DATED OCTOBER 16, 2020 -
MINUTES OF THE LOCAL TRAFFIC COMMITTEE MEETING NO 407 HELD TUESDAY, 6
OCTOBER 2020**

11/397

RESOLUTION

Resolved

Minute No. 46377

- | | | |
|------------------------------|---|---|
| Councillor M. Browne moved |) | 1. That Broken Hill City Council Report No. |
| Councillor M. Clark seconded |) | 146/20 dated October 16, 2020, be received. |
2. That the minutes for the Local Traffic Committee Meeting No.405 held Tuesday, 6 October 2020 be received.
3. That the following Item 406.6.6 – Blende Street – Library Parking; be approved to install 2-hour timed parking signs in Blende Street in front of the Library (directly opposite the Civic Centre).

CARRIED UNANIMOUSLY

**ITEM 15 - BROKEN HILL CITY COUNCIL REPORT NO. 147/20 - DATED OCTOBER 15, 2020 -
ACTION LIST REPORT**

11/21

RESOLUTION

Resolved

Minute No. 46378

- | | | |
|------------------------------|---|---|
| Councillor J. Nolan moved |) | 1. That Broken Hill City Council Report No. |
| Councillor C. Adams seconded |) | 147/20 dated October 15, 2020, be received. |

CARRIED UNANIMOUSLY

As the time was 9:00pm, the Mayor sought a motion for the meeting to continue (Code of Meeting Practice requires a Council Resolution at 9:00pm to continue the meeting, otherwise the meeting will be adjourned to a future date and time to be set).

RESOLUTION

Resolved

Minute No. 46379 - Procedural Motion

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Councillor B. Licul moved) That the standing orders remain and the
Councillor J. Nolan seconded) meeting continue until its completion.

CARRIED UNANIMOUSLY

COMMITTEE REPORTS

Nil.

QUESTIONS TAKEN ON NOTICE FROM PREVIOUS COUNCIL MEETING

Nil.

QUESTIONS FOR NEXT MEETING ARISING FROM ITEMS ON THIS AGENDA

From Item 12 – Quarterly Budget Review

12/160

Councillor Algate referred to page 137 of the Business Paper and queried the figure of \$11m listed as capital expenditure for renewal assets (replacement) and described as “other” and asked for a line-by-line breakdown of this amount.

The Chief Financial Officer advised that he will provide this breakdown to Councillors.

Mildura and Adelaide Bus Service

11/291

Councillor Browne advised that the bus service to Mildura had been cancelled and asked that clarification be sought as to why the Mildura and Adelaide bus services had ceased and to request that they both be made permanent.

Councillor Clark advised that she believes the cancellation of the bus service to Mildura and Adelaide was only temporary due to the border closure.

CONFIDENTIAL MATTERS

RESOLUTION

Resolved

Minute No. 46380

Councillor J. Nolan moved) That the meeting be closed to the public in
Councillor B. Licul seconded) accordance with Section 10A(2) of the Local
Government Act 1993 whilst the confidential
matters are considered.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

AGAINST: Crs Algate and Kennedy

The Livestream of the meeting ceased at 9:07pm.

MINUTES OF THE ORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
OCTOBER 28, 2020

**ITEM 16 - BROKEN HILL CITY COUNCIL REPORT NO. 148/20 - DATED OCTOBER 15, 2020 -
CONFIDENTIAL MINUTES FOR CONFIRMATION - ORDINARY COUNCIL MEETING HELD 30
SEPTEMBER 2020 - CONFIDENTIAL**

20/82

(General Manager's Note: This report considers confidential minutes for confirmation that relate to a lease agreement and is deemed confidential under Section 10A(2) (c) of the Local Government Act, 1993 which provides for information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).

RESOLUTION

Resolved

Minute No. 46381

- | | | |
|------------------------------|---|---|
| Councillor J. Nolan moved |) | 1. That Broken Hill City Council Report No. |
| Councillor C. Adams seconded |) | 148/20 dated October 15, 2020, be received. |
| | | 2. That the confidential minutes of the Ordinary Council Meeting held 30 September 2020 be confirmed. |

CARRIED UNANIMOUSLY

**ITEM 17 - BROKEN HILL CITY COUNCIL REPORT NO. 149/20 - DATED OCTOBER 15, 2020 -
CONFIDENTIAL MINUTES FOR CONFIRMATION - EXTRAORDINARY COUNCIL MEETING HELD
6 OCTOBER 2020 - CONFIDENTIAL**

20/82

(General Manager's Note: This report considers confidential minutes for confirmation that relate to a legal matter and is deemed confidential under Section 10A(2) (e) (g) of the Local Government Act, 1993 which provides for information that would, if disclosed, prejudice the maintenance of law; AND which contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege).

RESOLUTION

Resolved

Minute No. 46382

- | | | |
|------------------------------|---|---|
| Councillor J. Nolan moved |) | 1. That Broken Hill City Council Report No. |
| Councillor C. Adams seconded |) | 149/20 dated October 15, 2020, be received. |
| | | 2. That the confidential minutes of the Extraordinary Council Meeting held 6 October 2020 be confirmed. |

CARRIED UNANIMOUSLY

**ITEM 18 – MOTIONS OF WHICH NOTICE HAS BEEN GIVEN NO. 19/20 – DATED OCTOBER 16,
2020 – NOTICE OF MOTION – CIVIC CENTRE REFURBISHMENT – CONFIDENTIAL**

17/114

(General Manager's Note: This report considers the General Manager's comments to questions on notice relating to a current legal matter and is deemed confidential under Section 10A(2) (e) (g) of the Local Government Act, 1993 which provides for information that would, if disclosed, prejudice the maintenance of law; AND which contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege).

Motion

- | | | |
|-------------------------------|---|--|
| Councillor T. Kennedy moved |) | 1. That Motions of Which Notice has been |
| Councillor B. Algate seconded |) | Given No. 19/20 dated October 16, 2020, be received. |

MINUTES OF THE ORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
OCTOBER 28, 2020

2. That Broken Hill City Council reports to the November Ordinary Council Meeting how many local businesses are still owed money from the Civic Centre refurbishment and how much.
3. That Broken Hill City Council pay the outstanding amounts owed to local businesses from the failed Civic Centre refurbishment.
4. That Councillors consider the arguments contained within the Notice of Motion.

LAPSED

Councillor Kennedy withdrew his Notice of Motion

ITEM 19 - BROKEN HILL CITY COUNCIL REPORT NO. 150/20 - DATED OCTOBER 21, 2020 - CIVIC CENTRE LITIGATION - CONFIDENTIAL

17/114

(General Manager's Note: This report considers litigation proceedings and is deemed confidential under Section 10A(2) (e) (g) of the Local Government Act, 1993 which provides for information that would, if disclosed, prejudice the maintenance of law; AND which contains advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege).

RESOLUTION

Resolved

Minute No. 46383

Councillor C. Adams moved)
Councillor J. Nolan seconded)

1. That Broken Hill City Council Report No. 150/20 dated October 21, 2020, be received.
2. That Council commit to seeing the matter through to the Hearing, as detailed within the attached report from Council's Solicitors.
3. That Council adopt an increase in the budget that will see the matter through to the Hearing, in accordance with the attached cost schedule.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan and Turley
AGAINST: Crs Algate, Kennedy and Page

The meeting resumed in open session at 9:32 pm and the Livestream recommenced.

At the Mayor's request the General Manager read the resolution of the items considered in closed session.

There being no further business the Mayor closed the meeting at 9:34 pm.

MINUTES OF THE ORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
OCTOBER 28, 2020

THE FOREGOING MINUTES WERE READ)
AND CONFIRMED AT THE ORDINARY)
MEETING OF THE BROKEN HILL CITY)
COUNCIL HELD ON 25 NOVEMBER 2020.)

CHAIRPERSON

MINUTES OF THE EXTRAORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
NOVEMBER 09, 2020

Due to the COVID-19 pandemic and the government's protocol for social distancing and indoor gatherings, the meeting was closed to the public. The meeting was held via videoconference.

Meeting commenced at 6:30pm.

PRESENT:

Councillor D. Turley (Mayor) Councillor C. Adams (Deputy Mayor),
Councillors B. Algate, M. Browne, M. Clark, D. Gallagher, T. Kennedy,
B. Licul, J. Nolan and R. Page.

General Manager, Chief Financial Officer, Director Corporate, Manager
Communications, Governance Officer and Executive Support Officer.

APOLOGIES:

Nil.

PRAYER

Councillor Adams delivered the prayer.

ACKNOWLEDGEMENT OF COUNTRY

Councillor Gallagher delivered the Acknowledgment of Country

PURPOSE OF THE MEETING

To consider the following matter:

1. Mayoral Minute No. 11/20 dated November 05, 2020 – Recruitment Process and Selection Committee for the position of General Manager.

DISCLOSURE OF INTEREST

Nil.

MAYORAL MINUTES

**ITEM 1 - MAYORAL MINUTE NO. 11/20 - DATED NOVEMBER 05, 2020 - RECRUITMENT
PROCESS AND SELECTION COMMITTEE FOR THE POSITION OF GENERAL MANAGER** 13/6

Motion

- | | | |
|----------------------------------|---|--|
| Councillor D. Turley moved |) | 1. That Mayoral Minute No. 11/20 dated November 5, 2020, be received. |
| Councillor D. Gallagher seconded |) | 2. That Council note the resignation of General Manager James Roncon, to be effective from 1 January 2021. |
| | | 3. That Council endorse the action taken by the Mayor to seek Expressions of Interest from a restricted panel of three suitably qualified recruitment agencies. |
| | | 4. That the General Manager's Performance Review Committee and any interested Councillors work with the successful recruitment agency to commence and establish the process to be undertaken for the recruitment of a new General Manager. |
| | | 5. That Council endorse the preferred candidate for approval prior to the appointment of the General Manager. |
| | | 6. That the Mayor and Deputy Mayor be delegated the role of negotiating with the preferred candidate to make an offer of appointment once approval to make an offer has been resolved by Council. |
| | | 7. That Council appoints Mr. Jay Nankivell as Acting General Manager from 2 January 2021 and assigns Mr Jay Nankivell with the General Manager's delegations of authority, until the new General Manager is appointed. |

Amendment

- | | | |
|-------------------------------|---|--|
| Councillor T. Kennedy moved |) | 1. That Mayoral Minute No. 11/20 dated November 5, 2020, be received. |
| Councillor B. Algate seconded |) | 2. That Council notes the resignation of Mr James Roncon. |
| | | 3. That the General Manager's resignation take effect immediately and the General Manager be paid until the 1 st January 2021. |
| | | 4. That Council authorises the Mayor to contact the three recruitment firms mentioned in the report to employ an experienced person in the position of Acting General Manager on a short term contract of 6 months to enable sufficient time to employ a General Manager |

MINUTES OF THE EXTRAORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
NOVEMBER 09, 2020

on a long term contract.

5. That Council appoints Mr Jay Nankivell as Acting General Manager immediately and until and experienced General Manager can be employment on a short term basis.
6. That Council advertises locally to employ a General Manager on a 6 month contract.
7. That once a General Manager is employed on a short term contract that Council is provided with a report on the best way forward to fill the position of General Manager.
8. That Council thanks Mr James Roncon for his service as General Manager.

LOST

FOR: Crs Algate and Kennedy

AGAINST: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley

The original motion is put.

RESOLUTION

Minute No. 46385

Councillor D. Turley moved)

Councillor D. Gallagher seconded)

Resolved

1. That Mayoral Minute No. 11/20 dated November 5, 2020, be received.
2. That Council note the resignation of General Manager James Roncon, to be effective from 1 January 2021.
3. That Council endorse the action taken by the Mayor to seek Expressions of Interest from a restricted panel of three suitably qualified recruitment agencies.
4. That the General Manager's Performance Review Committee and any interested Councillors work with the successful recruitment agency to commence and establish the process to be undertaken for the recruitment of a new General Manager.
5. That Council endorse the preferred candidate for approval prior to the appointment of the General Manager.
6. That the Mayor and Deputy Mayor be delegated the role of negotiating with the preferred candidate to make an offer of appointment once approval to make an offer has been resolved by Council.
7. That Council appoints Mr. Jay Nankivell as Acting General Manager from 2 January 2021 and assigns Mr Jay Nankivell with the

MINUTES OF THE EXTRAORDINARY MEETING OF THE BROKEN HILL CITY COUNCIL HELD
NOVEMBER 09, 2020

General Manager's delegations of authority,
until the new General Manager is appointed.

CARRIED

FOR: Crs Adams, Browne, Clark, Gallagher, Licul, Nolan, Page and Turley
AGAINST: Crs Algate and Kennedy

There being no further business the Mayor closed the meeting at 6:50p.m.

THE FOREGOING MINUTES WERE READ
AND CONFIRMED AT THE ORDINARY
MEETING OF THE BROKEN HILL CITY
COUNCIL HELD ON 25 NOVEMBER 2020.

)
)
)
)

CHAIRPERSON

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ORDINARY MEETING OF THE COUNCIL

November 16, 2020

BROKEN HILL CITY COUNCIL REPORT NO. 151/20

SUBJECT: PUBLIC PRESENTATION OF 2019/2020 FINANCIAL STATEMENTS

19/74**Recommendation**

1. That Broken Hill City Council Report No. 151/20 dated November 16, 2020, be received.
2. That Council adopt the financial statements and present the Annual Financial Statements inclusive of the Auditor's Reports for 2019/20 to the public.

Executive Summary:

Council has received the auditor's reports on the financial statements for the year ended 30 June 2020. At the Ordinary Council Meeting held on 30 September 2020, Council authorised for the General Manager to set the date for the Financial Statements and Auditors Reports to be presented to the public. This date has been set for 25 November 2020.

The financial statements were presented to Council's Audit, Risk & Improvement Committee on 12 November 2020 with the NSW Audit Office in attendance for questions and comments to be asked of the auditors. All Councillors were invited to attend this meeting.

Report:

Council's auditor, The NSW Audit Office, has completed the audit of Council's financial statements for the year ended 30 June 2020. The draft financial statements were submitted to Council on 30 September 2020 for Councillors and Management to sign.

The financial statements were presented to Council's Audit, Risk & Improvement Committee on 12 November 2020 with the NSW Audit Office in attendance for questions and comments to be asked of the auditors. All Councillors were invited to attend this meeting.

Under Section 418 (1) of the *Local Government Act 1993*, Council is required to fix a date for the meeting at which it proposes to present its audited financial statements, including auditor's reports, to the public and give notice of the date of the meeting.

The date set for the public meeting is Wednesday, 25 November 2020, commencing at 6:30pm in the Council Chambers. Notification of this public meeting will be advertised in accordance with the requirements of Section 418 (1)(b) of the *Local Government Act 1993*. The public meeting will also be advertised on Council's website.

Public submissions are invited in relation to the 2019/2020 Annual Financial Statements, with the closing date of Wednesday 2 December 2020. Submissions made to Council will be reported to Council at the next available Council meeting.

The Financial Statements including the Auditors reports were submitted to the Office of Local Government (OLG) on Wednesday 18 November, 2020.

The full version of the audited Annual Financial Statements including the Auditor's Reports is attached (Attachment 1) and was available on Council's website from Wednesday 18 November 2020.

Strategic Direction:

Key Direction 4: Our Leadership
Objective 4.1: Openness and Transparency in Decision Making
Action 4.1.1 Support the organisation to operate in its legal framework

Relevant Legislation:

Local Government Act 1993

Financial Implications:

The recommendation has no financial impact.

Attachments

1. [↓](#) Annual Financial Statements 2019-2020

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER

Broken Hill City Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Financial Statements 2020

General Purpose Financial Statements for the year ended 30 June 2020

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Overview

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

240 Blende Street
Broken Hill NSW 2880

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.brokenhill.nsw.gov.au

Broken Hill City Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Financial Statements 2020

Financial Statements 2020

Broken Hill City Council

General Purpose Financial Statements
for the year ended 30 June 2020

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

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

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

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

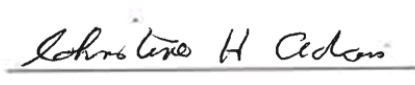
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 30 September 2020.



DARRIEA TURLEY AM
Mayor
30 September 2020



CHRISTINE ADAMS
Councillor
30 September 2020



JAMES RONCON
General Manager
30 September 2020



JAY NANKIVELL
Responsible Accounting Officer
30 September 2020

Broken Hill City Council

Financial Statements 2020

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
	Income from continuing operations			
18,480	Rates and annual charges	3a	18,473	18,041
3,707	User charges and fees	3b	2,937	11,125
327	Other revenues	3c	470	685
5,510	Grants and contributions provided for operating purposes	3d,3e	6,728	6,272
2,110	Grants and contributions provided for capital purposes	3d,3e	1,684	2,813
1,167	Interest and investment income	4	53	1,548
—	Rental income	13	212	—
—	Net share of interests in joint ventures and associates using the equity method	18	—	1,461
31,301	Total income from continuing operations		30,557	41,945
	Expenses from continuing operations			
14,311	Employee benefits and on-costs	5a	12,463	13,671
582	Borrowing costs	5b	737	788
5,111	Materials and contracts	5c	9,580	11,575
6,532	Depreciation and amortisation	5d	7,147	6,941
4,135	Other expenses	5e	4,831	5,272
—	Net losses from the disposal of assets	6	131	581
—	Net share of interests in joint ventures and associates using the equity method	18	102	—
30,671	Total expenses from continuing operations		34,991	38,828
630	Operating result from continuing operations		(4,434)	3,117
630	Net operating result for the year		(4,434)	3,117
630	Net operating result attributable to council		(4,434)	3,117
(1,480)	Net operating result for the year before grants and contributions provided for capital purposes		(6,118)	304

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
Net operating result for the year (as per Income Statement)		(4,434)	3,117
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	11	29,834	—
Total items which will not be reclassified subsequently to the operating result		29,834	—
Total other comprehensive income for the year		29,834	—
Total comprehensive income for the year		25,400	3,117
 Total comprehensive income attributable to Council		 25,400	 3,117

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	13,527	15,473
Investments	7(b)	6,000	9,000
Receivables	8	3,690	5,311
Inventories	9a	112	122
Other	9b	673	551
Current assets classified as 'held for sale'	10	190	—
Total current assets		24,192	30,457
Non-current assets			
Receivables	8	16	47
Infrastructure, property, plant and equipment	11	248,757	218,410
Investments accounted for using the equity method	18	1,359	1,461
Total non-current assets		250,132	219,918
Total assets		274,324	250,375
LIABILITIES			
Current liabilities			
Payables	14	3,456	3,664
Income received in advance	14	—	129
Contract liabilities	12	544	—
Borrowings	14	535	570
Provisions	15	3,835	4,060
Total current liabilities		8,370	8,423
Non-current liabilities			
Borrowings	14	11,957	12,522
Provisions	15	9,264	8,729
Total non-current liabilities		21,221	21,251
Total liabilities		29,591	29,674
Net assets		244,733	220,701
EQUITY			
Accumulated surplus	16	106,082	111,884
Revaluation reserves	16	138,651	108,817
Council equity interest		244,733	220,701
Total equity		244,733	220,701

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

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

Broken Hill City Council

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

Financial Statements 2020

	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000
Opening balance		111,884	108,817	220,701	108,767	108,817	217,584
Changes due to AASB 1058 and AASB 15 adoption	16	(1,368)	–	(1,368)	–	–	–
Restated opening balance		110,516	108,817	219,333	108,767	108,817	217,584
Net operating result for the year		(4,434)	–	(4,434)	3,117	–	3,117
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	11	–	29,834	29,834	–	–	–
Other comprehensive income		–	29,834	29,834	–	–	–
Total comprehensive income		(4,434)	29,834	25,400	3,117	–	3,117
Equity – balance at end of the reporting period		106,082	138,651	244,733	111,884	108,817	220,701

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
Cash flows from operating activities				
Receipts:				
17,804	Rates and annual charges		18,072	17,858
3,595	User charges and fees		2,792	14,122
984	Investment and interest revenue received		35	1,478
7,392	Grants and contributions		9,955	7,695
317	Other		3,439	1,309
Payments:				
(13,882)	Employee benefits and on-costs		(12,562)	(14,490)
(4,904)	Materials and contracts		(10,982)	(13,962)
(582)	Borrowing costs		(581)	(602)
—	Bonds, deposits and retention amounts refunded		(22)	(28)
(3,931)	Other		(6,572)	(4,883)
6,793	Net cash provided (or used in) operating activities	17b	3,574	8,497
Cash flows from investing activities				
Receipts:				
—	Sale of investment securities		3,000	—
—	Sale of infrastructure, property, plant and equipment		2	147
—	Deferred debtors receipts		61	36
Payments:				
—	Purchase of investment securities		—	(8,000)
(8,462)	Purchase of infrastructure, property, plant and equipment		(7,983)	(12,105)
(8,462)	Net cash provided (or used in) investing activities		(4,920)	(19,922)
Cash flows from financing activities				
Payments:				
(591)	Repayment of borrowings and advances		(600)	(611)
(591)	Net cash flow provided (used in) financing activities		(600)	(611)
(2,260)	Net increase/(decrease) in cash and cash equivalents		(1,946)	(12,036)
—	Plus: cash and cash equivalents – beginning of year	17a	15,473	27,509
(2,260)	Cash and cash equivalents – end of the year	17a	13,527	15,473
—	plus: Investments on hand – end of year	7(b)	6,000	9,000
(2,260)	Total cash, cash equivalents and investments		19,527	24,473

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

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

Broken Hill City Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 30 September 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

Council is a not for-profit entity.

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

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment
- (ii) estimated tip remediation provisions
- (iii) employee benefit provisions

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

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

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Waste management operations
- Civic centre operations
- Airport operations

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

(b) The Trust Fund

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Volunteer services

Council is committed to providing work experience and training opportunities to members of the Community. However, Council is equally committed to maintaining the highest possible employment levels.

Volunteers are therefore, not substitutes for paid employees but an acknowledged and valued addition to Council's community infrastructure

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

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

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

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

New accounting standards adopted during the year

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

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

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 16.

Broken Hill City Council

Financial Statements 2020

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

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

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).										
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
Our Community	1,610	2,428	7,962	8,929	(6,352)	(6,501)	895	1,511	215,097	196,321
Our Economy	2,590	3,019	7,595	8,401	(5,005)	(5,382)	1,841	1,983	10,754	9,814
Our Environment	4,380	11,360	3,605	3,688	775	7,672	92	485	6,310	5,762
Our Leadership	21,977	25,138	15,829	17,810	6,148	7,328	5,514	5,040	42,163	38,478
Total functions and activities	30,557	41,945	34,991	38,828	(4,434)	3,117	8,342	9,019	274,324	250,375

Broken Hill City Council

Financial Statements 2020

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

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

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

Our Community

Our Community is our people and how we can work together to ensure we position ourselves to retain our sense of identity, our health, wellbeing, social inclusion and connectedness.

Our Economy

In order to reduce our reliance on the mining industry, the community identified strategies that reflect a commitment and determination to expand our thinking and adapt to remain relevant in the world as it is today. This means building on existing economic platforms, like art, culture and tourism, and building on new opportunities such as technology, renewable energies and education.

Our Environment

Our environment relates to the conservation and preservation of the natural environment and the greater reduction of the human impact on the surrounding environment to ensure a sustainable and healthy community.

Our Leadership

Community leadership is essential to ensure the goal and objectives of the Broken Hill City Council's long term plan are achieved. Our leadership is a coordinated approach to add value and ownership of the Community Strategic Plan.

Broken Hill City Council

Financial Statements 2020

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

Note 3. Revenue from continuing operations

	AASB	2020 \$ '000	2019 \$ '000
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	9,924	9,685
Farmland	1058 (1)	11	14
Mining	1058 (1)	2,222	2,153
Business	1058 (1)	3,692	3,648
Less: pensioner rebates (mandatory)	1058 (1)	(431)	(440)
Less: pensioner rebates (Council policy)	1058 (1)	(16)	(16)
Less: rates levied on council properties	1058 (1)	(86)	(77)
Rates levied to ratepayers		15,316	14,967
Pensioner rate subsidies received	1058 (1)	208	212
Total ordinary rates		15,524	15,179
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1058 (1)	2,989	2,903
Less: pensioner rebates (mandatory)	1058 (1)	(148)	(151)
Annual charges levied		2,841	2,752
Pensioner subsidies received:			
– Domestic waste management	1058 (1)	108	110
Total annual charges		2,949	2,862
TOTAL RATES AND ANNUAL CHARGES		18,473	18,041

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

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

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

Accounting policy for rates and charges

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

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

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

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

2019 accounting policy

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	2020 \$ '000	2019 \$ '000
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	15 (1)	817	785
Total specific user charges		817	785
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services	15 (1)	54	57
Private works – section 67	15 (1)	89	1,059
Regulatory/ statutory fees	15 (1)	154	133
Section 10.7 certificates (EP&A Act)	15 (1)	69	73
Section 603 certificates	15 (1)	30	32
Other	15 (1)	–	1
Animal control	15 (1)	49	58
Total fees and charges – statutory/regulatory		445	1,413
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Parking fees	15 (1)	39	71
Waste disposal tipping fees	15 (1)	324	412
Art gallery	15 (1)	129	118
Airport	15 (1)	481	655
Burial fees	15 (1)	179	222
Rental income	15 (1)	–	230
Land development	15 (1)	89	59
Living desert fees	15 (1)	144	188
Museum	15 (1)	1	31
Private Works - Pipeline	15 (1)	–	6,569
Public halls	15 (1)	7	20
Royalties	15 (1)	67	115
Swimming centre / pool	15 (1)	46	–
Other	15 (1)	51	28
Tourism and area promotion	15 (1)	118	209
Total fees and charges – other		1,675	8,927
TOTAL USER CHARGES AND FEES		2,937	11,125

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

15 (1) indicates income recognised under AASB 15 “at a point in time”.

Accounting policy for user charges and fees

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

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

2019 accounting policy

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

	AASB	2020 \$ '000	2019 \$ '000
(c) Other revenues			
Legal fees recovery – rates and charges (extra charges)	1058 (1)	48	118
Commissions and agency fees	1058 (1)	24	58
Diesel rebate	1058 (1)	138	19
Insurance claims recoveries	1058 (1)	2	–
Sales – general	15 (1)	103	139
Sundry income	1058 (1)	155	351
TOTAL OTHER REVENUE		470	685

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

15 (1) indicates income recognised under AASB 15 “at a point in time”.

1058 (1) indicates income recognised under AASB 1058 “at a point in time”.

Accounting policy for other revenue

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

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

2019 accounting policy:

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	1058 (1)	2,196	2,171	–	–
Financial assistance – local roads component	1058 (1)	252	240	–	–
Payment in advance - future year allocation					
Financial assistance	1058 (1)	2,593	2,499	–	–
Total general purpose		5,041	4,910	–	–
Specific purpose					
Community centres	1058 (1)	–	–	–	506
Economic development	1058 (1)	225	–	83	430
Environmental programs	1058 (1)	–	–	–	273
Heritage and cultural	1058 (1)	21	82	683	–
Library	1058 (1)	375	175	–	149
Noxious weeds	1058 (1)	6	9	–	–
Recreation and culture	1058 (1)	2	2	–	–
Transport (roads to recovery)	1058 (1)	466	53	–	–
Transport (other roads and bridges funding)	1058 (1)	413	864	432	1,067
Art gallery	1058 (1)	100	111	–	–
Parks and reserves and horticulture	1058 (1)	–	–	56	388
Other	1058 (2)	9	–	410	–
Airport	1058 (2)	–	–	20	–
Total specific purpose		1,617	1,296	1,684	2,813
Total grants		6,658	6,206	1,684	2,813
Grant revenue is attributable to:					
– Commonwealth funding		5,109	4,976	20	1,122
– State funding		1,320	1,230	1,532	1,691
– Other funding		229	–	132	–
		6,658	6,206	1,684	2,813

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

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while
1058 (2) indicates income recognised under AASB 1058 "over time".

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
Notes					
(e) Contributions					
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	1058 (1)	18	–	–	–
Total developer contributions – cash		18	–	–	–
Total developer contributions	26	18	–	–	–
Other contributions:					
Cash contributions					
Heritage/cultural	1058 (1)	12	2	–	–
Recreation and culture	1058 (1)	30	37	–	–
Tourism	1058 (1)	5	27	–	–
Other	1058 (1)	5	–	–	–
Total other contributions – cash		52	66	–	–
Total other contributions		52	66	–	–
Total contributions		70	66	–	–
TOTAL GRANTS AND CONTRIBUTIONS		6,728	6,272	1,684	2,813

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

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

Accounting policy for grants and contributions**Accounting policy from 1 July 2019****Grant income under AASB 15**

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

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

Capital grants

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

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

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

Contributions

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

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

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

Accounting policy prior to 1 July 2019

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

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	296	4,608
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	–	13
Add: operating grants received for the provision of goods and services in a future period	596	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(4,325)
Less: operating grants received in a previous reporting period now spent and recognised as income	(260)	–
Unexpended and held as externally restricted assets (operating grants)	632	296
Capital grants		
Unexpended at the close of the previous reporting period	480	2,580
Add: capital grants recognised as income in the current period but not yet spent (2019 only)	–	118
Add: capital grants received for the provision of goods and services in a future period	470	–
Less: capital grants recognised in a previous reporting period now spent (2019 only)	–	(2,218)
Less: capital grants received in a previous reporting period now spent and recognised as income	(406)	–
Unexpended and held as externally restricted assets (capital grants)	544	480
Contributions		
Unexpended at the close of the previous reporting period	472	653
Add: contributions recognised as income in the current period but not yet spent	–	11
Less: contributions recognised in a previous reporting period now spent	(472)	(192)
Unexpended and held as externally restricted assets (contributions)	–	472

Note 4. Interest and investment income

	2020 \$ '000	2019 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	132	155
– Cash and investments	(79)	1,393
Total Interest and investment income	53	1,548
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	132	155
General Council cash and investments ¹	(79)	1,382
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	–	11

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Broken Hill City Council

Financial Statements 2020

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

Note 4. Interest and investment income (continued)

	2020 \$ '000	2019 \$ '000
Total interest and investment revenue	53	1,548

Accounting policy for interest and investment revenue

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

(1) Interest returns were negative in 2020 due to market effects of the COVID-19 pandemic on managed funds.

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

	2020 \$ '000	2019 \$ '000
(a) Employee benefits and on-costs		
Salaries and wages	9,026	9,395
Employee termination costs (where material – other than vested leave paid)	78	256
Employee leave entitlements (ELE)	2,237	2,532
Superannuation	1,226	1,223
Workers' compensation insurance	246	381
Fringe benefit tax (FBT)	22	42
Other	–	32
Total employee costs	12,835	13,861
Less: capitalised costs	(372)	(190)
TOTAL EMPLOYEE COSTS EXPENSED	12,463	13,671

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.

	Notes	2020 \$ '000	2019 \$ '000
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		574	602
Total interest bearing liability costs		574	602
Total interest bearing liability costs expensed		574	602
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	15	163	186
Total other borrowing costs		163	186
TOTAL BORROWING COSTS EXPENSED		737	788

Accounting policy for borrowing costs

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

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(c) Materials and contracts		
Raw materials and consumables	1,716	2,511
Contractor and consultancy costs	3,413	3,768
Auditors remuneration ²	71	57
Legal expenses:		
– Legal expenses: debt recovery	63	8
– Legal expenses: other	4,317	5,192
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	39
Total materials and contracts	9,580	11,575
TOTAL MATERIALS AND CONTRACTS	9,580	11,575

Accounting policy for materials and contracts

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

Operating leases (2019 only)

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

1. Operating lease payments are attributable to:

Information technology	–	39
	–	39

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	71	57
Remuneration for audit and other assurance services	71	57
Total Auditor-General remuneration	71	57
Total Auditor remuneration	71	57

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	Notes	2020 \$ '000	2019 \$ '000
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		636	496
Office equipment		89	13
Furniture and fittings		122	161
Infrastructure:	11		
– Buildings – non-specialised		1,898	1,874
– Buildings – specialised		92	83
– Other structures		304	501
– Roads		2,994	2,955
– Footpaths		160	160
– Stormwater drainage		126	126
– Swimming pools		250	249
– Other open space/recreational assets		100	294
Reinstatement, rehabilitation and restoration assets:			
– Tip assets		376	29
Total gross depreciation and amortisation costs		7,147	6,941
Total depreciation and amortisation costs		7,147	6,941
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		7,147	6,941

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

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 11 for IPPE asset.

Impairment of non-financial assets

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

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

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(e) Other expenses		
Advertising	178	68
Training costs (other than salaries and wages)	166	295
Travel expenses	201	269
Bad and doubtful debts	23	76
Bank charges	87	61
Contributions/levies to other levels of government	512	497
Councillor expenses – mayoral fee	39	39
Councillor expenses – councillors' fees	181	175
Donations, contributions and assistance to other organisations (Section 356)	233	331
Electricity and heating	492	605
Insurance	441	477
Investment fees	2	5
Internet access	305	224
Licenses and permits	38	12
Motor vehicles	23	63
Postage	58	67
Printing and stationery	84	99
Promotion	50	77
Street lighting	408	565
Subscriptions and publications	220	168
Telephone and communications	61	92
Water charges and consumption	732	703
Other	297	304
Total other expenses	4,831	5,272
TOTAL OTHER EXPENSES	4,831	5,272

Accounting policy for other expenses

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

Broken Hill City Council

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

Note 6. Gain or loss from disposal of assets

	Notes	2020 \$ '000	2019 \$ '000
Property (excl. investment property)			
Proceeds from disposal – property		–	10
Less: carrying amount of property assets sold/written off		(43)	(25)
Net gain/(loss) on disposal		(43)	(15)
Plant and equipment	11		
Proceeds from disposal – plant and equipment		2	–
Less: carrying amount of plant and equipment assets sold/written off		(7)	–
Net gain/(loss) on disposal		(5)	–
Infrastructure	11		
Proceeds from disposal – infrastructure		–	137
Less: carrying amount of infrastructure assets sold/written off		(83)	(703)
Net gain/(loss) on disposal		(83)	(566)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(131)	(581)

Accounting policy for disposal of assets

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

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

Broken Hill City Council

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

Note 7(a). Cash and cash equivalents

	2020 \$ '000	2019 \$ '000
Cash and cash equivalents		
Cash on hand and at bank	2,518	1,237
Cash-equivalent assets		
– Managed funds	5,124	6,962
– Short-term deposits	5,885	7,274
Total cash and cash equivalents	13,527	15,473

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Investments				
b. 'Financial assets at amortised cost'	6,000	–	9,000	–
Total Investments	6,000	–	9,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	19,527	–	24,473	–
Financial assets at amortised cost				
Long term deposits	6,000	–	9,000	–
Total	6,000	–	9,000	–

Accounting policy for investments

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets through profit or loss

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

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

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

Broken Hill City Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total cash, cash equivalents and investments	19,527	–	24,473	–
attributable to:				
External restrictions	4,573	–	4,806	–
Internal restrictions	11,773	–	12,754	–
Unrestricted	3,181	–	6,913	–
	19,527	–	24,473	–

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

Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)

	544	–
External restrictions – included in liabilities	544	–

External restrictions – other

Developer contributions – general	–	472
Specific purpose unexpended grants (recognised as revenue) – general fund	632	776
Domestic waste management	2,715	2,935
Royalties	682	623

External restrictions – other

	4,029	4,806
Total external restrictions	4,573	4,806

Internal restrictions

Employees leave entitlement	805	851
Security bonds, deposits and retentions	22	46
Plant purchase reserve	971	971
Other (innovation reserve)	500	1,000
Other (infrastructure replacement)	2,421	9,120
Other (regional aquatic centre reserve)	–	103
Other	1,054	663
Other (Cultural Precinct Reserve)	6,000	–

Total internal restrictions

	11,773	12,754
TOTAL RESTRICTIONS	16,346	17,560

Broken Hill City Council

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

Note 8. Receivables

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Purpose				
Rates and annual charges	2,848	—	2,218	—
Grant Debtors	—	—	1,479	—
Interest and extra charges	621	—	556	—
User charges and fees	272	—	288	—
Accrued revenues				
– Interest on investments	21	—	68	—
– Other income accruals	63	—	436	—
GST receivable	228	—	589	—
Deferred debtors	31	16	61	47
Total	4,084	16	5,695	47
Less: provision of impairment				
Rates and annual charges	(236)	—	(194)	—
User charges and fees	(158)	—	(190)	—
Total provision for impairment – receivables	(394)	—	(384)	—
TOTAL NET RECEIVABLES	3,690	16	5,311	47
Unrestricted receivables	3,690	16	5,311	47
TOTAL NET RECEIVABLES	3,690	16	5,311	47

	2020 \$ '000	2019 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	384	334
+ new provisions recognised during the year	10	50
Balance at the end of the year	394	384

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

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

Impairment

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

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

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 3 years past due, whichever occurs first.

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

Rates and annual charges outstanding are secured against the property.

Broken Hill City Council

Financial Statements 2020

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

Note 9. Inventories and other assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
(a) Inventories				
(i) Inventories at cost				
Trading stock	112	—	122	—
Total inventories at cost	112	—	122	—
TOTAL INVENTORIES	112	—	122	—

(b) Other assets

Prepayments	673	—	551	—
TOTAL OTHER ASSETS	673	—	551	—

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total unrestricted assets	785	—	673	—
TOTAL INVENTORIES AND OTHER ASSETS	785	—	673	—

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

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

(i) Non-current assets and disposal group assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Non-current assets 'held for sale'				
Land	190	—	—	—
Total non-current assets 'held for sale'	190	—	—	—
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	190	—	—	—

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

	2020 Assets 'held for sale' \$ '000	2019 Assets 'held for sale' \$ '000
Plus new transfers in:		
– Assets 'held for sale'	190	–
Closing balance of 'held for sale' non-current assets and operations	190	–

Broken Hill City Council

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

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Note 11. Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period								as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments / (decrements) to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	3,990	–	3,990	2,845	1,109	–	–	(1,612)	–	–	–	6,332	–	6,332
Plant and equipment	11,701	(7,462)	4,239	184	322	(7)	(636)	–	1,127	–	–	13,521	(8,292)	5,229
Office equipment	1,609	(1,288)	321	60	6	–	(89)	51	149	–	–	1,933	(1,435)	498
Furniture and fittings	2,464	(1,346)	1,118	74	–	–	(122)	16	24	–	–	2,581	(1,471)	1,110
Land:														
– Operational land	3,370	–	3,370	–	63	–	–	21	21	(190)	(133)	3,152	–	3,152
– Community land	2,522	–	2,522	–	–	(43)	–	–	(4)	–	(559)	1,916	–	1,916
– Crown Land	1,022	–	1,022	–	–	–	–	–	–	–	(112)	910	–	910
Infrastructure:														
– Buildings – non-specialised	103,641	(61,103)	42,538	190	458	–	(1,898)	282	204	–	5,028	98,848	(52,046)	46,802
– Buildings – specialised	7,953	(5,388)	2,565	234	597	–	(92)	1,050	60	–	27	8,940	(4,501)	4,439
– Other structures	14,133	(10,716)	3,417	5	280	–	(304)	–	615	–	344	15,064	(10,707)	4,357
– Roads	196,604	(92,709)	103,895	735	9	(83)	(2,994)	145	–	–	23,964	195,990	(70,319)	125,671
– Footpaths	12,817	(6,295)	6,522	125	–	–	(160)	–	–	–	795	12,227	(4,945)	7,282
– Stormwater drainage	13,518	(5,417)	8,101	–	–	–	(126)	–	22	–	(471)	12,970	(5,444)	7,526
– Swimming pools	17,930	(4,045)	13,885	211	–	–	(250)	47	–	–	1,124	19,825	(4,808)	15,017
– Other open space/recreational assets	5,709	(2,178)	3,531	–	101	–	(100)	–	(1,740)	–	(173)	3,396	(1,777)	1,619
Other assets:														
– Library books	352	(352)	–	–	–	–	–	–	–	–	–	352	(352)	–
– Art	9,756	(51)	9,705	–	–	–	–	–	–	–	–	9,756	(51)	9,705
– Other	278	(227)	51	–	–	–	–	–	–	–	–	278	(227)	51
Reinstatement, rehabilitation and restoration assets (refer Note 11):														
– Tip assets	12,423	(4,805)	7,618	377	–	–	(376)	–	(478)	–	–	12,799	(5,658)	7,141
Total Infrastructure, property, plant and equipment	421,792	(203,382)	218,410	5,040	2,945	(133)	(7,147)	–	–	(190)	29,834	420,790	(172,033)	248,757

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

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Broken Hill City Council

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

Financial Statements 2020

Note 11. Infrastructure, property, plant and equipment (continued)

	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000	Additions renewals ¹ \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	WIP transfers \$ '000	Adjustments and transfers \$ '000	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	8,287	–	8,287	1,412	1,878	(325)	–	(7,262)	–	3,990	–	3,990
Plant and equipment	10,673	(6,967)	3,706	686	281	–	(496)	62	–	11,701	(7,462)	4,239
Office equipment	1,286	(1,275)	11	317	3	–	(13)	3	–	1,609	(1,288)	321
Furniture and fittings	1,387	(1,185)	202	351	726	–	(161)	–	–	2,464	(1,346)	1,118
Land:												
– Operational land	3,437	–	3,437	–	–	(25)	–	3	(45)	3,370	–	3,370
– Community land	3,499	–	3,499	–	–	–	–	–	(977)	2,522	–	2,522
– Crown Land	–	–	–	–	–	–	–	–	1,022	1,022	–	1,022
Infrastructure:												
– Buildings – non-specialised	97,995	(60,458)	37,537	122	55	(349)	(1,874)	7,047	–	103,641	(61,103)	42,538
– Buildings – specialised	7,901	(5,311)	2,590	29	–	–	(83)	29	–	7,953	(5,388)	2,565
– Other structures	14,005	(10,265)	3,740	181	–	(15)	(501)	12	–	14,133	(10,716)	3,417
– Roads	194,065	(89,756)	104,309	2,327	207	–	(2,955)	7	–	196,604	(92,709)	103,895
– Footpaths	12,817	(6,135)	6,682	–	–	–	(160)	–	–	12,817	(6,295)	6,522
– Stormwater drainage	13,510	(5,291)	8,219	–	–	–	(126)	8	–	13,518	(5,417)	8,101
– Swimming pools	17,834	(3,795)	14,039	93	2	–	(249)	–	–	17,930	(4,045)	13,885
– Other open space/recreational assets	4,594	(1,883)	2,711	1,008	29	(14)	(294)	91	–	5,709	(2,178)	3,531
Other assets:												
– Library books	352	(352)	–	–	–	–	–	–	–	352	(352)	–
– Art	278	(227)	51	–	–	–	–	–	–	278	(227)	51
– Other	9,756	(49)	9,707	–	–	–	–	–	–	9,756	(51)	9,705
Reinstatement, rehabilitation and restoration assets (refer Note 11):												
– Tip assets	9,571	(4,324)	5,247	2,400	–	–	(29)	–	–	12,423	(4,805)	7,618
Total Infrastructure, property, plant and equipment	411,247	(197,273)	213,974	8,926	3,181	(728)	(6,941)	–	–	421,792	(203,382)	218,410

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

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 35	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	25	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	80		
Kerb, gutter and footpaths	80		
Stormwater assets			
Drains	80 to 100		
Culverts	50 to 80		
Flood control structures	80 to 100		

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

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Infrastructure, property, plant and equipment (continued)

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.

Note 12. Contract assets and liabilities

		2020 Current \$ '000	2020 Non-current \$ '000
	Notes		
Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	544	—
Total grants received in advance		544	—
Total contract liabilities		544	—

Notes

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

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

		2020 Current \$ '000	2020 Non-current \$ '000
(i) Contract liabilities relating to restricted assets			
Externally restricted assets			
Unspent grants held as contract liabilities (excl. Water & Sewer)		544	—
Contract liabilities relating to externally restricted assets		544	—
Total contract liabilities relating to restricted assets		544	—
Total contract liabilities		544	—

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Contract assets and liabilities (continued)

	2020 \$ '000
(ii) Revenue recognised (during the financial year) from opening contract liability balances	
Grants and contributions received in advance:	
Capital grants (to construct Council controlled assets)	406
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	406

Significant changes in contract assets and liabilities

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

Accounting policy for contract assets and liabilities

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

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

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

Note 13. Leases

(ii) Council as a lessor

Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

	2020 \$ '000
(i) Operating lease income	
Rental income	212
Total income relating to operating leases	212
(ii) Operating lease expenses	
Rental income	36
Total expenses relating to operating leases	36

(iii) Repairs and maintenance: investment property

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Leases (continued)

	2020 \$ '000
(iv) Maturity analysis of contractual lease income	
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:	
< 1 year	155
1–2 years	50
Total undiscounted contractual lease income receivable	205

(v) Reconciliation of IPP&E assets leased out as operating leases**Accounting policy**

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

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

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

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

Broken Hill City Council

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

Note 14. Payables and borrowings

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Payables				
Goods and services – operating expenditure	1,356	–	2,768	–
Accrued expenses:				
– Borrowings	96	–	103	–
– Salaries and wages	335	–	205	–
– Other expenditure accruals	570	–	542	–
Security bonds, deposits and retentions	24	–	46	–
Prepaid rates	1,075	–	–	–
Total payables	3,456	–	3,664	–
Income received in advance (2019 only)				
Payments received in advance	–	–	129	–
Total income received in advance	–	–	129	–
Borrowings				
Loans – secured ⁽¹⁾	535	11,957	570	12,522
Total borrowings	535	11,957	570	12,522
TOTAL PAYABLES AND BORROWINGS	3,991	11,957	4,363	12,522

(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.

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total payables and borrowings relating to unrestricted assets	3,991	11,957	4,363	12,522
TOTAL PAYABLES AND BORROWINGS	3,991	11,957	4,363	12,522

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

Note 14. Payables and borrowings (continued)

(a) Changes in liabilities arising from financing activities

	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	13,092	(600)	–	–	–	–	12,492
TOTAL	13,092	(600)	–	–	–	–	12,492

	as at 30/06/18		Non-cash changes				as at 30/06/19
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Other non-cash movement \$ '000		Closing balance \$ '000
Loans – secured	13,703	(611)	–	–	–		13,092
TOTAL	13,703	(611)	–	–	–		13,092

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

(b) Financing arrangements

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

Credit cards/purchase cards	90	90
Loans – secured	12,492	12,861
Total financing arrangements	12,582	12,951

Drawn facilities as at balance date:

– Credit cards/purchase cards	9	35
– Loans – secured	12,492	12,861
Total drawn financing arrangements	12,501	12,896

Undrawn facilities as at balance date:

– Credit cards/purchase cards	81	55
Total undrawn financing arrangements	81	55

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Payables and borrowings (continued)

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.

Note 15. Provisions

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Provisions				
Employee benefits				
Annual leave	1,449	—	1,411	—
Sick leave	117	—	133	—
Long service leave	2,269	193	2,516	197
Sub-total – aggregate employee benefits	3,835	193	4,060	197
Asset remediation/restoration:				
Asset remediation/restoration (future works)	—	9,071	—	8,532
Sub-total – asset remediation/restoration	—	9,071	—	8,532
TOTAL PROVISIONS	3,835	9,264	4,060	8,729
Total provisions relating to unrestricted assets	3,835	9,264	4,060	8,729
TOTAL PROVISIONS	3,835	9,264	4,060	8,729

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Provisions (continued)

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

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

Provisions – employees benefits	2,404	2,448
	<u>2,404</u>	<u>2,448</u>

(b) Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2020		
At beginning of year	8,532	8,532
Additional provisions	376	376
Unwinding of discount	163	163
Total other provisions at end of year	<u>9,071</u>	<u>9,071</u>
2019		
At beginning of year	5,945	5,945
Additional provisions	2,401	2,401
Unwinding of discount	186	186
Total other provisions at end of year	<u>8,532</u>	<u>8,532</u>

Nature and purpose of non-employee benefit provisions

Asset remediation

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

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

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

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

Note 15. Provisions (continued)

Other long-term employee benefit obligations

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

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods. These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

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

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

Restoration

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

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

Rehabilitation

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

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

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

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

Broken Hill City Council

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Notes to the Financial Statements

for the year ended 30 June 2020

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

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

(ii) AASB 15 and AASB 1058

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

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

Costs incurred in fulfilling customer contracts

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

Revenue recognition from contract modifications

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

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

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

Principal v agent

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

Licences

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

Prepaid rates

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

Grants – operating

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

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Changes in presentation

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

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

\$ '000	Balance at 1 July 2019
---------	---------------------------

Opening contract balances at 1 July 2019**Contract liabilities**

– Under AASB 1058

1,368

Total Contract liabilities

1,368

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

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

Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	13,527	–	–	13,527	
Investments	6,000	–	–	6,000	
Receivables	3,690	–	–	3,690	
Inventories	112	–	–	112	
Other	673	–	–	673	
Current assets classified as 'held for sale'	190	–	–	190	
Total current assets	24,192	–	–	24,192	
Current liabilities					
Payables	3,456	–	(1,075)	2,381	
Contract liabilities	544	–	(544)	–	
Borrowings	535	–	–	535	
Provisions	3,835	–	–	3,835	
Total current liabilities	8,370	–	(1,619)	6,751	
Non-current assets					
Receivables	16	–	–	16	
Infrastructure, property, plant and equipment	248,757	–	–	248,757	

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassification	Remeasurement	Carrying amount under previous revenue standards	Notes
Investments accounted for using equity method	1,359	—	—	1,359	
Total non-current assets	250,132	—	—	250,132	
Non-current liabilities					
Borrowings	11,957	—	—	11,957	
Provisions	9,264	—	—	9,264	
Total Non-current liabilities	21,221	—	—	21,221	
Net assets	244,733	—	1,619	246,352	
Equity					
Accumulated surplus	106,082	—	1,619	107,701	
Revaluation reserves	138,651	—	—	138,651	
Council equity interest	244,733	—	1,619	246,352	
Total equity	244,733	—	1,619	246,352	

Income Statement

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
<u>Income from continuing operations</u>					
Rates and annual charges	18,473	—	187	18,660	
User charges and fees	2,937	—	—	2,937	
Other revenues	470	—	—	470	
Grants and contributions provided for operating purposes	6,728	—	—	6,728	
Grants and contributions provided for capital purposes	1,684	—	64	1,748	
Interest and investment income	53	—	—	53	
Rental income	212	—	—	212	
Total Income from continuing operations	30,557	—	251	30,808	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	12,463	—	—	12,463	
Borrowing costs	737	—	—	737	
Materials and contracts	9,580	—	—	9,580	
Depreciation and amortisation	7,147	—	—	7,147	
Other expenses	4,831	—	—	4,831	
Net losses from the disposal of assets	131	—	—	131	

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Net share of interests in joint ventures and associates using the equity method	102	—	—	102	
Total Expenses from continuing operations	34,991	—	—	34,991	
Total Operating result from continuing operations	(4,434)	—	251	(4,183)	
Net operating result for the year	(4,434)	—	251	(4,183)	
Total comprehensive income	25,400	—	251	25,651	

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Total assets	250,375	—	250,375
Contract liabilities	—	1,368	1,368
Total liabilities	29,674	1,368	31,042
Accumulated surplus	111,884	(1,368)	110,516
Total equity	220,701	(1,368)	219,333

(iii) AASB 16 Leases

Council as a lessee

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

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

(b) Changes in accounting policies due to adoption of new accounting standards (retrospective)

Council made no changes in accounting policies due to adoption of new accounting standards – retrospective

(c) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Broken Hill City Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Statement of cash flow information

Note 17. Statement of cash flow information

	Notes	2020 \$ '000	2019 \$ '000
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	13,527	15,473
Balance as per the Statement of Cash Flows		13,527	15,473
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		(4,434)	3,117
Adjust for non-cash items:			
Depreciation and amortisation		7,147	6,941
Net losses/(gains) on disposal of assets		131	581
Adoption of AASB 15/1058		(1,368)	–
Unwinding of discount rates on reinstatement provisions		163	186
Share of net (profits)/losses of associates/joint ventures using the equity method		102	(1,461)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		1,581	(603)
Increase/(decrease) in provision for impairment of receivables		10	50
Decrease/(increase) in inventories		10	(7)
Decrease/(increase) in other current assets		(122)	(396)
Increase/(decrease) in payables		(1,412)	123
Increase/(decrease) in accrued interest payable		(7)	–
Increase/(decrease) in other accrued expenses payable		158	284
Increase/(decrease) in other liabilities		924	(2,511)
Increase/(decrease) in contract liabilities		544	–
Increase/(decrease) in provision for employee benefits		(229)	(208)
Increase/(decrease) in other provisions		376	2,401
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		3,574	8,497

Broken Hill City Council

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

Note 18. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
Joint arrangements	(102)	1,461	1,359	1,461
Total	(102)	1,461	1,359	1,461

Joint arrangements

(i) Joint arrangements

The following information is provided for joint arrangements that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Council is a member of the Far South West Joint Organisation (FSWJO) which includes Balranald Shire Council, Central Darling Shire Council, and Wentworth Shire Council. Details of Council's membership and participation are as follows:

Legal status of Joint Organisation

The Far West Joint Organisation is a body corporate proclaimed under the Local Government Act 1993 (the Act) with the legal capacity and powers of an individual.

While the principal functions of the joint organisation are provided for in the Act and through this Charter, powers are also conferred on the joint organisation as a statutory corporation under section 50 of the Interpretation Act 1987. Other functions may be conferred on a joint organisation by legislation and may be delegated to a joint organisation by one or more member councils.

The FSWJO has the same year end date as the Council.

What the Joint Organisation does

The principal functions of Far West Joint Organisation will be to:

- Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities
- Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities
- Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area.

Joint Organisation participants

The percentage ownership interest held is equivalent to the percentage voting rights for all associates as follows: FSWJO comprises the Councils of the Shires of Central Darling, Wentworth, Balranald and the City of Broken Hill. The Board of the FSWJO comprises 4 voting members being the Mayors of the four member Councils, and non voting members being the General Managers of four member councils, as well as 2 appointed members from the State Government and Cabinet (non-voting). Mark A Forbes is appointed as the Executive Officer of the Board (non-voting).

Council's powers of control or influence over the Joint Organisation

Broken Hill City Council, as a member of the FSWJO, has a one quarter voting right in respect to the decisions of the Board.

Council's financial obligations to the Joint Organisation

In accordance with the Charter of the FSWJO the annual financial contribution required to be made by each Associate Member is to be based on a methodology adopted by the Board. The contribution made by Broken Hill City Council in 2018/2019 was nil.

Council's liability obligations in relation to the Joint Organisation

Members of the FSWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Interests in other entities (continued)

Liability for operational losses or winding up of the FSWJO

The FSWJO has engaged an Executive Officer on a standard Local Government employment contract. A provision has been provided for ELE and funding from the initial start-up of the FSWJO.

There are no liability issues identified for Council in the short to medium term.

(a) Net carrying amounts – Council's share

	Nature of relationship	Measurement method	2020 \$ '000	2019 \$ '000
Far Southwest Joint Organisation			1,359	1,461
Total carrying amounts – material joint ventures			1,359	1,461

(b) Summarised financial information for joint organisations

	Far Southwest Joint Organisation	
	2020 \$ '000	2019 \$ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	5,371	6,369
Other current assets	24	1
Non-current assets	35	41
Current liabilities		
Other current liabilities	(6)	567
Net assets	5,436	5,844
Reconciliation of the carrying amount		
Opening net assets (1 July)	5,844	–
Profit/(loss) for the period	(408)	5,844
Closing net assets	5,436	5,844
Council's share of net assets (%)	25.0%	25.0%
Council's share of net assets (\$)	1,359	1,461
Share of income – Council (%)	25.0%	25.0%
Profit/(loss) – Council (\$)	(102)	1,461
Total comprehensive income – Council (\$)	(102)	1,461
Summarised Statement of cash flows		
Cash flows from operating activities	(406)	6,418
Cash flows from investing activities	(592)	(49)
Net increase (decrease) in cash and cash equivalents	(998)	6,369

Accounting policy for joint arrangements

The council has determined that it has only joint operations

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

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

Note 18. Interests in other entities (continued)

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

Broken Hill City Council

Financial Statements 2020

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

Note 19. Commitments

	2020 \$ '000	2019 \$ '000
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Infrastructure	6,621	4,808
Plant and equipment	940	130
Total commitments	7,561	4,938
These expenditures are payable as follows:		
Within the next year	7,561	4,938
Total payable	7,561	4,938
Sources for funding of capital commitments:		
Internally restricted reserves	7,561	4,938
Total sources of funding	7,561	4,938

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

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

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

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

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

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

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

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Financial Statements 2020

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

Note 20. Contingencies (continued)

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$182,166.46. The last valuation of the Scheme was performed by Actuary, Mr Richard Boyfield FIAA as at 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$165,824.96.

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

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

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

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

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

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

* Plus promotional increases

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

(ii) 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.

(iii) 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.

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Broken Hill City Council

Financial Statements 2020

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

Note 20. Contingencies (continued)

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.

(iii) Refurbishment Project litigation

Litigation is ongoing for a compensation claim against the party (parties) involved with a refurbishment project. The Council are of the opinion that the compensation claim will be successful. The amount is not yet quantifiable.

Broken Hill City Council

Financial Statements 2020

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

Note 21. Financial risk management

Risk management

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

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

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

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

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

	Carrying value 2020 \$ '000	Carrying value 2019 \$ '000	Fair value 2020 \$ '000	Fair value 2019 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	13,527	15,473	13,527	15,473
Receivables	3,706	5,358	3,706	5,358
Investments				
– 'Financial assets at amortised cost'	6,000	9,000	6,000	9,000
Total financial assets	23,233	29,831	23,233	29,831
Financial liabilities				
Payables	3,456	3,664	3,456	3,664
Loans/advances	12,492	13,092	12,492	13,092
Total financial liabilities	15,948	16,756	15,948	16,756

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
2020				
Possible impact of a 1% movement in interest rates	195	195	(195)	(195)
2019				
Possible impact of a 1% movement in interest rates	244	244	(244)	(244)

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council 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.

Credit risk profile

Receivables – rates and annual charges

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

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	–	161	163	460	2,064	2,848
2019						
Gross carrying amount	–	269	255	408	1,286	2,218

Receivables - non-rates and annual charges

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

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

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	539	(4)	3	13	701	1,252
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	22.54%	12.62%
ECL provision	–	–	–	–	158	158
2019						
Gross carrying amount	2,652	601	37	10	224	3,524
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	85.00%	5.40%
ECL provision	–	–	–	–	190	190

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2020							
Trade/other payables	0.00%	24	2,357	–	–	2,381	2,381
Loans and advances	4.48%	–	1,101	4,061	12,945	18,107	12,492
Total financial liabilities		24	3,458	4,061	12,945	20,488	14,873
2019							
Trade/other payables	0.00%	46	3,618	–	–	3,664	3,664
Loans and advances	4.49%	–	1,189	4,147	13,960	19,296	13,092
Total financial liabilities		46	4,807	4,147	13,960	22,960	16,756

Broken Hill City Council

Financial Statements 2020

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

Note 22. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 26/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	18,480	18,473	(7)	0% U
User charges and fees	3,707	2,937	(770)	(21)% U
Reduction in revenue resulting from closure of Council facilities and general down turn in economic activity as result of Covid 19.				
Other revenues	327	470	143	44% F
Recovery of fuel rebates from previous years				
Operating grants and contributions	5,510	6,728	1,218	22% F
Additional Commonwealth Financial Assistance Grant and contribution from the Far West Joint Organisation that were not included in the original budget.				
Capital grants and contributions	2,110	1,684	(426)	(20)% U
Covid 19 related delays in the airport fencing project delayed grant progress claims on the project.				
Interest and investment revenue	1,167	53	(1,114)	(95)% U
Reduced return on investments and term deposits caused by Covid 19 related market downturn.				

Broken Hill City Council

Financial Statements 2020

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

Note 22. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	14,311	12,463	1,848	13% F
Report reclassification of some employee expenses to other expenses after the original budget was approved. Periods of vacancy in several positions and a greater proportion of wages and salaries costed to capital projects as a result of Council using in house resources.				
Borrowing costs	582	737	(155)	(27)% U
Discount adjustments relating to movements in the provision for tip remediation were not included in the original budget.				
Materials and contracts	5,111	9,580	(4,469)	(87)% U
Additional unexpected expenditure on computer consultants, plant hire to cover major breakdowns, contract staff to fill temporary vacancies in key positions and legal expenses attributable to the Civic Centre litigation.				
Depreciation and amortisation	6,532	7,147	(615)	(9)% U
Other expenses	4,135	4,831	(696)	(17)% U
Report reclassification of some employee expenses to other expenses after the original budget was approved.				
Net losses from disposal of assets	—	131	(131)	∞ U
Losses on disposal of assets were not anticipated in the original budget.				
Joint ventures and associates – net losses	—	102	(102)	∞ U
Joint organisation net losses were not anticipated in the original budget.				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	6,793	3,574	(3,219)	(47)% U
Additional unexpected expenditure on computer consultants, plant hire to cover major breakdowns, contract staff to fill temporary vacancies in key positions and legal expenses attributable to the Civic Centre litigation.				
Cash flows from investing activities	(8,462)	(4,920)	3,542	(42)% F
Sale of term deposits not included in the original budget.				
Cash flows from financing activities	(591)	(600)	(9)	2% U

Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2020	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	
Infrastructure, property, plant and equipment					
Operational land	30/06/20	–	972	2,180	3,152
Community land	30/06/20	–	–	1,916	1,916
Crown land	30/06/20	–	–	910	910
Buildings – non-specialised	30/06/20	–	–	46,802	46,802
Buildings – specialised	30/06/20	–	–	4,439	4,439
Other structures	30/06/20	–	–	4,357	4,357
Roads	30/06/20	–	–	125,671	125,671
Footpaths	30/06/20	–	–	7,282	7,282
Stormwater drainage	30/06/20	–	–	7,526	7,526
Swimming pools	30/06/20	–	–	15,017	15,017
Open spaces and other recreation	30/06/20	–	–	1,619	1,619
Art	30/06/17	–	2,852	6,853	9,705
Other	30/06/20	–	–	51	51
Tip remediation	30/06/20	–	–	7,141	7,141
Total infrastructure, property, plant and equipment		–	3,824	231,764	235,588

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Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Infrastructure, property, plant and equipment					
Operational land	30/06/17	–	875	2,495	3,370
Community land	30/06/17	–	–	2,522	2,522
Crown land	30/06/17	–	–	1,022	1,022
Buildings – non-specialised	30/06/17	–	–	42,536	42,536
Buildings – specialised	30/06/17	–	–	2,565	2,565
Other structures	30/06/17	–	–	3,417	3,417
Roads	30/06/17	–	–	103,895	103,895
Footpaths	30/06/17	–	–	6,522	6,522
Stormwater drainage	30/06/17	–	–	8,101	8,101
Swimming pools	30/06/17	–	–	13,885	13,885
Open spaces and other recreation	30/06/17	–	–	3,531	3,531
Art	30/06/17	–	2,852	6,855	9,707
Other	30/06/17	–	–	51	51
Tip remediation	30/06/17	–	–	7,618	7,618
Total infrastructure, property, plant and equipment		–	3,727	205,015	208,742

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

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

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

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

Financial assets

Council has invested in financial assets including term deposits.

Council values these assets at fair value based on valuations provided at the end of each month and year end that are prepared by external industry experts in the finance field.

Although there are markets for these financial assets, they have been deemed by Council to be inactive and as such these assets have been classified as level 3. Valuation techniques remained the same for the reporting period.

Infrastructure, property, plant and equipment (IPP&E)**Community land**

Assets within the "Community Land" class are:

- Council owned land and
- Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. Asset Val Pty Ltd revalued all Operational Land as at 30 June 2020.

Council's operational land is valued using a modelled market based valuation process.

The majority of land is subject to directly observable comparable local market evidence, hence these assets are considered level 2. However there is land that is not subject to directly observable local market evidence as well as, if Council obtains an asset in the future for which this valuation process is not available, the replacement cost will be used. Replacement cost will

continued on next page ...

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Stormwater drainage

The Stormwater Drainage asset class consists of Council's pits and Culverts. Assetval Pty Ltd completed the valuation of these assets using replacement cost approach and the last valuation was completed in June 2020.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement on behalf of Australis, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Other structure

Council's other structure assets comprise of fences, flagpoles, monuments and the like.

Council engaged Assetval Pty Ltd to value all buildings, structures and shelters in 2020.

The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined using technical knowledge from council staff (engineers and asset management) and external valuers. Other significant inputs considered in the valuation of these assets are condition rating, remaining useful life, pattern of consumption, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Buildings – non specialised and specialised

Council engaged Assetval Pty Ltd to value all buildings and shelters in 2020. The valuation methodology adopted was based on current replacement cost of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable, the asset class has been classified as Level 3. Valuation techniques remained the same for this reporting period.

Roads

Council's roads are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation. The revaluation of road assets is undertaken annually.

The valuation, which is completed by Assetval Pty Ltd, was completed in June 2020.

The current replacement cost approach was adopted to value Council roads. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of Australis.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components, residual value and type of road.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Footpaths

Council's footpath register consists of all pedestrian walkways and cycleways within the Council area.

Assetval Pty Ltd completed the valuation of the Footpath assets in 2020.

Replacement costs (unit rates) and useful lives of Council's footpaths were determined using technical knowledge Australis's professional judgement. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Open space / recreational assets

Council's recreational facilities includes assets within our sports fields and park locations. This includes but is not limited to, playing courts, playgrounds, and cricket nets. Assetval Pty Ltd was engaged in 2020 for the valuation of these assets. Replacement costs (unit rates) and useful lives of Council's recreational facilities were determined using technical knowledge from Council staff (engineers and asset management) and AVS's professional judgement. Some of the other significant inputs

continued on next page ...

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Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement (continued)

considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Swimming pool

The swimming pool includes all assets located within the facility.

Assetval Pty Ltd valued the building components of the swimming pool in June 2020 as part of the building revaluation and other substantial components of the pool are valued using replacement cost method. Replacement costs were determined using square metre rates and other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, components, dimensions and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Plant and equipment, office equipment, and furniture and fittings

This asset category includes:

Plant & Equipment – Motor vehicles, trucks, mowers, buses, earthmoving equipment

Office Equipment – Computer equipment

Furniture & Fittings – Chairs, desks, cabinets, display systems

These assets are valued at cost in Council's books and reported at Fair value in the notes due to the nature of the items.

The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Library books and other assets

This asset category comprises of assets such as library books, journals, magazines, Cd's and Dvd's.

The library books are reported at Fair value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market making it a Level 3 asset. Valuation techniques remain the same for this reporting period.

Artwork

Council engaged Australian Valuation Solutions (AVS) to value all artwork in 2016.

This information was updated into Council's asset register.

The valuation was completed using the replacement cost approach and market value in accordance with AASB 116.

The replacement value for artworks was determined by the price at which the items could be purchased from a reputable dealer, gallery or retail outlet.

Where the fair value of an asset could not be determined by sale on the open market, a depreciable replacement cost has been adopted. Other significant inputs considered in the valuation are the condition of the asset, pattern of consumption and remaining useful life. This asset class is categorised as Level 2 & 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Tip remediation

Council operates a landfilling operation as well as a range of waste services, including recycled and reclaimed products. It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. Geolyse Pty Ltd. were engaged in the 2018 financial year to perform a valuation of the estimated cost for the Tip Remediation based on current data and TIP consumption as at 30 June 2018.

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

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

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

	Crown Land \$ '000	Operational Land \$ '000	Community Land \$ '000	Buildings non- specialised \$ '000	Building specialised \$ '000
2019					
Opening balance	–	3,437	3,499	37,539	2,590
Transfers from/(to) another asset class	1,022	(45)	(977)	–	–
Purchases (GBV)	–	3	–	7,222	58
Disposals (WDV)	–	(25)	–	(349)	–
Depreciation and impairment	–	–	–	(1,874)	(83)
Closing balance	1,022	3,370	2,522	42,538	2,565
2020					
Opening balance	1,022	3,370	2,522	42,538	2,565
Transfers from/(to) another asset class	–	(298)	125	204	60
Purchases (GBV)	–	84	–	930	1,879
Disposals (WDV)	–	–	(43)	–	–
Depreciation and impairment	–	–	–	(1,898)	(92)
FV gains – other comprehensive income	(112)	(133)	(559)	5,028	27
Closing balance	910	3,023	2,045	46,802	4,439

	Other structures \$ '000	Roads \$ '000	Footpaths \$ '000	Stormwater drainage \$ '000	Swimming pools \$ '000
2019					
Opening balance	3,740	104,309	6,682	8,219	14,039
Purchases (GBV)	193	2,541	–	8	95
Disposals (WDV)	(15)	–	–	–	–
Depreciation and impairment	(501)	(2,955)	(160)	(126)	(249)
Closing balance	3,417	103,895	6,522	8,101	13,885
2020					
Opening balance	3,417	103,895	6,522	8,101	13,885
Transfers from/(to) another asset class	615	–	–	22	–
Purchases (GBV)	285	889	125	–	258
Disposals (WDV)	–	(83)	–	–	–
Depreciation and impairment	(304)	(2,994)	(160)	(126)	(250)
FV gains – other comprehensive income	344	23,964	795	(471)	1,124
Closing balance	4,357	125,671	7,282	7,526	15,017

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

	Open space/other recreational assets \$ '000	Art \$ '000	Other \$ '000	Tip remediation \$ '000	Total \$ '000
2019					
Opening balance	2,711	9,705	51	5,247	201,768
Purchases (GBV)	1,128	—	—	2,400	13,648
Disposals (WDV)	(14)	—	—	—	(403)
Depreciation and impairment	(294)	—	—	(29)	(6,271)
Closing balance	3,531	9,705	51	7,618	208,742
2020					
Opening balance	3,531	9,705	51	7,618	208,742
Transfers from/(to) another asset class	(1,740)	—	—	(478)	(1,490)
Purchases (GBV)	101	—	—	377	4,928
Disposals (WDV)	—	—	—	—	(126)
Depreciation and impairment	(100)	—	—	—	(5,924)
FV gains – other comprehensive income	(173)	—	—	(376)	29,458
Closing balance	1,619	9,705	51	7,141	235,588

(4) Highest and best use

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

Broken Hill City Council

Financial Statements 2020

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

Note 24. Related party disclosures

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:

	2020 \$ '000	2019 \$ '000
Compensation:		
Short-term benefits	1,016	892
Post-employment benefits	75	70
Other long-term benefits	20	19
Total	1,111	981

Note 25. Events occurring after the reporting date

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

Council has been in litigation regarding the construction of a waste management facility since July 2018. The litigation was successfully resolved on 19/08/2020 with the judge ordering in favour of the plaintiff \$822,319.67 plus full cost recovery. There has been no appeal made within the allotted time frame. Council is now seeking recovery of \$1.8m from the defendants.

Broken Hill City Council

Financial Statements 2020

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

Note 26. Statement of developer contributions

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

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

Summary of contributions and levies

	as at 30/06/19						as at 30/06/20	
	Opening Balance \$ '000	Contributions received during the year		Interest earned in year \$ '000	Expenditure during year \$ '000	Internal borrowing (to)/from \$ '000	Held as restricted asset \$ '000	Cumulative internal borrowings due/(payable) \$ '000
		Cash \$ '000	Non-cash \$ '000					
S7.12 levies – under a plan	472	18	–	–	(490)	–	–	–
Total S7.11 and S7.12 revenue under plans	472	18	–	–	(490)	–	–	–
Total contributions	472	18	–	–	(490)	–	–	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER

Council Animal Pound	118	18	–	–	(490)	354	–	–
Urban Roads	83	–	–	–	–	(83)	–	–
Urban Footpaths	41	–	–	–	–	(41)	–	–
Urban Street Tree Planting	21	–	–	–	–	(21)	–	–
Urban Stormwater Additions	41	–	–	–	–	(41)	–	–
Urban Parks and Gardens	42	–	–	–	–	(42)	–	–
Broken Hill Aquatic Centre	126	–	–	–	–	(126)	–	–
Total	472	18	–	–	(490)	–	–	–

Broken Hill City Council

Financial Statements 2020

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

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

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(5,885)	(20.38)%	(1.53)%	(21.71)%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	28,873				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	22,145	72.47%	77.56%	78.95%	>60.00%
Total continuing operating revenue ¹	30,557				
3. Unrestricted current ratio					
Current assets less all external restrictions	19,619	3.62x	4.29x	1.97x	>1.50x
Current liabilities less specific purpose liabilities	5,422				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	1,999	1.50x	5.11x	1.54x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) ³	1,337				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	3,233	15.23%	12.48%	11.81%	<10.00%
Rates, annual and extra charges collectible	21,233				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	19,527	7.48	8.49	10.71	>3.00
Monthly payments from cash flow of operating and financing activities	2,610	mths	mths	mths	mths

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

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

(3) 2018 Ratio restated due to not including \$3.2m loan payout.

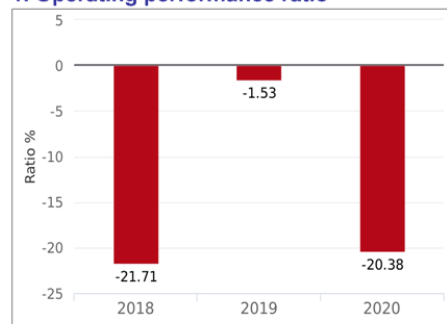
Broken Hill City Council

Financial Statements 2020

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

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

1. Operating performance ratio



Benchmark: — > 0.00%

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

Purpose of operating performance ratio

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

Commentary on 2019/20 result

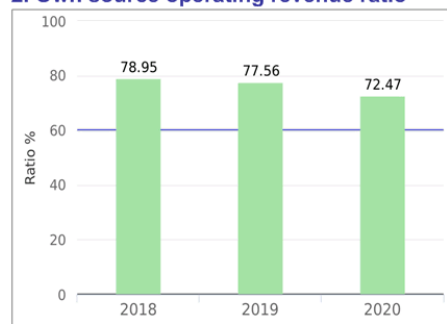
2019/20 ratio (20.38)%

Council's operating performance ratio declined in 2020. This is due to reduced revenue due to Covid-19 and ongoing legal fees that are expected to be recoverable. Council is expected to achieve an operating surplus in 2023 and will incur improving sustainable operating deficits until this time.

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Benchmark: — > 60.00%

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

Purpose of own source operating revenue ratio

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

Commentary on 2019/20 result

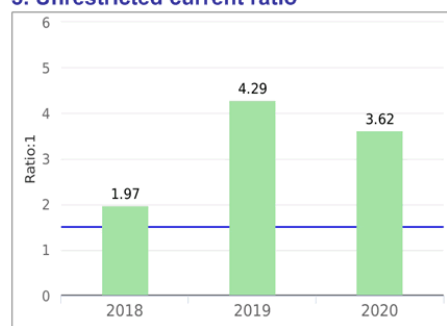
2019/20 ratio 72.47%

The own source operating revenue ratio is above the industry benchmark and indicates a stable revenue stream for council. A focus to increase user fees and charges in future years will be required to maintain this benchmark.

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

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

Purpose of unrestricted current ratio

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

Commentary on 2019/20 result

2019/20 ratio 3.62x

The unrestricted current ratio is above the industry benchmark and indicates Council's ability to repay its current obligations. A balanced approach to cash flows in future coming years will be required to ensure the ratio is maintained whilst increasing the quantity of capital expenditure.

Ratio achieves benchmark

Ratio is outside benchmark

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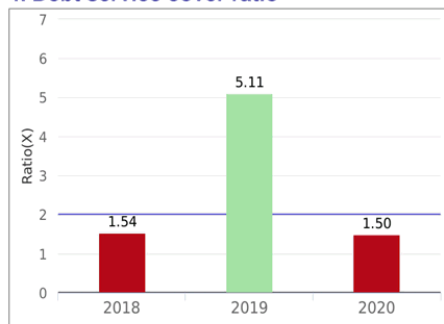
Broken Hill City Council

Financial Statements 2020

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

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

4. Debt service cover ratio



Benchmark: — > 2.00x

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

Purpose of debt service cover ratio

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

Commentary on 2019/20 result

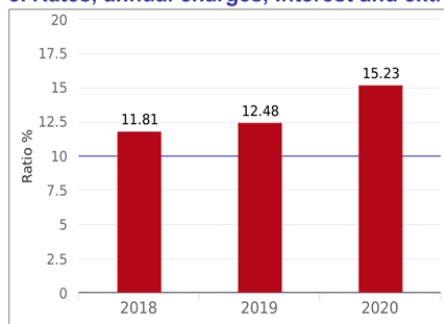
2019/20 ratio 1.50x

This ratio declined in 2020 to Below the industry benchmark. This is due to the Covid-19 pandemic impact on Councils operating result.

Ratio achieves benchmark

Ratio is outside benchmark

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



Benchmark: — < 10.00%

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

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

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

Commentary on 2019/20 result

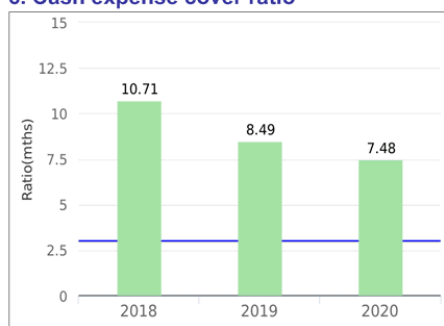
2019/20 ratio 15.23%

Rates outstanding percentage increased by 2.56% in 2020. Reasons for the increase include suspension of debt recovery due to Covid-19 and ratepayers' ability to pay during the pandemic. Council will work towards achieving a below industry benchmark percentage through a focus on recovery actions and undertaking a sale of land for unpaid rates in future years.

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00mths

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

Purpose of cash expense cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 7.48 mths

This ratio is above the industry benchmark and shows Council has a strong ability to pay for its immediate expenses, however it has decreased this year due to increased expenditure in capital works and the effects of Covid 19. This trend will continue over the next few years until a surplus position is achieved in 2023 and whilst capital expenditure continues to increase.

Ratio achieves benchmark

Ratio is outside benchmark

Broken Hill City Council

Financial Statements 2020

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

Note 28. Council information and contact details

Principal place of business:

240 Blende st
Broken Hill
NSW 2880

Mailing Address:

PO Box 448
Broken Hill
NSW 2880

Telephone: 08 8080 3300
Facsimile: 08 8080 3424

Opening hours:

8:30am - 5:00pm
Monday to Friday

Internet: www.brokenhill.nsw.gv.au
Email: council@brokenhill.nsw.gv.au

Officers

General Manager
James Roncon

Responsible Accounting Officer
Jay Nankivell

Public Officer
Razija Nu'Man

Auditors
Auditor General of NSW

Elected members

Mayor
Darriea Turley AM

Councillors

Marion Browne

Jim Nolan

Branko Licul

David Gallagher

Ron Page

Bob Algate

Tom Kennedy

Maureen Clark

Christine Adams

Other information

ABN: 84 873 116 132



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 22 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY



Cr Darriea Turley
Mayor
Broken Hill City Council
PO Box 448
BROKEN HILL NSW 2880

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: D2026557/1701

16 November 2020

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Broken Hill City Council**

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

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

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

INCOME STATEMENT

Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	18.5	18.0	2.8
Grants and contributions revenue	8.4	9.1	7.7
Operating result from continuing operations	(4.4)	3.1	241.9
Net operating result before capital grants and contributions	(6.1)	0.3	2133

Council's operating result (a deficit of \$4.4 million including the effect of depreciation and amortisation expense of \$7.1 million) was \$7.5 million lower than the 2018–19 result. This was mainly due to the receipt of one-off revenue items in 2018-19 including \$6.6 million relating to the Wentworth to Broken Hill pipeline project and the recognition of Council's share of the net assets of the Far South West Joint Organisation (FSWJO) of \$1.5 million, and decreased revenue from capital grants being recognised in 2019-20.

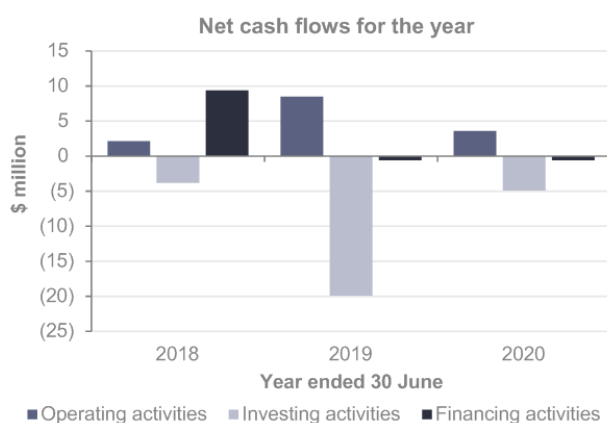
The net operating result before capital grants and contributions (a deficit of \$6.1 million) was \$6.4 million lower than the 2018–19 result due to the items noted above.

Rates and annual charges revenue (\$18.5 million) increased by \$0.5 million (2.8 per cent) in 2019–2020.

Grants and contributions revenue (\$8.4 million) decreased by \$0.7 million (7.7 per cent) in 2019–2020 due to reduced capital grants being recognised.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$1.9 million to \$13.5 million at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	4.6	4.8	<ul style="list-style-type: none"> External restrictions include unspent specific purpose grants and domestic waste management charges, and royalties. Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations.
Internal restrictions	11.7	12.8	
Unrestricted	3.2	6.9	
Cash and investments	19.5	24.5	

Debt

After repaying principal and interest of \$1.3 million, total debt as at 30 June 2020 was \$12.5 million (2019: \$13.1 million).

PERFORMANCE

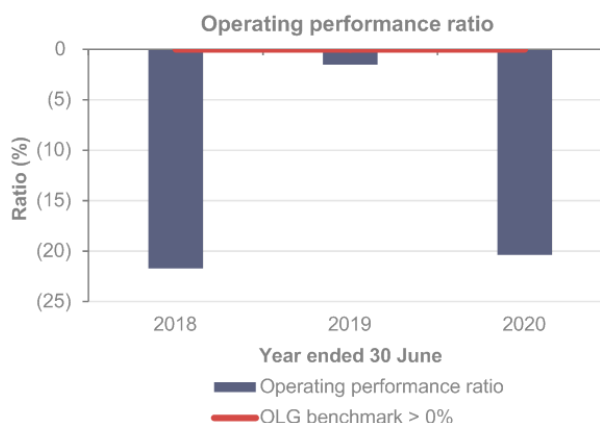
Performance measures

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

Operating performance ratio

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

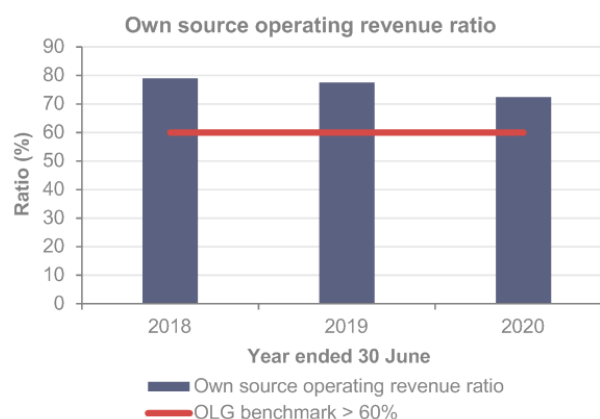
The Council did not meet the OLG benchmark for the current reporting period.



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.

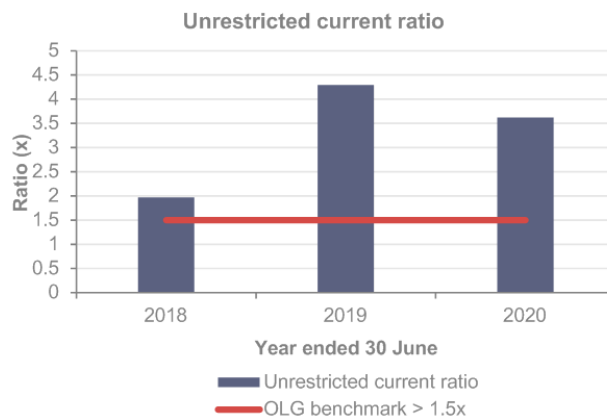
The Council exceeded the OLG benchmark for the current reporting period.



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.

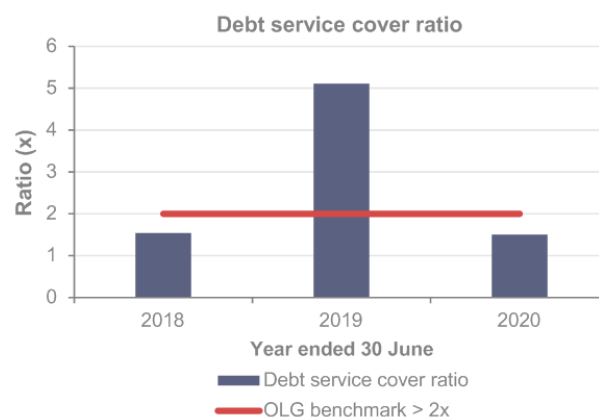
The Council exceeded the OLG benchmark for the current reporting period.



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.

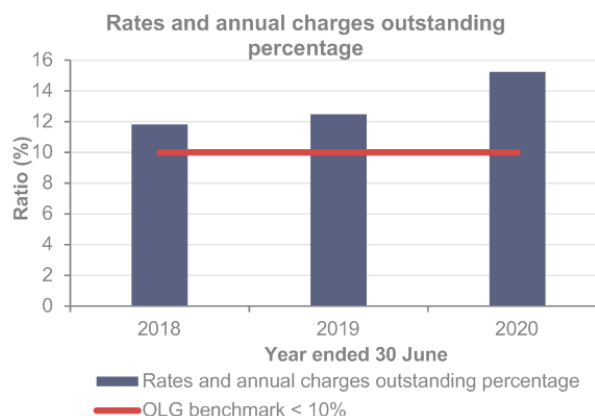
The Council did not meet the OLG benchmark for the current reporting period.



Rates and annual charges outstanding percentage

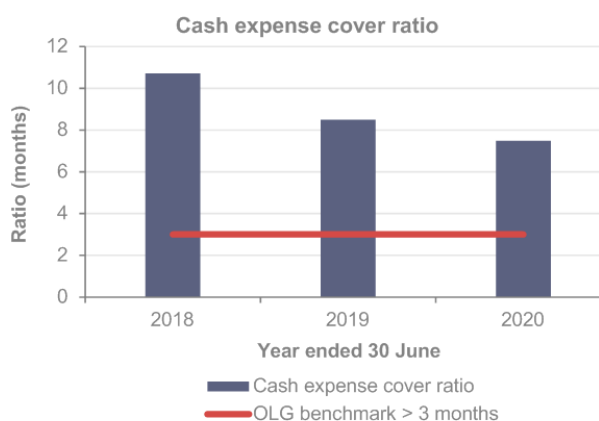
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The Council did not meet the OLG benchmark for the current reporting period.

**Cash expense cover ratio**

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

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

**Infrastructure, property, plant and equipment renewals**

- Council's asset renewal additions for the year were \$5 million compared \$8.9 million for the prior year
- The level of asset renewals during the year represented 71 percent of the total depreciation expense (\$7.1 million) for the year.

OTHER MATTERS**Impact of new accounting standards****AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'**

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

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

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$1.4 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

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

AASB 16 'Leases'

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

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

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

There was no impact on Council's financial statements on adoption of AASB 16.

Legislative compliance

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

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

The Council's:

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



Manuel Moncada
Delegate of the Auditor-General for New South Wales

cc: James Roncon, General Manager
Jim Mitchell, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Broken Hill City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements for the year ended 30 June 2020

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Background

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

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

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

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

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

Special Purpose Financial Statements 2020

Special Purpose Financial Statements 2020

Broken Hill City Council

Special Purpose Financial Statements for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 30 September 2020.



DARRLEA TURLEY AM
Mayor
30 September 2020



CHRISTINE ADAMS
Councillor
30 September 2020



JAMES RONCON
General Manager
30 September 2020



JAY NANKIVELL
Responsible Accounting Officer
30 September 2020

Broken Hill City Council

Special Purpose Financial Statements 2020

Income Statement – Airport
for the year ended 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	555	661
Total income from continuing operations	555	661
Expenses from continuing operations		
Employee benefits and on-costs	289	322
Materials and contracts	93	159
Depreciation, amortisation and impairment	220	340
Other expenses	90	89
Total expenses from continuing operations	692	910
Surplus (deficit) from continuing operations before capital amounts	(137)	(249)
Surplus (deficit) from continuing operations after capital amounts	(137)	(249)
Surplus (deficit) from all operations before tax	(137)	(249)
SURPLUS (DEFICIT) AFTER TAX	(137)	(249)
Plus accumulated surplus	(819)	(140)
Add:		
– Subsidy paid/contribution to operations	(1,634)	(430)
Closing accumulated surplus	(2,590)	(819)
Return on capital %	(0.9)%	(1.9)%
Subsidy from Council	275	426

Broken Hill City Council

Special Purpose Financial Statements 2020

Income Statement – Civic Centre (Entertainment centre)
for the year ended 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	120	139
Total income from continuing operations	120	139
Expenses from continuing operations		
Employee benefits and on-costs	166	171
Materials and contracts	61	111
Depreciation, amortisation and impairment	656	604
Other expenses	30	22
Total expenses from continuing operations	913	908
Surplus (deficit) from continuing operations before capital amounts	(793)	(769)
Grants and contributions provided for capital purposes	–	506
Surplus (deficit) from continuing operations after capital amounts	(793)	(263)
Surplus (deficit) from all operations before tax	(793)	(263)
SURPLUS (DEFICIT) AFTER TAX	(793)	(263)
Plus accumulated surplus	15,164	11,261
Closing accumulated surplus	14,371	10,998
Return on capital %	(4.7)%	(4.0)%
Subsidy from Council	941	1,022

Broken Hill City Council

Special Purpose Financial Statements 2020

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

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	1,220	1,270
Total income from continuing operations	1,220	1,270
Expenses from continuing operations		
Employee benefits and on-costs	322	279
Materials and contracts	82	58
Depreciation, amortisation and impairment	134	97
Other expenses	61	108
Total expenses from continuing operations	599	542
Surplus (deficit) from continuing operations before capital amounts	621	728
Surplus (deficit) from continuing operations after capital amounts	621	728
Surplus (deficit) from all operations before tax	621	728
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(171)	(200)
SURPLUS (DEFICIT) AFTER TAX	450	528
Plus accumulated surplus	468	(281)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	171	200
Closing accumulated surplus	1,089	447
Return on capital %	22.1%	29.1%

Broken Hill City Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Airport
as at 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	–	4
Total current assets	–	4
Non-current assets		
Infrastructure, property, plant and equipment	15,641	13,429
Total non-current assets	15,641	13,429
TOTAL ASSETS	15,641	13,433
NET ASSETS	15,641	13,433
EQUITY		
Accumulated surplus	(2,590)	(819)
Revaluation reserves	18,231	14,252
TOTAL EQUITY	15,641	13,433

Broken Hill City Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Civic Centre (Entertainment centre)
as at 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	–	4
Total current assets	–	4
Non-current assets		
Infrastructure, property, plant and equipment	16,773	19,149
Total non-current assets	16,773	19,149
TOTAL ASSETS	16,773	19,153
NET ASSETS	16,773	19,153
EQUITY		
Accumulated surplus	14,371	10,998
Revaluation reserves	2,402	8,155
TOTAL EQUITY	16,773	19,153

Broken Hill City Council

Special Purpose Financial Statements 2020

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

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	70	77
Total current assets	<u>70</u>	<u>77</u>
Non-current assets		
Infrastructure, property, plant and equipment	2,804	2,503
Total non-current assets	<u>2,804</u>	<u>2,503</u>
TOTAL ASSETS	<u>2,874</u>	<u>2,580</u>
LIABILITIES		
Current liabilities		
Provisions	1,785	2,133
Total current liabilities	<u>1,785</u>	<u>2,133</u>
TOTAL LIABILITIES	<u>1,785</u>	<u>2,133</u>
NET ASSETS	<u>1,089</u>	<u>447</u>
EQUITY		
Accumulated surplus	1,089	447
TOTAL EQUITY	<u>1,089</u>	<u>447</u>

Broken Hill City Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies

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

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

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

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

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

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Civic Centre (Entertainment Centre)

Venue for the conduct of shows, festivals, civic activities & significant events

b. Broken Hill Airport

Facility for aircraft arrivals & departures, aircraft accommodation, workshop & associated activities.

c. Commercial Garbage Service

Garbage collection & disposal service provided to the business & commercial sector.

continued on next page ...

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Broken Hill City Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies (continued)

Monetary amounts

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

(i) Taxation equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

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

Income tax

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

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

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

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

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

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

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.

continued on next page ...

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Broken Hill City Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iv) Dividends

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

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

The Declared Business Activities of the Council are:

- Civic Centre (Entertainment Centre)
- Airport
- Commercial Waste

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY

Broken Hill City Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Schedules 2020

Special Schedules
for the year ended 30 June 2020

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Broken Hill City Council

Special Schedules 2020

Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2019/20 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	15,799	15,376
Plus or minus adjustments ²	b	89	7
Notional general income	c = a + b	15,888	15,383
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	413	415
Sub-total	k = (c + g + h + i + j)	16,301	15,798
Plus (or minus) last year's carry forward total	l	30	31
Sub-total	n = (l + m)	30	31
Total permissible income	o = k + n	16,331	15,829
Less notional general income yield	p	16,269	15,799
Catch-up or (excess) result	q = o - p	62	30
Less unused catch-up ⁵	s	(30)	—
Carry forward to next year ⁶	t = q + r + s	32	30

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.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Special Schedules 2020

INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

Special Schedules 2020

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

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



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY

Broken Hill City Council

Report on Infrastructure Assets

as at 30 June 2020

Special Schedules 2020

Asset Class	Asset Category	Estimated cost	Estimated cost	2019/20	2019/20	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		to bring assets to satisfactory standard	to bring assets to agreed level of service set by Council	Required maintenance ^a	Actual maintenance			1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000							
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings	13,320	13,320	2,166	1,312	55,747	114,009	20.0%	2.0%	45.0%	30.0%	3.0%
	Sub-total	13,320	13,320	2,166	1,312	51,241	114,009	20.0%	2.0%	45.0%	30.0%	3.0%
Other structures	Other structures	1,818	1,818	396	—	4,357	15,064	44.0%	4.0%	13.0%	25.0%	14.0%
	Sub-total	1,818	1,818	396	—	4,357	15,064	44.0%	4.0%	13.0%	25.0%	14.0%
Roads	Sealed roads	801	801	1,529	1,653	91,756	142,974	23.0%	20.0%	55.0%	1.0%	1.0%
	Unsealed roads	—	—	29	—	2,195	2,725	45.0%	53.0%	2.0%	0.0%	0.0%
	Footpaths	—	—	92	29	7,282	12,227	1.0%	46.0%	53.0%	0.0%	0.0%
	Other road assets	485	485	538	394	31,720	50,290	11.0%	55.0%	23.0%	10.0%	1.0%
	Sub-total	1,286	1,286	2,188	2,076	132,953	208,216	19.1%	30.4%	46.5%	3.1%	0.9%
Stormwater drainage	Stormwater drainage	102	102	78	—	7,526	12,969	8.0%	61.0%	25.0%	6.0%	0.0%
	Sub-total	102	102	78	—	7,526	12,969	8.0%	61.0%	25.0%	6.0%	0.0%
Open space / recreational assets	Swimming pools	—	—	785	—	15,017	12,719	19.0%	77.0%	4.0%	0.0%	0.0%
	Other	424	424	216	1,531	1,619	3,396	29.0%	5.0%	2.0%	59.0%	5.0%
	Sub-total	424	424	1,001	1,531	16,636	16,115	21.1%	61.8%	3.6%	12.4%	1.1%
TOTAL - ALL ASSETS		16,950	16,950	5,829	4,919	212,713	366,373	20.1%	22.9%	42.0%	12.9%	2.1%

(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

continued on next page ...

Page 7 of 8

Broken Hill City Council

Special Schedules 2020

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

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019 2018		Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	2,455	41.44%	175.49%	19.28%	>=100.00%
Depreciation, amortisation and impairment	5,924				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	16,950	7.97%	3.41%	24.15%	<2.00%
Net carrying amount of infrastructure assets	212,713				
Asset maintenance ratio					
Actual asset maintenance	4,919	84.39%	107.82%	172.65%	>100.00%
Required asset maintenance	5,829				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	16,950	4.63%	1.69%	11.97%	
Gross replacement cost	366,373				

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

(1) Excludes Work In Progress (WIP)

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

ORDINARY MEETING OF THE COUNCIL

October 13, 2020

ITEM 2BROKEN HILL CITY COUNCIL REPORT NO. 152/20SUBJECT: DRAFT 2019/2020 ANNUAL REPORT20/106**Recommendation**

1. That Broken Hill City Council Report No. 152/20 dated October 13, 2020, be received.
2. That the Draft 2019/2020 Annual Report, inclusive of Delivery Program Achievements, Disability Inclusion Action Plan Achievements and audited Annual Financial Statements, for the reporting period 1 July 2019 to 30 June 2020, be adopted
3. That the 2019/2020 Annual Report, inclusive of Delivery Program Achievements, Disability Inclusion Action Plan Achievements and audited Annual Financial Statements for the reporting period 1 July 2019 to 30 June 2020, be posted on Council's website.
4. That Council's web link for the 2019/2020 Annual Report, inclusive of Delivery Program Achievements, Disability Inclusion Action Achievements and audited Annual Financial Statements for the reporting period 1 July 2019 to 30 June 2020, be provided to the Minister via the Office of Local Government and Minister for Disability Services, by 31 December 2020.

Executive Summary:

The purpose of this report is to present the Draft 2019/2020 Annual Report for Council adoption. The Draft 2019/2020 Annual Report includes one appendix being the Audited Annual Financial Statements for the reporting period 1 July 2019 to 30 June 2020.

Report:

In accordance with the NSW Office of Local Government's Integrated Planning and Reporting Framework, Council is required to prepare several documents to facilitate integration of long-term planning and implementation of Council activities. Core documents include the Community Strategic Plan, the four-year Delivery Program, the Annual Operational Plan and the Annual Report.

Section 428 (1) of the *Local Government Act 1993*, requires Councils to prepare an annual report within five (5) months of the end of the financial year.

The Annual Report is Council's report to the community and reports on Council's achievements in implementing its Delivery Program and Disability Inclusion Action Plan; and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities were directed during the preceding year.

The 2019/2020 Annual Report is required to be available to the Minister and public by 31 December 2020.

Community Engagement:

The report will be available to the public via Council's website following adoption by Council.

Strategic Direction:

Key Direction:	4.	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organisation to operate in its legal framework

Relevant Legislation:

The Integrated Planning and Reporting Framework requires each NSW Council to integrate all their plans together with the objective of delivering service for the community through streamlining council operations to ensure optimal use of resources.

Section 428 of the *Local Government Act 1993* states:

- (1) Within 5 months after the end of each year, a council must prepare a report (its **annual report**) for that year reporting as to its achievements in implementing its delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed.
- (2) The annual report in the year in which an ordinary election of councillors is to be held must also report as to the council's achievements in implementing the community strategic plan over the previous 4 years.
- (3) An annual report must be prepared in accordance with the guidelines under section 406.
- (4) An annual report must contain the following:
 - a. a copy of the council's audited financial reports prepared in accordance with the Local Government Code of Accounting Practice and Financial Reporting published by the Department, as in force from time to time,
 - b. such other information as the regulations or the guidelines under section 406 may require.
- (5) A copy of the Council's annual report must be posted on the council's website and provided to the Minister and such other persons and bodies as the regulations may require. A copy of a council's annual report may be provided to the Minister by notifying the Minister of the appropriate URL link to access the report on the council's website.

Financial Implications:

There are no direct financial implications arising from the adoption of the 2019/2020 Annual Report however, the Annual Report contains summaries of financial information that was adopted by Council in the 2019/2020 financial year.

The 2019/2020 Annual Report contains the 2019/2020 Audited Annual Financial Statements.

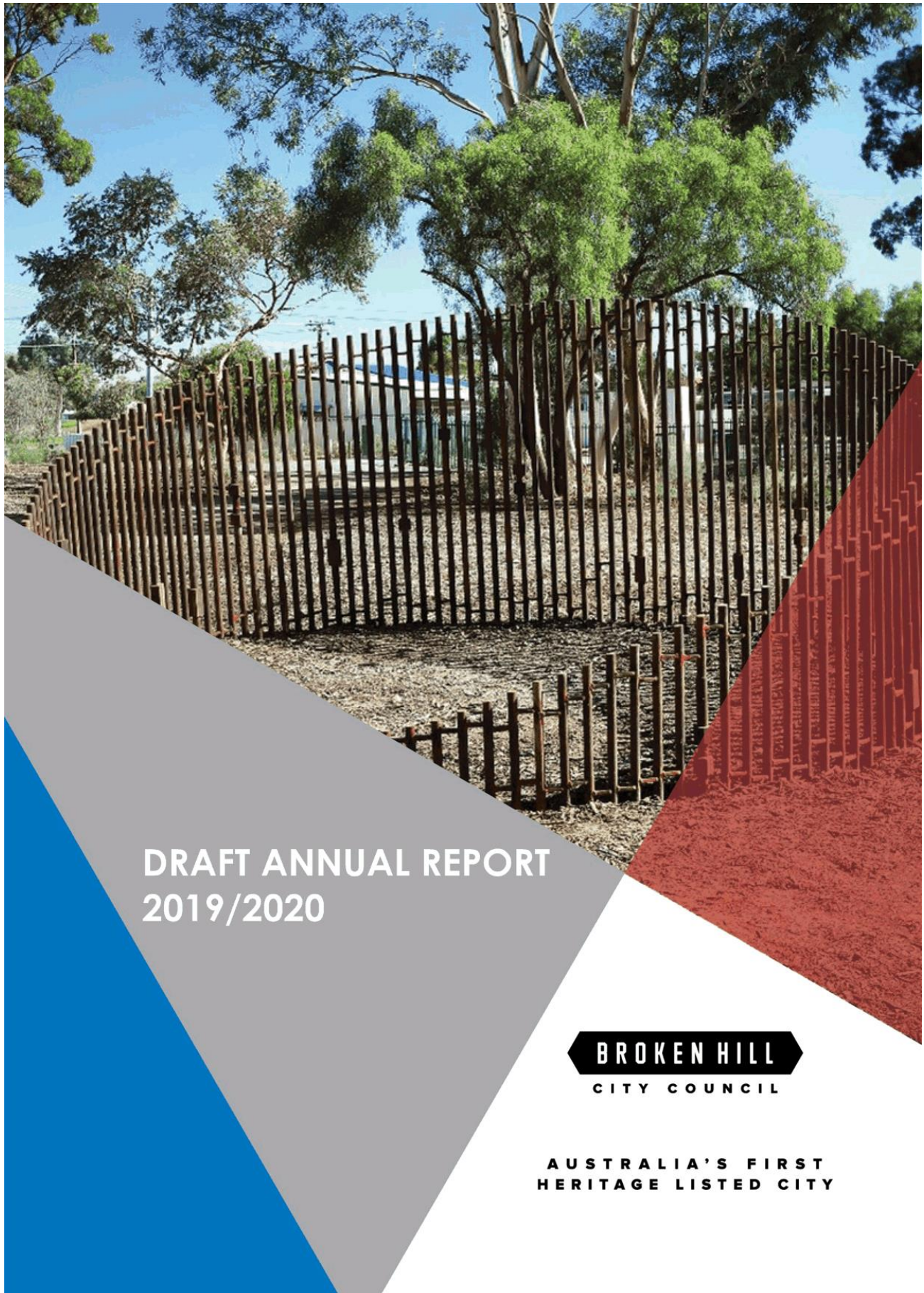
Attachments

1. Draft Annual Report 2019/2020 inclusive of 2019/2020 Audited Financial Statements



RAZIJA NU'MAN
DIRECTOR CORPORATE

JAMES RONCON
GENERAL MANAGER



DRAFT ANNUAL REPORT 2019/2020

BROKEN HILL

CITY COUNCIL

**AUSTRALIA'S FIRST
HERITAGE LISTED CITY**



QUALITY CONTROL		
KEY DIRECTION	4. Our Leadership	
OBJECTIVE	4.1 Openness and Transparency in Decision Making	
STRATEGY	4.1.1 Support the organisation to operate its legal framework	
FUNCTION	Corporate Support	
FILE REFERENCE	20/106	EDRMS REFERENCE D20/23261
RESPONSIBLE OFFICER	General Manager	
REVIEW DATE	July 2021	
COMPANY	Broken Hill City Council	
PHONE NUMBER	08 8080 3300	
EMAIL ADDRESS FOR ENQUIRIES ONLY	council@brokenhill.nsw.gov.au	
DATE	ACTION	MINUTE NO.
25 November 2020	Adopted	
NOTES	Front Cover Image: 'Nestle' sculpture – Riddiford Arboretum Images sourced from Council's Image Library © Copyright Broken Hill City Council 2020	
ASSOCIATED DOCUMENTS	Broken Hill 2033 Community Strategic Plan 2019-2021 Delivery Program/2019/2020 Operational Plan KPI Progress Report ending 30 June 2020 2017-2021 Disability Inclusion Action Plan KPI Progress Report ending 30 June 2020 Audited Financial Statements 2019/2020	

We acknowledge the traditional owners of the land on which we live and work; and pay our respects to their elders - past, present and emerging.

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"When you think of regional Australia, when you think of mining,
when you think of the ethos of Australia, you think of Broken Hill"

Minister of Environment Greg Hunt



ABOUT THE CITY

The City of Broken Hill is the largest regional centre in the western half of New South Wales. It lies in the centre of the sparsely settled New South Wales outback, close to the South Australian border and midway between the Queensland and Victorian borders.

POPULATION	
2019	**17,479
2016	*17,708
2006	19,753

** 2019 ABS Estimated Resident Population

* 2016 Census Population

TOTAL WORKFORCE	
Census Population 2016	7,568
Female population	51.3%
Male population	48.7%

Source: profile.id.com.au

INDUSTRY	\$(M)	JOBS
Mining, Construction, Manufacturing	\$344	1,582
Household Services*	\$226	1,811
Tourism	\$124	480
Retail Trades	\$50	936
Public Administration and Safety	\$61	600

*Household Services' refers to Accommodation and Food Services, Education and Training, Health Care and Social Assistance, Arts and Recreation Services and Other Services

MESSAGE FROM THE MAYOR AND GENERAL MANAGER

The 2019/20 financial year will go down in history as one of the most difficult periods for Council and the wider Broken Hill community.

The arrival of the COVID-19 pandemic in early 2020 resulted in upheaval across the City, with businesses forced to temporarily or permanently close and many locals losing their employment.

The financial year had a positive start however, with the re-launch of the newly upgraded Patton Park and the renaming of Airport Road to 'Pro Hart Way' in honour of the legendary local artist.

More good news followed with another bumper Christmas Pageant and a huge New Year's Eve celebration featuring new attractions.

The beginning of 2020 was also promising, with a \$1 million construction of Brown Street completed to connect Silverton Road and Nine Mile Road and the lodgement of the Development Application for the City's new Cultural Precinct, Library and Archives.

Unfortunately, by mid-March the COVID-19 pandemic found its way to Broken Hill, with two cases reported locally.

Council took decisive action in light of the threat, closing customer-facing facilities, expanding online service alternatives, discouraging non-essential staff travel and encouraging staff to work from home where possible to reduce risk of infection both in the workplace and the wider community.

By late June, the pandemic had eased in Broken Hill and Council was able to gradually reopen facilities after implementing sanitisation stations and greatly increased cleaning measures.

Some facilities and services are still operating in a reduced capacity due to COVID-19 legislative requirements and budget limitations imposed by the impact of the pandemic, however, Council is continuing to work toward increasing access to all services moving forward.

Although the last few months have been tough on our community, we should all remain confident about the City's prospects.

There are a number of major projects on Council's horizon such as the refurbishment of Queen Elizabeth Park, a new skate park for the City's youth, the upgrade of the O'Neill Sporting Complex and a new masterplan for the Central Business District.

Funding for these projects are underpinned by a low-interest \$10 million loan, received from the NSW Government's Treasury Corporation (T-Corp), as part of a COVID-19 recovery assistance package.

Outside of Council, we are also seeing new businesses appearing on the main street, interest in the City from major retail chains and significant mining projects on the horizon such as Cobalt Blue and Hawsons.

We wish to thank the people of Broken Hill for their perseverance in the face of adversity over the past six months and hope the achievements and progress outlined in this report provide confidence in the City's future.

Mayor Darriea Turley AM

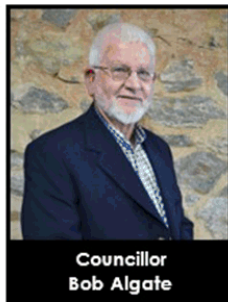
General Manager, James Roncon

THE ELECTED COUNCIL

Mayor and Councillors

(September 2016 to September 2020)

At the Broken Hill City Council Local Government Election held on 10 September 2016, the below Councillors were elected for a four-year term of Council. In response to the COVID-19 pandemic, the Office of Local Government postponed the next ordinary local government elections from September 2020, to September 2021. The current Councillors will continue to hold civic office until the local government elections are held.



- Councillor Gallagher was elected as Deputy Mayor from September 2016 to September 2017.
- Councillor Browne was elected as Deputy Mayor from September 2017 to September 2018.
- Councillor Browne was elected as Deputy Mayor from September 2018 to September 2019.
- Councillor Adams was elected as Deputy Mayor from September 2019 to September 2020.

Council Meetings and Committees

Council conducts its business on a monthly basis at open and publicly advertised meetings. At times, Council matters may be classed as confidential and will be conducted as such. Additional Council meetings may be held throughout the year to consider specific matters.

The Office of Local Government notified all Councils on 25 March 2020, that in response to the COVID-19 pandemic, Council meetings could be held remotely using audio-visual links and webcasting of the meetings.

During 2019/20 there were 11 Ordinary and five Extraordinary Council meetings held.

There were also 36 workshops and briefings for Councillors held during this period.

Attendance was as follows:

Councillor	Meetings	Workshops/Briefings
Mayor Turley	16	33
Councillor Adams	15	28
Councillor Algate	15	8
Councillor Browne	16	34
Councillor Clark	16	30
Councillor Gallagher	12	16
Councillor Kennedy	16	12
Councillor Licul	15	25
Councillor Nolan	14	15
Councillor Page	14	10

Each September, Council delegations are adopted and Councillors are assigned to specific Committees.

The 2019/20 delegations were adopted 25 September 2019, minute number 46077 as follows:

COUNCIL S355 COMMITTEES	
Committee Name	Delegates
Community Strategic Plan Round Table Mayor 3 x Key Direction Portfolio Councillors and Alternates <u>Our Leadership</u> 1 x Councillor 1 x Alternate <u>Our Community</u> 1 x Councillor 1 x Alternate <u>Our Economy</u> 1 x Councillor 1 x Alternate <u>Our Environment</u> 1 x Councillor 1 x Alternate	<u>Our Leadership</u> Mayor Turley (Chairperson) Councillor Gallagher (Alternate) <u>Our Community</u> Councillor Kennedy (Chairperson) Councillor Page (Alternate) <u>Our Economy</u> Councillor Licul (Chairperson) Councillor Nolan (Alternate) <u>Our Environment</u> Councillor Browne (Chairperson) Councillor Clark (Alternate)

COUNCIL \$355 COMMITTEES	
Committee Name	Delegates
Alma Oval Community Committee At least 1 x Councillor	Councillor Algate Councillor Gallagher
Broken Hill Heritage Committee 5 x Councillors	Mayor Turley Deputy Mayor Adams Councillor Browne Councillor Clark Councillor Page
Broken Hill Regional Art Gallery Advisory Committee 2 x Councillors	Councillor Licul Councillor Clark
BIU Band Hall Community Committee At least 1 x Councillor	Councillor Licul
E.T. Lamb Memorial Oval Community Committee At least 1 x Councillor	Councillor Gallagher
Friends of the Flora and Fauna of the Barrier Ranges Community Committee At least 1 x Councillor	Councillor Browne
Memorial Oval Community Committee At least 1 x Councillor	Councillor Gallagher
Norm Fox Sportsground Community Committee At least 1 x Councillor	Councillor Algate Councillor Gallagher
Picton Sportsground Community Committee At least 1 x Councillor	Deputy Mayor Adams Councillor Licul
Riddiford Arboretum Community Committee At least 1 x Councillor	Councillor Browne
OTHER COMMITTEES	
Committee Name	Delegates
Association of Mining Related Councils 1 x Councillor	Councillor Nolan Councillor Page (Alternate)
Australia Day Advisory Group 4 x Councillors	Deputy Mayor Adams Councillor Browne Councillor Gallagher Councillor Kennedy
Australian Floodplains Association Mayor + Alternate	Mayor Turley Councillor Browne (Alternate)
Australian Mining Cities and Centres Alliance Mayor + Deputy Mayor (Alternate)	Mayor Turley Deputy Mayor Adams (Alternate)
Audit, Risk & Improvement Committee 3 x Councillors	Mayor Turley Councillor Nolan Councillor Gallagher
Asset Naming Committee 5 x Councillors	Deputy Mayor Adams Councillor Browne Councillor Licul Councillor Algate Councillor Clark
Broken Hill Lead Reference Group 1 x Councillor	Councillor Browne
Broken Hill Liquor Accord 1 x Councillor	Councillor Gallagher
Broken Hill Traffic Committee 1 x Councillor (observer only)	Councillor Browne
Broken Hill ClubGRANTS Committee 2 x Councillors	Councillor Nolan Councillor Kennedy

OTHER COMMITTEES	
Committee Name	Delegates
City Improvement Working Group Mayor + 2-3 Councillors	Mayor Turley Deputy Mayor Adams Councillor Licul Councillor Browne
Community Assistance Grants Panel Mayor, 1 x Councillor and Our Community Portfolio Councillor	Councillor Gallagher Councillor Clark Councillor Kennedy (Our Community Portfolio Councillor)
Disability Inclusion Action Plan Working Group 2 x Councillors	Mayor Turley Deputy Mayor Adams
Essential Water Customer Council 1 x Councillor	Councillor Browne
General Manager's Performance Review Committee Mayor, Deputy Mayor and 3 x Councillors	Mayor Turley Deputy Mayor Adams Councillor Gallagher Councillor Browne Councillor Kennedy
Library and Cultural Precinct Project Steering Group Mayor and Deputy Mayor	Mayor Turley Deputy Mayor Adams
Murray Darling Association 2 x Councillors	Councillor Browne Councillor Page
Reconciliation Action Plan (RAP) 3 x Councillors	Mayor Turley Councillor Browne Vacant
Silverton Wind Farm Community Consultative Committee 1 x Councillor	Councillor Browne Councillor Nolan (Alternate)
Sister City Working Group 3 x Councillors	Deputy Mayor Adams Councillor Gallagher Councillor Nolan
Tidy Towns Working Group 2 x Councillors	Deputy Mayor Adams Councillor Browne
Western Division Councils 2 x Councillors	Mayor Turley Councillor Gallagher
Western NSW Mining and Resource Development Taskforce Mayor	Mayor Turley
Volunteer Working Group 4 x Councillors	Deputy Mayor Adams Councillor Page Councillor Browne Councillor Licul

OUR EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team (ELT) provides clear and consistent leadership and decision making, which supports the delivery of the strategic priorities and direction of the operational business for the City. This team is led by the General Manager and includes Chief Financial Officer, Chief Operations Officer (vacant), Director Corporate and Manager Communications.

ELT members include:



JAMES RONCON
General Manager



JAY NANKIVELL
Chief Financial Officer

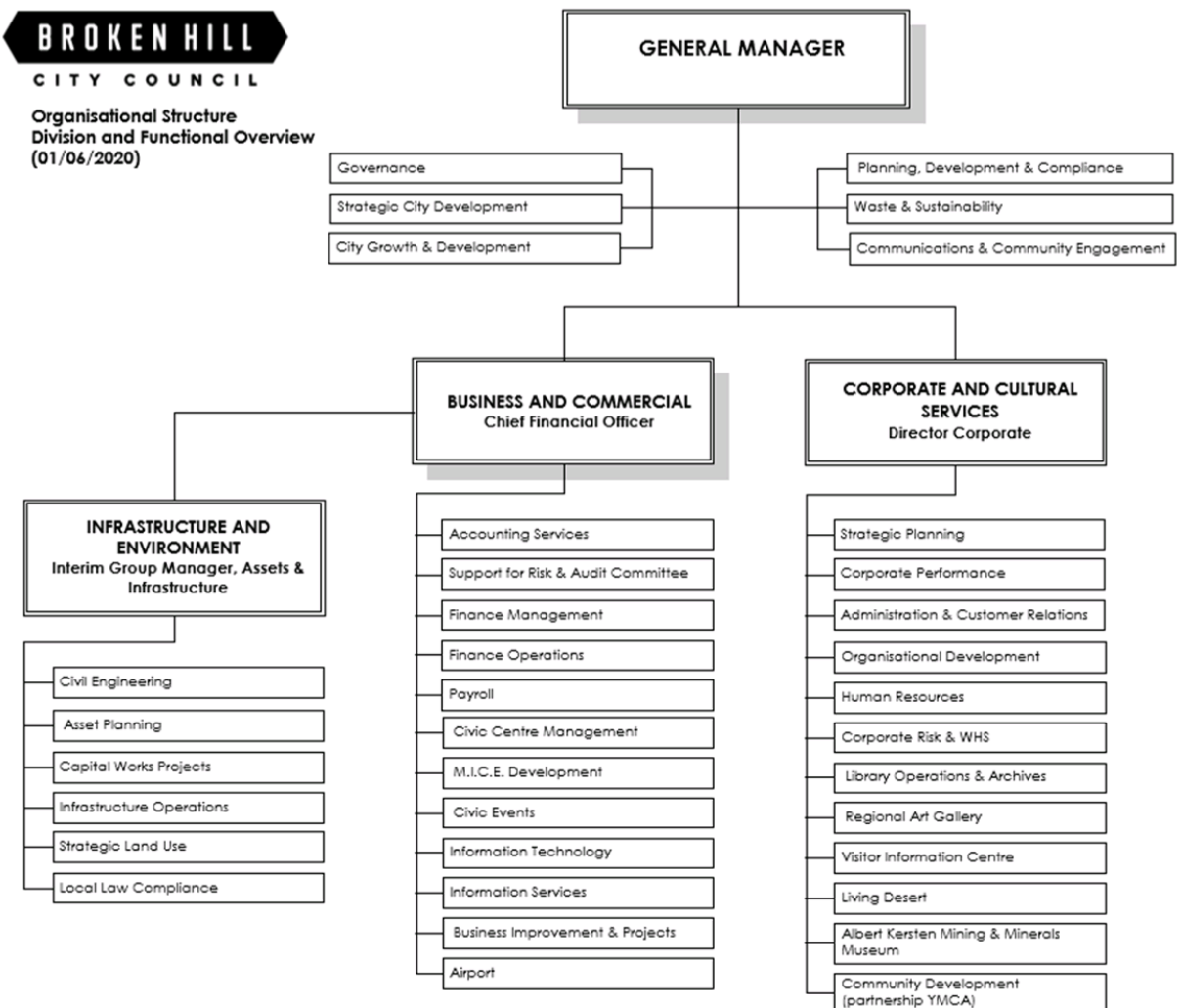


RAZIJA NU'MAN
Director Corporate



DARRIN MANUEL
Manager Communications

OUR ORGANISATIONAL STRUCTURE



HOW TO READ THE ANNUAL REPORT

FOLLOWING OUR PROGRESS

This Annual Report is divided into three sections:

SECTION 1: REPORTING OUR PROGRESS

This section provides an outline of Council's progress against the actions set out in the Delivery Program 2019-2021. The Delivery Program is structured around four Key Directions, as identified in the Community Strategic Plan 2033. Under each Key Direction is a summary of key achievements and strategic outcomes delivered in 2019/20, relevant to that objective.

KEY DIRECTION 1 – OUR COMMUNITY

We are a connected community and enjoy our safety and wellbeing. We keep our heritage alive and relevant; it is the foundation for the way we unite to get things done and maintain our inclusive lifestyle.

KEY DIRECTION 2 – OUR ECONOMY

We are accustomed to tackling our problems for real; our willingness to create change and diversify makes us resilient, securing our long term economic prosperity and paving the way for other communities to follow.

KEY DIRECTION 3 – OUR ENVIRONMENT

We value our wide streetscapes, quality of life and stunning vistas; we are committed to conservation and preservation of the natural environment and greater reduction of the human impact to ensure a sustainable and healthy community.

KEY DIRECTION 4 – OUR LEADERSHIP

We have strong civic and community leadership. We are inventive, inclusive and innovative; when we work together there is nothing we can't do and our achievements continue to write history.

DISABILITY INCLUSION ACTION PLAN PROGRESS

Broken Hill City Council's Disability Inclusion Action Plan 2017-2021 outlines Council's commitment to improving opportunities for people with disability of all ages to access the full range of services and activities available in the community. Our commitment is to 'create greater opportunities for people of all ages, all cultures and of differing abilities, to access the full range of services and activities available in the local community.'

Under this heading is a summary of key achievements and strategic outcomes implemented in 2019/20.

SECTION 2: STATUTORY REPORTING REQUIREMENTS

This section includes reporting requirements prescribed by the Local Government (General) Regulation 2005, including (but not limited to) a summary of Council's legal proceedings; details of contracts awarded by Council; financial assistance contributions to the community; written off rates and charges; and information relating to the Government Information (Public Access) Act 2009 NSW.

SECTION 3: FINANCIAL STATEMENTS

This section includes general purpose financial statements for the financial year ending 30 June 2020, including an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

SECTION 1: REPORTING ON OUR PROGRESS

Integrated Planning and Reporting

A framework for strategic and sustainable local government

All councils in NSW are required to operate within the Integrated Planning and Reporting (IP&R) Framework. This Framework was introduced by the NSW Government to facilitate a strong and sustainable local government system by ensuring all local councils have in place strategic plans, underpinned by community priorities and supported by appropriate resources.

The IP&R Framework encourages councils to view their various plans holistically to understand how they relate to each other and in doing so, leverage maximum results.

Ultimately, it aims to provide greater accountability and transparency in local government, by strengthening councils' strategic focus, streamlining reporting processes and making it easier for the community to understand and track councils' progress on identified priorities.

The key documents included in the IP&R Framework and an overview of their functions, is provided below.

Community Strategic Plan

The purpose of the Community Strategic Plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. It is prepared for a minimum period of 10 years. It should be developed and delivered as a partnership between the council, state agencies, community groups and individuals and should address a broad range of issues that are relevant to the whole community.

Resourcing Strategy

This strategy addresses the resources – time, money, assets and people – required to deliver the long-term community aspirations expressed in the Community Strategic Plan, it comprises three elements: long term financial planning; workforce management planning; and asset management planning.

Delivery Program

This is a statement of commitment to the community by each newly elected council, outlining its priorities for achieving the community's long-term goals (as identified in the Community Strategic Plan) during its four-year term of office.

Operational Plan

Supporting the Delivery Program is an annual Operational Plan. It spells out the individual projects and activities that will be undertaken each year to achieve the commitments made in the Delivery Program.

Annual Report

The Annual Report focuses on Council's implementation of the Delivery Program and Operation Plan, to help the community understand how Council has been performing, both as a business entity and a community leader.

KEY DIRECTION 1 – OUR COMMUNITY

We are a connected community and enjoy our safety and wellbeing. We keep our heritage alive and relevant; it is the foundation for the way we unite to get things done and maintain our inclusive lifestyle.



ACHIEVEMENTS IN OUR COMMUNITY

People in our community are in safe hands

COMPANION ANIMAL SHELTER

In 2016, an expired operating licence provided the opportune time for Council to investigate the return of a self-operated Animal Shelter and subsequently in April 2016, Council resolved to do so.

Following investigations of building on a greenfield site or refitting an existing Council owned property located at the Broken Hill Regional Airport, a site at the Broken Hill Airport was identified as Council's preferred location for the new shelter.

Delays were experienced in engaging a suitable contractor. Following Council's appointment of a Projects Officer in early 2019, an engagement process commenced with a variety of contractors of various trades, based locally and non-locally. Contractors were provided the option to quote on the works in their entirety, or on individual portions of the works.

From this process, a contractor with the ability to undertake majority of the works was selected – local company Paul Bartlett Builders. The public car park was completed by Council's Outdoor Staff.

Council commenced operating the Companion Animal Shelter in February 2020.



Shown above, the new facility provides 16 animal cages, with some dedicated to declared dangerous dogs. There is also a cattery and two outdoor exercise yards.

HEALTH ADMINISTRATION AND INSPECTIONS

During 2019/20, Council carried out 151 routine food business assessments of fixed, high and medium risk food businesses; nine temporary food stall assessments; and two mobile food vehicle assessments.

Council's Environmental Health Officer investigated seven complaints relating to food.

Inspections of other registered premises during 2019/20 included public swimming pools, skin penetration, caravan parks, boarding houses, cooling towers, mortuaries and crematorium.

FOOD BUSINESS ASSESSMENT OUTCOMES

The Scores on Doors Program continued in Broken Hill during 2019/20 and scores achieved by food businesses were displayed on Council's website.

Whilst most food businesses were compliant and received either 5-star, 4-star or 3-star ratings, a range of enforcement actions were taken between complaint investigations and food businesses receiving No Grade during their routine food assessment. The outcomes for non-compliance are as follows:

- Re-inspections = 6
- Warning Letters = 1
- Improvement Notices = 1
- Penalty Infringement Notices = 0
- Prohibition Orders = 0

COVID-19 SAFETY INSPECTIONS

Local councils were asked by the NSW Government to conduct COVID-19 Safety Inspections for cafes and restaurants, in their local government areas. This was to ensure that as per the Public Health Order, all cafes and restaurants that had the capacity for customers to dine in, had a COVID-19 Safety Plan and were taking all practical measures to ensure that businesses were complying with the Public Health Order.

Council's Environmental Health Officer carried out 26 initial COVID-19 Safety Inspections. Re-inspections were conducted for businesses that required follow up due to missing a key component of the COVID-19 Safety Inspection, such as an incomplete COVID-19 Safety Plan, or lack of COVID-19 signage.

SMART COMMUNITIES FRAMEWORK

Council continued to implement its Smart Communities Framework by installing Smart Lighting, powered by renewable energy and CCTV in Sturt Park, Patton Park and CCTV at Council's Administrative Centre.



Renewable energy stations installed in Sturt Park

Council is working with the Southern Lights Group to install updated LED Smart Street lighting, in conjunction with Essential Energy, in 2020/21.

CEMETERY ROSE GARDEN

Providing suitable land within the Cemetery reserve and developing it for future use has been a high priority for Council. As part of the 2019/20 Cemetery expansion project, 390 new plots were developed within the Cemetery Rose Garden.

Council officers also installed irrigation, garden bed loam, mulch and new rose plantings to complete the project.



New plots created in Cemetery Rose Garden

Our community works together

AUSTRALIA DAY AWARDS

The 2020 Australia Day Awards and Citizenship Ceremony were held on 26 January at the Broken Hill Civic Centre. The morning kicked off with the traditional Lions Club BBQ breakfast, Welcome to Country and Flag Raising Ceremony on the Civic Centre Plaza.

Following this, those in attendance moved into the June Bronhill Auditorium, where they were entertained by the Forever Young Singers. Three people took the Oath to become Australian Citizens.

The City welcomed Australia Day Ambassador, Jarrod Wheatley, who assisted in presenting the Australia Day Awards and also addressed the audience. Jarrod is the founder of two innovative, not-for-profit organisations creating positive change in the community.

2020 Australia Day award recipients:

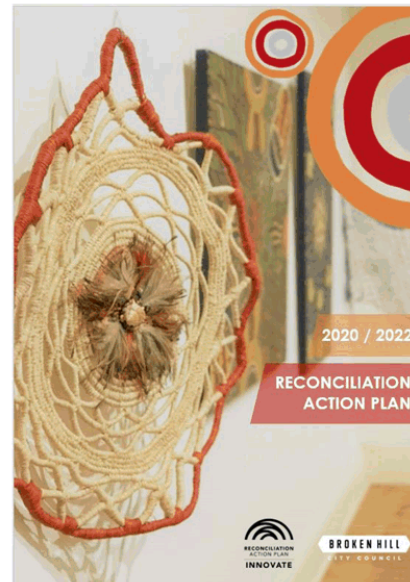
- **Citizen of the Year:** Sandra Haring
- **Senior Citizen of the Year:** Leslie McQuillan
- **Young Citizen of the Year:** Blake Edgecombe
- **Citizenship Awards:** Christine Ellis, John Harris and Deborah Higgs



Mayor Darriea Turley AM with Australia Day Award recipients Christine Ellis, John Harris, Deborah Higgs, Blake Edgecombe, Leslie McQuillan, Sandra Haring and Jarrod Wheatley (Australia Day Ambassador)

Other activities in the City included:

- Free entry to the Living Desert and Sculptures, Broken Hill Regional Art Gallery and the Albert Kersten Mining & Minerals Museum;
- Free entry at the Regional Aquatic Centre; and
- Penrose Park Picnic Train rides at Kintore Reserve.

RECONCILIATION ACTION PLAN

Broken Hill City Council is committed to the implementation of a Reconciliation Action Plan (RAP), to further augment the relationships with the local Aboriginal community and build on the work undertaken by Council's community based services in the Arts, Events and Library services.

Council recruited six local Aboriginal and Torres Strait Islander people, to join its Reconciliation Action Plan Working Group, taking the total number of members to eleven. During 2019/20, the Working Group has been instrumental in working with Council on actions to be included in the plan, within the inherent restrictions in Local Government.

Due to the COVID-19 pandemic, restrictions to gathering forced most communication with the group to take place online, by telephone or email, since February 2020.

Throughout the creation of the new Reconciliation Action Plan, Reconciliation Australia provides feedback on the plan, to ensure it meets their guidelines for endorsement. This process may happen up to four times, with each round of feedback taking up to six weeks. Council will continue to work with the RAP Working Group, during this process in 2020/21.

Our history, culture and diversity is embraced and celebrated

CHRISTMAS PAGEANT



The 2019 Christmas Pageant had 49 floats participate. Floats entered were from a wide range of businesses, organisations, education and community groups.

The After Party in Sturt Park was well attended, with an estimated crowd of 2,000 people.

Children's entertainment "Get Your Groove On" proved extremely popular and performed to a large crowd, until the event closed due to limited light.

As always, Santa was the main attraction, with the Patton Village Committee's Santa Sleigh being used for the first time at the Pageant. Many children loved climbing into the sleigh to talk with Santa. Santa was assisted by the Pageant Princess, Arliah Pearce. Food stalls at the event did a roaring trade and many sold out.

The parade entrants put an enormous amount of effort into their floats this year, with five entrants being awarded for their efforts.

Christmas Pageant Float Awards:

- **Grand Champion Award**
– Barrier Social Democratic Club
- **Most Creative Community Group**
– Broken Hill Speedway Club
- **Most Creative Business**
– Lawrence Engineering
- **Best School Float**
– Rainbow Preschool
- **Best Christmas Spirit**
– West Darling Fishing Club

NEW YEAR'S EVE (NYE)

The 2020 NYE Celebration was extremely well attended in its third year. The community embraced this event despite high temperatures, with many people gathering in Sturt Park waiting for the event to open. The crowd built steadily, with an estimated 1,500 people attending for the 9:15pm fireworks.

The event is becoming known for its outstanding fireworks display and 2020 was no different, with comments reported as the "best fireworks the town had seen".

The children's activities had a constant line of children for the duration of the event and once again staff received very positive feedback about the event.



New Year's Eve fireworks celebration

GATEWAY SIGNAGE

In early 2019, Council held a design competition for new Gateway Signs, with Council accepting entries of individual designs and sets of five different designs.

The competition attracted 73 entries from across Australia. A blind judging was held and an individual design by Melbourne-based graphic designer and artist, Joe Scerri, was selected.

The final design features Acknowledgement of the land's traditional owners, recognition of Broken Hill's status as Australia's First Heritage Listed City and a silhouette of the pinnacles and surrounding outback.



Broken Hill Gateway Sign - Wentworth Road

The two-piece Corten steel signs were fabricated by Nejaim Steel Supplies and installed in December 2019, at the City's entrances on Tibooburra Road, Sydney Road, Wentworth Road, Adelaide Road and Pro Hart Way (formerly Airport Road).

LIGHTING AND PROJECTION INSTALLATION**Lighting installed at Civic Centre**

Council took part in Australia's Heritage Perfectly Highlighted project, by installing lighting and projection at some of the City's key locations.

This involved permanent coloured lighting and projection installations at the Town Hall Facade, Civic Centre, Broken Hill Regional Art Gallery, Town Square and Sturt Park.

The installations have added a new level of vibrancy across the City and will complement events and initiatives once fully installed.

The Australia's Heritage Perfectly Highlighted project is supported by NSW Government, through the Restart NSW Growing Local Economies Fund.

CULTURAL PRECINCT, LIBRARY AND ARCHIVE

Council is committed to reinvigorating Argent Street and playing a role in delivering an anchor tenant to the main CBD precinct, to draw foot traffic to Broken Hill's main street. The cultural precinct development remains a viable and pivotal project to achieve these outcomes.

With the completion of the design phase in 2019/20, Council funding secured and BHPB funding available subject to their Board approving a change to the original project scope, all that remains are the formal government commitments to fund the project.

COVID-19 has seen both the State and Federal government agencies' focus directed elsewhere over the past six months. However, once funding is received, the project will be ready for tender in 2020/21.

BHP CHIMNEY PROJECT

Coinciding with the one-year anniversary of Broken Hill's inclusion on Australia's National Heritage List (January 2016), BHP CEO Andrew Mackenzie, announced a donation of \$5.7M from the BHP Billiton Foundation, to support a major new Broken Hill City Council initiative to revitalise Broken Hill as a place to live and visit. This funding included multiple projects, one of which was to fund the restoration and protection of the BHP Chimney, being the last remnant of BHP's original office, a hut built in 1885 for the company's first manager, William Jamieson.



The above BHP Chimney Ruin represents the formation of BHP – a company that has helped to shape Australia's mining, industrial and immigration policy.

In late 2019, Council engaged local company Nejaim Steel Supplies, to construct a new shelter, which was completed in April 2020. Interpretive signage is to be installed inside the shelter, which will provide visitors with the story of BHP and Broken Hill, showcased along with historical photos of mining. Signage is expected to be installed during the last half of 2020.

**BHP Chimney Ruin with shelter**

PRO HART WAY

There have been many discussions over recent years between Council, Council's Asset Naming Committee and the Hart Family, about a considered and meaningful way to commemorate the Late Pro Hart.

A formal application was submitted to Council in October 2018, to rename Airport Road to Pro Hart Way, in recognition of Pro Hart - a Broken Hill local and world-renowned artist.

Pro Hart was born Kevin Hart, but nicknamed "Professor" (hence "Pro") during his younger days, when he was known as an inventor. This is how he was and is still known worldwide.

Pro Hart has been recognised by way of road naming previously in South Australia, Victoria and Queensland. This recognition in Broken Hill was the first road recognition in New South Wales, be-fitting, as Broken Hill was his hometown.

The road is the entry/exit point for the Broken Hill Regional Airport, a site that is Pro Hart themed with sculptures scattered throughout the car park and a large mural inside the Airport Terminal painted by the artist.

Pro Hart is synonymous with tourism in Broken Hill and it was fitting that the entry/exit for Broken Hill, be recognised in such a way.

The road naming was an involved process as Council was required to liaise with the NSW Geographical Name Board regarding name suitability, submit a formal application and undertake community wide consultation.

Council erected signs for Pro Hart Way in September 2019, bearing the dragonfly for which Pro Hart was famous.



Councillor Maureen Clark, Mayor Dariea Turley AM, John Hart, Julie Hart and Annette Northey with the sign for Pro Hart Way

BROKEN HILL CITY LIBRARY

The Library continues to serve the community and act as a safe place, where everyone is free to learn and can gain access to information, without fear or prejudice.

The Library refined and improved core services, including collection maintenance and delivery of digital and early literacy programs. This year there were 37,508 visitors with a total of 56,132 items issued.

Due to the COVID-19 pandemic, the Library and Archive closed its doors at the end of March 2020. COVID-19 has proven that the Library is adaptable and innovative in serving the community. During the closure, staff caught up on the backlog of work, carried out collection maintenance, enhanced member experience by improving access to online collections, trialled online programming, suspended overdue fees and extended loan periods and limits.

Emphasis was placed on provision of online service delivery, with additional funding put towards online resources such as eBooks and eAudio collections, eMagazines, film streaming and social media engagement.

The Library reopened in June 2020, with limited and restricted service. Sneeze screens and bollards were installed and staff modified the internal spaces of the Library to comply with COVID-19 Public Health Orders. A no contact "Select and Collect" service and an online catalogue and reservation service were also implemented.

Library online usage and issuing of eResources increased from 390 in July 2019, to 771 in June 2020. With the closure of the Library from March to June, resources were increased for online collections; demonstrating Library adaptability and the resilience and depth of need the community has for Library services.

New delivery bags were purchased for the Outback Letterbox and Home Library service. A survey of Home Library and Outback Letterbox Library members was undertaken in early 2020; with survey results being used to guide future improvements to service delivery.

DIGITISATION OF ART/MINERAL COLLECTIONS

The Collection Digitisation Project (funded via the Regional Cultural Fund, Create NSW), continued throughout 2019/20 and is due for completion in late 2020.

The team, headed by Collection Project Manager, Eileen Wright, received 'highly commended' recognition at the 2019 MGNSW Imagine Awards (State sector awards), for this project.



Eileen Wright (Collection Project Manager) in the BHRAG collection store (works on paper)

This project will result in around 2,000 artworks from the Broken Hill Regional Art Gallery and 900 minerals from the Albert Kersten Mining & Minerals Museum (GeoCentre) being photographed, digitised, assessed and catalogued.

Project funds were used towards the purchase of Axiell EMu software - an industry-standard collection management system. This ensures that the collections can be professionally catalogued, with high quality images of each item attached.

The project has also focussed this year on assessing and updating copyright status, condition reporting, conservation tasks and improving the capacity of art storage areas.

FRESHBARK PROGRAM WINS STATE SECTOR AWARD

From 2017 to 2019, the Broken Hill Regional Art Gallery ran the FRESHbark program. This mentorship program for young Aboriginal artists in the far west, utilised intergenerational connections to engage and enable their career opportunities.

The program provided participants with access to creative technologies, resources, materials, museum and gallery training, and funded research trips.

In late 2019, the Gallery won the 'Engagement Program' section of the MGNSW (Museum and Galleries NSW) Imagine Awards, a state sector award for excellence in Galleries and Museum.



Ray Christison (Chair, MGNSW), Tara Callaghan (Gallery and Museum Manager), Blake Griffiths (Programs Officer), The Hon. Don Harwin (NSW Minister for the Arts)

EVENTS AND ACTIVITIES HELD AT THE BROKEN HILL REGIONAL ART GALLERY

Public Programs, tours, workshops and highly attended exhibition openings, continued at the Broken Hill Regional Art Gallery during 2019/20.

Engagement with local schools continued with regular visits from not only local Broken Hill school students, but also students from Menindee, Wilcannia, Tibooburra Schools and School of the Air.

The effects of the COVID-19 pandemic were felt in the early part of 2020, with a temporary closure of the Gallery in line with State guidelines, resulting in many events, programs and exhibitions being impacted. Gallery staff were able to make the swift transition to online exhibitions, content and programming.

PRO HART OUTBACK ART PRIZE

The Pro Hart Outback Art Prize received record entries in 2019. As a result of the continued interest in the prize, the acquisitive first prize was raised to \$20,000.

The Award night was held in July, with guest judge Nici Cumpston, Artistic Director of TARANANTHI Festival and Curator of Aboriginal and Torres Strait Islander Art, at the Art Gallery of South Australia.

The winning acquisitive first prize (\$20,000) piece was awarded to Patrick Mung Mung for 'BOORNOOLOOLOO (Pumululu)'.

This prize continues to be generously supported by the Hart family.



Nici Cumpston (guest judge), Carol Kickett (Wilyakall elder), Tara Callaghan (Gallery and Museum Manager), Mayor Darriea Turley AM, Deputy Premier John Barilaro with winning artwork by Patrick Mung Mung

ARTIST IN RESIDENCE PROGRAM

The Artist in Residence program (funded through CreateNSW) continued with great success. In late 2019, artistic duo 'Peachy Mosig' completed their Artist in Residence project, with multiple visits to Broken Hill culminating in a final showing in November 2019.

This project was created in collaboration with the Broken Hill community and local schools. The final work was a multi-media sensory artwork, that was well attended by the community.



A young visitor at the Artist in Residence installation by Peachy Mosig

MAARI MA INDIGENOUS ART AWARDS

The Maari Ma Indigenous Art Awards continued in early 2020, with another incredibly strong exhibition.

For the 10th year celebration of the Awards, Maari Ma Aboriginal Health Corporation doubled the sponsorship and contributed \$10,000 to the awards.

To celebrate the 10th year, the Gallery held an outdoor event in the carpark which involved art stalls, live music, food and entertainment.



Art stalls for the 2020 Maari Ma Indigenous Art Awards
Image credit: Mackenna Ridley Photography

The event was held in February 2020 and was a major success as the last big event for the Gallery, before COVID-19 lockdown in March 2020.

The Awards were lucky to have a very distinguished guest judge Dr Bianca Beetson, Director of Indigenous Research Unit, Griffith University, Queensland.

The major first prize went to Menindee artist Marcus Kennedy for his painting 'New Beginnings'. Other winners included Brady Prescott, Clinton Kemp and Cally Doyle. This prize continues to be supported by Maari Ma Aboriginal Health Corporation.

COLLABORATIONS

The Broken Hill Regional Art Gallery (BHRAG) continued its strong relationship with the Art Gallery of NSW (AGNSW) through 2019/20. Collaborations included the Djamu educational program and staff exchanges.

AGNSW sent staff member Wesley Shaw to work at BHRAG, whilst Council's Gallery and Program Officer, Blake Griffiths attended the Venice Biennale professional development program.



Wesley Shaw from the Art Gallery of NSW, teaching School of the Air children at BHRAG

ALBERT KERSTEN MINING & MINERALS MUSEUM

During 2019/20, the Albert Kersten Mining & Minerals Museum (GeoCentre) continued to be a leading tourist attraction for the City, as well as provided educational tours to both local and visiting groups.

Beginning in July 2019, the GeoCentre transitioned from paid entry, to entry by donation. This was a beneficial change as donations were generous and there was a noticeable boost in retail sales.

The 'Shoulder to Shoulder: Rebel Women of Broken Hill' exhibition was taken down in July 2019, making way for the extremely popular 'WaterMarks' exhibition by Paul Harmon, which opened on 12 July 2019.

Harmon's photographic images resonated with a large cross-section of tourists and locals. The exhibition also received visits by the Morgan Street Public School.



'WaterMarks' by Paul Harmon photographic exhibition

In October 2019, the GeoCentre hosted the Lifeline Art Exhibition. The opening night was a huge success, with mass attendance and a successful auction night, with several artworks sold to benefit Lifeline.



Lifeline Art Exhibition

The GeoCentre served as part of the 'Silver Rush' campaign for Destination Broken Hill; with Tour groups visiting the GeoCentre regularly, participating in the campaign.

The Albert Kersten Mining & Minerals Museum also focused on its retail and by expanding on its variety of stock; new books, science kits and toys entered the gift shop, proving to sell well.

With the exhibition season winding down in December 2019 at the GeoCentre, the digitisation project for the Mineral Collection began in earnest during December, January and February.

The project started to create high quality photographic records of the Mineral Collection, as well as updating the Museum's catalogue.

In March 2020, the GeoCentre opened the new exhibition 'Claude Marquet: Ink Marks'. Ink Marks chronicled the artworks of one of Australia's foremost political cartoonists – Claude Marquet.



Ink Marks artwork by Claude Marquet

Unfortunately, Ink Marks opened just days before Council facilities shut down, in the face of the COVID-19 pandemic.

The Ink Marks exhibition transitioned to social media, being showcased on the Museum's Facebook page.

The temporary closure of the GeoCentre in March 2020 allowed more work to be completed on the digitisation project, for the Museum's Minerals Collection.

The GeoCentre, ended its financial year prepping for its reopening; adopting a ticketing system for entry and following COVID-19 guidelines, to create a safe environment for staff and visitors alike.

Our built environment supports our quality of life

BROWN STREET PROJECT

Brown Street received long awaited sealing works during 2019. Council Officers commenced onsite in October 2019, taking advantage of the warmer weather to assist with bituminisation.



Brown Street

The road was reopened to traffic following its first seal, while Council continued to work on entry and exit culverts.

The new road provides a more convenient sealed connection between the roads leading to Silverton and the Living Desert and has also improved conditions for residents who previously had no sealed access to their homes.

The final seal and line marking in Brown Street were completed in March 2020.

RESEAL PROGRAM

Council's road crews produced a massive summer of work during 2019/20 and made significant improvements to the roads around the City.



Council road crew during 2019/20 reseal program

The road crews spent long hours in extreme heat to improve the City's roads and resealed and patched approximately 102,000 square metres of road, during the 2019/20 reseal program.

Road crew efficiencies enabled Council to fast-track other projects in 2019/20.

STURT PARK

Council further expanded the City's outdoor exercise options by installing a second workout station in Sturt Park.



The new workout station, located on the western edge of the park, features a calf-stretching station, chin-up bar, pull-up bar and plyometric boxes.

Sturt Park now contains two medium intensity workout stations and to ensure the City's main park caters to everyone, Council will investigate the addition of some low impact workout options.

The second exercise station was opened for use in June 2020 and was funded through the NSW Government's Stronger Country Communities program.

PICTON OVAL

To provide locals with more ways to get active outdoors, Council installed four new outdoor exercise stations at Picton Oval.



The stations shown above include balance steps, a cardio stepper, Tai Chi wheels and a chest/back press, with soft-fall rubber at the base of each piece of equipment.

The Picton Oval Gym opened for use in January 2020 and was funded through the Section 355 Picton Oval Community Committee and the NSW Government's Stronger Country Communities program.

Council commend the Section 355 Picton Oval Community Committee for their input into this project and their commitment to ongoing maintenance.

ACHIEVED

Implemented infrastructure and services for the effective management and control of companion animals by:

- Finalising construction of a new Companion Animal Shelter at 86 Pro Hart Way.
- Commencing operation of new Companion Animal Shelter at 86 Pro Hart Way.
- Providing information to the community via social media and Council website, regarding opening and operation of the new Companion Animal Shelter.
- Providing relevant Companion Animal Shelter Frequently Asked Questions on Council website.

Prioritised actions within the Smart City Framework that support safer communities within our Parks and Open Spaces by:

- Installing CCTV and Smart Lighting in Sturt Park.
- Installing CCTV and Smart Lighting in Patton Park.
- Installing CCTV and Smart Lighting at Council's Administrative Centre.
- Installing CCTV at the Civic Centre.
- Developing and implementing a maintenance, inspection and monitoring program for CCTV network.

Provided suitable land within the Cemetery reserve and developed the land for future expansion by:

- Completing extension of the Cemetery Rose Garden with development of 390 new plots for use.

Developed and implemented a Customer Contact and Call Centre by:

- Installing new telecommunications system within all Council facilities.
- Reviewing Customer Services Framework to improve customer experience and provide continuous business improvement approach to process.
 - Staff surveyed and Service Standards updated in line with survey results.
 - Framework reviewed and suite of documents developed to present to Council's Executive Leadership Team for endorsement.

Engaged with key community sectors via Community Round Table by:

- Providing Community Strategic Plan Round Table Committee Terms of Reference to Committee members.
- Facilitating Community Strategic Plan Round Table Committee meetings in August 2019, November 2019 and March 2020.

Advocated for funding and investment for Community Development Projects by:

- Working with third parties to obtain funding such as:
 - Stronger Country Communities Round 2 funding for five community projects 1) Silver City Swimming Pool Upgrade, 2) Napredak Club Refurbishment, 3) Kintore Reserve Picnic Train, 4) Broken Hill Motor Support Upgrade, 5) Lifeline Tip Shop Upgrade.
 - Providing support for Crown Lands grant application for Line of Lode Development.

Advocated for construction of new Library/Community Hub and Cultural Precinct in line with Cultural Framework by:

- Pursuing funding sources to bring the project to fruition such as submission to the Federal Government Building Better Regions Fund.
- Mayor and General Manager advocating for project, through ongoing discussions with Broken Hill Proprietary Foundation and State and Federal Governments.

Promoted City's listing as Australia's First Heritage Listed City by:

- Ensuring construction and installation of five Gateway Signs at the following locations Tibbooburra Road, Sydney Road, Wentworth Road, Adelaide Road and Pro Hart Way (formerly Airport road).
- Completing construction of shade shelter at the BHP Chimney site.

Developed interstate and regional partners to maximise tourism opportunities by:

- Supporting the development of the Silver to Sea Trail project through contributions to official brochure and support during funding submissions.
- Establishing working relationships and affiliative membership with South Australian Visitor Information Network (SAVICN).

ACHIEVED

Developed a City Strategic Plan by:

- Working collaboratively with NSW Planning Department and developing a Local Strategic Planning Statement.

Maintained the serviceability of Council's assets at an appropriate condition level by:

- Finalising and prioritising implementation actions within the Active Transport Plan, with \$14M over the next 10 years put towards prioritised actions.

Developed Council assets to promote outdoor recreation, exercise and mobility for families by:

- Installing outdoor gyms in Sturt Park and at Picton Oval.

Supported drought affected communities by reducing dust and improving road safety by:

- Carrying out bitumen sealing works, line marking and drainage works to complete the Brown Street reseal project.

IN PROGRESS

Install CCTV and Smart Lighting into Airport Parking Areas:

- Funding obtained and scope prepared for procurement.
 - Due to delays caused by COVID-19 pandemic, this project is expected to be completed by 30 June 2021.

Carry out Geo-technical investigation to extend Cemetery grounds:

- Scope being developed for procurement of consultant, with further investigations to be carried out in 2020/21.

Develop Volunteer Strategy:

- Volunteer Strategy developed and awaiting endorsement by Executive Leadership Team for presentation to Council in 2020/21.

Undertake Customer Satisfaction Survey:

- Methodology and questions have been drafted for endorsement by Executive Leadership Team to undertake Customer Relations Satisfaction Survey in 2020/2021.

Develop Complaints Handling Procedure in accordance with Complaints Management Policy:

- Complaints Handling Procedure developed to be presented to Executive Leadership Team for endorsement in 2020/21.

Develop Reconciliation Action Plan in consultation with local Aboriginal and Torres Strait Islander community representatives to provide a framework for the organisation:

- Draft Reconciliation Action Plan (RAP) developed and submitted twice to Reconciliation Australia for feedback. The RAP Working Group will continue developing the RAP in 2020/21.

Finalise scope and implement lighting and projection installations at the Town Hall Façade, Civic Centre, Broken Hill Regional Art Gallery, Town Square and Sturt Park:

- Scope finalised and consultant procured, with Installation almost complete. Due to COVID-19 restrictions, remaining installation will be completed in 2020/21.

Develop Library Business Plan:

- Draft Library Business Plan developed. Due to postponement of Local Government elections, final Council endorsement will be carried out in 2020/21.

Finalisation of Strategic Business Plan and review of Policies for Art Gallery and Museum:

- Art Gallery Strategic Business Plan drafted to be adopted in 2020/21; Broken Hill Regional Art Gallery Collection Management Policy and Broken Hill Regional Art Gallery Exhibitions Policy to be adopted in July 2020.
 - Draft Albert Kersten Mining & Minerals Museum Strategic Business Plan and Policies to be further developed and adopted in 2020/21.

Digitisation of City's art assets:

- Approximately 95% of the Art Gallery collection has been digitised and digitisation of art assets will continue in 2020/2021.

Seek funding for the digitisation of City's archival assets:

- Investigations for funding conducted 2019/20 were unsuccessful. Funding is limited due to Archives not classified as cultural facility. Investigations will continue in 2020/21.

IN PROGRESS

Digitisation of City's mineral assets:

- Approximately 60% of the Museum mineral collection has been digitised and digitisation of mineral assets will continue in 2020/21.

Seek funding for the development of a City-wide Cultural Plan:

- Consultant procured and City-wide Cultural Plan to be developed in 2020/21.

Develop Asset Management Plan - Roads and Footpaths:

- Asset Management Plan is in draft and will be further developed in 2020/21.

Develop Asset Management Plan - Trees:

- Asset Management Plan is in draft and will be further developed in 2020/21.

Develop Asset Management Plan - Parks and Open Spaces:

- Asset Management Plan is in draft and will be further developed in 2020/21.

Develop Asset Management Plan - Buildings:

- Asset Management Plan is in draft and will be further developed in 2020/21.

Develop Fleet Asset Management Plan:

- Asset Management Plan is in draft and will be further developed in 2020/21.

Rebuild Sturt Park Playground:

- Sturt Park Playground rebuild to be completed by December 2020.

Conduct Two Customer Satisfaction surveys - Home Delivery and the Outback Letterbox Library service:

- Surveys conducted in early 2020, with analysis to be carried out in August 2020.

UPCOMING

Seek endorsement of Reconciliation Action Plan from Reconciliation Australia.

Develop the Cultural Precinct, Library and Archive.

Development of City-wide Cultural Plan.

Develop Council assets to promote outdoor recreation, exercise and mobility for families.

KEY DIRECTION 2 – OUR ECONOMY

We are accustomed to tackling our problems for real; our willingness to create change and diversify makes us resilient, securing our long term economic prosperity and paving the way for other communities to follow.



ACHIEVEMENTS IN OUR ECONOMY

Our economy is strong and diversified and attracts people to work, live and invest

AIRPORT UPGRADES

Advocacy for Airport funding and upgrades continued in 2019/20. Funding was achieved for stage one, which included an upgrade to the perimeter fencing, lighting and landing aids.

Funding applications have been submitted for stage two, which includes strengthening of runway 05/23 and reconstruction of aprons and taxiways.

Work on the Kangaroo Perimeter fencing at the airport commenced at the end of June 2020, with completion expected to occur October 2020.



CITY SMART DEVICES

Another way Council implemented its Smart Communities Framework, was through the installation of City Smart Devices across Broken Hill.



Council installed 15 additional Smart Bins within the Central Business District and outlying areas of the City. This has increased the collection efficiency of these locations by 90%.

The Smart Bins are solar powered and allow for a more efficient collection of waste, holding up to 16 times more waste. Being enclosed and through the compaction mechanism, the Smart Bins also result in a significant decrease in windblown litter around the City.

RENEWABLE ENERGY

Council is always looking for ways to enhance the opportunities that present for the City and capitalise on the many wonderful and natural elements that have seen the City proudly bestowed as Australia's First Nationally Listed Heritage City.

In part, the mining innovation that ensures that Broken Hill will forever be in the hearts and minds of the nation, sees the next chapter to be written through its efforts to 'mine the sun' and take advantage of the natural elements Broken Hill has to offer.

The draft Renewable Energy Action Plan (REAP) will create a blueprint for Broken Hill, to use to map the course of our own (and still to be written) history, as an innovative and adaptive City.

Council has plans to see all of its own buildings and ancillary operations powered by renewables by 2023 and the broader City by 2030 – meaning that the costs of electricity may very well be neutralised.

The draft REAP will be delivered to Council's Environmental Key Direction Working Group in September 2020 and after some refining, will be presented to Council and the community in late 2020, early 2021, for consultation and feedback, before being adopted as the road map forward. The outcomes of the process will ensure a #sustainablebh and #smartbh moving forward.

We are a destination of choice and provide a real experience that encourages increased visitation

IT'S OUT THERE MARKETING CAMPAIGN

In 2019/20, Broken Hill City Council, Central Darling Shire Council, Destination NSW and Destination Country and Outback formed a marketing collaboration to promote Broken Hill and Far West NSW.

The 'It's Out There' campaign, championed the quirky and diverse experiences the region has to offer.

The campaign showcases Broken Hill and the Central Darling region as a 'different kind of outback' – one that is full of spirit, history, diversity and character to explore and uncover. In addition to its striking landscapes, this region has a strong community of incredible artists, a vibrant drag culture and a unique Aboriginal cultural heritage.

'It's Out There' targets couples aged 45 to 60 years and is designed to inspire them to visit Broken Hill and the Central Darling region as a holiday destination.

Council has been eager to pursue strategic marketing and this campaign will show the world a unique and genuine outback experience in the Far West.

This project represents months of hard work between Destination NSW and the respective Councils, with the aim to hit the market and drive tourism to the region.

Council contributed \$120,000 to implement the campaign, which Destination NSW matched through the Regional Tourism Fund. Central Darling Shire contributed \$170,000 from the Menindee Support Package, resulting in a total campaign budget of \$410,000.

'It's Out There' Council website link
<https://www.brokenhill.nsw.gov.au/Community/News-articles/Far-West-on-show-to-the-world>

VISITOR INFORMATION CENTRE

The Broken Hill Visitor Information Centre (VIC) continued to play an integral part in visitor servicing in Far West NSW. During the 2019/20 reporting period, tourism staff at the VIC serviced over 64,000 visitors face-to-face; directing them to explore the large number of local tourism experiences, restaurants and attractions in Broken Hill and the region.

According to visitor surveys taken at the VIC, 45% of visitors stated they extended stays by at least one night, following attendance at the VIC.

Following the launch of the 'It's Out There' Marketing Campaign, VIC staff took the opportunity to familiarise with the tourism offerings of the Central Darling Shire (a partner in the marketing campaign). Staff were able to experience the product offerings of Menindee, Wilcannia and White Cliffs over a 4-day trip, making valuable connections with tourism operators and regional tourism organisations.

The challenging COVID-19 period and the associated temporary closure of the VIC during mid-March to mid-June, informed several technical solutions to continue servicing the local industry and future visitors alike, in a rapidly changing environment. Digital visitor information was expanded on the Council and Destination Broken Hill websites, including the launch of Live Chat functionality. This opened another channel of communication between prospective visitors and the VIC team.

During the gradual re-opening of local businesses starting on 1 June 2020, VIC staff created a listing of all visitor experiences in Broken Hill, Silverton and Central Darling and updated it weekly to keep track of changes to business re-openings and opening times. This list became instrumental for all our stakeholders (Destination NSW, Destination Network Country & Outback, local businesses and visitors).

FILM

While it may appear that Broken Hill sits in the middle of nowhere, we're at the centre of everything and the middle of everywhere!

Broken Hill City Council is proudly film-friendly and warmly welcomes film makers from across the globe.

The City is the engine-room for filmmakers who are often filming on the outskirts and the fringes of the City, but require a base for accommodation, production space, technology linkup and easy access to transport.

During 2019/20, Council provided location advice, film approvals and the administration of COVID safety forms for film crews who visited the City.

While filming in Broken Hill was impacted by COVID-19, with a reduction in the number of film crews visiting the region, it was still a busy year. Production companies who could not travel internationally, took the opportunity to find destinations locally, for forward projects.

Filming approvals and support were provided to the Australian Ballet for the '2020 Season: A Year of Limitless Possibilities' feature advertisement which was filmed in the City and at Silverton.

Australian Ballet advertisement link
<https://www.youtube.com/watch?v=leisfuOMalA>



Photo Credit: Australian Ballet

Council also worked closely for most of the year, with productions companies responsible for the new Australian drama mini-series in production.

Support was provided to Channel Seven, Screen Australia and Endemol Shine Australia, to work in the City to film this new drama series, where the modern-day heroes of the Royal Flying Doctor Service navigate private lives, as turbulent and profound as the heart stopping emergencies they attend.

Leading the cast is acclaimed actress and award-winning singer Justine Clarke (*Tangle, Rake, The Time Of Our Lives*). Logie Award-winning star of stage and screen, Rob Collins (*The Wrong Girl, Glitch, Cleverman*) and Logie Award-winning actor Stephen Peacocke (*Home and Away, Wanted*).

Approvals and support were also provided for filming of the region for the collaborative 'It's Out There' tourism marketing campaign, between Broken Hill City Council, Central Darling Shire Council and Destination NSW.

Other projects included advice and support for five lifestyle and reality TV programs including The Living Room, Today Weather program and The All New Monty.

ACHIEVED

Council's Workforce Management Plan reflects the needs of the organisation by:

- Ensuring annual Performance Reviews were distributed and carried out by Supervisors with employees.

Advocated for Airport upgrades in line with Advocacy Strategy and Airport Business Case by:

- Achieving funding for stage one upgrades for perimeter fencing, lighting and landing aids.
- Submitting funding applications for stage two for upgrades to strengthen runway 05/23 and reconstruction of aprons and taxiways.

Advocated for Broken Hill and Far West as a centre for renewable energy by:

- Seeking to understand capacity to expand electricity grid by obtaining feedback on opportunities and constraints associated with the current electricity grid, generation of own power supplies and formulation of business cases to support such.
- Investigating Renewable Energy Action Plan, to assist Council to have its own buildings 100% powered by renewables by 2023 and the City more broadly by 2030.

Increased digital communication network through projects outlined in Smart Communities Framework by:

- Providing open data to community via Internet of Things platform Dashboards and providing access via Council's website. Dashboards include data for Airport Carpark, Sturt Park and Patton Street Park.
- Wi-Fi made available to the Community in Argent and Patton Streets, the Airport and Visitors Information Centre
- Installing additional 15 Smart Bins within the Central Business District and outlying areas of the City, Smart Paid Parking at Airport and Smart Lighting in Sturt Park, Patton Park and Council Administrative Centre.

Worked closely with the newly established Far West Joint Organisation for successful regional outcomes by:

- Supporting the new CEO and Council members to drive the Far West Joint Organisation initiative, using technology assisted discussions and meetings.

Promoted a strategic approach to improve transport services by:

- Advocating for improved air and rail services for the City, resulting in redevelopment of the Broken Hill Regional Airport, regular meetings with Regional Express to improve air services, the introduction of Transport NSW bus service to Adelaide and Mildura and regular discussion with Ministers about a second train service for Broken Hill.

Ensured Heritage Festival continues to grow and become nationally recognised by:

- Planning and promoting 2019/20 Heritage Festival however, with restrictions due to COVID-19 pandemic, the Heritage Festival was cancelled.

Developed the Visitor Experience in an efficient and effective manner by:

- Developing and launching a cooperative Marketing Campaign for Broken Hill, Central Darling Shire and Destination NSW.

Ensured the Library supports formal and informal learning by:

- Reviewing and developing digital literacy programs including purchase and installation of Busythings and Busycodes software for use internally and via Library website; holding Be Connected one on one sessions and Computer Club sessions for Seniors and Adults; purchase of additional online digital resources to enhance 24/7 online Library service during COVID-19 pandemic restrictions.

Fostered partnerships with tertiary institutions to bring scarce skills to the City by:

- Exploring grant opportunities for Aboriginal and Torres Strait islander youth programs at the Gallery including FRESHbark program, Murray Darling Basin Authority Community Grants, CreateNSW and Creative Koori funding.

IN PROGRESS

Revision of Workforce Management Plan 2020-2024 in line with LG elections process:

- Council's Workforce Management Plan will be reviewed in 2020/2021.

Continue to improve Recruitment Service Delivery and Employee Experiences:

- Revised recruitment procedure implemented and draft Recruitment Framework to be reviewed by Executive Leadership Team in August 2020.

Collaborate with local commercial housing industry representatives to identify current available housing and land stock resulting in:

- Council resolving to issue an Expression of Interest for Social and Affordable Housing Project in 2020/2021.

Ensure that appropriate community facilities are available to meet future growth needs:

- Consultation with key stakeholders carried out, with Asset Rationalisation Report being prepared for presentation in December 2020.

Increase City coverage of City Smart Devices (smart bins, lighting, WIFI and parking):

- Council working with Southern Lights Group to install updated LED Smart Street Lighting in conjunction with Essential Energy. Project completion expected by December 2020.

Develop Business and Industry Support Strategy:

- Meetings and discussions with business and industry representatives held during 2019/20, with findings to be included in the development of a Business and Industry Strategy in 2020/21.

Develop Business Plan for Visitor Information Centre:

- Visitor servicing being investigated, with outcomes to be included in the development of the Visitor Information Centre Business Plan in 2020/21.

Develop Marketing Plan for Civic Centre:

- Marketing Plan for Civic Centre under development and to be completed by December 2020.

Develop Business Plan for Civic Centre:

- Business Plan for Civic Centre in draft and to be completed by August 2020.

Develop a program to provide a career path at Council and local employment for Aboriginal and Torres Strait Islander community members:

- Investigating funding for career and succession planning for School Based Traineeships. Further investigations to be made in 2020/21.

UPCOMING

Advocate for affordable housing.

Advocate Broken Hill and Far West as a centre for renewable energy.

Heritage Festival continues to grow and become nationally recognised.

Library supports formal and informal learning.

KEY DIRECTION 3 – OUR ENVIRONMENT

We value our wide streetscapes, quality of life and stunning vistas; we are committed to conservation and preservation of the natural environment and greater reduction of the human impact to ensure a sustainable and healthy community.



ACHIEVEMENTS IN OUR ENVIRONMENT

Our environmental footprint is minimised

WASTE TRANSFER STATION

The Waste Transfer Station opened in February 2020, to improve recycling opportunities, reduce waste to landfill and reduce windblown litter.

The Waste Transfer Station also encourages residents to recycle and rethink waste and removes the indiscriminate 'tipping' of waste.

Residents are encouraged to sort their waste prior to visiting the Waste Management Facility, to utilise recycling opportunities and assist in reducing the amount of waste heading to landfill.

The Waste Transfer Station creates a more user-friendly facility, provides easy access for vehicles to utilise sealed roads and provides a clean and tidy space to easily dispose of waste.



TIDY TOWNS

Council again supported the Tidy Towns Committee with submissions to the Keep Australia Beautiful NSW 2019 Tidy Towns and Sustainable Cities Award Programs.

Broken Hill's success in these awards continues to grow, having received three awards and two highly commended awards, recognising the City as a sustainable community.

Awards received include:

- 'Don't be a Tosser! Litter Action Award' for the City's Smart Thinking Program.
- 'Environmental Communication Award' for the Riddiford Arboretum Conservation Park.
- 'Heritage and Culture Award' for the Broken Hill Mosque: The Surviving Ghan Town.

Highly Recommended include:

- 'Heritage and Culture Award' for the Sulphide Street Railway and Historical Museum - Johns Bros Joyland Display.
- 'Community Spirit and Inclusion Award' for the Broken Hill Heritage Festival 2019.

Natural Flora and Fauna environments are enhanced and protected

RIDDIFORD ARBORETUM SCULPTURE SYMPOSIUM

The Riddiford Arboretum Sculpture Symposium was funded by Create NSW, in partnership with Broken Hill City Council.

Artist Robbie Rowlands, who sources recycled materials to create work that blurs boundaries between our fabricated and natural worlds, was commissioned by Council to create sculptural works in 2020.

Rowlands undertook an extensive research period, that united his creative ideas with materials sourced from the mining industry. He also held collaborative engagements that drew together students, young industry professionals and various individual and community groups.

While mining is the resource for the materials, Rowlands' orientation for the two sculptural works favoured the natural landscape. The relationship between these two positions was purposeful and stemmed from research on the history of field naturalists, Albert and Margaret Morris. In their work, the Morris's aspired to find a balance between mining and nature.

Through support and collaboration with the mining industry, their regeneration projects shed light on better managing our relationship with the natural world and created the Broken Hill regeneration area surrounding the City, to protect the community from desert dust storms.

In following in their path, Rowlands established a project, that would integrate modest industrial materials, in harmony with the site and whose function is to inspire greater understanding of this desert landscape.

The project was finalised by March 2020, with two sculptural works 'Nestle' and 'Diviner', being installed at the Riddiford Arboretum.

Forming the base of the work, Nestle, are tension rods recovered from the restoration of a 1900s mining headframe. These rods illustrate Rowlands' ongoing interest in working with forms, that are critical to the underlying structural support of our environments.



'Nestle'

Over time, the tension rods will absorb the movement of this landscape, holding its principal structure true. Transitioning from a towering height, the rods nestle low in the landscape, where they find their place of rest, gently curving in form, drawing influence from the Arboretum's fallen leaves and dried bark.

In the second work, Diviner, Rowlands used recovered mine rock-bolts, to create a sculpture that could be read as a fallen branch or root structure. Rock-bolts are traditionally used deep underground, to secure walls in mining operations.



'Diviner'

Rowlands elevates this non-precious material, into a position that questions its value. The twisted bolts, with worn markings and earthy patina, draw the viewer closer to the ground, from which they were extracted. The curved rolled steel limbs that form the base of this work, each end with welded bronze, mimicking the casuarina plant with its golden tips when in flower. Bronze also features at the very tip of this sculpture, only visible from above.

Rowlands set this as a kind of offering to the sky - an act of divining to promote the release of a much-needed rain, that this landscape desires.

Proactive, innovative and responsible planning supports the community, the environments and beautification of the City

INSTALLATION OF ADVANCED TREES

First trial of planting advanced trees in the City commenced in the winter months of 2019, with four *Fraxinus oxycarpa* (Claret Ash) species being trialled on the Beryl Street side of Council's Administrative Centre.

Progression of the trial has been a success and the selected species have taken to the site. This planting will continue to be monitored to ensure its sustainability.

Council will trial additional installation of advanced trees in other priority areas of the City in 2020/21.



Fraxinus oxycarpa (Claret Ash) planted at Council's Administrative Centre

HERITAGE ADVISORY SERVICE

During 2019/20, Council's Heritage Advisory Service received 41 matters which were referred to the Heritage Advisor, for specialist advice in relation to heritage implications with proposed developments.

Council's Heritage Advisor provided specialist advice in relation to restoration works at the State Heritage listed Mosque, located in North Broken Hill and provided free advice to numerous property owners and developers in regards to both substantial and minor works, such as design solutions and heritage paint schemes.

DEVELOPMENT APPLICATIONS

Council determined 206 Development Applications during 2019/20.

The value of works for approved Development Applications totalled over \$12.9M. This included:

- \$7.66M value of works for Commercial/Industrial developments
- \$2.39M value of works for Dwellings developments
- \$1.1M value of works for Residential additions/alterations developments

Of the 206 Development Applications determined, 99.5% of these were determined during the required statutory period of 40 days.

The median determination time for Development Applications was 12 business days.

Council's Planners carried out over 200 inspections related to Development Applications during 2019/20.

These included pre-application inspections, initial site inspections and completion/final inspections.

BUILDING AND CERTIFICATION SERVICES

During 2019/20, Council's Building Surveyors carried out 326 building inspections.

This included inspections of all stages of building work on a range of building types, including inspections of frames, concrete slabs, waterproofing in bathrooms and more.

Council's Building Certifiers determined 127 application for a Construction Certificate and 81 Occupation Certificate applications.

The average time taken to determine these applications was 44 days.

ACHIEVED

Reviewed Waste Management Strategy and implemented actions to reduce environmental footprint by:

- Constructing and implementing use of Waste Transfer Station at Waste Management Facility.
- Investigated purchase of compactor resulting in the purchase of a new Articulated Landfill compactor for use at the Waste Management Facility.
- Providing community education to support the introduction and ongoing management of the Waste Transfer Station through media release, conducting radio and television interviews and placement of signage to assist the public to use the Waste Transfer Station.
- Weighbridge Operators being provided with necessary information to verbally assist the community to use the Waste Transfer Station.
- Investigating potential for conversion of shredded tyres to road base, providing specific information regarding machinery requirements and costings for the shredding of tyres.

Implemented outcomes outlined in Sustainability Strategy by:

- Contracting energy audits on the Administrative Centre, Art Gallery and Civic Centre, including recommendations on reducing gas consumption.
 - Recommendations on reducing gas and electricity will be actioned as part of life cycle replacement of air-conditioning systems and controls upgrades.
- Developing guidelines for including energy efficiency in the planning for all new Council buildings or Council building upgrades.
 - Council's Asset Management Strategy and Policy stipulate all new Council buildings or upgrades require energy consumption and efficiency as part of planning.
- Developing maintenance program to ensure that water infrastructure is maintained to optimum efficiency.
 - Consumption data reviewed monthly and maintenance program updated as required.
- Investigating the option to implement hybrid cars into Council light fleet as part of fleet replacement.
 - Toyota Hybrid Camry purchased and included in Council fleet.

Reviewing and implementing outcomes identified in the Noxious Weeds Program resulting in:

- Implementing the Western Land Services Weeds Management program.
 - Weeds inspections undertaken and program to eradicate weeds developed in discussion with Western Local Land Care NSW.
 - Weed eradication undertaken in Willyama Common.

Investigated strategies from the Cultural Framework for greening the City resulting in:

- Trial installation of mature trees in priority areas of the City.
 - Advanced trees successfully planted on Beryl Street side of Council's Administrative Centre.

IN PROGRESS

Develop Plans of Management for Crown Reserves:

- Plans of Management for Crown Reserves under development and will incorporate Living Desert Flora and Fauna Sanctuary.

UPCOMING

Investigate potential for a major material recycling facility in Broken Hill

Implement outcomes outlined in Sustainability Strategy.

Trial installation of mature trees in priority areas of the City.

Program to replace dead trees within the City.

KEY DIRECTION 4 – OUR LEADERSHIP

We have strong civic and community leadership. We are inventive, inclusive and innovative, when we work together there is nothing we can't do and our achievements continue to write history.



ACHIEVEMENTS IN OUR LEADERSHIP

Openness and transparency in decision making

COVID-19 PANDEMIC RESPONSE

Council took a proactive approach to the epidemic early, standing up its Continuity Management Team on 13 March 2020, to enact COVID-19 pandemic response measures.

All major events and Council programs involving people congregating, were cancelled and staff were given an FAQ to provide information on COVID-19.

Staff who had recently travelled were asked to self-quarantine and any employees with flu-like symptoms were advised to avoid work.

Managers prepared their staff to work from home and organised rotations to ensure entire departments would not be compromised if a team member contracted the virus.

On 18 March 2020, Council closed the Broken Hill City Library, Broken Hill Regional Art Gallery, Albert Kersten Mining &

Minerals Museum and Visitor Information Centre and prohibited cash handling across the organisation.

Outdoor works staff undertook waste collection training to ensure the essential service continued if the virus was detected among Council's waste crew.

By 20 March 2020, all customer-facing facilities were temporarily closed, with residents encouraged to utilise online services via Council's website or by telephone.

Non-essential staff travel was discouraged and sanitising stations, temperature testing and physical distancing measures were implemented in all Council facilities.

Thankfully by late June, the pandemic had eased in Broken Hill and Council was able to gradually reopen facilities after implementing greatly increased cleaning and sanitising measures.

Some facilities and services are still operating in a reduced capacity due to COVID-19 legislative requirements and budget limitations imposed by the impact of the pandemic. However, Council is continuing to work toward increasing access to all services moving forward.

ENTERPRISE RISK MANAGEMENT

Council is committed to incorporating risk management into critical processes and to managing risk consistently in line with international and Australian standards, principles and guidelines. Council recognises the social, economic and environmental importance of operating in a sustainable manner and continually improving performance.

A structured approach to the management of risk will be integrated throughout the organisation to promote and demonstrate good corporate governance, to minimise loss and to maximise opportunities to improve service delivery.

A review of Council's Enterprise Risk Management Policy, Framework and Improvement Plan was carried out during 2019/20.

From this review, a new Enterprise Risk Management Policy was adopted by Council in February 2020. The Policy provides a foundation for improvement in Council's risk management systems and focuses on Council adopting a structured, consistent and holistic approach to the management of risk at all levels and for all business activities through the integration of business, Work Health & Safety (WHS) and environmental risk management into a common policy and framework.

Council's Enterprise Risk Management Framework and Improvement Strategy have been developed to ensure the policy and strategic direction set by Council is operationalised and embedded throughout the organisation, this includes:

- Continuous improvement of the Enterprise Risk Management Framework.
- Establish an effective control assurance program to measure the performance of key controls.

- Provide an effective education and awareness program geared towards continual growth in risk maturity and a positive risk culture within the organisation.

Ongoing review and restructure programs for Council's Enterprise Risk Management policy, framework, systems and associated documentation will assist executive management to position the organisation to effectively and efficiently manage the broad spectrum of risks, both external and internal, that have the potential to impact the organisation's ability to achieve its strategic vision and objectives.

It is envisaged that after further consultation and refinement, the final revised Enterprise Risk Management Framework and Improvement Plan will be presented to Council's Executive Leadership Team for consideration and adoption in late 2020.

VAULT IQ - WHS/RISK MANAGEMENT SYSTEM

Vault IQ is an automated software solution for Risk Management and WHS systems, which incorporates incident and event management. In 2019/20, Council obtained access to Vault IQ, via its Workers Compensation insurer StateCover, at no cost for the next three years.

After a successful trial with selected Council teams, Vault IQ was implemented for use by Council employees to report and manage all incidents at Council.

The Vault IQ system was also utilised to record all data and incidents relating to COVID-19 pandemic. This included collection of working from home data, employee health declaration checklists, potential COVID-19 exposure incidents and records of external contractor management.

Our leaders make smart decisions

SERVICE REVIEWS

Service Reviews continue to progress across several Council service areas.

Information Technology and Cleaning Services were successfully completed and formally reported to Management during 2019/20.

Service Reviews commenced during 2019/20 included:

- Garage Operations; and
- On Call Services.

Service Reviews provide Council with an opportunity to systematically review processes, benchmark services for best practice and embrace technology across its many service areas. They also provide Council with tangible data to ensure services align with available resources, for efficient operation and delivery of services for the community.

Some key outcomes include:

- Implementation of a new Information Technology Service Desk, to maximise user efficiency and reporting.
- Additional staff resources and flexible rostering for cleaning, to ensure all Council facilities have cleaning support/coverage across the span of opening hours.
- Installation of Navman GPS to fleet vehicles and heavy plant, to maximise Fuel Tax Credit refunds and assist with scheduling and recording of servicing, breakdowns and unscheduled maintenance.

Service Reviews will continue in 2020/21.

FINANCIAL ASSISTANCE GRANTS

Local Government Financial Assistance Grants are paid to local councils to help them deliver services to their communities. These funds are paid annually by the Australian Government.

This source and level of funding is of great importance to Council areas such as Broken Hill City Council for the continued delivery of Council's services and infrastructure maintenance.

The sustainability of Broken Hill City Council to deliver its day-to-day services and infrastructure upgrades to the community of Broken Hill is assisted by this Federal funding and without this, specifically this year due to the financial and operational impacts of COVID-19, the services Council offers and delivers would reduce considerably.

During the 2019/20 financial year, Council received \$4,476,652 General Purpose funding and \$504,526 Local Roads funding.

The General Purpose funding has been utilised in the upkeep of the City's parks and gardens, Airport maintenance and cultural services.

The Local Roads funding has supported the annual reseal program for Broken Hill's streets and roads, which continues to assist Council in reducing the infrastructure maintenance backlog.

Council would like to thank its Local Member and Minister for Regional Services, Decentralisation and Local Government, the Honourable Mark Coulton MP, for the continual support of this important financial assistance.

LEADERSHIP DEVELOPMENT PROGRAM

Council recognises that values are an important building block and the foundation for achieving organisational goals and developing a cohesive and constructive Organisational Culture.

Values are the beliefs we hold important, of worth and lead us to take action.

Having a common set of values within an organisation ensures everyone understands what's important to achieve our goals.

In order to create behavioural change around values; they need to be visible to our people. Leaders demonstrating the supporting behaviours and constructively dealing with un-supporting behaviours provides employees with positive role modelling and creates trust/credibility for their own change in behaviour.

Values are not just words on a wall, they are behaviours we align with. Employees need to see that leaders are demonstrating the way forward before they will come on board and align/change.

Council committed to the organisation that it would trial the values drafted in December 2018 for 12 months, then seek

feedback from staff on how the values were being led (visibility) and how well they have supported achievement of strategy, actions, or day to day tasks (effective). Values Feedback Sessions with staff were carried out during January 2020, completing this commitment.

All employees were invited to participate in the feedback process, with options to attend a scheduled session, provide written or email feedback, discuss within their team, or request a face to face meeting. The feedback period was open between January and February 2020 and seven sessions were held, seeking feedback from the Executive Leadership Team (ELT, n=5), Senior Management Team (SMT, n=15), Tier 2 Leaders and Influencers (n=24) and employees (n=79). Seventy-seven percent (77%) of the available workforce participated in these sessions to review and finalise the organisations values.

Council's ELT reviewed and endorsed the changes to the values and associated behaviours in February 2020 and then published to all employees.

Hence, reviewing and measuring values alignment is an effective leadership development and cultural change tool.

BROKEN HILL CITY COUNCIL VALUES AND ASSOCIATED BEHAVIOURS

	SUPPORTING BEHAVIOURS	UN-SUPPORTING BEHAVIOURS
ACCOUNTABILITY	<ul style="list-style-type: none"> Do what we say we'll do Be a role model for our workmates and community Be clear on the outcome, standard and understand the "why" 	<ul style="list-style-type: none"> Not accepting responsibility and owning the outcome Blaming others when things go wrong Not asking questions or seeking clarity
PRIDE	<ul style="list-style-type: none"> Strive for excellence Like what we do so much were confident to share achievements Celebrate the good stories - acknowledge people doing things right 	<ul style="list-style-type: none"> Half-hearted approach to our work Leaving things unfinished Disrespecting other people's achievements
PERSEVERANCE	<ul style="list-style-type: none"> See mistakes as opportunities to improve Acknowledge setbacks are inevitable, plan to overcome them Dig deep and rise to the challenge 	<ul style="list-style-type: none"> Thinking "it's all too hard" and throwing in the towel Near enough is good enough Not pitching in to support others through challenges
COURAGE & HONESTY	<ul style="list-style-type: none"> Welcome new ideas and value different perspectives Speak up, give and receive constructive feedback Tell it like it is – keep to the facts, yet say what you mean 	<ul style="list-style-type: none"> Not telling the truth and paying lip service Not really listening or using empathy Avoiding difficult tasks/conversations
TEAMWORK	<ul style="list-style-type: none"> Working to a common goal Encouraging collaboration Standing side by side 	<ul style="list-style-type: none"> Cynicism and negativity Working to your own agenda, "I" over "we" Not pulling your own weight

We unite to succeed in Australia's First Heritage listed City

COMMUNITY ASSISTANCE GRANTS PROGRAM ROUND 1 OF 2019/2020		
COMMUNITY ORGANISATION	ACTIVITY/EVENT/PROGRAM	GRANT \$
Broken Hill Outreach Adults and Families Homelessness and Housing Support Service - Salvation Army	Improvements to Common Area at Catherine Haven	3,000
Alma Public School P&C Committee	Food for Breakfast Club	2,500
Broken Hill Art Exchange	Broken Hill Gallery Guide 2nd edition	10,000
Broken Hill Eisteddfod Society	Hire of Civic Centre for 2019 Eisteddfod	4,970
In One Accord	Stage and sound hire for Carols	4,000
Lions Club of Broken Hill	Signs on highway information bays	580.50
Patton Village Association	Photo scanner and printer	1,800
CWA NSW Broken Hill Branch	Tables, chairs, umbrella, signage, trolley, eskys, storage boxes	4,509.50
Silver City Pastoral and Agricultural Association	Hire of Memorial Oval and waste fees	6,000
Broken Hill Swimming Club	Laptop and software, camera and printing	2,285
3rd Broken Hill Sea Scouts	Tents and camping equipment	2,500
Broken Hill Repertory	Rates subsidy for Theatre 44	2,500
Broken Hill FM Association 2DRY FM	Multitrack recorder for community events	2,159.10
Broken Hill Mountain Bike Club	Club branded marquee	2,300
Silver City Cup	Waste fees for 2019 Silver City Cup races	2,000

TOTAL \$51,104.10

COMMUNITY ASSISTANCE GRANTS PROGRAM ROUND 2 OF 2019/2020		
COMMUNITY ORGANISATION	ACTIVITY/EVENT/PROGRAM	GRANT \$
St John Ambulance Australia (NSW)	Training equipment (CPR, defibrillators)	7,500
Broken Hill Philharmonic Society	Towards rent of Aged Persons Rest Centre	3,500
Silverlea Services	Modify vehicle for disabled	4,000
YMCA NSW Broken Hill Branch	Expansion of PaWS program	6,000
Broken Hill Potters Society	Sculpting workshop	2,900
Broken Hill Community Inc	Repair to shed roof and gutters	6,000
Scouts Association of Australia NSW Branch	Air-conditioning to Scout Hall	8,520
North Broken Hill Bowling Club	Cold water fountain for greens	4,000
Agfair Broken Hill	Advertising, entertainment and in-kind services (traffic control devices and water tanker)	6,000
Happy Day Preschool and Long Day Care	Garden at preschool	6,700
Lifeline Broken Hill Country to Coast	Two free suicide prevention workshops	9,000
Broken Hill Historical Society	Connecting internet to Silverton Gaol Museum	6,878.60

TOTAL \$70,998.60

GRANTS RECEIVED 2019/20

In 2019/20, council continued to identify shovel-ready projects that were eligible for both State and Federal funding. Many applications remain under assessment however, Council was successful in securing funding for a new skate park under Stronger Country Communities Round 3. A new skate park has been on the community wish-list for almost 10 years. Council worked closely with the Broken Hill Leaders group to apply for this funding.

Received from	Funding for	Amount
Drought Communities Program	Alma Oval and Norm Fox Oval lighting upgrades	\$1,000,000
Stronger Country Communities Round 3	New Skate Park	\$310,000
Destination Country and Outback	Tourism Industry Capability Workshop	\$5,000
Destination New South Wales	Collaborative Marketing Campaign	\$120,000
NSW Safer Roads Funding	Improvements to Gypsum Street Intersection	\$196,000
	Improvements to Oxide/Blende Street Intersection	\$220,000
NSW Drought Relief Heavy Vehicle Access Program	Reconstruction and pavement rehabilitation Kanandah Road	\$300,000
Far West Joint Organisation / NSW Tourism Fund	Central Business District Masterplan and upgrades	\$1,000,000

Our community is engaged and informed

COMMUNITY STRATEGIC PLAN

The Community Strategic Plan outlines the community's vision, goals and strategies for a 10-year period. Council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the community.

In August 2019, Council engaged Blackadder Associates to deliver a high-level Assumptions Paper, conduct an intensive Community Engagement program and deliver a draft 'Our Broken Hill 2040 Community Strategic Plan'.

Stakeholder groups were identified and stakeholder engagement workshop sessions and private interviews were held in March 2020 for Council staff, Industry, Open Community, Volunteers, Arts and History, Social/Aged/Disability, First Responders, Health and Human Services, Economic Development, Justice, Aboriginal Community, Early Childhood, Environment - Built and Natural, Sporting Groups, Education, Health and Wellbeing, Youth and Leadership.



Community stakeholders participating in Youth engagement session at Civic Centre

Further community engagement sessions and pop-up kiosks were planned to be held following the workshop sessions however, COVID-19 restrictions postponed these, requiring further development for additional stakeholder and community engagement in 2020/21.

To progress the Community Strategic Plan timeline, a decision was made to conduct an online survey in September 2020, targeting those who attended the engagement sessions in March 2020. A series of questions were created to extend the ideas of those that attended the engagement sessions and incorporate further inclusions or changes influenced by the COVID-19 pandemic.

Due to the COVID-19 pandemic, Council elections will now be held in September 2021, as advised by the Office of Local Government. The Community Strategic Plan will now be finalised following the elections in 2021.



Council staff participating in Staff engagement session at Civic Centre

ACHIEVED

Supported the organisation to operate its legal framework by:

- Working with NSW Electoral Commission to carry out Local Government Elections.
 - Council resolved to accept NSW Electoral Commission to conduct 2020 Council Elections and signed Electoral Commission contract.
 - Advised via Office of Local Government circular of deferment of September 2020 Elections, to September 2021.
 - Signed contract with NSW Electoral Commission will remain in place to conduct 2021 Council Elections.

Ensured a robust Safety Management System is in place, which supported Council's workforce to operate in a safe and sustainable way by:

- Adoption of Enterprise Risk Management Policy by Council in February 2020.
- Implementing Vault IQ Incident Reporting and Risk Management for use by Council staff.
- Safety Management System gap analysis reported to Executive Leadership Team.
- Reviewing Council's Injury Management plan to support "recover at work" principles and manage high risk work.
 - Injury Management Plan and Policy reviewed and updated, accepted and signed off by the State Insurance Regulatory Authority.
 - Council achieved legislative compliance in Injury Management and all high-risk works have current industry best practice Safe Work Method Statements and Job Safety Analysis worksheets to assess risk before commencement of work.

Provided learning and networking opportunities for elected members by:

- Councillors accessing and implementing individual learning plans.
 - Councillors have accessed Local Government NSW Professional Development in a Box, to keep track of their training and learning requirements and have accessed Chairing and Effective Meeting Procedures training via video conference.

IN PROGRESS

Development of Governance Framework, adopting best practice principles for governance arrangements and culture:

- Audit of Council's Governance carried out during 2019/20, with results providing a gap analysis tool to assist with the development of Governance Framework.
 - Framework to be developed in 2020/21.

Complete implementation of first stage of Enterprise Risk Management Continuous Improvement Program:

- Draft Enterprise Risk Management Framework and Improvement Strategy reviewed by Executive Leadership Team and to be finalised by September 2020.

Initiate stage 2 of the Enterprise Risk Management Plan:

- Review and update of Council's Safe Work Instruction Procedures library in progress and to be completed by July 2020.

Complete Safety Management System high-risk area gap analysis:

- Review of mandatory training/accreditation for staff to be completed during 2020/21.

Implementation of monthly Auditing and Assurance Program to commence in 2020/21.

Development of the National Heritage Values Planning Framework.

- Project plan developed by Heritage Advisor. Final report to be provided in September 2020.

Undertake further stakeholder and community engagement to review Community Strategic Plan:

- Additional stakeholder and community engagement to be carried out via online survey in 2020/21.

UPCOMING

Work with NSW Electoral Commission to carry out Local Government Elections.

Provide learning and networking opportunities for elected members.

Continue to look for efficiencies in the organisation and ensure financial sustainability.

Develop a Strategy to protect Broken Hill Heritage Assets.

DISABILITY INCLUSION ACTION PLAN 2017-2021

Our commitment is to 'create greater opportunities for people of all ages, all cultures and of differing abilities, to access the full range of services and activities available in the local community'.



ACHIEVEMENTS IN OUR DISABILITY INCLUSION ACTION PLAN

BROKEN HILL REGIONAL ART GALLERY WEBSITE

The Broken Hill Regional Art Gallery launched its dedicated website which includes a page about accessibility information for the Gallery.

This information will also be provided on the GeoCentre website (within the Council website).
Link to the Broken Hill Regional Art Gallery accessibility page
<https://www.bhartgallery.com.au/Visit/Access>

Access

The Broken Hill Regional Art Gallery welcomes everyone. We are committed to sharing the rich histories and stories of our collection and exhibitions, and supporting a memorable journey from beginning to end for all visitors to the gallery and all access needs.

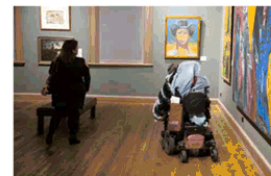
Find out more

For further enquiries about how the Gallery can support your access requirements, please contact our team on the details below. We also welcome suggestions for how we can continue to improve our experience for people with disability.

Phone | 08 8080 3444

Email | artgallery@brokenhill.nsw.gov.au

Monday - Friday 8:30am - 5:00pm



BROKEN HILL CITY LIBRARY WEBSITE

The Broken Hill City Library website now includes accessibility information for the Library. Link to the Library accessibility page

<https://www.brokenhill.nsw.gov.au/Facilities/Library/Library-services/Library-accessibility>



Library accessibility

The Broken Hill City Library is accessible and welcomes feedback.

Library accessibility

The Broken Hill City Library has the following accessibility features;

- Accessible toilet on the ground floor (Approx. 2500mm long and 1640mm wide).
- Lift access to the Archives, located on the first floor.
- Front door opens automatically with a motion sensor, sufficient room for wheelchair.
- Parking at side of building, walkway to library entrance.
- Mobility scooter may be left outside main entrance.
- Three priority computers available with height adjustable desks and touch screen monitors.

Sensory friendly

The library is seeking feedback and opportunities to collaborate with community to make the library more autism-accessible and inclusive to families with autistic members.

Sensory friendly afternoons

The library can get loud, so to ensure all members of the community feel comfortable we are providing dedicated time when the library will be a quiet space.

FOCUS AREA 1: ATTITUDES AND BEHAVIOURS

ACHIEVED

Customer Service Framework incorporates inclusion and accessibility awareness and effective methods for communication with customers who may have a disability.

Website Content Accessibility Guidelines awareness and compliance training provided to staff who create content for Social Media, Open Forms and Open Cities formats.

Staff attended autism awareness training.

Inclusion awareness campaigns conducted with the Library holding Storytime during Hearing Awareness Week and the GeoCentre hosting the Annual Lifeline Art Exhibition.

Supported the NDIS information and preplanning hubs, National Reconciliation Week, Positive Partnerships Autism Awareness, Inclusive Tourism Online Learning (internal promotion), Stress Down Day and International Day of People with a Disability community event.

Hosted programs/events with disability and inclusion as part of human experience, at the Library and workshops for Marri Ma Health group clients at the Gallery.

IN PROGRESS

Developing Council Inclusion Awareness training materials for inclusion in induction and/or refresher courses.

Developing annual training program promoting Inclusivity.

Provision of training to Corporate Services, Human Resources and Planning, Development and Compliance staff to develop alternative formats in Word, PDF, PowerPoint.

Supporting Assets and Infrastructure team to enhance disability confidence and communication skills.

Provision of training to Library, Events and Art Gallery/Museum staff to gain awareness of needs of children with autism.

Provision of training to Library, Events and Art Gallery/Museum staff to develop Social Stories to assist children with autism.

Provision of Awareness and Training programs for Council staff to ensure services can be provided in an inclusive manner.

Annual hosting of programs/events including disability as part of the human experience and cultural expression.

FOCUS AREA 2: LIVEABLE COMMUNITIES

ACHIEVED

Funding received from Roads and Maritime Services to develop a city-wide Pedestrian Access and Mobility Plan; the Plan upgraded to an Active Transport Plan (ATP) which also incorporates a bike plan. ATP priorities reviewed, consultation and progress of ATP and the footpath works to be reported Council.

Patton Park Refurbishment Project including state-of-the-art amenities unit that is fully accessible to Australian Standards and Legislation.

Advertising and marketing information introduced for the Art Gallery and GeoCentre. Information uploaded to Council webpage.

The Library established the following for ATSI people: a collection of Early Literacy resources; engaged with aboriginal community in holding NAIDOC Storytime session in Library; engaged with Community Hub 123 regarding mini library and planning future programs at centre.

The Library supported the community to access the Library through the provision of accessible furniture installation, software, library resources and engagement with the local community.

Collection of resources in the Library for reluctant readers and purchase of books, such as braille.

ACHIEVED

The Art Gallery hosted workshops for Maari Ma health group clients. The Gallery and Museum make regular adjustments to programs for people with disability to attend. Gallery exhibitions are increasingly becoming a lot more interactive, including sound elements with recorded stories.

Civic Centre access features completed with lift; accessible toilet; hearing loop and theatre area suitable for people who use wheelchairs.

Map of accessible Council public toilets reviewed, updated and included on National Public Toilets Map Register.

Installation of adult change tables within key locations such as Aquatic Centre and Patton Park amenities block.

Enhanced staff knowledge and skills through the sharing of templates and resources developed internally for organising accessible events.

Access and Inclusion Plans incorporated into planning for all Civic Events.

Accessible Meeting Checklist developed for implementation in 2020/2021.

Accessible Meeting Process developed for implementation in 2020/2021.

IN PROGRESS

Consultation, review and upgrade of public facilities for disability access.

Development of information sheet, listing features and including pictures of Council public toilets to enable families to decide on suitability of access for their needs.

Investigation of accessibility features of Council buildings underway and development of PDFs showing Council building access features and activities hosted within buildings.

Completion of listing of accessible features of Library, Art Gallery, GeoCentre and Visitor Information Centre buildings.

Investigation and development of documentation detailing access features of sportsgrounds, parks and playgrounds (including fencing).

Review and update Accessible Accommodation Guide and accessible accommodation information on website.

Review of Council Administrative Centre to improve access features.

Further investigate installation of wheelchair height counter and directional signage at Visitor Information Centre.

Installation of way finding in Council Administrative Centre, Civic Centre and Visitor Information Centre.

Promotion of benefits of economic benefits of accessible and ageing friendly places and activities through media releases and website.

Encouraging and supporting Business Awards organisers to include an Accessible and Inclusive Business Award category, through discussion and collaboration with organisers.

FOCUS AREA 3: SYSTEMS AND PROCESS

ACHIEVED

Website accessibility audit of brokenhill.nsw.gov.au completed and findings used in the scope for new website.

Business case completed and new Council website deployed with accessibility features of site.

Complaints Management Policy adopted and procedures for handling complaints reviewed for endorsement and implementation in 2020/21.

Guidelines developed for staff to author web accessible documents.

Alternative Format Request Process developed to allow requests for provision of Council documentation in an alternative format.

Council website provides details on how to apply for information in alternative format and contact details for the National relay Service.

Emergency evacuation procedures for Council buildings reviewed and updated to address the needs of people with disability.

IN PROGRESS

Investigation and development of Accessibility page on Council website, for information on the accessibility features for getting around Broken Hill.

Review of Council's supplier agreements, expression of interest/request for quotation and tender documents to ensure that the appropriate accessibility and inclusion parameters are in place for procurement of goods.

Review of community engagement processes to enable people with disability to provide input on the development and progress of Council plans.

Review and update of the Local Emergency Management Plan (LEMP) and Pollution Incident Response Management Plan (PIRMP).

FOCUS AREA 4: EMPLOYMENT

ACHIEVED

Australian Network on Disability membership obtained.

Recruitment Service Review undertaken.

IT Strategy review undertaken with workshops and fact-finding exercise.

IN PROGRESS

Investigation of Australian Network on Disability resources for sharing and monitoring disability information and purchase of Employers' Guide to Partnering with Disability Employment Services.

Review of recruitment and employment policies, procedures and processes.

Development of Recruitment Framework.

SECTION 2: STATUTORY REQUIREMENTS

Local Government Act 1993 and General Regulation Reporting Requirements

In accordance with the NSW Office of Local Government's Integrated Planning and Reporting requirements, Council must:

1. Prepare an annual report within 5 months of the end of the financial year;
2. Provide a copy to the Minister for Local Government (via the Office of Local Government); and
3. Post a copy of the Annual Report on Council's website.

Council's Annual Report must include the following information:

1. Council's achievement in implementing the Delivery Program - Section 1;
2. Council's implementation of the Disability Inclusion Action Plan 2017-2021 - Section 1;
3. A copy of Council's required audited financial report is included - Section 3.

Environmental Upgrade

Particulars of any environmental upgrade agreement entered into, in accordance with any requirements imposed under s406: No data to report for 2019/20.

Special Variation

Report on activities funded via a special rate variation of general income including Special Rate Variation Guidelines* (SRV Guidelines) 7.1: No data to report for 2019/20.

AMOUNT OF RATES AND CHARGES WRITTEN OFF 2019/20		\$
Total pensioner concession		594,324.83
LESS subsidy reimbursement		315,160.99
NETT Pensioner amount written off by Council		279,163.84
Concessions – additional pension rebate		16,010.54
Bad debts written off		Nil
TOTAL		263,153.30

LEGAL PROCEEDINGS		
Summary of the amounts incurred by the Council in relation to legal proceedings		Status
Corporate Litigation	\$4,380,000	Ongoing
TOTAL	\$4,380,000	

COUNCILLORS PAYMENT OF EXPENSES AND PROVISION OF FACILITIES		\$
Provision of dedicated office equipment allocated to councillors		24,185.40
Telephone calls made by councillors (includes internet costs)*		3,769.92
Attendance of councillors at conferences and seminars		4,793
Training of councillors and provision of skill development		12,238
Interstate visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses		22,303
Overseas visits by councillors, including transport, accommodation and other out-of-pocket travelling expenses		Nil
Expenses of any spouse, partner or other person who accompanied a councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors		Nil
Expenses involved in the provision of care for a child of, or an immediate family member of, a councillor		Nil
TOTAL		67,289.32

*Unable to disaggregate costs.

CONTRACTS OVER \$150,000		
Details of each contract awarded for amounts greater than \$150,000		
Contractor	Goods / Service Provided	\$
System Solutions Engineering	Design and project management for air conditioning systems upgrade	159,000
NSW Public Works Advisor	Project manage hailstorm repairs to Council assets	153,000
Solcon Trading Pty Limited	Lead remediation works on South Road, Block 10	177,000
Diverse Mechanical Solutions	Upgrade air conditioning at Charles Rasp Memorial Library	147,000
RNW Fires Services Pty Ltd	Upgrade fire detection systems and 12 months maintenance	192,500
NSW Public Works Advisory	Project manage, design and deliver capital works projects	517,200
Cavpower CAT	Supply of articulated landfill compactor	838,027
Joss Facilities Management Pty Ltd	Repairs to hailstorm damaged structures	2,995,172
Devilee's Airconditioning & Refrigeration Pty Ltd	Air conditioning controls and minor upgrade works at Council's Administrative Centre, Civic Centre and Library	425,171

FINANCIAL ASSISTANCE TO COMMUNITY UNDER S356 OF THE LOCAL GOVERNMENT ACT 1993	
MISCELLANEOUS SUBSIDIES	\$
2Dry FM Community Radio	1,999.09
AGFAIR Broken Hill	6,000.00
Alma Public School Parents and Citizens Committee	2,500.00
Broken Hill Community Inc	6,000.00
Broken Hill Eisteddfod Society	4,970.00
Broken Hill Happy Day Preschool Kindergarten Inc	6,700.00
Broken Hill Historical Society Inc Publications Account	6,878.60
Broken Hill Lions Club	580.50
Broken Hill Mountain Bike Club	2,300.00
Broken Hill Philharmonic Society	3,500.00
Broken Hill Potters Society	2,900.00
Broken Hill Repertory Society Inc	2,266.10
Broken Hill Swimming Club Inc	2,285.00
Country Women's Association NSW Broken Hill Branch	4,509.50
Education Public Schools	900.00
Far West Local Health District	2,500.00
In One Accord	4,000.00
Lifeline Broken Hill Country to Coast	9,000.00
North Broken Hill Bowling Club	4,000.00
Patton Village Community and Business Assoc Inc	1,800.00
Sacred Heart College	100.00
Silver City Pastoral & Agricultural Assoc Inc	6,000.00
Silver City Racing Club Ltd	2,000.00
Silverlea Employment & Training	4,000.00
St John Ambulance Australia	7,500.00
The Salvation Army - Australian Eastern Territory	3,000.00
The Scout Association of Australia New South Wales Branch	11,020.00
YMCA Broken Hill Wellness Centre	6,000.00
TOTAL	115,208.79

FINANCIAL ASSISTANCE TO COMMUNITY UNDER S356 OF THE LOCAL GOVERNMENT ACT 1993	
RATE SUBSIDIES	\$
Silver City Small Bore Rifle Club	1,895.40
Broken Hill Pistol Club Inc	2,683.15
Broken Hill Rifle Club Inc	6,992.50
Mr C J Bright - Kantappa Station	548.35
Silver City Motorcycle Club	5,154.45
West Broken Hill Rifle Club	8,753.30
Silver City Rifle Club	8,753.30
Broken Hill Gun Club	2,914.80
TOTAL	37,695.25

GENERAL MANAGER REMUNERATION PACKAGE* (01/07/2019 – 30/06/2020)	
Statement of the total remuneration comprised in remuneration package of the General Manager	
Total Remuneration*	\$286,497

* Includes Salary, performance payments (where paid), superannuation, non-cash benefits, reportable FBT.

SENIOR STAFF MEMBERS EMPLOYED BY COUNCIL* (01/07/2019 – 30/06/2020)	
Statement of the total remuneration comprised in remuneration package of all senior staff members, expressed as the total (not of individual members)	
Total Remuneration*	\$300,119

* Includes Salary, performance payments (where paid), superannuation, non-cash benefits, reportable FBT.

Works Carried Out On Private Land

Resolutions made under Section 67 concerning work carried out on private land: No data to report for 2019/20.

Statement of all external bodies that exercised functions delegated by council Reg cl 217(1)(a6) – Section 355 Committees

Council currently has 11 external bodies (Section 355 Committees), that exercised functions delegated by Council. These committees were established in accordance with the provisions of Section 355 and Section 377 of the Local Government Act 1993.

The committees are formed to assist Council in the management of a particular service or facility of Council. Council aims to appoint committees which are representative of the local community, or interest group of the particular service/facility.

Council's Section 355 Committees are:

- Alma Oval Community Committee
- Broken Hill Heritage Committee
- Broken Hill Regional Art Gallery Advisory Committee
- BLU Band Hall Community Committee
- Community Strategic Plan Round Table Committee
- ET Lamb Memorial Oval Community Committee
- Friends of the Flora and Fauna of the Barrier Ranges Committee
- Memorial Oval Community Committee
- Norm Fox Sporting Complex Community Committee
- Picton Sportsground Community Committee
- Riddiford Arboretum Community Committee

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest. cl 217(1)(a7)

Council held no decision-making controlling interest in any corporation, partnership, trust, joint venture, syndicate, or other body during the financial year 2019/20.

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which the council participated during the year Reg. cl 217(1)(a8)

During 2019/20, Council participated in the following corporations, partnerships, trusts, joint ventures, syndicates or other bodies:

- Far West Joint Organisation
- State Emergency Services
- Broken Hill University Department of Rural Health - The Australian Prevention Partnership Centre
- Cities Power Partnership
- YMCA
- Food Regulation Partnership
- Regional Express Airlines
- Broken Hill Environmental Lead Centre
- Broken Hill South Rotary
- St Patricks Race Club
- Broken Hill Historical Society Inc
- West Darling Regional Arts Board
- Destination Network Country & Outback
- Destination NSW
- Flinders Ranges Tourism Operators Association
- South Australian Visitor Information Centre Network
- State Library New South Wales
- State Archives and Records NSW
- Journey Beyond Rail – Great Southern Rail
- Lifeline Broken Hill
- RM Molesworth
- Maari Ma Aboriginal Health Corporation – Maari Ma Aboriginal Art Awards
- Hart Family – Pro Hart Outback Prize
- Central Darling Shire Council – Its Out There marketing campaign collaboration

A statement detailing the stormwater management services provided (if levied).

Reg cl 217(1)(e): No data to report for 2019/20.

A statement detailing the coastal protection services provided (if levied).

Reg cl 217(1)(e1): No data to report for 2019/20.

Equal Employment Opportunity Target Groups

Encouraging young people to take up careers in local government, attracting and retaining mature aged workers with valuable experience and skills and engaging with under-utilised sections of the labour market such as women with young children, carers, people with disabilities, Indigenous people and people from culturally diverse backgrounds will assist to strengthen the organisation's ability to meet its future workforce needs.

EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY INITIATIVES	
IMPLEMENTED	% OF STAFF PARTICIPANTS
Formal flexibility agreement	<10%
Flexible leave arrangements (TIL)	30%
Regular part time work	<10%
Rostered/accrued days off	82%
Regular or occasional working remotely	34%
Job sharing	4%
Unpaid leave for carers of people with special needs	0%

Employee Satisfaction

The number of employee grievances an organisation receives is one measure of employee satisfaction levels and the well-being of the working environment. Council has a number of mechanisms in place for employees to raise awareness for identifying and responding to grievances, including policy and procedures; Workplace Consultative Committee and EEO Contact Officers.

YEAR	NO. GRIEVANCES LODGED
2019/20	1

CAPITAL WORKS PROJECTS 2019/20	\$
Intersection of Gypsum and Cornish Streets	9,552.00
Gypsum Street/Perilya Mine Access	3,911.00
Gypsum Street/Silver City Highway Intersection	4,079.00
Administrative Centre - Fire Detection System Replacement	19,300.00
O'Neill Park Complex Masterplan	10,966.00
Airport Terminal - Kiosk Upgrade	39,164.00
Norm Fox Oval - Irrigation System Replacement	7,094.00
Hot Desk Scanner	6,485.00
Airport Terminal Vending Machine	6,503.00
Queen Elizabeth Park Redevelopment	9,998.00
Civic Centre - Chiller Replacement	22,021.00
Warnock Street - Acquisition from Crown Lands	2,769.00
Federation Way - Acquisition from Crown Lands	2,769.00
Picton Oval Amenities Refurbishment	3,614.00
Airport Crack Sealing	8,806.00
Picton Oval - Gym Project	48,511.00
Riddiford Arboretum - Irrigation Works 19/20	4,610.00
South Community Centre Air Conditioning Upgrade	9,536.00
Civic Centre Air Conditioning Upgrade	18,841.00
Library Air Conditioning Upgrade	149,785.00
Airport Terminal Air Conditioning Upgrade	15,360.00
Visitor Information Centre Air Conditioning Upgrade	18,378.00
Council Chamber Air Conditioning Upgrade	18,078.00
Administrative Centre Air Conditioning Upgrade	29,268.00
Geo Centre - Installation of Wireless Fire Detection System	30,772.00

CAPITAL WORKS PROJECTS 2019/20	\$
Art Gallery - Installation of Wireless Fire Detection System	58,187.00
Civic Centre - Audit and Minor Rectifications of Fire Detection Systems	13,428.00
Administrative Centre - Audit and Minor Rectifications of Fire Detection System	8,952.00
Visitor Information Centre - Fire Detection System Installation	31,331.00
Airport Generator Building - Fire Detection System Installation	9,511.00
Airport Terminal - Fire Detection System Upgrade	4,476.00
Sale of Part Kintore Reserve	15,882.00
Replace Airport Lighting	12,197.00
25 PCs/Tablets or Laptops	31,689.00
Replace Airport Perimeter Fencing	238,233.00
Garbage Compactor	3,236.00
Hybrid Electric Passenger Car	25,932.00
O'Neill Park Soccer Grounds - Irrigation System Replacement	150,389.00
Street Signage Replacement Program	161,584.00
Reconstruction Works to Gypsum Street	44,678.00
Intersection of Comstock and Hebbard Streets - Full Reconstruction	12,465.00
Intersection of Comstock and Piper Streets - Full Reconstruction	7,699.00
Iodide Street - Morgan to Cummins Streets - Full Reconstruction	12,219.00
Library Portable Tables and Chairs 19/20	17,658.00
Humidifier Replacement	44,572.00
Aquatic Centre - Change Room Cubicle Modifications	10,675.00

CAPITAL WORKS PROJECTS 2019/20	\$
Aquatic Centre - Pool Slide Stairs and Landings Replacement 19/20	40,492.00
Aquatic Centre - UV Lamp Replacement - Hydro and 25m Pools 19/20	5,642.00
Aquatic Centre - Chlorine Pump Replacement x 3 19/20	5,725.00
Aquatic Centre - Circulation Pump Overhaul 19/20	51,056.00
Replace Airport Raw Sewerage Pump	5,076.00
CBD Lighting and Projection Project	913,218.00
Civic Centre - Room Divider Curtain	53,629.00
Brown Street Road Seal	491,820.00
Local Road Resealing	546,835
Sturt Park - Gym Project	52,158.00
Sturt Park Upgrade to Children's Playground	20,618.00
Broken Hill Library Community Hub and Cultural Project	1,211,874.00
Footpaths Disability Access Footpath Renewals	269,798.00
Oxide Street - Crystal to Argent Streets Road Works	29,411.00
Administrative Centre Air Conditioning Design and Engineering Multiple Sites Structures	49,291.00
Airport Firefighting Pump Tank Replacement Structure	52,537.00
VMS Board	41,994.00
Aquatic Centre Balance Tanks and Scum Gutter Epoxy Recoat	98,092.00

CAPITAL WORKS PROJECTS 2019/20	\$
Memorial Oval Photo Finish Lighting	5,908.00
Kintore Headframe Car Park Refurbishment	8,575.00
Civica BIS Implementation	20,252.00
Smart Lighting, CCTV, IoT Platform - Sturt Park, Patton Park	74,871.00
Smart City Bins – 7 Clean Cubes	129,439.00
Art Gallery Shop Counter Replacement	1,877.00
Mosque Conservation and Reinterpretation Project	4,761.00
Gateway Signs	143,095.00
Block 10 - Cap Road Verge and Car Park - Lead Remediation	279,743.00
BHP Project - Sculpture Symposium Construction	114,849.00
BHP Project - BHP Chimney Development	157,447.00
Mini Street Sweeper	143,688.00
Purchase of 17 Wills Street	61,044.00
Cemetery Office	3,835.00
Dog Pound	453,884.00
Telephone Network Upgrade	6,855.00
Capital Construction of Covered Waste Collection Area	621,180.00
Landfill Extension	1,992.00
Local Road Signs	741.00
TOTAL	7,588,465.00

Companion Animals Act 1998 and Companion Animals Regulation 2008

POUND DATA: ANIMAL CONTROL STATISTICS 2019/20		
Activity	Total Dogs	Total Cats
Seized	517	473
Returned/Released to Owner	163	17
Left at Council's mini-pound/drop off facility	0	0
Surrendered	145	74
Number microchipped	158	15
Released for re-homing	354	192

COMPLIANCE WITH COMPANION ANIMAL ACT 1988 (CA ACT) AND THE COMPANION ANIMAL REGULATION 2008	
Dog Attacks	Council lodged compliant returns to the Office of Local Government of pound data collection returns and dog attack incident data. During 2019/20 there were 6 dog attack incidents recorded.
Community Education Programs	Council did not implement any community education programs during 2019/20. Council Ranger microchipped 70 animals for free during 2019/20.
Strategies To Promote De-Sexing	Council constantly updates information on its webpage in relation to Companion Animals and benefits associated with desexed animals. Pamphlets and flyers are available at Council's Administrative Centre promoting desexing.
Strategies To Comply With Section 64 of the Companion Animals Act 1998	Council is working collaboratively with local animal rescue organisations. During the 2019/20 financial year 354 dogs and 192 cats were released for rehoming. Council's euthanasia rate is approximately 6% of the total number of impounded animals.
Dog Off Leash Areas	Council provides two dog off leash areas for the residents of Broken Hill to exercise their dogs: <ul style="list-style-type: none"> • Patton Park – Broken Hill South • Queen Elizabeth Park – Broken Hill North
Funding	No additional funding was spent on Companion Animal Management and activities during 2019/20, other than providing animal control services.

Carers Recognition Act 2010

Council auspices several carer programs and activities to support carers in their caring role. Council maintains a record of staff who identify as 'carers' as defined under the Act and are considerate of the impact this may have on their work life.

The Workplace Consultative Committee are kept up to date on changes in legislation impacting carers and the role of the organisation in supporting those staff. Further information on carer activities and education is frequently distributed throughout the Council and to various community stakeholders.

Disability Inclusion Action Plan

Council's Disability Inclusion Action Plan 2017-2021 was adopted by Council on 28 June 2017, minute number 45563. The Plan was created with the input of the Disability Inclusion Action Plan Working Group and the many community members who gave comments via survey or in face-to-face consultations. Many organisations also assisted Council to engage people with disability to participate in this process, including the Rural and Remote Autism Network; NSW Ability Links Orana Far West; YMCA Broken Hill (and YMCA NSW); CareWest; Silverlea Services; Silverlea Early Childhood Services; Life Without Barriers; and the NSW Department of Family and Community Services Far West/Murrumbidgee District. In addition, staff within Broken Hill City Council provided significant contributions to the development of this Plan. See Achievements in Our Disability Inclusion Action Plan - Focus Areas (page 48-50) for Council's progress on Implementation of the Plan.

Environmental Planning and Assessment Act 1979

Voluntary Planning Agreement between Broken Hill City Council and Perilya. This voluntary planning agreement (VPA) was developed to comply with condition 15 of the planning approval issued by the NSW Department of Planning, for the recommencement of the North Mine.

The Planning Agreement requires a one-off monetary contribution of \$280,000 towards road works, as well as an annual contribution of \$20,000 towards road maintenance costs. The road works relate to Gypsum Street/South Road intersection (east bound left turn lane) and Gypsum Street (westbound lane from South Road).

The Planning Agreement also requires the Developer to carry out Community Enhancement Works every year. The community enhancement works were introduced by the developer and consist of works and contributions that will benefit the community.

Perilya has paid the initial monetary contributions to Council as required, for the road intersection works and maintenance works.

A statement detailing the recovery and threat abatement plans in accordance with Fisheries Management Act 1994, s220ZT(2): No data to report for 2019/20.

Swimming Pools Act 1992

Inspections of private swimming pools 2019/20 in accordance with the Swimming Pools Act 1992, s22f(2) and the Swimming Pools Regulation 2018 cl23	
Number of inspections of tourist and visitor accommodation	15
Number of inspections of premises with more than 2 dwellings	2
Number of inspections that resulted in issuance of a certificate of compliance under section 22D of the Act	19
Number of inspections that resulted in issuance of a certificate of non-compliance under clause 21 of the Regulation	18

Government Information (Public Access) Act 2009 and Regulation

Council is committed to the following principles regarding public access to documents and information:

- Open and transparent government
- Consideration of the overriding public interest in relation to access requests
- Proactive disclosure and dissemination of information
- Respect for the privacy of individuals

Council is committed to the principle of open government as set out in its Code of Business Practice Policy. During 2019/20 Council received **seven** applications under the *Government Information (Public Access) (GIPA) Act 2009*. In each case, the application was processed within the statutory timeframe. The statistical information below regarding access applications to Council in 2019/20, is provided in accordance with Schedule 2 of the *Government Information (Public Access) Regulation 2018*.

SUMMARY OF APPLICATIONS UNDER GIPA ACT		1 JULY 2019 – 30 JUNE 2020
NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME*		
Private sector business - Access granted in full		1
Private sector business - Access granted in part		2
Members of the public (by legal representative) - Access granted in full		3
Members of the public (other) - Information not held		1
*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		
NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME*		
Access applications (other than personal information applications) - Access granted in full		4
Access applications (other than personal information applications) - Access granted in part		2
Access applications (other than personal information applications) - Information not held		1
*A personal information application is an access application for personal information (as defined in clause 4 of the Schedule 4 to the Act) about the applicant (the applicant being an individual)		
INVALID APPLICATIONS		
No data to report for 2019/20.		
CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT		
No data to report for 2019/20.		
OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT		
No data to report for 2019/20.		
TIMELINES		
Decided within the statutory timeframe (20 days plus and extensions)		7
NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)		
No data to report for 2019/20.		
NUMBER OF APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)		
No data to report for 2019/20.		
NUMBER OF APPLICATIONS TRANSFERRED TO OTHER AGENCIES		
No data to report for 2019/20.		

Public Interest Disclosures Act 1994 and Regulation 2011

Section 31 of the *Public Interest Disclosures Act 1994* requires each public authority, within 4 months after the end of each reporting year, to prepare an annual report on the public authority's obligations under the Act for submission to the Minister responsible for the public authority. A copy of this report is also to be provided to the Ombudsman.

THE PUBLIC INTEREST DISCLOSURES REGULATION 2011, REQUIRES THE FOLLOWING INFORMATION TO BE INCLUDED IN THE PUBLIC INTEREST DISCLOSURES ANNUAL REPORT:		
	REQUIREMENT	STATISTIC
(a)	The number of public officials who have made a public interest disclosure to the public authority	Nil
(b)	The number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following: <ul style="list-style-type: none"> i) corrupt conduct ii) maladministration iii) serious and substantial waste of public money or local government money (as appropriate) iv) Government information contraventions v) local government pecuniary interest contraventions 	Nil Nil Nil Nil Nil Nil
(c)	The number of public interest disclosures finalised by the public authority	Nil
(d)	Whether the public authority has a public interest disclosure policy in place	A copy of Council's Reporting of Public Interest Disclosures Policy is available on Council's website www.brokenhill.nsw.gov.au
(e)	What actions the head of the public authority has taken to ensure that his or her staff awareness responsibilities under section 6E (1) (b) of the Act have been met.	<ul style="list-style-type: none"> • Council's reviewed Reporting of Public Interest Disclosures Policy was adopted by Council 25 September 2019 and is available on Council's website and intranet site. • Information on Policies and Procedures is also included in Council's Corporate Induction Program. • NSW Ombudsman PID Awareness eLearning module provided to staff.

DOING BUSINESS WITH COUNCIL

CUSTOMER RELATIONS

The Customer Relations team is Council's first contact point for the community. The Customer Relations team is available for face-to-face enquires from 9am to 4pm and telephone enquiries from 8.30am to 5pm, Monday to Friday. Council's cashier closes at 4pm daily.

PUBLIC OFFICER

Council's Public Officer can provide information on Council's plans, policy documents and information under the *Government Information (Public Access) Act 2009*.

COUNCIL NOTICES

Council advertises regularly in the Barrier Daily Truth newspaper, including information about proposed developments, draft policies, positions vacant, public notices and Council meeting dates and times. Council advertises in other publications when relevant.

COUNCIL WEBSITE

Council's website can be accessed at www.brokenhill.nsw.gov.au. The website includes information about Council services, media releases, positions vacant, booking information for Council facilities, forms and online payments. Public documents can also be accessed on the website and includes Business Papers, Integrated Planning and Reporting documents, Plans and Policies.

CORRESPONDENCE

All correspondence to Council should be addressed to the General Manager and forwarded to:

Broken Hill City Council
PO Box 448
BROKEN HILL NSW 2880
Email: council@brokenhill.nsw.gov.au

COUNCIL CONTACT DIRECTORY

CONTACT	CONTACT DETAILS
IN PERSON	Council Administrative Centre 240 Blende Street Broken Hill NSW 2880 9am to 4pm
POST	Broken Hill City Council PO Box 448 Broken Hill NSW 2880
PHONE	08 8080 3300 – 8.30am to 5pm
FAX	08 8088 3424
EMAIL	council@brokenhill.nsw.gov.au
OPENING HOURS	9am to 4pm Monday to Friday Cashier closes at 4pm
EMERGENCY NUMBERS	
ANIMAL CONTROL	02 8579 0325
PARKS and ROADS	0408 858 368

SECTION 3: FINANCIAL STATEMENTS 2019/2020 APPENDIX

Broken Hill City Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020

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Overview

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

240 Blende Street
Broken Hill NSW 2880

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.brokenhill.nsw.gov.au

Broken Hill City Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Financial Statements 2020

Financial Statements 2020

Broken Hill City Council

General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

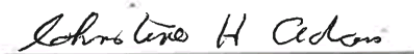
Signed in accordance with a resolution of Council made on 30 September 2020.



DARRIEA TURLEY AM

Mayor

30 September 2020



CHRISTINE ADAMS

Councillor

30 September 2020



JAMES RONCON

General Manager

30 September 2020



JAY NANKIVELL

Responsible Accounting Officer

30 September 2020

Broken Hill City Council

Financial Statements 2020

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
Income from continuing operations				
18,480	Rates and annual charges	3a	18,473	18,041
3,707	User charges and fees	3b	2,937	11,125
327	Other revenues	3c	470	685
5,510	Grants and contributions provided for operating purposes	3d,3e	6,728	6,272
2,110	Grants and contributions provided for capital purposes	3d,3e	1,684	2,813
1,167	Interest and investment income	4	53	1,548
—	Rental income	13	212	—
—	Net share of interests in joint ventures and associates using the equity method	18	—	1,461
31,301	Total income from continuing operations		30,557	41,945
Expenses from continuing operations				
14,311	Employee benefits and on-costs	5a	12,463	13,671
582	Borrowing costs	5b	737	788
5,111	Materials and contracts	5c	9,580	11,575
6,532	Depreciation and amortisation	5d	7,147	6,941
4,135	Other expenses	5e	4,831	5,272
—	Net losses from the disposal of assets	6	131	581
—	Net share of interests in joint ventures and associates using the equity method	18	102	—
30,671	Total expenses from continuing operations		34,991	38,828
630	Operating result from continuing operations		(4,434)	3,117
630	Net operating result for the year		(4,434)	3,117
630	Net operating result attributable to council		(4,434)	3,117
(1,480)	Net operating result for the year before grants and contributions provided for capital purposes		(6,118)	304

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
Net operating result for the year (as per Income Statement)		(4,434)	3,117
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	11	29,834	–
Total items which will not be reclassified subsequently to the operating result		29,834	–
Total other comprehensive income for the year		29,834	–
Total comprehensive income for the year		25,400	3,117
 Total comprehensive income attributable to Council		 25,400	 3,117

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	13,527	15,473
Investments	7(b)	6,000	9,000
Receivables	8	3,690	5,311
Inventories	9a	112	122
Other	9b	673	551
Current assets classified as 'held for sale'	10	190	–
Total current assets		24,192	30,457
Non-current assets			
Receivables	8	16	47
Infrastructure, property, plant and equipment	11	248,757	218,410
Investments accounted for using the equity method	18	1,359	1,461
Total non-current assets		250,132	219,918
Total assets		274,324	250,375
LIABILITIES			
Current liabilities			
Payables	14	3,456	3,664
Income received in advance	14	–	129
Contract liabilities	12	544	–
Borrowings	14	535	570
Provisions	15	3,835	4,060
Total current liabilities		8,370	8,423
Non-current liabilities			
Borrowings	14	11,957	12,522
Provisions	15	9,264	8,729
Total non-current liabilities		21,221	21,251
Total liabilities		29,591	29,674
Net assets		244,733	220,701
EQUITY			
Accumulated surplus	16	106,082	111,884
Revaluation reserves	16	138,651	108,817
Council equity interest		244,733	220,701
Total equity		244,733	220,701

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

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

Broken Hill City Council

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

Financial Statements 2020

	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Total equity \$ '000
Opening balance		111,884	108,817	220,701	108,767	108,817	217,584
Changes due to AASB 1058 and AASB 15 adoption	16	(1,368)	–	(1,368)	–	–	–
Restated opening balance		110,516	108,817	219,333	108,767	108,817	217,584
Net operating result for the year		(4,434)	–	(4,434)	3,117	–	3,117
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	11	–	29,834	29,834	–	–	–
Other comprehensive income		–	29,834	29,834	–	–	–
Total comprehensive income		(4,434)	29,834	25,400	3,117	–	3,117
Equity – balance at end of the reporting period		106,082	138,651	244,733	111,884	108,817	220,701

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

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

Broken Hill City Council

Financial Statements 2020

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
Cash flows from operating activities				
Receipts:				
17,804	Rates and annual charges		18,072	17,858
3,595	User charges and fees		2,792	14,122
984	Investment and interest revenue received		35	1,478
7,392	Grants and contributions		9,955	7,695
317	Other		3,439	1,309
Payments:				
(13,882)	Employee benefits and on-costs		(12,562)	(14,490)
(4,904)	Materials and contracts		(10,982)	(13,962)
(582)	Borrowing costs		(581)	(602)
—	Bonds, deposits and retention amounts refunded		(22)	(28)
(3,931)	Other		(6,572)	(4,883)
6,793	Net cash provided (or used in) operating activities	17b	3,574	8,497
Cash flows from investing activities				
Receipts:				
—	Sale of investment securities		3,000	—
—	Sale of infrastructure, property, plant and equipment		2	147
—	Deferred debtors receipts		61	36
Payments:				
—	Purchase of investment securities		—	(8,000)
(8,462)	Purchase of infrastructure, property, plant and equipment		(7,983)	(12,105)
(8,462)	Net cash provided (or used in) investing activities		(4,920)	(19,922)
Cash flows from financing activities				
Payments:				
(591)	Repayment of borrowings and advances		(600)	(611)
(591)	Net cash flow provided (used in) financing activities		(600)	(611)
(2,260)	Net increase/(decrease) in cash and cash equivalents		(1,946)	(12,036)
—	Plus: cash and cash equivalents – beginning of year	17a	15,473	27,509
(2,260)	Cash and cash equivalents – end of the year	17a	13,527	15,473
—	plus: Investments on hand – end of year	7(b)	6,000	9,000
(2,260)	Total cash, cash equivalents and investments		19,527	24,473

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

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

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 30 September 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

Council is a not for-profit entity.

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

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment
- (ii) estimated tip remediation provisions
- (iii) employee benefit provisions

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

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

Monies and other assets received by Council**(a) The Consolidated Fund**

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

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

- General purpose operations
- Waste management operations
- Civic centre operations
- Airport operations

continued on next page ...

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

(b) The Trust Fund

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

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Volunteer services

Council is committed to providing work experience and training opportunities to members of the Community. However, Council is equally committed to maintaining the highest possible employment levels.

Volunteers are therefore, not substitutes for paid employees but an acknowledged and valued addition to Council's community infrastructure

New accounting standards and interpretations issued not yet effective**New accounting standards and interpretations issued but not yet effective**

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

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

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

New accounting standards adopted during the year

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

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

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 16.

Broken Hill City Council

Financial Statements 2020

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

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

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).										
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
Our Community	1,610	2,428	7,962	8,929	(6,352)	(6,501)	895	1,511	215,097	196,321
Our Economy	2,590	3,019	7,595	8,401	(5,005)	(5,382)	1,841	1,983	10,754	9,814
Our Environment	4,380	11,360	3,605	3,688	775	7,672	92	485	6,310	5,762
Our Leadership	21,977	25,138	15,829	17,810	6,148	7,328	5,514	5,040	42,163	38,478
Total functions and activities	30,557	41,945	34,991	38,828	(4,434)	3,117	8,342	9,019	274,324	250,375

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements
for the year ended 30 June 2020Note 2(b). Council functions/activities - component descriptions

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

Our Community

Our Community is our people and how we can work together to ensure we position ourselves to retain our sense of identity, our health, wellbeing, social inclusion and connectedness.

Our Economy

In order to reduce our reliance on the mining industry, the community identified strategies that reflect a commitment and determination to expand our thinking and adapt to remain relevant in the world as it is today. This means building on existing economic platforms, like art, culture and tourism, and building on new opportunities such as technology, renewable energies and education.

Our Environment

Our environment relates to the conservation and preservation of the natural environment and the greater reduction of the human impact on the surrounding environment to ensure a sustainable and healthy community.

Our Leadership

Community leadership is essential to ensure the goal and objectives of the Broken Hill City Council's long term plan are achieved. Our leadership is a coordinated approach to add value and ownership of the Community Strategic Plan.

Broken Hill City Council

Financial Statements 2020

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

Note 3. Revenue from continuing operations

	AASB	2020 \$ '000	2019 \$ '000
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	9,924	9,685
Farmland	1058 (1)	11	14
Mining	1058 (1)	2,222	2,153
Business	1058 (1)	3,692	3,648
Less: pensioner rebates (mandatory)	1058 (1)	(431)	(440)
Less: pensioner rebates (Council policy)	1058 (1)	(16)	(16)
Less: rates levied on council properties	1058 (1)	(86)	(77)
Rates levied to ratepayers		15,316	14,967
Pensioner rate subsidies received	1058 (1)	208	212
Total ordinary rates		15,524	15,179
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1058 (1)	2,989	2,903
Less: pensioner rebates (mandatory)	1058 (1)	(148)	(151)
Annual charges levied		2,841	2,752
Pensioner subsidies received:			
– Domestic waste management	1058 (1)	108	110
Total annual charges		2,949	2,862
TOTAL RATES AND ANNUAL CHARGES		18,473	18,041

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

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

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

Accounting policy for rates and charges

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

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

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

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

2019 accounting policy

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	2020 \$ '000	2019 \$ '000
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Waste management services (non-domestic)	15 (1)	817	785
Total specific user charges		817	785
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services	15 (1)	54	57
Private works – section 67	15 (1)	89	1,059
Regulatory/ statutory fees	15 (1)	154	133
Section 10.7 certificates (EP&A Act)	15 (1)	69	73
Section 603 certificates	15 (1)	30	32
Other	15 (1)	–	1
Animal control	15 (1)	49	58
Total fees and charges – statutory/regulatory		445	1,413
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Parking fees	15 (1)	39	71
Waste disposal tipping fees	15 (1)	324	412
Art gallery	15 (1)	129	118
Airport	15 (1)	481	655
Burial fees	15 (1)	179	222
Rental income	15 (1)	–	230
Land development	15 (1)	89	59
Living desert fees	15 (1)	144	188
Museum	15 (1)	1	31
Private Works - Pipeline	15 (1)	–	6,569
Public halls	15 (1)	7	20
Royalties	15 (1)	67	115
Swimming centre / pool	15 (1)	46	–
Other	15 (1)	51	28
Tourism and area promotion	15 (1)	118	209
Total fees and charges – other		1,675	8,927
TOTAL USER CHARGES AND FEES		2,937	11,125

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

15 (1) indicates income recognised under AASB 15 “at a point in time”.

Accounting policy for user charges and fees

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

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

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

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

2019 accounting policy

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

	AASB	2020 \$ '000	2019 \$ '000
(c) Other revenues			
Legal fees recovery – rates and charges (extra charges)	1058 (1)	48	118
Commissions and agency fees	1058 (1)	24	58
Diesel rebate	1058 (1)	138	19
Insurance claims recoveries	1058 (1)	2	–
Sales – general	15 (1)	103	139
Sundry income	1058 (1)	155	351
TOTAL OTHER REVENUE		470	685

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

15 (1) indicates income recognised under AASB 15 “at a point in time”.

1058 (1) indicates income recognised under AASB 1058 “at a point in time”.

Accounting policy for other revenue

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

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

2019 accounting policy:

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

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

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Broken Hill City Council

Financial Statements 2020

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

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	1058 (1)	2,196	2,171	–	–
Financial assistance – local roads component	1058 (1)	252	240	–	–
Payment in advance - future year allocation					
Financial assistance	1058 (1)	2,593	2,499	–	–
Total general purpose		5,041	4,910	–	–
Specific purpose					
Community centres	1058 (1)	–	–	–	506
Economic development	1058 (1)	225	–	83	430
Environmental programs	1058 (1)	–	–	–	273
Heritage and cultural	1058 (1)	21	82	683	–
Library	1058 (1)	375	175	–	149
Noxious weeds	1058 (1)	6	9	–	–
Recreation and culture	1058 (1)	2	2	–	–
Transport (roads to recovery)	1058 (1)	466	53	–	–
Transport (other roads and bridges funding)	1058 (1)	413	864	432	1,067
Art gallery	1058 (1)	100	111	–	–
Parks and reserves and horticulture	1058 (1)	–	–	56	388
Other	1058 (2)	9	–	410	–
Airport	1058 (2)	–	–	20	–
Total specific purpose		1,617	1,296	1,684	2,813
Total grants		6,658	6,206	1,684	2,813
Grant revenue is attributable to:					
– Commonwealth funding		5,109	4,976	20	1,122
– State funding		1,320	1,230	1,532	1,691
– Other funding		229	–	132	–
		6,658	6,206	1,684	2,813

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

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while
1058 (2) indicates income recognised under AASB 1058 "over time".

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
Notes					
(e) Contributions					
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	1058 (1)	18	–	–	–
Total developer contributions – cash		18	–	–	–
Total developer contributions	26	18	–	–	–
Other contributions:					
Cash contributions					
Heritage/cultural	1058 (1)	12	2	–	–
Recreation and culture	1058 (1)	30	37	–	–
Tourism	1058 (1)	5	27	–	–
Other	1058 (1)	5	–	–	–
Total other contributions – cash		52	66	–	–
Total other contributions		52	66	–	–
Total contributions		70	66	–	–
TOTAL GRANTS AND CONTRIBUTIONS		6,728	6,272	1,684	2,813

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

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

Accounting policy for grants and contributions**Accounting policy from 1 July 2019****Grant income under AASB 15**

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

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

Capital grants

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

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

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

Contributions

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

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

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

Accounting policy prior to 1 July 2019

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

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	296	4,608
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	–	13
Add: operating grants received for the provision of goods and services in a future period	596	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(4,325)
Less: operating grants received in a previous reporting period now spent and recognised as income	(260)	–
Unexpended and held as externally restricted assets (operating grants)	632	296
Capital grants		
Unexpended at the close of the previous reporting period	480	2,580
Add: capital grants recognised as income in the current period but not yet spent (2019 only)	–	118
Add: capital grants received for the provision of goods and services in a future period	470	–
Less: capital grants recognised in a previous reporting period now spent (2019 only)	–	(2,218)
Less: capital grants received in a previous reporting period now spent and recognised as income	(406)	–
Unexpended and held as externally restricted assets (capital grants)	544	480
Contributions		
Unexpended at the close of the previous reporting period	472	653
Add: contributions recognised as income in the current period but not yet spent	–	11
Less: contributions recognised in a previous reporting period now spent	(472)	(192)
Unexpended and held as externally restricted assets (contributions)	–	472

Note 4. Interest and investment income

	2020 \$ '000	2019 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	132	155
– Cash and investments	(79)	1,393
Total Interest and investment income	53	1,548
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	132	155
General Council cash and investments ¹	(79)	1,382
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	–	11

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income (continued)

	2020 \$ '000	2019 \$ '000
Total interest and investment revenue	53	1,548

Accounting policy for interest and investment revenue

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

⁽¹⁾ Interest returns were negative in 2020 due to market effects of the COVID-19 pandemic on managed funds.

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

	2020 \$ '000	2019 \$ '000
(a) Employee benefits and on-costs		
Salaries and wages	9,026	9,395
Employee termination costs (where material – other than vested leave paid)	78	256
Employee leave entitlements (ELE)	2,237	2,532
Superannuation	1,226	1,223
Workers' compensation insurance	246	381
Fringe benefit tax (FBT)	22	42
Other	–	32
Total employee costs	12,835	13,861
Less: capitalised costs	(372)	(190)
TOTAL EMPLOYEE COSTS EXPENSED	12,463	13,671

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.

	Notes	2020 \$ '000	2019 \$ '000
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		574	602
Total interest bearing liability costs		574	602
Total interest bearing liability costs expensed		574	602
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	15	163	186
Total other borrowing costs		163	186
TOTAL BORROWING COSTS EXPENSED		737	788

Accounting policy for borrowing costs

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

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Broken Hill City Council

Financial Statements 2020

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

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(c) Materials and contracts		
Raw materials and consumables	1,716	2,511
Contractor and consultancy costs	3,413	3,768
Auditors remuneration ²	71	57
Legal expenses:		
– Legal expenses: debt recovery	63	8
– Legal expenses: other	4,317	5,192
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	39
Total materials and contracts	9,580	11,575
TOTAL MATERIALS AND CONTRACTS	9,580	11,575

Accounting policy for materials and contracts

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

Operating leases (2019 only)

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

1. Operating lease payments are attributable to:

Information technology	–	39
	–	39

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	71	57
Remuneration for audit and other assurance services	71	57
Total Auditor-General remuneration	71	57
Total Auditor remuneration	71	57

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	Notes	2020 \$ '000	2019 \$ '000
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		636	496
Office equipment		89	13
Furniture and fittings		122	161
Infrastructure:	11		
– Buildings – non-specialised		1,898	1,874
– Buildings – specialised		92	83
– Other structures		304	501
– Roads		2,994	2,955
– Footpaths		160	160
– Stormwater drainage		126	126
– Swimming pools		250	249
– Other open space/recreational assets		100	294
Reinstatement, rehabilitation and restoration assets:			
– Tip assets		376	29
Total gross depreciation and amortisation costs		7,147	6,941
Total depreciation and amortisation costs		7,147	6,941
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		7,147	6,941

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

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 11 for IPPE asset.

Impairment of non-financial assets

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

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

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(e) Other expenses		
Advertising	178	68
Training costs (other than salaries and wages)	166	295
Travel expenses	201	269
Bad and doubtful debts	23	76
Bank charges	87	61
Contributions/levies to other levels of government	512	497
Councillor expenses – mayoral fee	39	39
Councillor expenses – councillors' fees	181	175
Donations, contributions and assistance to other organisations (Section 356)	233	331
Electricity and heating	492	605
Insurance	441	477
Investment fees	2	5
Internet access	305	224
Licenses and permits	38	12
Motor vehicles	23	63
Postage	58	67
Printing and stationery	84	99
Promotion	50	77
Street lighting	408	565
Subscriptions and publications	220	168
Telephone and communications	61	92
Water charges and consumption	732	703
Other	297	304
Total other expenses	4,831	5,272
TOTAL OTHER EXPENSES	4,831	5,272

Accounting policy for other expenses

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

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

	Notes	2020 \$ '000	2019 \$ '000
Property (excl. investment property)			
Proceeds from disposal – property		–	10
Less: carrying amount of property assets sold/written off		(43)	(25)
Net gain/(loss) on disposal		(43)	(15)
Plant and equipment	11		
Proceeds from disposal – plant and equipment		2	–
Less: carrying amount of plant and equipment assets sold/written off		(7)	–
Net gain/(loss) on disposal		(5)	–
Infrastructure	11		
Proceeds from disposal – infrastructure		–	137
Less: carrying amount of infrastructure assets sold/written off		(83)	(703)
Net gain/(loss) on disposal		(83)	(566)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(131)	(581)

Accounting policy for disposal of assets

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

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

Broken Hill City Council

Financial Statements 2020

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

Note 7(a). Cash and cash equivalents

	2020 \$ '000	2019 \$ '000
Cash and cash equivalents		
Cash on hand and at bank	2,518	1,237
Cash-equivalent assets		
– Managed funds	5,124	6,962
– Short-term deposits	5,885	7,274
Total cash and cash equivalents	13,527	15,473

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Investments				
b. 'Financial assets at amortised cost'	6,000	–	9,000	–
Total Investments	6,000	–	9,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	19,527	–	24,473	–
Financial assets at amortised cost				
Long term deposits	6,000	–	9,000	–
Total	6,000	–	9,000	–

Accounting policy for investments

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and

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for the year ended 30 June 2020

Note 7(b). Investments (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets through profit or loss

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

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

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

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for the year ended 30 June 2020

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

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total cash, cash equivalents and investments	19,527	–	24,473	–
attributable to:				
External restrictions	4,573	–	4,806	–
Internal restrictions	11,773	–	12,754	–
Unrestricted	3,181	–	6,913	–
	19,527	–	24,473	–

	2020 \$ '000	2019 \$ '000
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)

	544	–
External restrictions – included in liabilities	544	–

External restrictions – other

Developer contributions – general	–	472
Specific purpose unexpended grants (recognised as revenue) – general fund	632	776
Domestic waste management	2,715	2,935
Royalties	682	623

External restrictions – other	4,029	4,806
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Total external restrictions	4,573	4,806
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Internal restrictions

Employees leave entitlement	805	851
Security bonds, deposits and retentions	22	46
Plant purchase reserve	971	971
Other (innovation reserve)	500	1,000
Other (infrastructure replacement)	2,421	9,120
Other (regional aquatic centre reserve)	–	103
Other	1,054	663
Other (Cultural Precinct Reserve)	6,000	–

Total internal restrictions	11,773	12,754
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TOTAL RESTRICTIONS	16,346	17,560
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Notes to the Financial Statements
for the year ended 30 June 2020

Note 8. Receivables

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Purpose				
Rates and annual charges	2,848	–	2,218	–
Grant Debtors	–	–	1,479	–
Interest and extra charges	621	–	556	–
User charges and fees	272	–	288	–
Accrued revenues				
– Interest on investments	21	–	68	–
– Other income accruals	63	–	436	–
GST receivable	228	–	589	–
Deferred debtors	31	16	61	47
Total	4,084	16	5,695	47
Less: provision of impairment				
Rates and annual charges	(236)	–	(194)	–
User charges and fees	(158)	–	(190)	–
Total provision for impairment – receivables	(394)	–	(384)	–
TOTAL NET RECEIVABLES	3,690	16	5,311	47
Unrestricted receivables	3,690	16	5,311	47
TOTAL NET RECEIVABLES	3,690	16	5,311	47

	2020 \$ '000	2019 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	384	334
+ new provisions recognised during the year	10	50
Balance at the end of the year	394	384

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

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

Impairment

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

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

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 3 years past due, whichever occurs first.

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

Rates and annual charges outstanding are secured against the property.

Broken Hill City Council

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

Note 9. Inventories and other assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
(a) Inventories				
(i) Inventories at cost				
Trading stock	112	—	122	—
Total inventories at cost	112	—	122	—
TOTAL INVENTORIES	112	—	122	—

(b) Other assets

Prepayments	673	—	551	—
TOTAL OTHER ASSETS	673	—	551	—

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total unrestricted assets	785	—	673	—
TOTAL INVENTORIES AND OTHER ASSETS	785	—	673	—

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

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

(i) Non-current assets and disposal group assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Non-current assets 'held for sale'				
Land	190	—	—	—
Total non-current assets 'held for sale'	190	—	—	—
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	190	—	—	—

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Notes to the Financial Statements

for the year ended 30 June 2020

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

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

	2020 Assets 'held for sale' \$ '000	2019 Assets 'held for sale' \$ '000
Plus new transfers in:		
– Assets 'held for sale'	190	–
Closing balance of 'held for sale' non-current assets and operations	190	–

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

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Note 11. Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period									as at 30/06/20		
	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000	Additions renewals ⁽¹⁾ \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	WIP transfers \$ '000	Adjustments and transfers \$ '000	Tfrs from/(to) 'held for sale' category \$ '000	Revaluation increments / (decrements) to equity (ARR) \$ '000		Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	3,990	–	3,990	2,845	1,109	–	–	(1,612)	–	–	–		6,332	–	6,332
Plant and equipment	11,701	(7,462)	4,239	184	322	(7)	(636)	–	1,127	–	–		13,521	(8,292)	5,229
Office equipment	1,609	(1,288)	321	60	6	–	(89)	51	149	–	–		1,933	(1,435)	498
Furniture and fittings	2,464	(1,346)	1,118	74	–	–	(122)	16	24	–	–		2,581	(1,471)	1,110
Land:															
– Operational land	3,370	–	3,370	–	63	–	–	21	21	(190)	(133)		3,152	–	3,152
– Community land	2,522	–	2,522	–	–	(43)	–	–	(4)	–	(559)		1,916	–	1,916
– Crown Land	1,022	–	1,022	–	–	–	–	–	–	–	(112)		910	–	910
Infrastructure:															
– Buildings – non-specialised	103,641	(61,103)	42,538	190	458	–	(1,898)	282	204	–	5,028		98,848	(52,046)	46,802
– Buildings – specialised	7,953	(5,388)	2,565	234	597	–	(92)	1,050	60	–	27		8,940	(4,501)	4,439
– Other structures	14,133	(10,716)	3,417	5	280	–	(304)	–	615	–	344		15,064	(10,707)	4,357
– Roads	196,604	(92,709)	103,895	735	9	(83)	(2,994)	145	–	–	23,964		195,990	(70,319)	125,671
– Footpaths	12,817	(6,295)	6,522	125	–	–	(160)	–	–	–	795		12,227	(4,945)	7,282
– Stormwater drainage	13,518	(5,417)	8,101	–	–	–	(126)	–	22	–	(471)		12,970	(5,444)	7,526
– Swimming pools	17,930	(4,045)	13,885	211	–	–	(250)	47	–	–	1,124		19,825	(4,808)	15,017
– Other open space/recreational assets	5,709	(2,178)	3,531	–	101	–	(100)	–	(1,740)	–	(173)		3,396	(1,777)	1,619
Other assets:															
– Library books	352	(352)	–	–	–	–	–	–	–	–	–		352	(352)	–
– Art	9,756	(51)	9,705	–	–	–	–	–	–	–	–		9,756	(51)	9,705
– Other	278	(227)	51	–	–	–	–	–	–	–	–		278	(227)	51
Reinstatement, rehabilitation and restoration assets (refer Note 11):															
– Tip assets	12,423	(4,805)	7,618	377	–	–	(376)	–	(478)	–	–		12,799	(5,658)	7,141
Total Infrastructure, property, plant and equipment	421,792	(203,382)	218,410	5,040	2,945	(133)	(7,147)	–	–	(190)	29,834		420,790	(172,033)	248,757

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

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

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Note 11. Infrastructure, property, plant and equipment (continued)

	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000	Additions renewals ¹ \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	WIP transfers \$ '000	Adjustments and transfers \$ '000	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	8,287	–	8,287	1,412	1,878	(325)	–	(7,262)	–	3,990	–	3,990
Plant and equipment	10,673	(6,967)	3,706	686	281	–	(496)	62	–	11,701	(7,462)	4,239
Office equipment	1,286	(1,275)	11	317	3	–	(13)	3	–	1,609	(1,288)	321
Furniture and fittings	1,387	(1,185)	202	351	726	–	(161)	–	–	2,464	(1,346)	1,118
Land:												
– Operational land	3,437	–	3,437	–	–	(25)	–	3	(45)	3,370	–	3,370
– Community land	3,499	–	3,499	–	–	–	–	–	(977)	2,522	–	2,522
– Crown Land	–	–	–	–	–	–	–	–	1,022	1,022	–	1,022
Infrastructure:												
– Buildings – non-specialised	97,995	(60,458)	37,537	122	55	(349)	(1,874)	7,047	–	103,641	(61,103)	42,538
– Buildings – specialised	7,901	(5,311)	2,590	29	–	–	(83)	29	–	7,953	(5,388)	2,565
– Other structures	14,005	(10,265)	3,740	181	–	(15)	(501)	12	–	14,133	(10,716)	3,417
– Roads	194,065	(89,756)	104,309	2,327	207	–	(2,955)	7	–	196,604	(92,709)	103,895
– Footpaths	12,817	(6,135)	6,682	–	–	–	(160)	–	–	12,817	(6,295)	6,522
– Stormwater drainage	13,510	(5,291)	8,219	–	–	–	(126)	8	–	13,518	(5,417)	8,101
– Swimming pools	17,834	(3,795)	14,039	93	2	–	(249)	–	–	17,930	(4,045)	13,885
– Other open space/recreational assets	4,594	(1,883)	2,711	1,008	29	(14)	(294)	91	–	5,709	(2,178)	3,531
Other assets:												
– Library books	352	(352)	–	–	–	–	–	–	–	352	(352)	–
– Art	278	(227)	51	–	–	–	–	–	–	278	(227)	51
– Other	9,756	(49)	9,707	–	–	–	–	–	–	9,756	(51)	9,705
Reinstatement, rehabilitation and restoration assets (refer Note 11):												
– Tip assets	9,571	(4,324)	5,247	2,400	–	–	(29)	–	–	12,423	(4,805)	7,618
Total Infrastructure, property, plant and equipment	411,247	(197,273)	213,974	8,926	3,181	(728)	(6,941)	–	–	421,792	(203,382)	218,410

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 35	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	25	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	80		
Kerb, gutter and footpaths	80		
Stormwater assets			
Drains	80 to 100		
Culverts	50 to 80		
Flood control structures	80 to 100		

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

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.

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Note 11. Infrastructure, property, plant and equipment (continued)

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.

Note 12. Contract assets and liabilities

	Notes	2020 Current \$ '000	2020 Non-current \$ '000
Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	544	—
Total grants received in advance		544	—
Total contract liabilities		544	—

Notes

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

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

	2020 Current \$ '000	2020 Non-current \$ '000
(i) Contract liabilities relating to restricted assets		
Externally restricted assets		
Unspent grants held as contract liabilities (excl. Water & Sewer)	544	—
Contract liabilities relating to externally restricted assets	544	—
Total contract liabilities relating to restricted assets	544	—
Total contract liabilities	544	—

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Contract assets and liabilities (continued)

	2020 \$ '000
(ii) Revenue recognised (during the financial year) from opening contract liability balances	
Grants and contributions received in advance:	
Capital grants (to construct Council controlled assets)	406
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	406

Significant changes in contract assets and liabilities

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

Accounting policy for contract assets and liabilities

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

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

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

Note 13. Leases

(ii) Council as a lessor

Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

	2020 \$ '000
(i) Operating lease income	
Rental income	212
Total income relating to operating leases	212
(ii) Operating lease expenses	
Rental income	36
Total expenses relating to operating leases	36

(iii) Repairs and maintenance: investment property

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Leases (continued)

	2020 \$ '000
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(iv) Maturity analysis of contractual lease income

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

< 1 year	155
1–2 years	50
Total undiscounted contractual lease income receivable	205

(v) Reconciliation of IPP&E assets leased out as operating leases**Accounting policy**

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

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

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

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

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Notes to the Financial Statements
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Note 14. Payables and borrowings

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Payables				
Goods and services – operating expenditure	1,356	–	2,768	–
Accrued expenses:				
– Borrowings	96	–	103	–
– Salaries and wages	335	–	205	–
– Other expenditure accruals	570	–	542	–
Security bonds, deposits and retentions	24	–	46	–
Prepaid rates	1,075	–	–	–
Total payables	3,456	–	3,664	–
Income received in advance (2019 only)				
Payments received in advance	–	–	129	–
Total income received in advance	–	–	129	–
Borrowings				
Loans – secured ⁽¹⁾	535	11,957	570	12,522
Total borrowings	535	11,957	570	12,522
TOTAL PAYABLES AND BORROWINGS	3,991	11,957	4,363	12,522

(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.

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total payables and borrowings relating to unrestricted assets	3,991	11,957	4,363	12,522
TOTAL PAYABLES AND BORROWINGS	3,991	11,957	4,363	12,522

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

Note 14. Payables and borrowings (continued)

(a) Changes in liabilities arising from financing activities

	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	13,092	(600)	–	–	–	–	12,492
TOTAL	13,092	(600)	–	–	–	–	12,492

	as at 30/06/18		Non-cash changes				as at 30/06/19
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Other non-cash movement \$ '000		Closing balance \$ '000
Loans – secured	13,703	(611)	–	–	–		13,092
TOTAL	13,703	(611)	–	–	–		13,092

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

(b) Financing arrangements

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

Credit cards/purchase cards	90	90
Loans – secured	12,492	12,861
Total financing arrangements	12,582	12,951

Drawn facilities as at balance date:

– Credit cards/purchase cards	9	35
– Loans – secured	12,492	12,861
Total drawn financing arrangements	12,501	12,896

Undrawn facilities as at balance date:

– Credit cards/purchase cards	81	55
Total undrawn financing arrangements	81	55

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Payables and borrowings (continued)

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.

Note 15. Provisions

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Provisions				
Employee benefits				
Annual leave	1,449	–	1,411	–
Sick leave	117	–	133	–
Long service leave	2,269	193	2,516	197
Sub-total – aggregate employee benefits	3,835	193	4,060	197
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	9,071	–	8,532
Sub-total – asset remediation/restoration	–	9,071	–	8,532
TOTAL PROVISIONS	3,835	9,264	4,060	8,729
Total provisions relating to unrestricted assets	3,835	9,264	4,060	8,729
TOTAL PROVISIONS	3,835	9,264	4,060	8,729

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Provisions (continued)

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

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

Provisions – employees benefits	2,404	2,448
	<u>2,404</u>	<u>2,448</u>

(b) Description of and movements in provisions

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2020		
At beginning of year	8,532	8,532
Additional provisions	376	376
Unwinding of discount	163	163
Total other provisions at end of year	<u>9,071</u>	<u>9,071</u>
2019		
At beginning of year	5,945	5,945
Additional provisions	2,401	2,401
Unwinding of discount	186	186
Total other provisions at end of year	<u>8,532</u>	<u>8,532</u>

Nature and purpose of non-employee benefit provisions**Asset remediation**

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

Accounting policy for provisions

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

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

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

Employee benefits**Short-term obligations**

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Provisions (continued)

Other long-term employee benefit obligations

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

On-costs

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

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

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

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

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

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

Rehabilitation

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

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

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

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

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

(ii) AASB 15 and AASB 1058

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

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

Costs incurred in fulfilling customer contracts

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

Revenue recognition from contract modifications

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

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

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

Principal v agent

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

Licences

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

Prepaid rates

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

Grants – operating

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

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Changes in presentation

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

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

\$ '000	Balance at 1 July 2019
---------	---------------------------

Opening contract balances at 1 July 2019**Contract liabilities**

– Under AASB 1058

1,368

Total Contract liabilities

1,368

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

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

Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	13,527	–	–	13,527	
Investments	6,000	–	–	6,000	
Receivables	3,690	–	–	3,690	
Inventories	112	–	–	112	
Other	673	–	–	673	
Current assets classified as 'held for sale'	190	–	–	190	
Total current assets	24,192	–	–	24,192	
Current liabilities					
Payables	3,456	–	(1,075)	2,381	
Contract liabilities	544	–	(544)	–	
Borrowings	535	–	–	535	
Provisions	3,835	–	–	3,835	
Total current liabilities	8,370	–	(1,619)	6,751	
Non-current assets					
Receivables	16	–	–	16	
Infrastructure, property, plant and equipment	248,757	–	–	248,757	

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Investments accounted for using equity method	1,359	—	—	1,359	
Total non-current assets	250,132	—	—	250,132	
Non-current liabilities					
Borrowings	11,957	—	—	11,957	
Provisions	9,264	—	—	9,264	
Total Non-current liabilities	21,221	—	—	21,221	
Net assets	244,733	—	1,619	246,352	
Equity					
Accumulated surplus	106,082	—	1,619	107,701	
Revaluation reserves	138,651	—	—	138,651	
Council equity interest	244,733	—	1,619	246,352	
Total equity	244,733	—	1,619	246,352	

Income Statement

\$ '000	Income Statement and comprehen- sive income under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Income Statement and comprehen- sive income under previous revenue standards	Notes
<u>Income from continuing operations</u>					
Rates and annual charges	18,473	—	187	18,660	
User charges and fees	2,937	—	—	2,937	
Other revenues	470	—	—	470	
Grants and contributions provided for operating purposes	6,728	—	—	6,728	
Grants and contributions provided for capital purposes	1,684	—	64	1,748	
Interest and investment income	53	—	—	53	
Rental income	212	—	—	212	
Total Income from continuing operations	30,557	—	251	30,808	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	12,463	—	—	12,463	
Borrowing costs	737	—	—	737	
Materials and contracts	9,580	—	—	9,580	
Depreciation and amortisation	7,147	—	—	7,147	
Other expenses	4,831	—	—	4,831	
Net losses from the disposal of assets	131	—	—	131	

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Net share of interests in joint ventures and associates using the equity method	102	—	—	102	
Total Expenses from continuing operations	34,991	—	—	34,991	
Total Operating result from continuing operations	(4,434)	—	251	(4,183)	
Net operating result for the year	(4,434)	—	251	(4,183)	
Total comprehensive income	25,400	—	251	25,651	

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Total assets	250,375	—	250,375
Contract liabilities	—	1,368	1,368
Total liabilities	29,674	1,368	31,042
Accumulated surplus	111,884	(1,368)	110,516
Total equity	220,701	(1,368)	219,333

(iii) AASB 16 Leases

Council as a lessee

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

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

(b) Changes in accounting policies due to adoption of new accounting standards (retrospective)

Council made no changes in accounting policies due to adoption of new accounting standards – retrospective

(c) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Broken Hill City Council

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

Note 17. Statement of cash flow information

Note 17. Statement of cash flow information

	Notes	2020 \$ '000	2019 \$ '000
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	13,527	15,473
Balance as per the Statement of Cash Flows		13,527	15,473
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		(4,434)	3,117
Adjust for non-cash items:			
Depreciation and amortisation		7,147	6,941
Net losses/(gains) on disposal of assets		131	581
Adoption of AASB 15/1058		(1,368)	–
Unwinding of discount rates on reinstatement provisions		163	186
Share of net (profits)/losses of associates/joint ventures using the equity method		102	(1,461)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		1,581	(603)
Increase/(decrease) in provision for impairment of receivables		10	50
Decrease/(increase) in inventories		10	(7)
Decrease/(increase) in other current assets		(122)	(396)
Increase/(decrease) in payables		(1,412)	123
Increase/(decrease) in accrued interest payable		(7)	–
Increase/(decrease) in other accrued expenses payable		158	284
Increase/(decrease) in other liabilities		924	(2,511)
Increase/(decrease) in contract liabilities		544	–
Increase/(decrease) in provision for employee benefits		(229)	(208)
Increase/(decrease) in other provisions		376	2,401
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		3,574	8,497

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
Joint arrangements	(102)	1,461	1,359	1,461
Total	(102)	1,461	1,359	1,461

Joint arrangements

(i) Joint arrangements

The following information is provided for joint arrangements that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Council is a member of the Far South West Joint Organisation (FSWJO) which includes Balranald Shire Council, Central Darling Shire Council, and Wentworth Shire Council. Details of Council's membership and participation are as follows:

Legal status of Joint Organisation

The Far West Joint Organisation is a body corporate proclaimed under the Local Government Act 1993 (the Act) with the legal capacity and powers of an individual.

While the principal functions of the joint organisation are provided for in the Act and through this Charter, powers are also conferred on the joint organisation as a statutory corporation under section 50 of the Interpretation Act 1987. Other functions may be conferred on a joint organisation by legislation and may be delegated to a joint organisation by one or more member councils.

The FSWJO has the same year end date as the Council.

What the Joint Organisation does

The principal functions of Far West Joint Organisation will be to:

- Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities
- Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities
- Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area.

Joint Organisation participants

The percentage ownership interest held is equivalent to the percentage voting rights for all associates as follows: FSWJO comprises the Councils of the Shires of Central Darling, Wentworth, Balranald and the City of Broken Hill. The Board of the FSWJO comprises 4 voting members being the Mayors of the four member Councils, and non voting members being the General Managers of four member councils, as well as 2 appointed members from the State Government and Cabinet (non-voting). Mark A Forbes is appointed as the Executive Officer of the Board (non-voting).

Council's powers of control or influence over the Joint Organisation

Broken Hill City Council, as a member of the FSWJO, has a one quarter voting right in respect to the decisions of the Board.

Council's financial obligations to the Joint Organisation

In accordance with the Charter of the FSWJO the annual financial contribution required to be made by each Associate Member is to be based on a methodology adopted by the Board. The contribution made by Broken Hill City Council in 2018/2019 was nil.

Council's liability obligations in relation to the Joint Organisation

Members of the FSWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Interests in other entities (continued)

Liability for operational losses or winding up of the FNWJO

The FSWJO has engaged an Executive Officer on a standard Local Government employment contract. A provision has been provided for ELE and funding from the initial start-up of the FSWJO.

There are no liability issues identified for Council in the short to medium term.

(a) Net carrying amounts – Council's share

	Nature of relationship	Measurement method	2020 \$ '000	2019 \$ '000
Far Southwest Joint Organisation			1,359	1,461
Total carrying amounts – material joint ventures			1,359	1,461

(b) Summarised financial information for joint organisations

	Far Southwest Joint Organisation	
	2020 \$ '000	2019 \$ '000
Statement of financial position		
Current assets		
Cash and cash equivalents	5,371	6,369
Other current assets	24	1
Non-current assets	35	41
Current liabilities		
Other current liabilities	(6)	567
Net assets	5,436	5,844
Reconciliation of the carrying amount		
Opening net assets (1 July)	5,844	–
Profit/(loss) for the period	(408)	5,844
Closing net assets	5,436	5,844
Council's share of net assets (%)	25.0%	25.0%
Council's share of net assets (\$)	1,359	1,461
Share of income – Council (%)	25.0%	25.0%
Profit/(loss) – Council (\$)	(102)	1,461
Total comprehensive income – Council (\$)	(102)	1,461
Summarised Statement of cash flows		
Cash flows from operating activities	(406)	6,418
Cash flows from investing activities	(592)	(49)
Net increase (decrease) in cash and cash equivalents	(998)	6,369

Accounting policy for joint arrangements

The council has determined that it has only joint operations

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Interests in other entities (continued)

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

Broken Hill City Council

Financial Statements 2020

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

Note 19. Commitments

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

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

Property, plant and equipment

Infrastructure	6,621	4,808
Plant and equipment	940	130
Total commitments	7,561	4,938

These expenditures are payable as follows:

Within the next year	7,561	4,938
Total payable	7,561	4,938

Sources for funding of capital commitments:

Internally restricted reserves	7,561	4,938
Total sources of funding	7,561	4,938

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies

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

LIABILITIES NOT RECOGNISED**1. Guarantees****(i) Defined benefit superannuation contribution plans**

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

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

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

Description of the funding arrangements.

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

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

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

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

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

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

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

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies (continued)

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$182,166.46. The last valuation of the Scheme was performed by Actuary, Mr Richard Boyfield FIAA as at 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$165,824.96.

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

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

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

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

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

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

* Plus promotional increases

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

(ii) 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.

(iii) 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.

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies (continued)

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.

(iii) Refurbishment Project litigation

Litigation is ongoing for a compensation claim against the party (parties) involved with a refurbishment project. The Council are of the opinion that the compensation claim will be successful. The amount is not yet quantifiable.

Broken Hill City Council

Financial Statements 2020

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

Note 21. Financial risk management

Risk management

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

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

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

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

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

	Carrying value 2020 \$ '000	Carrying value 2019 \$ '000	Fair value 2020 \$ '000	Fair value 2019 \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	13,527	15,473	13,527	15,473
Receivables	3,706	5,358	3,706	5,358
Investments				
– 'Financial assets at amortised cost'	6,000	9,000	6,000	9,000
Total financial assets	23,233	29,831	23,233	29,831
Financial liabilities				
Payables	3,456	3,664	3,456	3,664
Loans/advances	12,492	13,092	12,492	13,092
Total financial liabilities	15,948	16,756	15,948	16,756

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
2020				
Possible impact of a 1% movement in interest rates	195	195	(195)	(195)
2019				
Possible impact of a 1% movement in interest rates	244	244	(244)	(244)

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

(b) Credit risk

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

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

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

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

The level of outstanding receivables is reported to Council 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.

Credit risk profile

Receivables – rates and annual charges

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

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	–	161	163	460	2,064	2,848
2019						
Gross carrying amount	–	269	255	408	1,286	2,218

Receivables - non-rates and annual charges

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

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

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	539	(4)	3	13	701	1,252
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	22.54%	12.62%
ECL provision	–	–	–	–	158	158
2019						
Gross carrying amount	2,652	601	37	10	224	3,524
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	85.00%	5.40%
ECL provision	–	–	–	–	190	190

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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

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

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

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2020							
Trade/other payables	0.00%	24	2,357	–	–	2,381	2,381
Loans and advances	4.48%	–	1,101	4,061	12,945	18,107	12,492
Total financial liabilities		24	3,458	4,061	12,945	20,488	14,873
2019							
Trade/other payables	0.00%	46	3,618	–	–	3,664	3,664
Loans and advances	4.49%	–	1,189	4,147	13,960	19,296	13,092
Total financial liabilities		46	4,807	4,147	13,960	22,960	16,756

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 26/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----		
REVENUES					
Rates and annual charges	18,480	18,473	(7)	0%	U
User charges and fees	3,707	2,937	(770)	(21)%	U
Reduction in revenue resulting from closure of Council facilities and general down turn in economic activity as result of Covid 19.					
Other revenues	327	470	143	44%	F
Recovery of fuel rebates from previous years					
Operating grants and contributions	5,510	6,728	1,218	22%	F
Additional Commonwealth Financial Assistance Grant and contribution from the Far West Joint Organisation that were not included in the original budget.					
Capital grants and contributions	2,110	1,684	(426)	(20)%	U
Covid 19 related delays in the airport fencing project delayed grant progress claims on the project.					
Interest and investment revenue	1,167	53	(1,114)	(95)%	U
Reduced return on investments and term deposits caused by Covid 19 related market downturn.					

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
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EXPENSES

Employee benefits and on-costs	14,311	12,463	1,848	13%	F
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Report reclassification of some employee expenses to other expenses after the original budget was approved. Periods of vacancy in several positions and a greater proportion of wages and salaries costed to capital projects as a result of Council using in house resources.

Borrowing costs	582	737	(155)	(27)%	U
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Discount adjustments relating to movements in the provision for tip remediation were not included in the original budget.

Materials and contracts	5,111	9,580	(4,469)	(87)%	U
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Additional unexpected expenditure on computer consultants, plant hire to cover major breakdowns, contract staff to fill temporary vacancies in key positions and legal expenses attributable to the Civic Centre litigation.

Depreciation and amortisation	6,532	7,147	(615)	(9)%	U
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Other expenses	4,135	4,831	(696)	(17)%	U
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Report reclassification of some employee expenses to other expenses after the original budget was approved.

Net losses from disposal of assets	–	131	(131)	∞	U
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Losses on disposal of assets were not anticipated in the original budget.

Joint ventures and associates – net losses	–	102	(102)	∞	U
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Joint organisation net losses were not anticipated in the original budget.

STATEMENT OF CASH FLOWS

Cash flows from operating activities	6,793	3,574	(3,219)	(47)%	U
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Additional unexpected expenditure on computer consultants, plant hire to cover major breakdowns, contract staff to fill temporary vacancies in key positions and legal expenses attributable to the Civic Centre litigation.

Cash flows from investing activities	(8,462)	(4,920)	3,542	(42)%	F
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Sale of term deposits not included in the original budget.

Cash flows from financing activities	(591)	(600)	(9)	2%	U
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Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2020	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	
Infrastructure, property, plant and equipment					
Operational land	30/06/20	–	972	2,180	3,152
Community land	30/06/20	–	–	1,916	1,916
Crown land	30/06/20	–	–	910	910
Buildings – non-specialised	30/06/20	–	–	46,802	46,802
Buildings – specialised	30/06/20	–	–	4,439	4,439
Other structures	30/06/20	–	–	4,357	4,357
Roads	30/06/20	–	–	125,671	125,671
Footpaths	30/06/20	–	–	7,282	7,282
Stormwater drainage	30/06/20	–	–	7,526	7,526
Swimming pools	30/06/20	–	–	15,017	15,017
Open spaces and other recreation	30/06/20	–	–	1,619	1,619
Art	30/06/17	–	2,852	6,853	9,705
Other	30/06/20	–	–	51	51
Tip remediation	30/06/20	–	–	7,141	7,141
Total infrastructure, property, plant and equipment		–	3,824	231,764	235,588

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Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Infrastructure, property, plant and equipment					
Operational land	30/06/17	–	875	2,495	3,370
Community land	30/06/17	–	–	2,522	2,522
Crown land	30/06/17	–	–	1,022	1,022
Buildings – non-specialised	30/06/17	–	–	42,536	42,536
Buildings – specialised	30/06/17	–	–	2,565	2,565
Other structures	30/06/17	–	–	3,417	3,417
Roads	30/06/17	–	–	103,895	103,895
Footpaths	30/06/17	–	–	6,522	6,522
Stormwater drainage	30/06/17	–	–	8,101	8,101
Swimming pools	30/06/17	–	–	13,885	13,885
Open spaces and other recreation	30/06/17	–	–	3,531	3,531
Art	30/06/17	–	2,852	6,855	9,707
Other	30/06/17	–	–	51	51
Tip remediation	30/06/17	–	–	7,618	7,618
Total infrastructure, property, plant and equipment		–	3,727	205,015	208,742

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

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

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

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

Financial assets

Council has invested in financial assets including term deposits.

Council values these assets at fair value based on valuations provided at the end of each month and year end that are prepared by external industry experts in the finance field.

Although there are markets for these financial assets, they have been deemed by Council to be inactive and as such these assets have been classified as level 3. Valuation techniques remained the same for the reporting period.

Infrastructure, property, plant and equipment (IPPE)**Community land**

Assets within the "Community Land" class are:

- Council owned land and
- Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. Asset Val Pty Ltd revalued all Operational Land as at 30 June 2020.

Council's operational land is valued using a modelled market based valuation process.

The majority of land is subject to directly observable comparable local market evidence, hence these assets are considered level 2. However there is land that is not subject to directly observable local market evidence as well as, if Council obtains an asset in the future for which this valuation process is not available, the replacement cost will be used. Replacement cost will

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Stormwater drainage

The Stormwater Drainage asset class consists of Council's pits and Culverts. Assetval Pty Ltd completed the valuation of these assets using replacement cost approach and the last valuation was completed in June 2020.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement on behalf of Australis, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Other structure

Council's other structure assets comprise of fences, flagpoles, monuments and the like.

Council engaged Assetval Pty Ltd to value all buildings, structures and shelters in 2020.

The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined using technical knowledge from council staff (engineers and asset management) and external valuers. Other significant inputs considered in the valuation of these assets are condition rating, remaining useful life, pattern of consumption, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Buildings – non specialised and specialised

Council engaged Assetval Pty Ltd to value all buildings and shelters in 2020. The valuation methodology adopted was based on current replacement cost of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable, the asset class has been classified as Level 3. Valuation techniques remained the same for this reporting period.

Roads

Council's roads are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation. The revaluation of road assets is undertaken annually.

The valuation, which is completed by Assetval Pty Ltd, was completed in June 2020.

The current replacement cost approach was adopted to value Council roads. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of Australis.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components, residual value and type of road.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Footpaths

Council's footpath register consists of all pedestrian walkways and cycleways within the Council area.

Assetval Pty Ltd completed the valuation of the Footpath assets in 2020.

Replacement costs (unit rates) and useful lives of Council's footpaths were determined using technical knowledge Australis's professional judgement. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Open space / recreational assets

Council's recreational facilities includes assets within our sports fields and park locations. This includes but is not limited to, playing courts, playgrounds, and cricket nets. Assetval Pty Ltd was engaged in 2020 for the valuation of these assets. Replacement costs (unit rates) and useful lives of Council's recreational facilities were determined using technical knowledge from Council staff (engineers and asset management) and AVS's professional judgement. Some of the other significant inputs

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Broken Hill City Council

Financial Statements 2020

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

Note 23. Fair Value Measurement (continued)

considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Swimming pool

The swimming pool includes all assets located within the facility.

Assetval Pty Ltd valued the building components of the swimming pool in June 2020 as part of the building revaluation and other substantial components of the pool are valued using replacement cost method. Replacement costs were determined using square metre rates and other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, components, dimensions and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Plant and equipment, office equipment, and furniture and fittings

This asset category includes:

Plant & Equipment – Motor vehicles, trucks, mowers, buses, earthmoving equipment

Office Equipment – Computer equipment

Furniture & Fittings – Chairs, desks, cabinets, display systems

These assets are valued at cost in Council's books and reported at Fair value in the notes due to the nature of the items.

The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Library books and other assets

This asset category comprises of assets such as library books, journals, magazines, Cd's and Dvd's.

The library books are reported at Fair value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market making it a Level 3 asset. Valuation techniques remain the same for this reporting period.

Artwork

Council engaged Australian Valuation Solutions (AVS) to value all artwork in 2016.

This information was updated into Council's asset register.

The valuation was completed using the replacement cost approach and market value in accordance with AASB 116.

The replacement value for artworks was determined by the price at which the items could be purchased from a reputable dealer, gallery or retail outlet.

Where the fair value of an asset could not be determined by sale on the open market, a depreciable replacement cost has been adopted. Other significant inputs considered in the valuation are the condition of the asset, pattern of consumption and remaining useful life. This asset class is categorised as Level 2 & 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Tip remediation

Council operates a landfilling operation as well as a range of waste services, including recycled and reclaimed products. It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site. Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. Geolyse Pty Ltd. were engaged in the 2018 financial year to perform a valuation of the estimated cost for the Tip Remediation based on current data and TIP consumption as at 30 June 2018.

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

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

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

	Crown Land \$ '000	Operational Land \$ '000	Community Land \$ '000	Buildings non- specialised \$ '000	Building specialised \$ '000
2019					
Opening balance	—	3,437	3,499	37,539	2,590
Transfers from/(to) another asset class	1,022	(45)	(977)	—	—
Purchases (GBV)	—	3	—	7,222	58
Disposals (WDV)	—	(25)	—	(349)	—
Depreciation and impairment	—	—	—	(1,874)	(83)
Closing balance	1,022	3,370	2,522	42,538	2,565

2020					
Opening balance	1,022	3,370	2,522	42,538	2,565
Transfers from/(to) another asset class	—	(298)	125	204	60
Purchases (GBV)	—	84	—	930	1,879
Disposals (WDV)	—	—	(43)	—	—
Depreciation and impairment	—	—	—	(1,898)	(92)
FV gains – other comprehensive income	(112)	(133)	(559)	5,028	27
Closing balance	910	3,023	2,045	46,802	4,439

	Other structures \$ '000	Roads \$ '000	Footpaths \$ '000	Stormwater drainage \$ '000	Swimming pools \$ '000
2019					
Opening balance	3,740	104,309	6,682	8,219	14,039
Purchases (GBV)	193	2,541	—	8	95
Disposals (WDV)	(15)	—	—	—	—
Depreciation and impairment	(501)	(2,955)	(160)	(126)	(249)
Closing balance	3,417	103,895	6,522	8,101	13,885

2020					
Opening balance	3,417	103,895	6,522	8,101	13,885
Transfers from/(to) another asset class	615	—	—	22	—
Purchases (GBV)	285	889	125	—	258
Disposals (WDV)	—	(83)	—	—	—
Depreciation and impairment	(304)	(2,994)	(160)	(126)	(250)
FV gains – other comprehensive income	344	23,964	795	(471)	1,124
Closing balance	4,357	125,671	7,282	7,526	15,017

continued on next page ...

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Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

	Open space/other recreational assets \$ '000	Art \$ '000	Other \$ '000	Tip remediation \$ '000	Total \$ '000
2019					
Opening balance	2,711	9,705	51	5,247	201,768
Purchases (GBV)	1,128	—	—	2,400	13,648
Disposals (WDV)	(14)	—	—	—	(403)
Depreciation and impairment	(294)	—	—	(29)	(6,271)
Closing balance	3,531	9,705	51	7,618	208,742
2020					
Opening balance	3,531	9,705	51	7,618	208,742
Transfers from/(to) another asset class	(1,740)	—	—	(478)	(1,490)
Purchases (GBV)	101	—	—	377	4,928
Disposals (WDV)	—	—	—	—	(126)
Depreciation and impairment	(100)	—	—	—	(5,924)
FV gains – other comprehensive income	(173)	—	—	(376)	29,458
Closing balance	1,619	9,705	51	7,141	235,588

(4) Highest and best use

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

Broken Hill City Council

Financial Statements 2020

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

Note 24. Related party disclosures

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:

	2020 \$ '000	2019 \$ '000
Compensation:		
Short-term benefits	1,016	892
Post-employment benefits	75	70
Other long-term benefits	20	19
Total	1,111	981

Note 25. Events occurring after the reporting date

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

Council has been in litigation regarding the construction of a waste management facility since July 2018. The litigation was successfully resolved on 19/08/2020 with the judge ordering in favour of the plaintiff \$822,319.67 plus full cost recovery. There has been no appeal made within the allotted time frame. Council is now seeking recovery of \$1.8m from the defendants.

Broken Hill City Council

Financial Statements 2020

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

Note 26. Statement of developer contributions

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

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

Summary of contributions and levies

	as at 30/06/19						as at 30/06/20	
	Opening Balance \$ '000	Contributions received during the year		Interest earned in year \$ '000	Expenditure during year \$ '000	Internal borrowing (to)/from \$ '000	Held as restricted asset \$ '000	Cumulative internal borrowings due/(payable) \$ '000
		Cash \$ '000	Non-cash \$ '000					
S7.12 levies – under a plan	472	18	–	–	(490)	–	–	–
Total S7.11 and S7.12 revenue under plans	472	18	–	–	(490)	–	–	–
Total contributions	472	18	–	–	(490)	–	–	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER

Council Animal Pound	118	18	–	–	(490)	354	–	–
Urban Roads	83	–	–	–	–	(83)	–	–
Urban Footpaths	41	–	–	–	–	(41)	–	–
Urban Street Tree Planting	21	–	–	–	–	(21)	–	–
Urban Stormwater Additions	41	–	–	–	–	(41)	–	–
Urban Parks and Gardens	42	–	–	–	–	(42)	–	–
Broken Hill Aquatic Centre	126	–	–	–	–	(126)	–	–
Total	472	18	–	–	(490)	–	–	–

Broken Hill City Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(5,885)	(20.38)%	(1.53)%	(21.71)%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	28,873				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	22,145	72.47%	77.56%	78.95%	>60.00%
Total continuing operating revenue ¹	30,557				
3. Unrestricted current ratio					
Current assets less all external restrictions	19,619	3.62x	4.29x	1.97x	>1.50x
Current liabilities less specific purpose liabilities	5,422				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	1,999	1.50x	5.11x	1.54x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement) ³	1,337				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	3,233	15.23%	12.48%	11.81%	<10.00%
Rates, annual and extra charges collectible	21,233				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	19,527	7.48	8.49	10.71	>3.00
Monthly payments from cash flow of operating and financing activities	2,610	mths	mths	mths	mths

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

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

(3) 2018 Ratio restated due to not including \$3.2m loan payout.

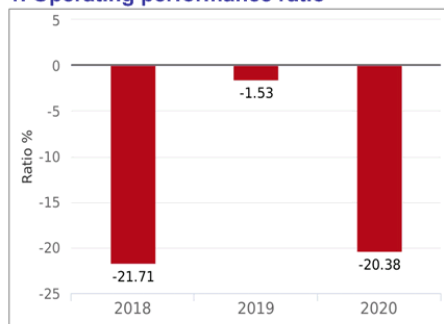
Broken Hill City Council

Financial Statements 2020

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

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

1. Operating performance ratio



Benchmark: — > 0.00%

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

Purpose of operating performance ratio

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

Commentary on 2019/20 result

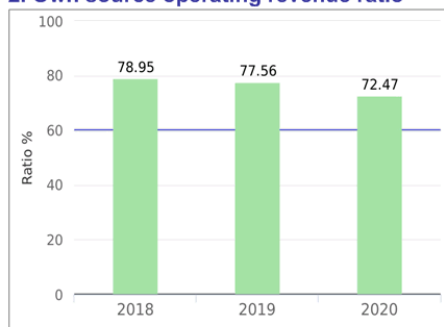
2019/20 ratio (20.38)%

Council's operating performance ratio declined in 2020. This is due to reduced revenue due to Covid-19 and ongoing legal fees that are expected to be recoverable. Council is expected to achieve an operating surplus in 2023 and will incur improving sustainable operating deficits until this time.

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Benchmark: — > 60.00%

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

Purpose of own source operating revenue ratio

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

Commentary on 2019/20 result

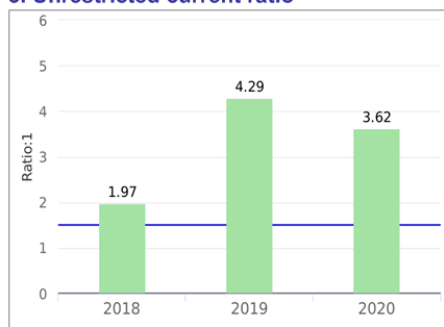
2019/20 ratio 72.47%

The own source operating revenue ratio is above the industry benchmark and indicates a stable revenue stream for council. A focus to increase user fees and charges in future years will be required to maintain this benchmark.

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

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

Purpose of unrestricted current ratio

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

Commentary on 2019/20 result

2019/20 ratio 3.62x

The unrestricted current ratio is above the industry benchmark and indicates Council's ability to repay its current obligations. A balanced approach to cash flows in future coming years will be required to ensure the ratio is maintained whilst increasing the quantity of capital expenditure.

Ratio achieves benchmark

Ratio is outside benchmark

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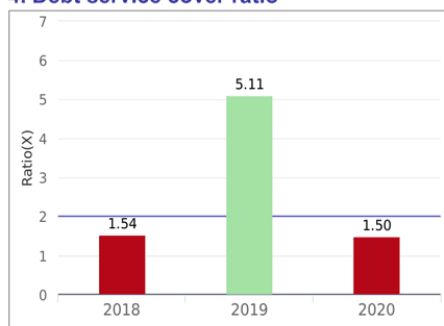
Broken Hill City Council

Financial Statements 2020

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

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

4. Debt service cover ratio



Benchmark: — > 2.00x

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

Purpose of debt service cover ratio

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

Commentary on 2019/20 result

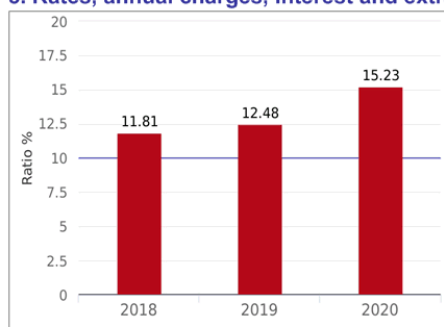
2019/20 ratio 1.50x

This ratio declined in 2020 to Below the industry benchmark. This is due to the Covid-19 pandemic impact on Councils operating result.

Ratio achieves benchmark

Ratio is outside benchmark

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



Benchmark: — < 10.00%

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

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

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

Commentary on 2019/20 result

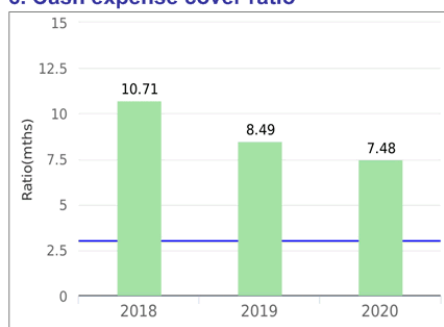
2019/20 ratio 15.23%

Rates outstanding percentage increased by 2.56% in 2020. Reasons for the increase include suspension of debt recovery due to Covid-19 and ratepayers' ability to pay during the pandemic. Council will work towards achieving a below industry benchmark percentage through a focus on recovery actions and undertaking a sale of land for unpaid rates in future years.

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00mths

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

Purpose of cash expense cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 7.48 mths

This ratio is above the industry benchmark and shows Council has a strong ability to pay for its immediate expenses, however it has decreased this year due to increased expenditure in capital works and the effects of Covid 19. This trend will continue over the next few years until a surplus position is achieved in 2023 and whilst capital expenditure continues to increase.

Ratio achieves benchmark

Ratio is outside benchmark

Broken Hill City Council

Financial Statements 2020

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

Note 28. Council information and contact details

Principal place of business:

240 Blende st
Broken Hill
NSW 2880

Mailing Address:

PO Box 448
Broken Hill
NSW 2880

Telephone: 08 8080 3300

Facsimile: 08 8080 3424

Opening hours:

8:30am - 5:00pm
Monday to FridayInternet: www.brokenhill.nsw.gov.auEmail: council@brokenhill.nsw.gov.au

Officers

General Manager
James RonconResponsible Accounting Officer
Jay NankivellPublic Officer
Razija Nu'ManAuditors
Auditor General of NSW

Elected members

Mayor
Darriea Turley AM

Councillors

Marion Browne

Jim Nolan

Branko Licul

David Gallagher

Ron Page

Bob Algate

Tom Kennedy

Maureen Clark

Christine Adams

Other information

ABN: 84 873 116 132



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

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

In my opinion:

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 22 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY



Cr Darriea Turley
Mayor
Broken Hill City Council
PO Box 448
BROKEN HILL NSW 2880

Contact: Manuel Moncada
Phone no: 02 9275 7333
Our ref: D2026557/1701

16 November 2020

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Broken Hill City Council**

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

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

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

INCOME STATEMENT

Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	18.5	18.0	↑ 2.8
Grants and contributions revenue	8.4	9.1	↓ 7.7
Operating result from continuing operations	(4.4)	3.1	↓ 241.9
Net operating result before capital grants and contributions	(6.1)	0.3	↓ 2133

Council's operating result (a deficit of \$4.4 million including the effect of depreciation and amortisation expense of \$7.1 million) was \$7.5 million lower than the 2018–19 result. This was mainly due to the receipt of one-off revenue items in 2018–19 including \$6.6 million relating to the Wentworth to Broken Hill pipeline project and the recognition of Council's share of the net assets of the Far South West Joint Organisation (FSWJO) of \$1.5 million, and decreased revenue from capital grants being recognised in 2019–20.

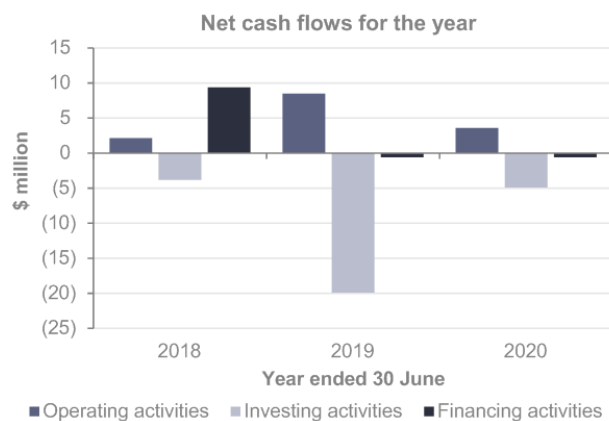
The net operating result before capital grants and contributions (a deficit of \$6.1 million) was \$6.4 million lower than the 2018–19 result due to the items noted above.

Rates and annual charges revenue (\$18.5 million) increased by \$0.5 million (2.8 per cent) in 2019–2020.

Grants and contributions revenue (\$8.4 million) decreased by \$0.7 million (7.7 per cent) in 2019–2020 due to reduced capital grants being recognised.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$1.9 million to \$13.5 million at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	4.6	4.8	<ul style="list-style-type: none"> External restrictions include unspent specific purpose grants and domestic waste management charges, and royalties. Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations.
Internal restrictions	11.7	12.8	
Unrestricted	3.2	6.9	
Cash and investments	19.5	24.5	

Debt

After repaying principal and interest of \$1.3 million, total debt as at 30 June 2020 was \$12.5 million (2019: \$13.1 million).

PERFORMANCE

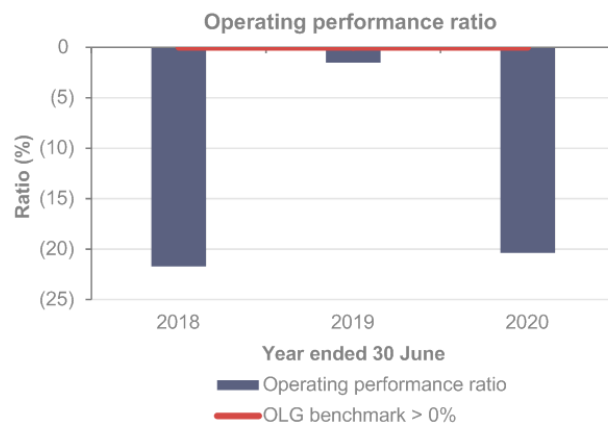
Performance measures

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

Operating performance ratio

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

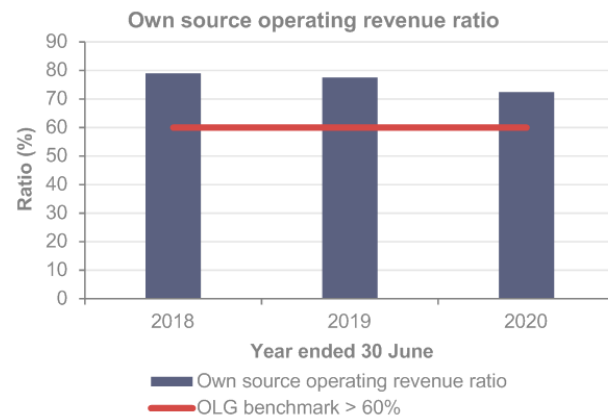
The Council did not meet the OLG benchmark for the current reporting period.



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.

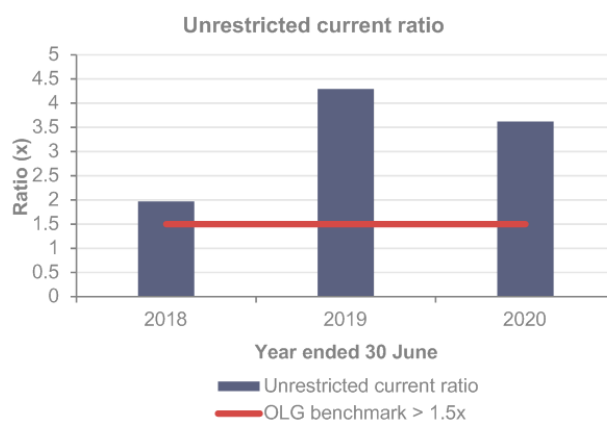
The Council exceeded the OLG benchmark for the current reporting period.



Unrestricted current ratio

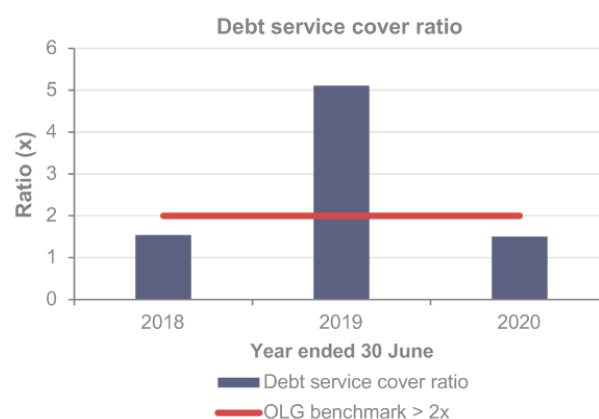
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

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

**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.

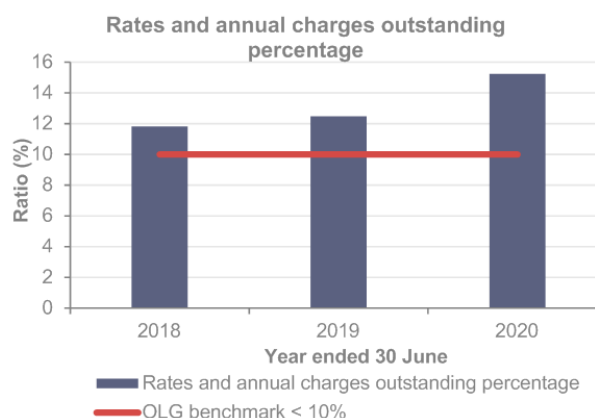
The Council did not meet the OLG benchmark for the current reporting period.



Rates and annual charges outstanding percentage

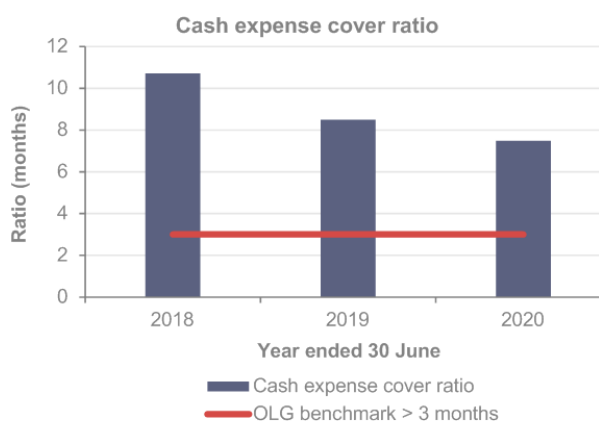
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

The Council did not meet the OLG benchmark for the current reporting period.

**Cash expense cover ratio**

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

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

**Infrastructure, property, plant and equipment renewals**

- Council's asset renewal additions for the year were \$5 million compared \$8.9 million for the prior year
- The level of asset renewals during the year represented 71 percent of the total depreciation expense (\$7.1 million) for the year.

OTHER MATTERS**Impact of new accounting standards****AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'**

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

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

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$1.4 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

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

AASB 16 'Leases'

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

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

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

There was no impact on Council's financial statements on adoption of AASB 16.

Legislative compliance

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

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

The Council's:

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



Manuel Moncada
Delegate of the Auditor-General for New South Wales

cc: James Roncon, General Manager
Jim Mitchell, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Broken Hill City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements
for the year ended 30 June 2020

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Background

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

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

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

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

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

Special Purpose Financial Statements 2020

Special Purpose Financial Statements 2020

Broken Hill City Council

Special Purpose Financial Statements
for the year ended 30 June 2020Statement by Councillors and Management made pursuant to the Local Government Code of
Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 30 September 2020.



DARRLEA TURLEY AM
Mayor
30 September 2020



CHRISTINE ADAMS
Councillor
30 September 2020



JAMES RONCON
General Manager
30 September 2020



JAY NANKIVELL
Responsible Accounting Officer
30 September 2020

Broken Hill City Council

Special Purpose Financial Statements 2020

Income Statement – Airport for the year ended 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	555	661
Total income from continuing operations	555	661
Expenses from continuing operations		
Employee benefits and on-costs	289	322
Materials and contracts	93	159
Depreciation, amortisation and impairment	220	340
Other expenses	90	89
Total expenses from continuing operations	692	910
Surplus (deficit) from continuing operations before capital amounts	(137)	(249)
Surplus (deficit) from continuing operations after capital amounts	(137)	(249)
Surplus (deficit) from all operations before tax	(137)	(249)
SURPLUS (DEFICIT) AFTER TAX	(137)	(249)
Plus accumulated surplus	(819)	(140)
Add:		
– Subsidy paid/contribution to operations	(1,634)	(430)
Closing accumulated surplus	(2,590)	(819)
Return on capital %	(0.9)%	(1.9)%
Subsidy from Council	275	426

Broken Hill City Council

Special Purpose Financial Statements 2020

Income Statement – Civic Centre (Entertainment centre)
for the year ended 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	120	139
Total income from continuing operations	120	139
Expenses from continuing operations		
Employee benefits and on-costs	166	171
Materials and contracts	61	111
Depreciation, amortisation and impairment	656	604
Other expenses	30	22
Total expenses from continuing operations	913	908
Surplus (deficit) from continuing operations before capital amounts	(793)	(769)
Grants and contributions provided for capital purposes	–	506
Surplus (deficit) from continuing operations after capital amounts	(793)	(263)
Surplus (deficit) from all operations before tax	(793)	(263)
SURPLUS (DEFICIT) AFTER TAX	(793)	(263)
Plus accumulated surplus	15,164	11,261
Closing accumulated surplus	14,371	10,998
Return on capital %	(4.7)%	(4.0)%
Subsidy from Council	941	1,022

Broken Hill City Council

Special Purpose Financial Statements 2020

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

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
Income from continuing operations		
User charges	1,220	1,270
Total income from continuing operations	1,220	1,270
Expenses from continuing operations		
Employee benefits and on-costs	322	279
Materials and contracts	82	58
Depreciation, amortisation and impairment	134	97
Other expenses	61	108
Total expenses from continuing operations	599	542
Surplus (deficit) from continuing operations before capital amounts	621	728
Surplus (deficit) from continuing operations after capital amounts	621	728
Surplus (deficit) from all operations before tax	621	728
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(171)	(200)
SURPLUS (DEFICIT) AFTER TAX	450	528
Plus accumulated surplus	468	(281)
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	171	200
Closing accumulated surplus	1,089	447
Return on capital %	22.1%	29.1%

Broken Hill City Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Airport as at 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	–	4
Total current assets	–	4
Non-current assets		
Infrastructure, property, plant and equipment	15,641	13,429
Total non-current assets	15,641	13,429
TOTAL ASSETS	15,641	13,433
NET ASSETS	15,641	13,433
EQUITY		
Accumulated surplus	(2,590)	(819)
Revaluation reserves	18,231	14,252
TOTAL EQUITY	15,641	13,433

Broken Hill City Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Civic Centre (Entertainment centre)
 as at 30 June 2020

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	–	4
Total current assets	–	4
Non-current assets		
Infrastructure, property, plant and equipment	16,773	19,149
Total non-current assets	16,773	19,149
TOTAL ASSETS	16,773	19,153
NET ASSETS	16,773	19,153
EQUITY		
Accumulated surplus	14,371	10,998
Revaluation reserves	2,402	8,155
TOTAL EQUITY	16,773	19,153

Broken Hill City Council

Special Purpose Financial Statements 2020

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

	2020 Category 2 \$ '000	2019 Category 2 \$ '000
ASSETS		
Current assets		
Receivables	70	77
Total current assets	70	77
Non-current assets		
Infrastructure, property, plant and equipment	2,804	2,503
Total non-current assets	2,804	2,503
TOTAL ASSETS	2,874	2,580
LIABILITIES		
Current liabilities		
Provisions	1,785	2,133
Total current liabilities	1,785	2,133
TOTAL LIABILITIES	1,785	2,133
NET ASSETS	1,089	447
EQUITY		
Accumulated surplus	1,089	447
TOTAL EQUITY	1,089	447

Broken Hill City Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies

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

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

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

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

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

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

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Civic Centre (Entertainment Centre)

Venue for the conduct of shows, festivals, civic activities & significant events

b. Broken Hill Airport

Facility for aircraft arrivals & departures, aircraft accommodation, workshop & associated activities.

c. Commercial Garbage Service

Garbage collection & disposal service provided to the business & commercial sector.

continued on next page ...

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Broken Hill City Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies (continued)

Monetary amounts

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

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is/ the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

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.

continued on next page ...

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Broken Hill City Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Broken Hill City Council

To the Councillors of Broken Hill City Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Broken Hill City Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Civic Centre (Entertainment Centre)
- Airport
- Commercial Waste

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

My opinion should be read in conjunction with the rest of this report.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY

Broken Hill City Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

*A vibrant, prosperous and culturally rich Heritage City
shared with visitors from around the world.*



Broken Hill City Council

Special Schedules 2020

Special Schedules

for the year ended 30 June 2020

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Broken Hill City Council

Special Schedules 2020

Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2019/20 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	15,799	15,376
Plus or minus adjustments ²	b	89	7
Notional general income	c = a + b	15,888	15,383
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	413	415
Sub-total	k = (c + g + h + i + j)	16,301	15,798
Plus (or minus) last year's carry forward total	l	30	31
Sub-total	n = (l + m)	30	31
Total permissible income	o = k + n	16,331	15,829
Less notional general income yield	p	16,269	15,799
Catch-up or (excess) result	q = o - p	62	30
Less unused catch-up ⁵	s	(30)	—
Carry forward to next year ⁶	t = q + r + s	32	30

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.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



Special Schedules 2020

INDEPENDENT AUDITOR'S REPORT**Special Schedule - Permissible income for general rates****Broken Hill City Council**

To the Councillors of Broken Hill City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Broken Hill City Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

Special Schedules 2020

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Manuel Moncada

Delegate of the Auditor-General for New South Wales

16 November 2020
SYDNEY

Broken Hill City Council

Report on Infrastructure Assets

as at 30 June 2020

Special Schedules 2020

Asset Class	Asset Category	Estimated cost	Estimated cost	2019/20	2019/20	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		to bring assets to satisfactory standard	to bring the agreed level of service set by Council	Required maintenance ^a	Actual maintenance			1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000							
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings	13,320	13,320	2,166	1,312	55,747	114,009	20.0%	2.0%	45.0%	30.0%	3.0%
	Sub-total	13,320	13,320	2,166	1,312	51,241	114,009	20.0%	2.0%	45.0%	30.0%	3.0%
Other structures	Other structures	1,818	1,818	396	—	4,357	15,064	44.0%	4.0%	13.0%	25.0%	14.0%
	Sub-total	1,818	1,818	396	—	4,357	15,064	44.0%	4.0%	13.0%	25.0%	14.0%
Roads	Sealed roads	801	801	1,529	1,653	91,756	142,974	23.0%	20.0%	55.0%	1.0%	1.0%
	Unsealed roads	—	—	29	—	2,195	2,725	45.0%	53.0%	2.0%	0.0%	0.0%
	Footpaths	—	—	92	29	7,282	12,227	1.0%	46.0%	53.0%	0.0%	0.0%
	Other road assets	485	485	538	394	31,720	50,290	11.0%	55.0%	23.0%	10.0%	1.0%
	Sub-total	1,286	1,286	2,188	2,076	132,953	208,216	19.1%	30.4%	46.5%	3.1%	0.9%
Stormwater drainage	Stormwater drainage	102	102	78	—	7,526	12,969	8.0%	61.0%	25.0%	6.0%	0.0%
	Sub-total	102	102	78	—	7,526	12,969	8.0%	61.0%	25.0%	6.0%	0.0%
Open space / recreational assets	Swimming pools	—	—	785	—	15,017	12,719	19.0%	77.0%	4.0%	0.0%	0.0%
	Other	424	424	216	1,531	1,619	3,396	29.0%	5.0%	2.0%	59.0%	5.0%
	Sub-total	424	424	1,001	1,531	16,636	16,115	21.1%	61.8%	3.6%	12.4%	1.1%
TOTAL - ALL ASSETS		16,950	16,950	5,829	4,919	212,713	366,373	20.1%	22.9%	42.0%	12.9%	2.1%

(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

continued on next page ...

Page 7 of 8

Broken Hill City Council

Special Schedules 2020

Report on Infrastructure Assets (continued)
as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019 2018		Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	2,455	41.44%	175.49%	19.28%	>=100.00%
Depreciation, amortisation and impairment	5,924				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	16,950	7.97%	3.41%	24.15%	<2.00%
Net carrying amount of infrastructure assets	212,713				
Asset maintenance ratio					
Actual asset maintenance	4,919	84.39%	107.82%	172.65%	>100.00%
Required asset maintenance	5,829				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	16,950	4.63%	1.69%	11.97%	
Gross replacement cost	366,373				

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

BROKEN HILL
CITY COUNCIL

www.brokenhill.nsw.gov.au

ORDINARY MEETING OF THE COUNCIL

October 14, 2020

ITEM 3BROKEN HILL CITY COUNCIL REPORT NO. 153/20

SUBJECT: CODE OF CONDUCT COMPLAINTS STATISTICS ANNUAL
REPORT - 2019/2020 11/171

Recommendation

1. That Broken Hill City Council Report No. 153/20 dated October 14, 2020, be received.
2. That the Code of Conduct Complaints Statistics Annual Report for the Broken Hill City Council for the period of 1 September 2019 – 31 August 2020 be forwarded to the Office of Local Government.

Executive Summary:

In accordance with the NSW Office of Local Government (NSW OLG) requirements, "At the end of each year, councils are required to report on the numbers of code of conduct complaints made about councillors and the general manager, how they were dealt with and how much it cost the council to deal with them. This will ensure that councillors are individually and collectively accountable to their communities for their conduct and performance".

The reporting period is from the 1 September 2019 - 31 August 2020.

Report:

The NSW OLG requires that the General Manager "must appoint a member of staff or another person as the Complaints Coordinator and another person as the alternate Complaints Coordinator. The Complaints Coordinator is responsible for the coordination of complaints management, liaison with and provision of administrative support to conduct reviewers, liaison with the Office of Local Government and the reporting of code of conduct complaints statistics".

Part 11 Reporting Statistics on Code of Conduct Complaints About Councillors and the General Manager of the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW states "The complaints coordinator must arrange for the following statistics to be reported to the council within 3 months of the end of September of each year".

Specifically, clause 11.1 requires the following information:

- a) the total number of code of conduct complaints made about councillors and the general manager under the code of conduct in the year to September (the reporting period)
- b) the number of code of conduct complaints referred to a conduct reviewer during the reporting period
- c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage during the reporting period and the outcome of those complaints
- d) the number of code of conduct complaints investigated by a conduct reviewer during the reporting period

- e) without identifying particular matters, the outcome of investigations completed under these procedures during the reporting period
- f) the number of matters reviewed by the Office during the reporting period and, without identifying particular matters, the outcome of the reviews, and
- g) the total cost of dealing with code of conduct complaints made about councillors and the general manager during the reporting period, including staff costs.

Clause 11.2 states “The council is to provide the Office with a report containing the statistics referred to in clause 11.1 within 3 months of the end of September of each year”

In accordance with the requirements, Broken Hill City Council provides the following statistics for the period of 1 September 2019 – 31 August 2020. A copy of this report will be forwarded to NSW OLG, as well as submitted electronically via an excel spreadsheet represented below which has expanded information requirements.

The statistical collection form below is provided to Councils from the Office of Local Government for the purpose outlined in the “Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW”.

OLG will publish this data in the Time Series Data publication and will include the data in the next iteration of the *Your Council* website (<https://www.olg.nsw.gov.au/public/my-local-council/yourcouncil-website>)

Statistics for Code of Conduct investigations in the reporting period 1 September 2019 - 31 August 2020:

Number of Complaints			
1	a	The total number of complaints received in the period 19/20 about councillors and/or the General Manager (GM) under the code of conduct	5
	b	The total number of complaints finalised in the period 19/20 about councillors and/or the GM under the code of conduct	4
2	a	The number of complaints finalised at the outset by alternative means by the GM or Mayor	2
	b	The number of complaints referred to the Office of Local Government under a special complaints management arrangement	3
	c	The number of code of conduct complaints referred to a conduct reviewer	3
	d	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	0
	e	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	2
	f	The number of finalised code of conduct complaints investigated by a conduct reviewer	1
	g	The number of finalised code of conduct complaints investigated by a conduct review committee	0
	h	The number of finalised complaints investigated where there was found to be no breach	1
	i	The number of finalised complaints investigated where there was found to be a breach	0
	j	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	0
	k	The number of complaints being investigated that are not yet finalised	2
	l	The total cost of dealing with code of conduct complaints within the period made about councillors and the GM including staff costs	\$15,336
3	The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:		

	a	To take no action	0
	b	To resolve the complaint by alternative and appropriate strategies	2
	c	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies	2
	d	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	0
	e	To investigate the matter	1
	f	To recommend that the complaints coordinator convene a conduct review committee to investigate the matter	0
4	The number of investigated complaints resulting in a determination that there was no breach , in which the following recommendations were made:		
	a	That the council revise its policies or procedures	1
	b	That a person or persons undertake training or other education	1
5	The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:		
	a	That the council revise any of its policies or procedures	0
	b	That the subject person undertake any training or other education relevant to the conduct giving rise to the breach	0
	c	That the subject person be counselled for their conduct	0
	d	That the subject person apologise to any person or organisation affected by the breach	0
	e	That findings of inappropriate conduct be made public	0
	f	In the case of a breach by the GM, that action be taken under the GM's contract for the breach	0
	g	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the <i>Local Government Act 1993</i>	0
	h	In the case of a breach by a councillor, that the matter be referred to the Office for further action	0
6	Matter referred or resolved after commencement of an investigation under clause 8.20 of the Procedures and clause 7.20 of the new Procedures		0
7	The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:		
	a	General conduct (Part 3)	0
	b	Conflict of interest (FMCC Part 4) and Non-pecuniary conflict of interest (NMCC Part 5)	0
	c	Personal benefit (FMCC Part 5 / NMCC Part 6)	0
	d	Relationship between council officials (FMCC Part 6 / NMCC Part 7)	0
	e	Access to information and resources (FMCC Part 7 / NMCC Part 8)	0
8	The number of investigated complaints resulting in a determination that there was a breach in which the council failed to adopt the conduct reviewer's recommendation		0
9	The number of investigated complaints resulting in a determination that there was a breach in which the council's decision was overturned following a review by the Office		0

Community Engagement:

The Code of Conduct Complaints Statistics Annual Report 2019/20 will be available in the Business Paper for Council's Ordinary meeting to be held 25 November 2020.

Strategic Direction:

Key Direction:	4.	Our Leadership
Objective:	4.1	Openness and transparency of decision making
Strategy:	4.1.1.	Support the organization to operate its legal framework

Relevant Legislation:

Local Government Act 1993, Section 440 Codes of Conduct.

Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW.

Financial Implications:

Costs associated with Code of Conduct complaints are provided for in Council's budget for the relevant year.

Attachments

There are no attachments for this report.

RAZIJA NU'MAN
DIRECTOR CORPORATE

JAMES RONCON
GENERAL MANAGER

ORDINARY MEETING OF THE COUNCIL

November 11, 2020

ITEM 4**BROKEN HILL CITY COUNCIL REPORT NO. 154/20****SUBJECT:** **INVESTMENT REPORT FOR OCTOBER 2020****17/82****Recommendation**

1. That Broken Hill City Council Report No. 154/20 dated November 11, 2020, be received.

Executive Summary:

The *Local Government (General) Regulation 2005* (Part 9, Division 5, Clause 212), effective from 1 September 2005, requires the Responsible Accounting Officer of a Council to provide a written report setting out details of all monies that have been invested under Section 625 (2) of the *Local Government Act 1993*, as per the Minister's Amended Investment Order gazetted 11 March 2011. The Responsible Accounting Officer must also include in the report, a certificate as to whether the investment has been made in accordance with the Act, the Regulations and the Council's Investment Policy.

As at 31 October 2020, Council's Investment Portfolio had a current market valuation of \$27,331,153 or principal value (face value) of \$27,316,354 and was compliant with policy and legislative requirements as per the below table.

Report:

Council's investments as at 31 October 2020 are detailed in Attachment 1.

Portfolio Summary		
Portfolio Performance vs. RBA Cash Rate	✓	Council's investment performance did exceed benchmark.
Investment Policy Compliance		
Legislative Requirements	✓	Compliant with policy
Portfolio Credit Rating Limit	✓	Compliant with policy
Institutional Exposure Limits	✓	Compliant with policy
Term to Maturity Limits	✓	Compliant with policy

Market Review**Global issues**

In the US, the highly contentious presidential campaign is mercifully coming to an end with the election on November 3rd although extended vote tabulation and legal tussles may postpone the final results for several weeks if no landslide occurs. A possible Democratic clean sweep of the presidency, Senate and House of Representatives has been hinted at and even regarded as positive for the markets by some leading economists. A national plan for controlling the pandemic promised by the Democrats is regarded as essential to get the economy back on its feet. In Europe, the virus is surging again as winter approaches. Daily cases hit record highs and hospital ICUs are reaching their maximums, as England is joining

France, Germany, Italy, Spain, Belgium, and Greece with a second round of lockdowns. Consumer sentiment and business conditions surveys are trending lower across the region.

Domestic issues

In Australia, the Government's budget allocated a further \$41 billion to pandemic related stimulus measures. Total fiscal stimulus over the calendar year represents 10% of GDP, well above that of other countries. Economic data was mixed over the month as business conditions and consumer confidence surveys surged off the back of the budget's spending measures, meanwhile retail sales slipped (but remain above their long term average trend) and employment fell by nearly 30k as the unemployment rate rose to 6.9%. The Australian share market (ASX200) ended the month with modest gains despite trending lower over the last two weeks of October and the AUD/USD closed out October at 0.70c down from 0.71c at September month end.

Interest rates

The RBA has made it clear that its primary focus is the jobs market and that it will maintain an accommodative interest rate environment, i.e. low rates, until there is substantive progress towards full employment and actual, rather than forecasted, inflation in the 2-3% range. The market is expecting interest rates to remain low for several years given this stance. Many economists are predicting the central bank will cut the official cash rate target from 0.25% to 0.10% before the end of 2020. RBA stimulus measures continue to keep cash rate futures below the official 0.25%pa level and term deposit rates are still reflecting banks' ample liquidity and access to cheap RBA sourced funding.

Investment Portfolio Commentary

Council's investment portfolio posted a return of 0.67%pa for the month of October versus the bank bill index benchmark return of 0.13%pa. For the past 12 months, the investment portfolio returned -1.10%pa, underperforming the bank bill index benchmark's 0.51%pa by 1.61%pa.

During October, Council's investment portfolio had a \$500k four-month term deposit from NAB mature which had a rate of 0.85%pa. Current four-month rates are only in the 0.50% area. No new term deposits were made during the month although Council deposited \$2m in its recently opened high yielding cash account paying 0.90%pa.

The TCorpIM MT Growth Fund fell 0.02% in October. The Australian share market gained 2.1% for the month with IT (+8.6%) and Financials (+6.3%) leading the charge while Industrials was the worst performing sector (-3.5%). Overseas markets generally fell with the US S&P 500 (-2.7%), European S&P350 (-5.0%) and Japanese S&P 500 (- 2.7%) all falling although the Chinese S&P 300 posted a solid gain (+3.0%).

Council's Portfolio by Source of Funds – October 2020

As at 31 October 2020, Council's Investment Portfolio had a current market valuation of \$27,331,153 or principal value (face value) of \$27,316,354 and was compliant with policy and legislative requirements as per the table above.

	Source of Funds	Principal Amount
GENERAL Fund	Operating Capital & Internal Restrictions	\$23,205,354
	Royalties Reserve	\$723,000
	Domestic Waste Management Reserve	\$1,420,000
	Grants	\$1,968,000
	TOTAL PORTFOLIO	\$27,316,354

Certificate by Responsible Accounting Officer

All investments have been placed in accordance with Council's Investment Policy, Section 625 of the *Local Government Act 1993* (as amended), the Revised Ministerial Investment Order gazetted 11 February 2011, Clause 212 of the *Local Government (General) Regulations 2005* and Third-Party Investment requirements of the then Department Local Government Circular 06-70. Council continues to obtain independent financial advice on its investment portfolio in accordance with the then Department of Local Government Circular of 16 September 2008.

Community Engagement:

Nil

Strategic Direction:

- Key Direction 4: Our Leadership
- Objective 4.1: Openness and Transparency in Decision Making
- Action 4.1.1 Maintain good governance and best practice methods and ensure compliance with various guidelines and legislation.

Relevant Legislation:

This report is provided for Council's consideration in compliance with the requirements of *Part 9, Division 5, Clause 212 of the Local Government (General) Regulations 2005*.

Financial Implications:

The recommendation has no financial impact.

Attachments

1. [↓](#) October 2020 Investment Report

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER



Investment Summary Report October 2020



Broken Hill City Council

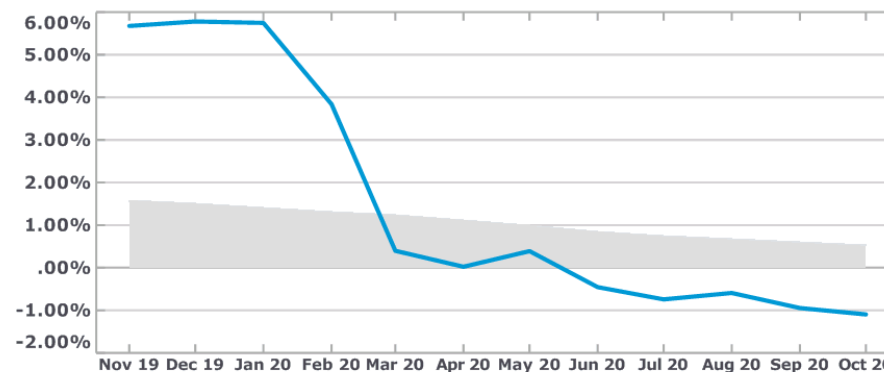
Executive Summary



Investment Holdings

	Face Value (\$)	Current Value (\$)
Cash	18,137,877.65	18,137,877.65
Managed Funds	5,178,476.57	5,178,476.57
Term Deposit	4,000,000.00	4,014,798.90
	27,316,354.22	27,331,153.12

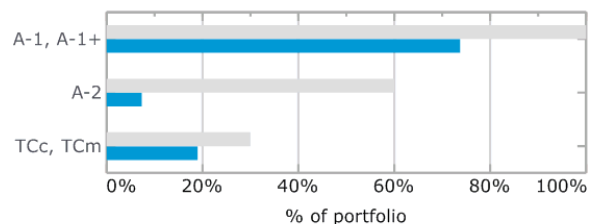
Investment Performance



AusBond BB Index Rolling 12 month Return Portfolio Rolling 12 month return

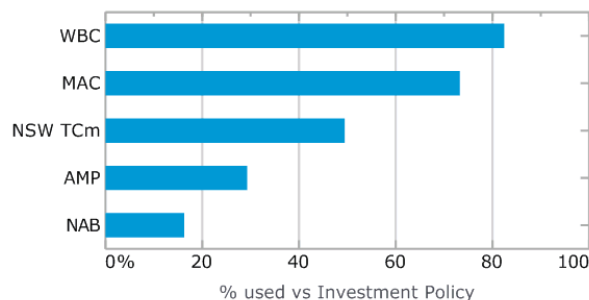
Investment Policy Compliance

Total Credit Exposure



Portfolio Exposure Investment Policy Limit

Highest Individual Exposures



Term to Maturities

Maturity Profile	Face Value (\$)	Policy Max
Between 0 and 1 Year	27,316,354	100% 100%
	27,316,354	

Broken Hill City Council

Investment Holdings Report



Cash Accounts							
Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference	
8,004,868.87	0.9000%	Macquarie Bank	A-1	8,004,868.87	540354	Accelerator	
4,730,174.69	0.0000%	Westpac Group	A-1+	4,730,174.69	473409	Cheque	
5,402,834.09	0.7772%	Westpac Group	A-1+	5,402,834.09	535442	90d Notice	
18,137,877.65	0.6287%			18,137,877.65			

Managed Funds							
Face Value (\$)	Monthly Return	Institution	Credit Rating	Fund Name	Current Value (\$)	Deal No.	Reference
1,125,589.95	0.0669%	NSW T-Corp (Cash)	TCc	Cash Fund	1,125,589.95	535329	
4,052,886.62	-0.0182%	NSW T-Corp (MT)	TCm	Medium Term Growth Fund	4,052,886.62	536441	
5,178,476.57					5,178,476.57		

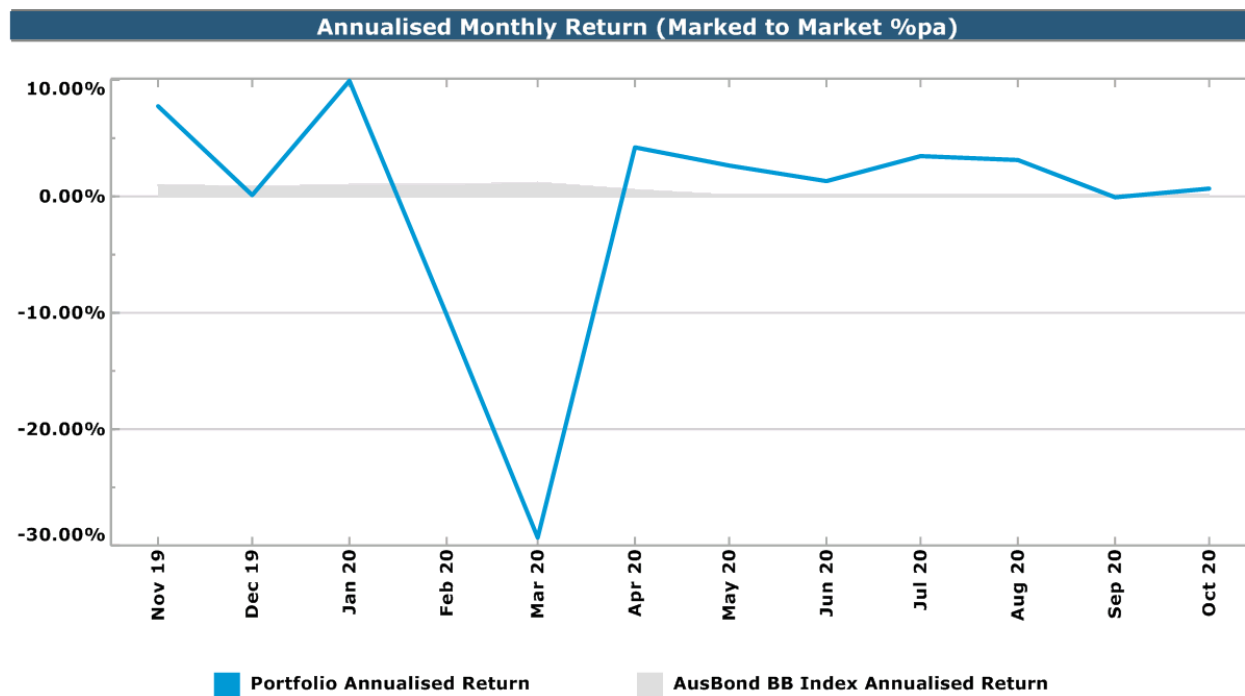
Term Deposits										
Maturity Date	Face Value (\$)	Rate (%pa)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency Reference
11-Nov-20	500,000.00	1.4000%	AMP Bank	A-2	500,000.00	10-Jun-20	502,761.64	539917	2,761.64	At Maturity
30-Nov-20	2,000,000.00	0.5400%	National Australia Bank	A-1+	2,000,000.00	30-Sep-20	2,000,946.85	540343	946.85	At Maturity
2-Dec-20	500,000.00	1.7000%	AMP Bank	A-2	500,000.00	4-Mar-20	505,635.62	539526	5,635.62	At Maturity
9-Dec-20	500,000.00	1.5500%	AMP Bank	A-2	500,000.00	10-Jun-20	503,057.53	539914	3,057.53	At Maturity
3-Feb-21	500,000.00	1.4000%	AMP Bank	A-2	500,000.00	29-Jun-20	502,397.26	539971	2,397.26	At Maturity
	4,000,000.00	1.0263%			4,000,000.00		4,014,798.90		14,798.90	

Broken Hill City Council
Accrued Interest Report - October 2020



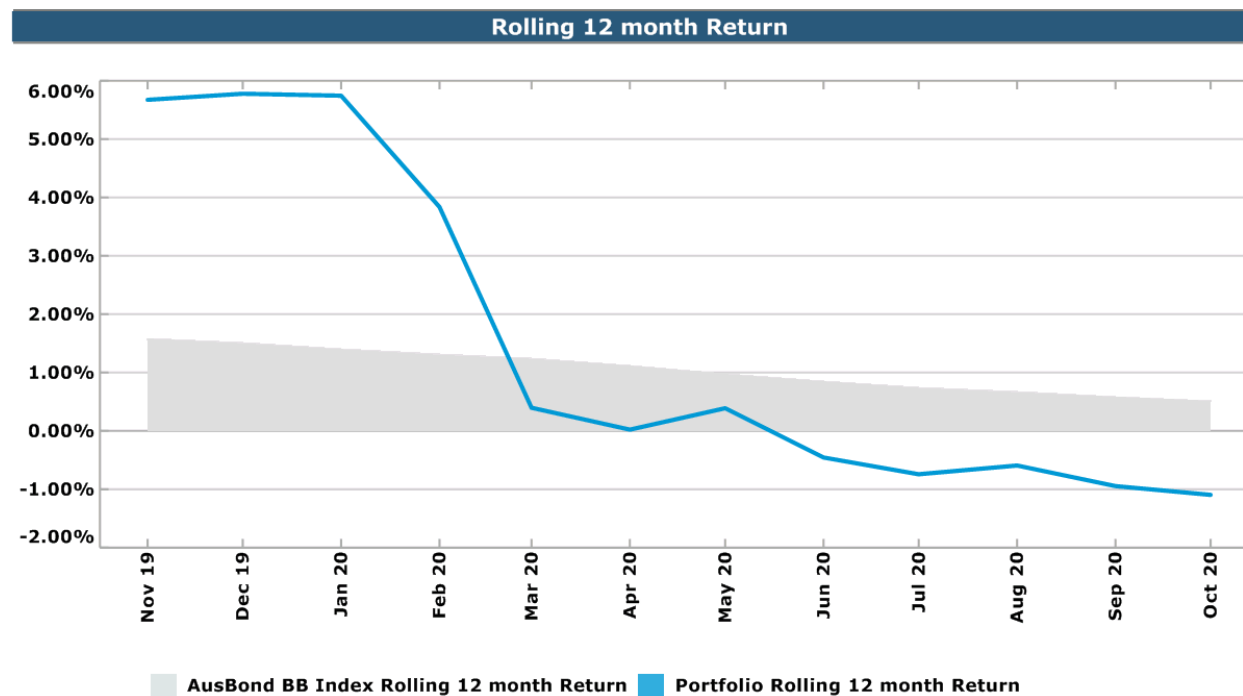
Accrued Interest Report									
Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Cash									
Westpac Group	473409	Cheque	4,730,174.69			0.00	31	0.00	
Westpac Group	535442	90d Notice	5,402,834.09			3,431.04	31	3,431.04	.77%
Macquarie Bank	540354	Accelerator	8,004,868.87			4,721.33	31	4,721.33	.90%
Cash Total						8,152.38		8,152.38	.84%
Managed Funds									
Cash Fund	535329		1,125,589.95	29-May-17			31	752.73	.79%
Medium Term Growth Fund	536441		4,052,886.62	12-Feb-18			31	-735.63	-.21%
Managed Funds Total								17.10	.00%
Term Deposits									
National Australia Bank	539970		500,000.00	29-Jun-20	28-Oct-20	1,408.90	27	314.38	.85%
AMP Bank	539917		500,000.00	10-Jun-20	11-Nov-20		31	594.52	1.40%
National Australia Bank	540343		2,000,000.00	30-Sep-20	30-Nov-20		31	917.26	.54%
AMP Bank	539526		500,000.00	04-Mar-20	02-Dec-20		31	721.92	1.70%
AMP Bank	539914		500,000.00	10-Jun-20	09-Dec-20		31	658.21	1.55%
AMP Bank	539971		500,000.00	29-Jun-20	03-Feb-21		31	594.52	1.40%
Term Deposits Total						1,408.90		3,800.81	1.01%
						9,561.28		11,970.29	.67%

Broken Hill City Council
Investment Performance Report



Historical Performance Summary			
	Portfolio	AusBond BB Index	Outperformance
Oct 2020	0.67%	0.13%	0.54%
Last 3 Months	1.25%	0.11%	1.14%
Last 6 Months	1.87%	0.11%	1.76%
Financial Year to Date	1.80%	0.11%	1.69%
Last 12 months	-1.10%	0.51%	-1.61%

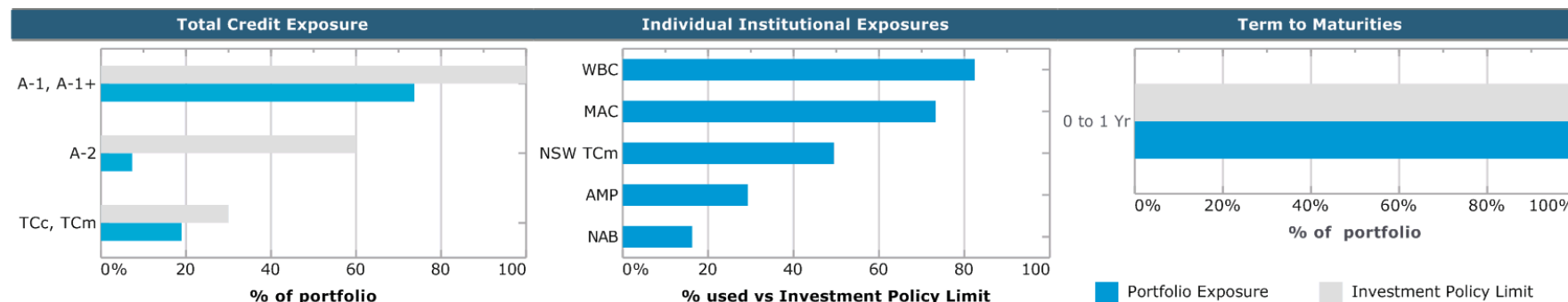
Broken Hill City Council
Investment Performance Report



Historical Performance Summary (actual)			
	Portfolio	AusBond BB Index	Outperformance
Oct 2020	0.06%	0.01%	0.05%
Last 3 Months	0.31%	0.03%	0.28%
Last 6 Months	0.94%	0.05%	0.89%
Financial Year to Date	0.60%	0.04%	0.56%
Last 12 months	-1.10%	0.51%	-1.61%

Broken Hill City Council

Investment Policy Compliance Report



	Credit Rating	Face Value (\$)	Policy Max	
Short Term	A-1	8,004,869		
Short Term	A-1+	12,133,009		
		20,137,878	74%	100% ✓
Short Term	A-2	2,000,000		
		2,000,000	7%	60% ✓
Short Term	TCc	1,125,590		
Short Term	TCm	4,052,887		
		5,178,477	19%	30% ✓
		27,316,354	100%	

✓ = compliant
✗ = non-compliant

	% used vs Investment Policy Limit	
Westpac Group (A-1+, AA-)	82%	✓
Macquarie Bank (A-1, A+)	73%	✓
NSW T-Corp (MT) (TCm)	49%	✓
AMP Bank (A-2, BBB)	29%	✓
National Australia Bank (A-1+, AA-)	16%	✓
NSW T-Corp (Cash) (TCc)	14%	✓

	Face Value (\$)	Policy Max
Between 0 and 1 Year	27,316,354	100% 100%
27,316,354		
Detailed Maturity Profile	Face Value (\$)	
00. Cash + Managed Funds	23,316,354	85%
01. Less Than 30 Days	500,000	2%
02. Between 30 Days and 60 Days	3,000,000	11%
04. Between 90 Days and 180 Days	500,000	2%
27,316,354		

Broken Hill City Council

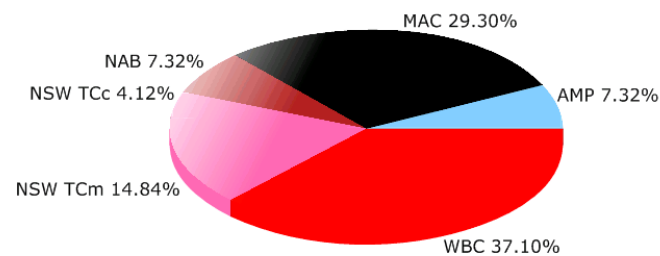
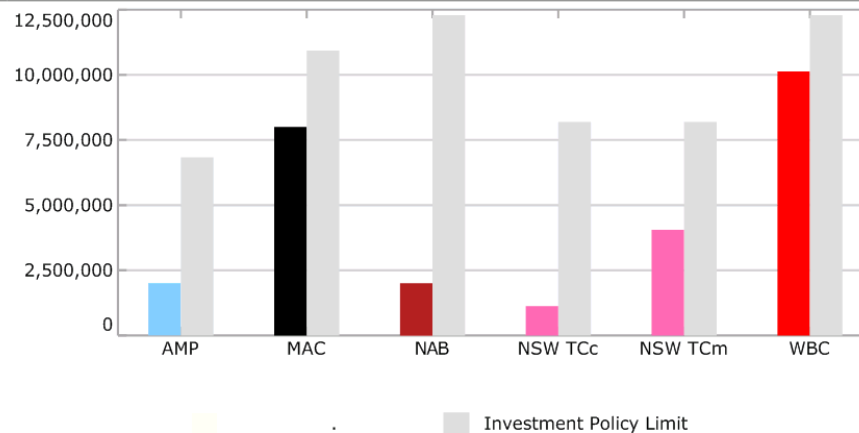
Individual Institutional Exposures Report



Individual Institutional Exposures

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
AMP Bank	A-2, BBB	2,000,000	6,829,089
Macquarie Bank	A-1, A+	8,004,869	10,926,542
National Australia Bank	A-1+, AA-	2,000,000	12,292,359
NSW T-Corp (Cash)	TCc	1,125,590	8,194,906
NSW T-Corp (MT)	TCm	4,052,887	8,194,906
Westpac Group	A-1+, AA-	10,133,009	12,292,359
		27,316,354	

Individual Institutional Exposure Charts



Broken Hill City Council

Cash Flows Report



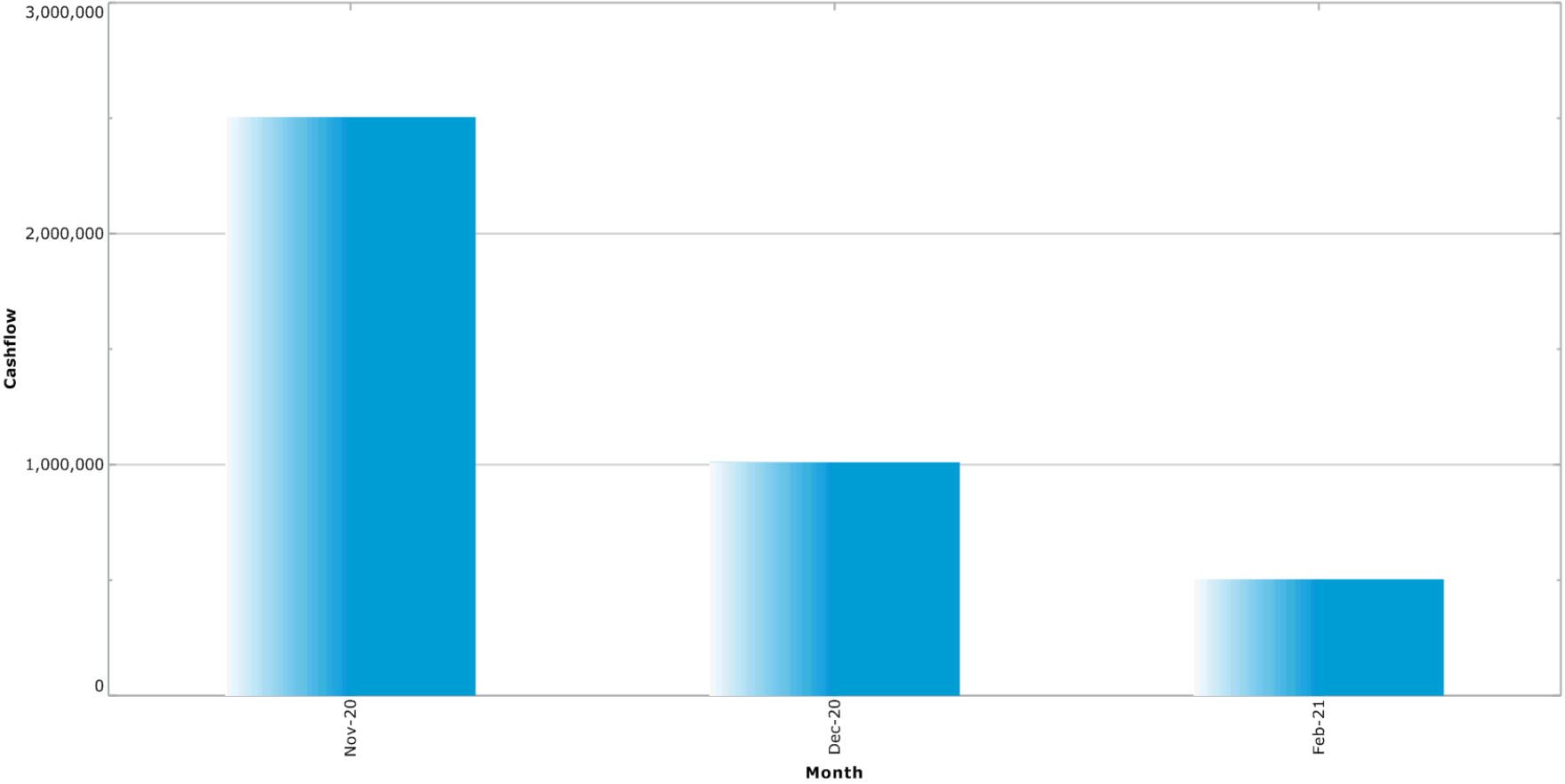
Current Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Received</u>
28-Oct-20	539970	National Australia Bank	Term Deposits	Maturity Face Value - Received	500,000.00
		National Australia Bank	Term Deposits	Interest - Received	1,408.90
Deal Total					501,408.90
Day Total					501,408.90
Net Cash Movement for Period					501,408.90

Next Month Cashflows

<u>Transaction Date</u>	<u>Deal No.</u>	<u>Cashflow Counterparty</u>	<u>Asset Type</u>	<u>Cashflow Description</u>	<u>Cashflow Due</u>
11-Nov-20	539917	AMP Bank	Term Deposit	Maturity Face Value - Received	500,000.00
		AMP Bank	Term Deposit	Interest - Received	2,953.42
Deal Total					502,953.42
Day Total					502,953.42
30-Nov-20	540343	National Australia Bank	Term Deposit	Maturity Face Value - Received	2,000,000.00
		National Australia Bank	Term Deposit	Interest - Received	1,804.93
Deal Total					2,001,804.93
Day Total					2,001,804.93
Net Cash Movement for Period					2,504,758.36

Broken Hill City Council
Cash Flows Report



ORDINARY MEETING OF THE COUNCIL

October 13, 2020

ITEM 5BROKEN HILL CITY COUNCIL REPORT NO. 155/20SUBJECT: ADOPTION OF DRAFT INVESTMENT POLICY 12/114**Recommendation**

1. That Broken Hill City Council Report No. 155/20 dated October 13, 2020, be received.
2. That Council adopts the Draft Investment Policy as a Policy of Council.
3. That adoption of the Draft Investment Policy will render the Investment Policy, adopted in 2017, obsolete.

Executive Summary:

Council endorsed the Draft Investment Policy for public exhibition at its Ordinary Meeting held 30 September 2020.

The Draft Investment Policy was placed on public exhibition for 28 days closing 30 October 2020 at which time Council received nil submissions.

Report:

Council's current Investment Policy was adopted on 22 February 2017 and is now due for review.

The purpose of the Investment Policy is to establish the foundations that are to apply to the investment of Broken Hill City Council's funds that are surplus to Council's immediate requirements and to ensure that Council's representatives exercise the care, diligence and skill that a prudent person would exercise in investing those funds.

A number of changes have been made to the Investment Policy to make it easier to read and understand for users as well as incorporating the requirements of NSW Treasury Corporation.

In addition, Council's Audit, Risk & Improvement Committee as well as Council's Investment Advisors (Prudential) have been engaged throughout the review process and are supportive of the Draft Investment Policy and recommended changes.

Many of the proposed changes to Broken Hill City Council's Investment Policy are the removal of sections that are redundant or have extraneous wording.

The more significant recommended amendments concern the expansion and clarity of Council's comprehensive three-part Risk Management Framework which focuses on:

- **Overall Portfolio Credit Framework:** to limit overall credit exposure of the portfolio
- **Institutional Credit Framework:** to limit exposure to individual institutions based on their credit rating, and
- **Term to Maturity Framework:** to limit exposures based upon maturity of securities and credit ratings of investments.

The Proposed Changes are as below:

Overall Portfolio Credit Framework

Current framework:

4.7.1 Overall Portfolio Credit Framework

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Credit Ratings*	S&P Short Term Credit Ratings*	Maximum
AAA Category	A.1+	100%
AA Category	A-1	100%
A Category	A-2	60%
BBB Category	A-3	30%
Unrated Authorised deposit taking institution.	Unrated	20%
Unrated NSW Treasury Corp Hour Glass Facility	Unrated	30%

*or Moody's / Fitch equivalents

Proposed framework:

4.7.1 Overall Portfolio Credit Framework

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Credit Rating Categories	Portfolio Max %
AAA, AA+, AA, AA-	100%
A+, A	60%
A-	40%
BBB+ and BBB total	35%
<i>Sub limit: BBB+</i>	<i>up to 35%</i>
<i>Sub limit: BBB</i>	<i>up to 10%</i>
Specific Ministerial Approved Forms of Investment	Portfolio Max %
NSW TCorpIM Core Funds	30%

Credit ratings are based upon the Standard & Poor's Long Term Credit Ratings or Moody's / Fitch equivalents.

Key Changes:

- Elimination of references to the short-term rating categories, the purpose of this is for ease of portfolio management and monitoring.
- The separation of the BBB Category into subcategories of BBB+ and BBB and the elimination of allowance for exposure to BBB- and Unrated ADIs. Council has not invested in any BBB- or unrated banks since at least 2014.
- Overall exposure to the BBB rating category is proposed to be increased from 30% to 35%, in line with NSW TCorp's proposal, with a sublimit of 10% in overall BBB exposure.
- Overall limit for NSW TCorpIM managed funds is recommended to be capped at 30% as opposed to the 100% proposed by TCorp.

Institutional Credit FrameworkCurrent:**4.7.2 Institutional Credit Framework**

Exposure to an individual institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Credit Ratings*	S&P Short Term Credit Ratings*	Maximum
AAA Category	A.1+	45%
AA Category	A-1	40%
A Category	A-2	25%
BBB Category	A-3	10%
Unrated Authorised deposit taking institution.	Unrated	10%
Unrated NSW Treasury Corp Hour Glass Facility	Unrated	30%

*or Moody's / Fitch equivalents

Proposed framework:**4.7.2 Institutional Credit Framework**

Exposure to an individual institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:



Credit Rating Categories	Institution Max %
AAA, AA+, AA, AA-	45%
A+, A	30%
A-	20%
BBB+	10%
BBB	5%
NSW TCorpIM Funds (not rated)	Max %
TCorpIM Cash Fund	30%
TCorpIM Short Term Income Fund	30%
TCorp IM Medium Term Growth Fund	30%
TCorpIM Long Term Growth Fund	30%

Credit ratings are based upon the Standard & Poor's Long Term Credit Ratings or Moody's / Fitch equivalents.

Key Changes:

- Like the Overall Portfolio Credit Framework, the main change to the Overall Portfolio Credit Framework is the elimination of references to the short-term rating categories.
- The separation of the BBB Category into subcategories of BBB+ and BBB, and the elimination of allowance for exposure to Unrated ADIs.
- NSW TCorpIM products have been specifically named. While each is allowed a maximum of 30%, the total overall exposure to NSW TCorpIM products is 30%.

Term to Maturity FrameworkCurrent:**4.7.3 Term to Maturity Framework**

The investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits		
Portfolio % ≤ 1 Year	40% Min	100% Max
Portfolio % > 1 Year ≤ 3 Years	0% Min	60% Max
Portfolio % > 3 Years	0% Min	30% Max

Proposed framework:**4.7.3 Term to Maturity Framework**

The portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits		
Portfolio % ≤1 year	Min 40%	Max 100%
Portfolio % >1 year ≤10 years	Min 0%	Max 60%
Sub limit by Maturity		
<i>Portfolio % > 5 years ≤ 10 years</i>	<i>Min 0%</i>	<i>Max 30%</i>
Sub limits by Credit Rating		
<i>AA+, AA, AA- rating:</i>		<i>5yrs maximum</i>
<i>A+, A, A-, BBB+ rating:</i>		<i>3yrs maximum</i>
<i>BBB rating</i>		<i>1yr maximum</i>

Key Changes:

- The proposed Term to Maturity Framework is largely consistent with Council's current limits and includes NSW TCorp's proposed sub limits by credit ratings. Rather than an open-ended maturity limit, a 10-year maximum, which would only apply to AAA rated investments, is proposed.

The Draft Investment Policy was placed on public exhibition for a 28-day period closing 30 October 2020 at which time Council received nil submissions from the public.

Community Engagement:

Public exhibition for a period of 28 days closing on 30 October 2020.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organisation to operate its legal framework

Relevant Legislation:

- Local Government Act 1993* – Section/s 412 & 625;
- Local Government Act 1993* - Order (of the Minister) in accordance with the most recently published Order;
- The Trustee Amendment (Discretionary Investments) Act 1997* – Section/s 14A(2), 14C(1) & (2);
- Local Government General Regulation 2005* – Reg 212;

- Office of Local Government Circulars;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Australian Accounting Standards.

Financial Implications:

Review of this policy demonstrates a strong commitment to improved financial performance and sustainability.

Attachments

1. [↓](#) Draft Investment Policy

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER

DRAFT INVESTMENT POLICY

QUALITY CONTROL		
TRIM REFERENCES	12/114 – D16/44050	
RESPONSIBLE POSITION	Chief Financial Officer	
APPROVED BY	Council resolution	
REVIEW DATE		REVISION NUMBER 2
EFFECTIVE DATE	ACTION	MINUTE NUMBER
30 September 2020	Public Exhibition	46353

1. INTRODUCTION

The purpose of this document is to establish the foundations that are to apply to the investment of Broken Hill City Council's funds that are surplus to Council's immediate requirements and to ensure that Council's representatives exercise the care, diligence and skill that a prudent person would exercise in investing those funds.

2. POLICY OBJECTIVE

The objective of this policy is to establish the framework within which the investment function of Broken Hill City Council will operate, be monitored, and be reported upon.

While exercising the power to invest, due consideration is to be given to:

- Preservation of capital. Preservation of capital is the principal objective of the investment process. Investments are to be placed in a manner that seeks to ensure security and of safeguarding the funds invested. This includes managing credit and interest rate risk within identified thresholds and parameters.
- Managing Council's liquidity. Investments should be allocated to ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring the risk of costs due to the unanticipated sale of an investment.
- Maximising returns within Council's risk appetite as outlined in this policy. Investments are expected to achieve a market average rate of return in line with the Council's risk tolerance.

3. POLICY SCOPE

This policy applies to all Council Officers who have authority delegated to them to invest surplus funds on Council's behalf and is in accordance with legislation and guidelines.

4. POLICY STATEMENT

4.1. DELEGATION OF AUTHORITY

The General Manager is given delegated authority under Section 377 *Local Government Act 1993*, to invest temporary surplus funds in accordance with Council policy.

The General Manager may in turn delegate the day-to-day management of Councils Investment to the Responsible Accounting Officer, subject to regular reviews.

The General Manager must approve delegations in writing and record them in the Register of Delegations. Delegated officers are required to acknowledge that they have received a copy of this policy and understand their obligations in this role.

4.2. PRUDENT PERSON STANDARD

The delegated officers will ensure that Council investments are managed with the care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

4.3. ETHICS AND CONFLICTS OF INTEREST

Officers shall refrain from personal activities that would conflict with proper execution and management of Council's investment portfolio. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

4.4. APPROVED INSTRUMENTS

Broken Hill City Council approves the following investments included in the Ministerial Investment Order:

- any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993 (NSW)*)
- interest bearing deposits with an authorised deposit taking institution (ADI)
- a deposit with the New South Wales Treasury Corporation or investments in the New South Wales Treasury Corporation Investment Management Core Funds. .

4.5. PROHIBITED INVESTMENTS

In accordance with the Ministerial Investment Order, this Investment Policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments;
- Principal only investments or securities that provide potentially nil or negative cash flow;

- Standalone securities issued that have underlying futures, options, forward contracts or swaps of any kind.
- The use of leveraging (borrowing to invest) for an investment.

4.6. RISK MANAGEMENT GUIDELINES

Investments obtained are to be considered in light of the following key criteria:

- **Credit Risk** – The risk that a party to a transaction will fail to fulfill its obligations. In the context of this document it relates to the risk of loss due to the failure of an institution/entity with which an investment is held to pay the interest and/or repay the principal of an investment.
- **Diversification** – the requirement to place investments in a broad range of products so as not to be over exposed to a particular sector of the investment market.
- **Liquidity Risk** – The risk that Council incurs additional costs (or in the worst case is unable to execute its spending plans) due to having too little cash available due to being invested in illiquid assets.
- **Market Risk** – the risk that fair value or future cash flows of an investment will fluctuate due to changes in market prices, or benchmark returns will unexpectedly overtake the investment's return.
- **Maturity Risk** – the risk relating to the length of term to maturity of the investment. The longer the term, the greater the length of exposure and risk to market volatilities.
- **Preservation of Capital** – the requirement for preventing losses in an investment portfolio's total value.
- **Reinvestment Risk** – the risk that an investor will be unable to reinvest cash flows (e.g., coupon payments) and maturity proceeds at a rate comparable to their current rate of return because interest rates are lower in the future, thereby resulting in a reduction of income over time.

4.7. CREDIT & MATURITY GUIDELINES

Investments are to comply with three key criteria relating to:

- 4.7.1. Overall Portfolio Credit Framework: limit overall credit exposure of the portfolio;
- 4.7.2. Institutional Credit Framework: limit exposure to individual institutions based on their credit ratings; and
- 4.7.3. Term to Maturity Framework: limits based upon maturity of securities.

4.7.1 Overall Portfolio Credit Framework

To control the credit quality on the entire portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Credit Rating Categories	Portfolio Max %
AAA, AA+, AA, AA-	100%
A+, A	60%
A-	40%
BBB+ and BBB total	35%
Sub limit: BBB+	up to 35%
Sub limit: BBB	up to 10%
Specific Ministerial Approved Forms of Investment	Portfolio Max %
NSW TCorpIM Core Funds	30%

Credit ratings are based upon the Standard & Poor's Long Term Credit Ratings or Moody's / Fitch equivalents.

4.7.2 Institutional Credit Framework

Exposure to an individual institution will be restricted by their credit rating so that single entity exposure is limited, as detailed in the table below:

Credit Rating Categories	Institution Max %
AAA, AA+, AA, AA-	45%
A+, A	30%
A-	20%
BBB+	10%
BBB	5%
NSW TCorpIM Funds (not rated)	Max %
TCorpIM Cash Fund	30%
TCorpIM Short Term Income Fund	30%
TCorp IM Medium Term Growth Fund	30%
TCorpIM Long Term Growth Fund	30%

Credit ratings are based upon the Standard & Poor's Long Term Credit Ratings or Moody's / Fitch equivalents.

4.7.3 Term to Maturity Framework

The portfolio is to be invested within the following maturity constraints:

Overall Portfolio Term to Maturity Limits		
Portfolio % ≤1 year	Min 40%	Max 100%
Portfolio % >1 year ≤10 years	Min 0%	Max 60%
Sub limit by Maturity		
Portfolio % > 5 years ≤ 10 years	Min 0%	Max 30%
Sub limits by Credit Rating		
AA+, AA, AA- rating:		5yrs maximum
A+, A, A-, BBB+ rating:		3yrs maximum
BBB rating		1yr maximum

4.8. BENCHMARKING

As Council traditionally invests in short term deposits, the performance benchmark to be used is the Bloomberg AusBond Bank Bill Index.

4.9. INVESTMENT ADVISOR

Should the Council deem it necessary to consult an investment advisor, the investment advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to the investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy. Any commissions paid to the advisor by banks/product providers will be rebated, or otherwise onforwarded, to Council as per ASIC requirements for an independent investment advisor.

4.10. REPORTING AND REVIEWING OF INVESTMENTS

Documentary evidence must be held for each investment and details thereof maintained in the Investment register.

Details to be included in the Investment Register:

- The amount of money invested;
- Particulars of the security or form of investment in which the money is invested;
- The term of the investment; and
- The rate of interest to be paid, and the amount of money that Council has earned, in respect of the investment.

The documentary evidence must provide Council legal title to the investment.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Council's behalf as at 30 June each year and reconciled to the Investment Register.

All investments are to be appropriately recorded in Council's financial records and reconciled at least monthly.

Council will be provided with a written report each month setting out details of the entire investment portfolio. The report will confirm compliance of Council's investments with legislative and policy requirements.

5. IMPLEMENTATION

5.1. Roles and Responsibilities

The following Council officers are responsible for the implementation and the adherence to this policy:

- General Manager
- Chief Financial Officer
- Manager Finance
- Management/ Financial Accountant
- Assistant Management Accountant

5.2. Communication

This Policy will be communicated to the community and staff in accordance with Council's Policy, Procedure and Process Framework and Council's Business Paper process. Following adoption by Council the Policy will be made available on Council's website.

5.3. Associated Documents

The following documentation is to be read in conjunction with this policy.

- Code of Conduct Policy
- Records Management Policy
- Conflicts of Interest Policy

6. REVIEW

Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guidelines.

The standard review period will be every two (2) years from the effective date, however may occur sooner if there is a change in legislation, Accounting Standards or other relevant guidelines. The responsible Council officer will be notified of the review requirements three (3) months prior to the expiry of this policy.

The Chief Financial Officer is responsible for the review of this policy.

7. LEGISLATIVE AND LEGAL FRAMEWORK

All investments are to comply with the following:

- Local Government Act 1993 - Section 412 & 625;
- Local Government Act 1993 - Order (of the Minister) in accordance with the most recently published Order;
- The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) & (2);
- Local Government General Regulation 2005 – Reg 212;
- Office of Local Government Circulars;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Australian Accounting Standards.

Council employees shall refrain from personal activities that would conflict with proper execution and management of Council's Investment Policy. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

8. SCHEDULES

- **Schedule 1 – Standard & Poor's Ratings Description;**
- **Schedule 2 – Copies of Relevant Legislation.**

SCHEDULE 1**Standard & Poor's Ratings Description**

Credit Ratings

Standard & Poor's (S&P) is a professional organisation that provides analytical services. An S&P rating is an opinion of the general creditworthiness of an obligor with respect to particular debt security or other financial obligation - based on relevant risk factors.

Credit ratings are based, in varying degrees, on the following considerations:

- Likelihood of payment;
- Nature and provisions of the obligation;
- Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganisation or other laws affecting creditors' rights.

The issue rating definitions are expressed in terms of default risk.

Long-Term Obligations Ratings are:

- AAA: An obligation/obligor rated AAA has the highest rating assigned by S&P. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.
- AA: An obligation/obligor rated AA differs from the highest rated obligations only in a small degree. The obligor's capacity to meet its financial commitment on the obligations is very strong.
- A: An obligation/obligor rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations/obligor in higher rated categories. However, the obligors' capacity to meet its financial commitment on the obligation is still strong.
- BBB: An obligation/obligor rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to the obligor to meet its financial commitment on the obligation.
- Unrated: Financial institutions do not necessarily require a credit rating from the various ratings agencies such as Standard and Poor's and these institutions are classed as "Unrated". Most Credit Unions and Building Societies fall into this category. These institutions nonetheless must adhere to the capital maintenance requirements of the Australian Prudential Regulatory Authority (APRA) in line with all Authorised Deposit Taking Institutions (Banks, Building Societies and Credit Unions).

Plus (+) or minus (-): The ratings from "AA" to "BBB" may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

SCHEDULE 2:*Extracts of Legislative Requirements***LOCAL GOVERNMENT ACT 1993 - SECT 412 & 625****Section 412 Accounting Records**

- (1) A council must keep such accounting records as are necessary to correctly record and explain its financial transactions and its financial position.
- (2) In particular, a council must keep its accounting records in a manner and form that facilitate:
 - (a) the preparation of financial reports that present fairly its financial position and the results of its operations, and
 - (b) the convenient and proper auditing of those reports.

Section 625 How May Councils Invest?

- (1) A council may invest money that is not, for the time being, required by the council for any other purpose.
- (2) Money may be invested only in a form of investment notified by order of the Minister published in the Gazette.
- (3) An order of the Minister notifying a form of investment for the purposes of this section must not be made without the approval of the Treasurer.
- (4) The acquisition, in accordance with section 358, of a controlling interest in a corporation is not an investment for the purposes of this section.

THE TRUSTEE AMENDMENT (DISCRETIONARY INVESTMENTS) ACT 1997 – SECTIONS 14A (2), 14C (1) & (2)

14A (2) Duties of trustee in respect of power of investment

A trustee must, in exercising a power of investment:

- (a) If the trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons, exercise the care, diligence and skill that a prudent person engaged in that profession, business or employment would exercise in managing the affairs of other persons, or
- (b) if the trustee is not engaged in such a profession, business or employment, exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

14C Matters to which trustee is to have regard when exercising power of investment

- (1) Without limiting the matters that a trustee may take into account when exercising a power of investment, a trustee must, so far as they are appropriate to the circumstances of the trust, if any, have regard to the following matters:

- (a) the purposes of the trust and the needs and circumstances of the beneficiaries,
- (b) the desirability of diversifying trust investments,
- (c) the nature of, and the risk associated with, existing trust investments and other trust property,
- (d) the need to maintain the real value of the capital or income of the trust,
- (e) the risk of capital or income loss or depreciation,
- (f) the potential for capital appreciation,
- (g) the likely income return and the timing of income return,
- (h) the length of the term of the proposed investment,
- (i) the probable duration of the trust,
- (j) the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment,
- (k) the aggregate value of the trust estate,
- (l) the effect of the proposed investment in relation to the tax liability of the trust,
- (m) the likelihood of inflation affecting the value of the proposed investment or other trust property,
- (n) the costs (including commissions, fees, charges and duties payable) of making the proposed investment,
- (o) the results of a review of existing trust investments in accordance with section 14A (4).

(2) A trustee may, having regard to the size and nature of the trust, do either or both of the following:

- (a) obtain and consider independent and impartial advice reasonably required for the investment of trust funds or the management of the investment from a person whom the trustee reasonably believes to be competent to give the advice,
- (b) pay out of trust funds the reasonable costs of obtaining the advice.

LOCAL GOVERNMENT (GENERAL) REGULATION 2005 - CLAUSE 212

212 Reports on council investments

- (1) The responsible accounting officer of a council:
 - (a) must provide the council with a written report (setting out details of all money that the council has invested under section 625 of the Act) to be presented:
 - i) if only one ordinary meeting of the council is held in a month, at that meeting, or
 - (ii) if more than one such meeting is held in a month, at whichever of those meetings the council by resolution determines, and
 - (b) must include in the report a certificate as to whether or not the investment has been made in accordance with the Act, the regulations and the Council's investment policies.
- (2) The report must be made up to the last day of the month immediately preceding the meeting.

Note. Section 625 of the Act says how a council may invest its surplus funds.



Circular No. 11-01
Date 17 February 2011
Doc ID. A232163

Contact Finance Policy Section
02 4428 4100
dlg@dlg.nsw.gov.au

REVISED MINISTERIAL INVESTMENT ORDER

A revised Investment Order pursuant to section 625 of the *Local Government Act 1993* has been issued. The Minister for Local Government signed the revised Order on 12 January 2011 and it was published in the NSW Government Gazette on 11 February 2011. It replaces the Order dated 31 July 2008. The revised Order is attached to this circular.

Changes to the Investment Order include:

- the removal of the ability to invest in the mortgage of land (part (c) of the Investment Order dated 31 July 2008)
- the removal of the ability to make a deposit with the Local Government Financial Services Pty Ltd (part (f) of the order dated 31 July 2008)
- the addition of "Key Considerations" in the revised Investment Order, which includes a comment that a council's General Manager, or any other staff, with delegated authority by a council to invest in funds on behalf of the council must do so in accordance with the council's adopted investment policy.

Councils are reminded that on 25 May 2010 the Division of Local Government issued Investment Policy Guidelines (Circular to Councils 10-11 refers). It is expected that all councils will by now have adopted an Investment Policy in accordance with the Guidelines.

A handwritten signature in blue ink, reading 'Ross Woodward'.

Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

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LOCAL GOVERNMENT ACT 1993 – INVESTMENT ORDER
(Relating to investments by councils)

I, the Hon. Barbara Perry MP, Minister for Local Government, in pursuance of section 625(2) of the *Local Government Act 1993* and with the approval of the Treasurer, do, by this my Order, notify for the purposes of section 625 of that Act that a council or county council may only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the *Local Government Act 1993* (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the *Banking Act 1959* (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation;

All investment instruments (excluding short term discount instruments) referred to above include both principal and investment income.

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the date of this Order which was made in compliance with the previous Ministerial Orders, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the date of this Order and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

Key Considerations

An investment is not in a form of investment notified by this order unless it also complies with an investment policy of council adopted by a resolution of council.

All councils should by resolution adopt an investment policy that is consistent with this Order and any guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet, from time to time.

The General Manager, or any other staff member, with delegated authority by a council to invest funds on behalf of a council must do so in accordance with the council's adopted investment policy.

Councils have a fiduciary responsibility when investing. Councils should exercise the care, diligence and skill that a prudent person would exercise in managing the affairs of other persons.

When exercising the power of investment councils should consider, but not be limited by, the risk of capital or income loss or depreciation, the likely income return and the timing of income return, the length of the term of the proposed investment, the liquidity and marketability of the proposed investment, the likelihood of inflation affecting the value of the proposed investment and the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Dated this 12th day of January 2011


Hon BARBARA PERRY MP
Minister for Local Government

ORDINARY MEETING OF THE COUNCIL

November 5, 2020

ITEM 6

BROKEN HILL CITY COUNCIL REPORT NO. 156/20

SUBJECT: DRAFT CODE OF PRACTICE CLOSED CIRCUIT TELEVISION (CCTV) SYSTEM PROGRAMME POLICY FOR PUBLIC EXHIBITION 12/14

Recommendation

1. That Broken Hill City Council Report No. 156/20 dated November 5, 2020, be received.
2. That Council notes CCTV cameras have been installed at the Broken Hill Pound.
3. That the Code of Practice Closed Circuit Television (CCTV) Programme Policy be amended to include the new CCTV cameras installed at the Broken Hill Pound.
4. That Council publicly exhibits Code of Practice Closed Circuit Television (CCTV) Programme Policy and accepts submissions from the public for a period of 28 days.
5. That Council receives a further report at the conclusion of this exhibition, detailing submissions and any recommended changes arising, with a view to adopting the draft Code of Practice Closed Circuit Television (CCTV) Programme Policy.

Executive Summary:

Council, at its Ordinary Meeting held 28 August 2019 adopted the draft Code of Practice Closed Circuit Television (CCTV) Programme Policy as a policy of Council.

Clause 16 – Changes to the Code of Practice of the policy states:

16.2 A major change is any change that will have significant impact upon the operation of CCTV or this Code. An example of a major change is a change to the purpose of the system or proposal to install further permanent cameras.

New CCTV cameras were recently installed at the Broken Hill Companion Animal Shelter and have now been included in the review of this policy.

Report:

The CCTV Program has been designed to assist in preventing crimes in the Broken Hill local government area. It will assist Council and the NSW Police Force to work together to help provide a safer environment, reduce crime levels by deterring potential offenders, aid crime detection and the apprehension of offenders.

In accordance with the NSW Government's Policy Statement and Guidelines for the Establishment and Implementation of CCTV in Public Places and Council's Code of Practice for Closed Circuit Television (CCTV) Programme Policy:

Clause 16.2 A major change is any change that will have significant impact upon the operation of CCTV or this Code. An example of a major change is a

change to the purpose of the system or proposal to install further permanent cameras.

Council is advised that new CCTV cameras have recently been installed at the Broken Hill Companion Animal Shelter and have now been included in the review of this policy along with the following facilities.

- Charles Rasp Memorial Library
- Broken Hill Regional Art Gallery
- Albert Kersten Mining & Mineral Museum
- Broken Hill Waste Management Facility
- Weigh Bridge at the Broken Hill Waste Facility
- Broken Hill Regional Airport
- Patton Park
- Sturt Park
- Outside the Civic Centre
- Outside the Administration Centre
- Broken Hill Cemetery
- Broken Hill Regional Aquatic Centre
- HACC.

Strategic Direction:

Key Direction:	1	Our Community
Objective:	1.1	People in our community are in safe hands
Strategy:	1.1.2	Prioritise actions within the Smart City Framework that supports safer communities within our Parks and Open Spaces

Relevant Legislation:

Local Government Act 1993

Workplace Surveillance Act 2005

Privacy and Personal Information Protection Act 1998 (NSW)

Government Information (Public Access) Act 2009

Civil Liability Act 2002

Surveillance Devices Act 2007

Crimes Act 1900(NSW)

Copyright Act 1968 (CTH)

Financial Implications:

CCTV camera purchase and installation were funded from general reserve.

Attachments

1. Draft Code of Practice Closed Circuit Television (CCTV) System Programme Policy



RAZIJA NU'MAN
DIRECTOR CORPORATE

JAMES RONCON
GENERAL MANAGER

CODE OF PRACTICE CLOSED CIRCUIT TELEVISION (CCTV) SYSTEM PROGRAMME POLICY

QUALITY CONTROL				
TRIM REFERENCES		D18/11035		
RESPONSIBLE POSITION		Director Corporate		
APPROVED BY		Council		
REVIEW DATE		August 2023	REVISION NUMBER	1
EFFECTIVE DATE		ACTION	MINUTE NUMBER	
26 June 2019		Public Exhibition	46101	
28 August 2019		Adoption	46052	

1. INTRODUCTION

Closed Circuit Television (CCTV) can bring benefits to the community and assist in identifying and reducing crime which can lead to enhanced public safety in particular locations or in a particular area. CCTV adds security for the protection of Council assets by aiming to prevent, deter and detect incidents of damage and antisocial behaviour.

This Policy, which is designed to operate as a Code of Practice, contains the basic standards in accordance with which Council's CCTV Programme will be operated. It is supplemented by Confidential Standard Operating Procedures (SOPs) which provide instructions on aspects of the day to day operation of the Programme.

2. POLICY OBJECTIVE

The aim of the CCTV Programme is to discourage and/or detect unlawful behaviour in or around council property and in partnership with the NSW Police Force.

This Policy applies to all Council owned CCTV systems installed in public places and CCTV cameras in or on Council property that have the purpose of surveillance.

The objective of the Code of Practice and SOP is to outline the basic standards under which CCTV will be operated by Broken Hill City Council.

The objectives of the CCTV Programme are as follows:

- 2.1** To reduce crime levels by deterring potential offenders;
- 2.2** To reduce fear of crime;
- 2.3** To assist in the detection and prosecution of offenders; and

- 2.4** To help secure a safer environment for those people who live in, work in and visit Council Facilities and public spaces.

3. POLICY SCOPE

CCTV cameras, are installed as part of Broken Hill City Council assets, including Council facilities.

- 3.1** This Policy applies to CCTV systems installed in the following public spaces

- 3.1.1** Sturt Park;
- 3.1.2** Patton Park;
- 3.1.3** Outside the Civic Centre;
- 3.1.4** Outside the Administrative Centre;
- 3.1.5** Cemetery;
- 3.1.6** Mobile cameras at the Broken Hill Waste Facility.

- 3.2** This Policy also applies to CCTV systems installed in the following Council facilities

- 3.2.1** Charles Rasp Memorial Library;
- 3.2.2** Broken Hill Regional Art Gallery;
- 3.2.3** Broken Hill Regional Airport;
- 3.2.4** Albert Kersten Mining and Mineral Museum;
- 3.2.5** Weigh bridge at the Broken Hill Waste Facility;
- 3.2.6** Broken Hill Regional Aquatic Centre;
- 3.2.7** HACC;
- 3.2.8** Broken Hill City Council Companion Animal Shelter.

It is acknowledged that CCTV cameras installed in public place locations and as part of Broken Hill City Council infrastructure may also capture Broken Hill City Council officers performing work tasks. CCTV that is subject to this Code is not designed to intentionally provide workplace surveillance.

4. POLICY STATEMENT

CCTV can be effective in reducing or preventing crime if it is part of a broader crime prevention and community safety strategy. CCTV can bring benefits to the community through a reduction in crime which can lead to enhanced perceptions of safety in a particular area.

CCTV is one of several initiatives designed to assist in preventing crimes in the Broken Hill local government area. It assists Council and NSW Police Force – Barrier Police District to work together to help provide a safer environment, reduce crime levels by deterring potential offenders, aid crime detection and the apprehension of offenders.

This Code of Practice will be developed by Broken Hill City Council, in consultation with Barrier Police District. The NSW Government's Policy Statement and Guidelines for the Establishment and Implementation of CCTV in Public Places was used as a guide for the development of the CCTV Programme.

5. KEY PRINCIPLES

- 5.1** The Code of Practice is based on 15 key principles. In each section the key principle is stated, followed by further explanatory information.
- 5.2** The key principles are as follows:

Principle 1

The CCTV Programme will be operated fairly, within applicable law, and only for the purposes for which it is established, or which are subsequently agreed in accordance with this Code of Practice.

Principle 2

The CCTV Programme will be operated with due regard to the privacy and civil liberties of individual members of the public, including the rights to freedom of religious and political expression and assembly.

Principle 3

The public interest in the operation of the CCTV Programme will be recognised by ensuring the security and integrity of operational procedures.

- 5.3** The primary purpose of Broken Hill City Council's CCTV Programme is to assist in the prevention of crimes against the person, particularly the following:
- 5.3.1** Armed robbery;
 - 5.3.2** Robbery with wounding;
 - 5.3.3** Robbery in company of others;
 - 5.3.4** Extortion;
 - 5.3.5** Assault;
 - 5.3.6** Act of terrorism;
 - 5.3.7** Assault occasioning grievous bodily harm;
 - 5.3.8** Assault occasioning actual bodily harm;
 - 5.3.9** Sexual assault; and
 - 5.3.10** Aggravated sexual assault.
- 5.4** The secondary purpose of the CCTV Programme is to assist in the prevention of other serious criminal offences, particularly the following:
- 5.4.1** Steal motor vehicle;
 - 5.4.2** Steal from motor vehicle;
 - 5.4.3** Other steal;
 - 5.4.4** Break and enter;
 - 5.4.5** Malicious damage to property;
 - 5.4.6** Firearm offences;
 - 5.4.7** Receiving stolen goods; and
 - 5.4.8** Dealing or trafficking in drugs.
- 5.5** The CCTV Programme will only be used to identify crimes occurring within the area covered by the Programme.
- 5.6** The CCTV Programme may be used for intelligence gathering on individuals and locations, in relation to offences within the scope of the Programme.
- 5.7** The CCTV Programme may be used for NSW Police Force special operations, targeting offences covered under the Code of Practice.

6. RESPONSIBILITIES OF THE OWNER OF THE PROGRAMME

Principle 4

Broken Hill City Council has primary ownership and responsibility for compliance with the purposes and objectives of the CCTV Programme, for the maintenance, management and security of the CCTV Programme, and the protection of the interests of the public in relation to the Programme.

- 6.1** The Broken Hill City Council will be responsible for the introduction and implementation of the Code of Practice and for ensuring compliance with the principles contained within the Code.
- 6.2** The Broken Hill City Council will comply with the requirements for accountability set out in this Code of Practice.
- 6.3** The Broken Hill City Council will consult with and provide information to the public about the operation of the CCTV Programme and about any proposed changes to the Programme or Code of Practice.
- 6.4** The Code of Practice can only be changed in compliance with Section 16 of this Code.
- 6.5** Broken Hill City Council retains ownership and has copyright in all documentation and other material related to the CCTV Programme.

7. RESPONSIBILITIES OF PARTNER TO THE PROGRAMME

Principle 5

As a partner to Broken Hill City Council CCTV Programme, the NSW Police Force will act in accordance with the Code of Practice.

- 7.1** Incidents that may involve or lead to a crime against a person, serious threats to public safety, or other serious criminal offence, will be reported to an arranged police contact. The police will assess the situation and determine an appropriate response to the incident.
- 7.2** A Memorandum of Understanding (MoU) in relation to the CCTV Programme will be entered into by both the Broken Hill City Council and the NSW Police Force – Barrier Police District outlining in detail the respective roles of both parties. The MoU and any variations to it, are to be approved by the General Manager.
- 7.3** The Barrier Police District will be requested to provide Broken Hill City Council with crime statistics in relation to criminal offences for the CCTV Programme to be reviewed, evaluated and audited.

8. ACCOUNTABILITY

Principle 6

Broken Hill City Council will be accountable to the public for the effective operation and management of the CCTV Programme.

- 8.1** Broken Hill City Council's Risk and Improvement Committee will undertake an audit function:

- 8.1.1** To provide an independent and continuous review and checking mechanism, for the CCTV Programme;
 - 8.1.2** To promote public confidence in the CCTV Programme by ensuring its operations are transparent to the public and undergoing independent scrutiny and review;
 - 8.1.3** To identify and report on any deviations from the Code of Practice, Protocols or SOPs that come to notice during audit;
 - 8.1.4** To assist in the evaluation of the CCTV programme to identify if the purposes of the Programme are being complied with and objectives are being achieved;
 - 8.1.5** To recommend action that will safeguard the Programme from abuse.
- 8.2** Broken Hill City Council will undertake an annual audit of the CCTV Programme, its operations and Code of Practice. The report will be submitted to the Information and Privacy Commission NSW.
- 8.3** Both the General Manager and Public Officer, have an unfettered right of inspection of all facilities associated with external CCTV monitoring, including files and registers. All access should be recorded in the register including the identity of the accompanying person.

9. PUBLIC INFORMATION

Principle 7

The public will be provided with clear and easily accessible information in relation to the operation of Broken Hill City Council's CCTV Programme.

- 9.1** Clearly visible signs that CCTV are operating will be displayed at the perimeter of the area covered by the system and at other key points.
- 9.2** Copies of the Code of Practice will be made available on Council's website. The availability of the Code of Practice will be publicised in connection with any publicity arranged for the CCTV Programme.
- 9.3** A member of the public has the right to apply for access to personal information held by Broken Hill City Council in the following ways:
 - 9.3.1** A person can apply for information under the Government Information (Public Access) Act 2009. A copy of the Formal Access Application Form can be obtained from Council's website www.brokenhill.nsw.gov.au
 - 9.3.2** Any person applying for access to their personal information will be required to specify the following details:
 - Approximate location footage was taken from; and
 - Approximate date and time footage was taken
- 9.4** Enquiries in relation to the Broken Hill City Council's CCTV Programme and its operation can be made in writing to:

The General Manager
Broken Hill City Council
PO Box 448
BROKEN HILL NSW 2880
Email: council@brokenhill.nsw.gov.au

10. ASSESSMENT OF THE SYSTEM AND CODE OF PRACTICE

Principle 8

Regular monitoring and evaluation of the CCTV Programme will be undertaken to identify whether the purposes of the Programme are being complied with and objectives are being achieved.

- 10.1** In consultation with the NSW Police Force – Barrier Police District, Broken Hill City Council will regularly monitor the operation of the CCTV Programme and implementation of the Code of Practice.
- 10.2** Broken Hill City Council is responsible for ensuring that the CCTV Programme is subject to an annual evaluation to identify whether its purposes are being complied with and whether objectives are being achieved.
- 10.3** Evaluation will be conducted independently and carried out according to independently established criteria.
- 10.4** Evaluation of the CCTV Programme will include as a minimum:
 - 10.4.1** Assessment of its impact upon crime;
 - 10.4.2** Assessment of its impact on neighbouring areas;
 - 10.4.3** Operation of the Code of Practice, Protocols and SOPs; and
 - 10.4.4** Whether the purposes for which the Programme was established still exist.
- 10.5** The results of the evaluation will be taken into account in the future functioning, management and operation of the Programme.

11. MANAGEMENT OF THE CONTROL ROOM

Principle 9

Staff employed to work in the CCTV control room, whether they be operators or managers, will meet the highest standards of probity.

Principle 10

Access to the CCTV control room will be restricted to authorised staff and their managers as stated in the SOP and the control room will be protected from unauthorised access.

- 11.1** SOPs are developed for control room staff.
- 11.2** Broken Hill City Council will adopt:
 - 11.2.1** A procedure which clearly states that staff risk disciplinary proceedings (including dismissal) if they breach any of the provisions of the Code of Practice, SOP and Council's Code of Conduct;
 - 11.2.2** A requirement of confidentiality which can be enforced during and after termination of employment; and
 - 11.2.3** Systems of monitoring and supervision that ensure compliance with the Code of Practice and SOP.

- 11.3** Procedures will be put in place to ensure that access to the control room is restricted to operating staff and their managers and that the control room is protected from unauthorised access, except as provided in Clause 8.3.
- 11.4** The circumstances in which police or other visitors are able to access the control room will be carefully controlled and outlined in the SOP.
- 11.5** Access to the operation of equipment will be limited to Broken Hill City Council staff with that responsibility, and NSW Police Force with the appropriate training in CCTV Operations the Code of Practice, and the Standard Operating Procedures.

12. CONTROL AND OPERATION OF

Principle 11

Information recorded will be relevant and not exceed that necessary to fulfil the purposes of the CCTV Programme.

Principle 12

Information will be obtained fairly and in accordance with the privacy provisions of the Code of Practice.

- 12.1** The locations of CCTV cameras will be clearly apparent to the public.
- 12.2** All use of CCTV cameras will accord with the purposes of the CCTV Programme as outlined in the Code of Practice, and SOP.
- 12.3** CCTV cameras will not be used to look into adjacent or nearby premises or buildings, unless it is explicitly for the purpose of following (in real time) participants in a crime, which originated in the public domain. Any misuse is to be treated as a breach of this code and subject to disciplinary action.
- 12.4** No sound will be recorded in public places.
- 12.5** 'Dummy' CCTV cameras will not be used.
- 12.6** Operators of camera equipment will act in accordance with the highest standards of probity.
- 12.7** All control room staff will be made aware that recordings are subject to routine audit and that they may be required to justify their interest in a particular member of the public or premises.

13. DATA, PHOTOGRAPHS AND RECORDED MATERIAL

Principle 13

The retention of, and access to photographs and recorded material will be only for the purposes provided by this Code of Practice. CCTV data will be retained for 31 days unless they are required in relation to the investigation of crime or for court proceedings. Recorded material no longer required will be disposed of using approved methods.

- 13.1** Access to and or use of recorded material and photographs will only take place:
- 13.1.2** In compliance with the needs of NSW Police Force in the investigation and detection of a crime or suspected crime;

13.1.3 For use in NSW Police Force intelligence gathering;

13.1.4 For use following special or covert operations;

13.1.5 For providing evidence in criminal and/or civil proceedings; and/or

13.1.6 For identification of witnesses.

13.2 CCTV data will not be sold or used for commercial purposes or the provision of entertainment.

13.3 The showing of CCTV data to the public will be allowed only in accordance with the needs of the Police in connection with the investigation of crime or in any other circumstances provided by law. Any such action must be formally approved by the Police.

13.4 CCTV data shall not, under any circumstances, be used to publicise the existence or success of Broken Hill City Council's CCTV Programme.

13.5 Appropriate security measures will be taken against unauthorised access to, alteration, disclosure, accidental loss or destruction of recorded material.

13.6 CCTV data will be treated according to defined procedures to ensure continuity of evidence.

13.7 All CCTV data may be subject to random inspection by internal audit.

14. CONTACT WITH POLICE

Principle 14

Contact related to the CCTV Programme between Broken Hill City Council's staff and the Police, will be conducted strictly in accordance with the Code of Practice.

14.1 NSW Police Force will not be permitted to remove any recorded footage or photograph, operate recording equipment or have contact with any recorded footage or photograph at any time unless under the terms of this Code of Practice, the SOP or subject to the execution of a search warrant or other relevant legal process.

14.2 Any change in existing arrangements for Police contact with and use of the system will amount to a major change to the Code of Practice and must be agreed to in accordance with the Code of Practice before being implemented.

14.3 Any involvement in the CCTV Programme by Police will be recorded by the Broken Hill City Council and will be subject to audit.

15. BREACHES OF THE CODE

Principle 15

The CCTV Programme must address the interests of all who may be affected by it, and not be confined to the interests of Broken Hill City Council or the needs of the criminal justice system.

15.1 Prime responsibility for ensuring compliance with the Code of Practice lies with the Broken Hill City Council. This responsibility includes ensuring that breaches of the Code are investigated and remedied to the extent that breaches of the Code are within the ambit of Broken Hill City Council's power to remedy.

- 15.2** Complaints in relation to any aspect of the management or operation of the system may be made in writing to:

The General Manager
Broken Hill City Council
PO Box 448
BROKEN HILL NSW 2880
Email: council@brokenhill.nsw.gov.au

The *Privacy and Personal Information Protection Act 1998* authorises the Information and Privacy Commission NSW to receive and investigate complaints about alleged violations of privacy. Any member of the public is entitled to lodge a complaint with Information and Privacy Commission NSW. The contact details for Information and Privacy Commission NSW are as follows:

Information and Privacy Commission NSW
GPO Box 7011
SYDNEY NSW 2001
Tel: 1800 472 679
Email: ipcinfo@ipc.nsw.gov.au

- 15.3** Broken Hill City Council will cooperate with the investigation of any complaint by Information and Privacy Commission NSW.

Exceptions

None

Legislation

None

16. CHANGES TO THE CODE OF PRACTICE

- 16.1** A major change to this Code can only be made after consultation with the NSW Police Force – Barrier Police District and upon agreement of Broken Hill City Council. Major changes must consider any requirements of the MoU.
- 16.2** A major change is any change that will have significant impact upon the operation of CCTV or this Code. An example of a major change is a change to the purpose of the system or proposal to install further permanent cameras.
- 16.3** Any major change to CCTV or to this Code will be included in the evaluation report detailed in part 8.2 of this code.
- 16.4** A minor change to this Code may be made with the agreement of the General Manager. Minor changes will be advised to Councillors.
- 16.5** A minor change is a change to the existing document that does not affect the meaning or intent of the CCTV Programme or Code of Practice.
- 16.6** Amendments that are minor in nature include, but are not limited to, the following:
- 16.1.1** Changes to the format;
 - 16.1.2** Changes to the title or name of a position, Directorate, Group, Team, document, publication, address (including URL), or legislation referred to in the existing document;
 - 16.1.3** Correcting spelling or grammar;
 - 16.1.4** Editing for language consistency; and or

- 16.1.5** Change to those responsible for implementing the document as a result of an organisational restructure.

17. IMPLEMENTATION

17.1 Roles and Responsibilities

The following Council officers are responsible for the implementation and the adherence to this policy:

- General Manager;
- Director Corporate;
- Manager Information Services.

17.2 Communication

This Policy will be communicated to the community and staff in accordance with Council's Policy, Procedure and Process Framework. Following adoption by Council the Policy will be made available on Council's website.

17.3 Associated Documents

The following documentation is to be read in conjunction with this policy:

- NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed-Circuit Television (CCTV) in public places;
- Standard Operating Procedures Closed Circuit Television (CCTV);
- Broken Hill City Council Code of Conduct;
- CCTV Confidentiality Agreement;
- CCTV Data Collection Register;
- Application to view/obtain a copy of CCTV data from Broken Hill City Council's public CCTV System by a member of the NSW Police Force.

18. REVIEW

Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guidelines.

The standard review period will be within each term of Council following the Local Government Elections, or as required to ensure that it meets legislation requirements and the needs of the community and Council. The responsible Council officer will be notified of the review requirements three months prior to the expiry of this policy.

The Director Corporate is responsible for the review of this policy.

19. LEGISLATIVE AND LEGAL FRAMEWORK

This policy is to be read in conjunction with the following:

- Local Government Act 1993
- Government Information (Public Access) Act 2009
- Privacy and Personal Information Protection Act 1998
- NSW Government's Policy and Guidelines for the Establishment and Implementation of Closed-Circuit Television (CCTV) in Public Places

- Workplace Surveillance Act 2005
- Security Industry Act 1997
- Surveillance Devices Act 2007
- State Records Act 1998
- Copyright Act 1968
- Australian Standards AS 4806.1-2006 Closed Circuit television (CCTV)

This Code is supported by confidential Standard Operating Procedures for the effective management, operation and monitoring of the Programme.

Council employees shall refrain from personal activities that would conflict with proper execution and management of Council's Code of Practice Closed Circuit Television System Programme Policy. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

20. DEFINITIONS

Public place is defined from the Local Government Act 1993 and refers to public reserves, public bathing reserves, public baths or swimming pools, public roads, public bridges, public wharfs or public road-ferries with the addition of public transport and car parks.

Closed Circuit Television is defined as a television system that transmits images on a 'closed loop' basis, where images are only available to those directly connected to the transmission system. The transmission of closed-circuit television images may involve the use of coaxial cable, fibre-optic cable, telephone lines, infra-red and radio transmission systems. A handheld or fixed video cassette recorder is not included in this definition unless it is connected to a transmission system.

CCTV Programme – means the Code of Practice Closed Circuit Television System Programme Policy, MoU and Standard Operating Procedures.

Control Room – means the facility within a specific site where CCTV data/footage is stored

Licensed – means holding an appropriate licence under the *Security Industry Act 1997* to undertake activities associated with CCTV

Memorandum of Understanding – means the agreement entered by Broken Hill City Council and the NSW Police Force – Barrier Police District.

Video surveillance - means surveillance by a closed-circuit television system for direct visual monitoring and/or recording of activities on premises or in a place

ORDINARY MEETING OF THE COUNCIL

November 13, 2020

ITEM 7BROKEN HILL CITY COUNCIL REPORT NO. 157/20SUBJECT: DRAFT CEMETERY MANAGEMENT POLICY 13/163**Recommendation**

1. That Broken Hill City Council Report No. 157/20 dated November 13, 2020, be received.
2. That Council adopt the amended Cemetery Management Policy with no requirement for exhibition in accordance with Section 161 of the *Local Government Act 1993*.

Executive Summary:

The Council Cemetery Management Policy has been reviewed and minor wording changes made to reflect 'Interment Rights' not 'Exclusive Rights' as per the *Cemeteries and Crematoria Act 2013*.

Report:

Under the *Local Government Act 1993*, the Public Health (Disposal of Bodies) Regulation 2002 and the *Local Government (Control of Cemeteries) Amendment Act 1966*, Broken Hill City Council as a cemetery authority is required to establish policies and procedures in regard to the control of the management and operation of Council Cemetery.

Section 161 of the *Local Government Act 1993* states that if the council is of the opinion that the amendments are not substantial, it may adopt the amended draft local policy without public exhibition.

The purpose of the Cemetery Management Policy is to provide a simple yet effective management approach for the short- and long-term future of the cemetery within Broken Hill. The policy provides a guide reference for understanding how Council manages the Cemetery and the framework as to how staff administer Cemetery management.

The policy is reviewed within each term of Council following the Local Government Elections, or as required to ensure that it meets legislation requirements and the needs of the community and Council.

Council's Cemetery Management Policy has been reviewed and minor wording changes made to reflect 'Interment Rights' as per the *Cemeteries and Crematoria Act 2013*. Where the phrase 'Exclusive Rights' is referenced in Council management systems and documents, has been amended to 'Interment Rights'.

Community Engagement:

The draft Cemetery Management Policy does not require public exhibition due to minor wording changes only. This policy will be updated on Council's website.

Strategic Direction:

Key Direction:	1.	Our Community
Objective:	1.1	People in our Community are in safe hands.
Strategy:	1.1.3	Provide suitable land within the Cemetery reserve and develop for future expansion.

Relevant Legislation:

Cemeteries and Crematoria Act 2013.

Local Government Act 1993.

Public Health (Disposal of Bodies) Regulation 2002.

Local Government (Control of Cemeteries) Amendment Act 1966.

Financial Implications:

Nil

Attachments

1. [↓](#) Cemetery Management Policy

RAZIJA NU'MAN
DIRECTOR CORPORATE

JAMES RONCON
GENERAL MANAGER

CEMETERY MANAGEMENT POLICY

QUALITY CONTROL			
TRIM REFERENCES	D14/28765 – 12/114		
RESPONSIBLE POSITION	Manager Infrastructure Strategy		
APPROVED BY	Council		
REVIEW DATE	March 2021	REVISION NUMBER	2
EFFECTIVE DATE	ACTION	MINUTE NUMBER	
25 March 2015	Public Exhibition	44900	
29 July 2015	Adopted	45007	
29 March 2017	Public Exhibition	45502	
31 May 2017	Adopted	45545	
13 November 2020	Amended		
13 November 2020	Council Report for Adoption		

1. INTRODUCTION

This policy has been developed to assist in the management of the Broken Hill Cemetery.

2. POLICY OBJECTIVE

The Broken Hill City Council Cemetery Management Policy outlines the overall principles that underpin how Council manages its cemetery in order to comply with legislative requirements and to provide a dignified and responsive cemetery and memorial service to the community.

3. POLICY SCOPE

This policy applies to the Broken Hill Cemetery, which is under the care, control and management of the Broken Hill City Council, following the introduction of the *Local Government (Control of Cemeteries) Amendment Act 1966*, in the early 1970's.

This policy is aimed at all members of the public; including Council employees, residents, visitors and contractors, who have an interest in or are undertaking work within the Broken Hill Cemetery.

4. POLICY STATEMENT

4.1. Cemetery Maintenance

Council shall maintain lawn areas, trees and vegetation, roadways and paths adjacent to and within the monumental sections. All shrubs, plants in the cemetery and gardens are planted and cared for by Council. Council may remove any trees, shrubs or other vegetation from the cemetery.

The public are not permitted to plant flowers, shrubs or trees in any area within the cemetery boundary without Council's written consent. Council may remove any shrubs, trees or other vegetation that have been planted on a burial site or within the Cemetery without Council's

written consent.

Council are not responsible for the upkeep, maintenance, repair, restoration, or cleaning of any monument or structure at a burial site. Council will endeavor to contact the Interment Rights holder if damage is caused to a grave or monument. It is important that all Interment Rights holders provide up to date contact details to Council.

Council may act to remove any structure in a cemetery that has become dilapidated, unsightly, is crumbling, or deemed to be unsafe in a risk assessment carried out by Council. Council's actions will be limited to making unsafe structures safe to ensure public and employee safety.

Where subsidence is evident, Council may fill and compact the ground after discussing the proposed works with the Interment Rights holder, or after making reasonable attempts to contact the Interment Rights holder to discuss the proposed works.

4.2. Cemetery Records

Prior to Council taking on the management of the Cemetery in the 1970's, the cemetery management and records were administered by various church and community trustees, and consequently some records are incomplete, missing or incorrect.

The Public Health Regulation 2012, Part 8 - Disposal of Bodies, Division 3 - Handling of bodies, Section 68 Register of Burials, states:

- 1.1.1. *A cemetery authority must maintain a register of all burials carried out at the cemetery.*
- 1.1.2. *The cemetery authority must make in the register an entry relating to each burial immediately after the burial has been carried out.*
- 1.1.3. *Each entry must include the following:*
 - a) *the name, age and last address of the person whose body or remains have been buried;*
 - b) *the date of the person's death;*
 - c) *the date of the burial;*
 - d) *the section and allotment where the burial has been made;*
 - e) *the name of the person (if any) who continues to hold any right of burial in that allotment;*
 - f) *the name of the funeral director who transported the body to the cemetery;*
 - g) *the fees paid to the cemetery authority for the burial.*
- 1.1.4. *The cemetery authority must keep a copy of the register at the cemetery and make it available for inspection on request by an authorised officer.*
- 1.1.5. *If a cemetery authority ceases to direct the operations of a cemetery, the chief executive officer of the authority must ensure that the register of burials for the cemetery is sent to the Director-General or otherwise disposed of as the Director-General may direct.*

Council will ensure that:

- a) A register of burials is maintained, as required by legislation;
- b) Each burial is recorded in the burial register immediately after the service. Council will mark burial locations on a map. Printed copies of records and maps are available at Council;
- c) Registers are amended to remove or correct inaccuracies;
- d) As time permits, Council staff will investigate and locate burial records not currently held at Council and continue with the ongoing collation of burial records, where possible;
- e) Council will locate and record reservations and unmarked graves within the cemetery, where possible.

4.3. Fees and Charges

Cemetery fees are detailed in Council's Schedule of Fees and Charges. The Schedule is reviewed annually and implemented on 1 July each year.

4.4. Interment Rights of Burial and Work Permits

An Interment Rights of Burial grants the holder the authority to make decisions about the grave/plot/niche and/or the monument, which may include:

- a) Erection or alteration of a monument;
- b) Initial and subsequent burials, exhumations and relocations;
- c) Maintenance of the grave or monument.

The Interment Rights is perpetual.

A maximum of two people may own an Interment Right.

A Work Permit grants the holder the authority to make decisions about the monument, which may include:

- a) Erection or alteration of a monument;
- b) Maintenance of the grave or monument.

The Work Permit is perpetual.

As of 1 January 2004, the purchase of an Interment Rights includes both the Interment Rights and Work Permit. Any Interment Rights that was purchased prior to this date will require a Work Permit to be purchased separately prior to any monumental works being undertaken.

The Interment Rights does not give the holder any equity or property holding in the cemetery. There is no ownership of 'the plot' or cemetery land. It is a permit that provides conditional access and right to the specified burial site.

An Interment Rights do not need to be produced when the owner is the deceased and will be interred in the plot/grave indicated on the Interment Rights as it is assumed that the person purchased the Interment Rights with the intention of their own interment.

a) *Transfer of Interment Rights to another person*

Upon application Council will transfer the ownership of an Interment Rights from the existing holder to a person or persons. The original Certificate must be presented to Council with the transfer section completed and signed by the Interment Right owner.

b) *Surrender or Transfer of Interment Rights and/or Work Permit to Council*

The holder or joint holders of an Interment Rights and Work Permit granted by the Council may transfer the Interment Rights and/or Work Permit to Council.

Council will only accept the transfer of an Interment Rights and/or Work Permit if:

- Evidence of ownership of the Interment Rights and/or Work Permit is supplied to Council.
- The gravesite described in the Interment Rights and/or Work Permit to be transferred has not been used for burial of human remains including the remains from a cremation or if it has previously been used, an exhumation has occurred and the gravesite is no longer required.
- The gravesite is free of structural improvements, such as headstone, marker and plantings. If a monument has been placed on a spare grave, the Interment Rights and Work Permit holder will be responsible, at their own cost, for the removal of the monument prior to the transfer of the Interment Rights and/or Work Permit to Council.
- Council will reimburse the applicant for the amount paid for the Interment Rights and/or Work Permit at the time of the original purchase, or if paid prior to the introduction of decimal currency an amount determined by Council.

c) *Interment Rights and/or Work Permit to pass to surviving holder.*

If jointly owned, upon the death of one of the joint holders of an Interment Rights and/or Work Permit, the remaining joint holder is, or joint holders are, entitled to the full ownership of the Interment Rights and Work Permit.

If all original holders of the Interment Rights are deceased, the right of ownership will pass to the estate of the most recently deceased holder or to the person(s) nominated in the estate. If a further interment or further monumental work is requested, all persons with an interest must agree to the interment or works by completing a Statutory Declaration.

d) *Interment Rights and/or Work Permit bequeathed*

The holder of a burial permit may bequeath the Interment Rights and/or Work Permit as if it were the holder's personal estate.

Upon application made by a person to whom a burial permit has devolved as a result of a bequest, Council will amend the register so as to indicate that the person has become the holder of the Interment Rights and/or Work Permit. A new certificate will be issued and the original certificate will be retained at Council and recorded as cancelled.

Evidence in writing of a bequeath is required to be provided to Council in order to make any changes

e) *Power of Attorney*

A person who produces Power of Attorney documents relating to the Interment Rights Holder(s) will have the same interment and monument works decision rights as the holder(s) would.

4.5. Interment Rights for Spare Plots/Niches and Pre-Selection of Spare Plots/Niches

All spare plots/niches purchased incur a fee for as per the Schedule of Fees and Charges, in effect at the time of the spare plot/niche being purchased. Only upon payment shall an Interment Rights and Work Permit be issued.

a) *Spare Plot and Niche Pre Selection Fees*

- If a person requests a specific plot or niche location, Council's Pre Selection Fee will apply.
- If a person does not specify a spare plot or niche and rather accepts Council's selection of a plot or niche, this will not be classed as a pre-selected plot and the Pre Selection Fee will not apply.

b) *Available Locations for Spare Plots and Niches*

- General Section
- Denomination Sections
- Cremation Wall

All spare plots and niches will be marked with a reservation marker (peg) by Cemetery Staff to identify this as a spare plot.

Council will permit a maximum of six (6) spare plots/niches to be purchased by any one family at any one time.

c) *Spare plots are not available for pre-purchase in the Rose Garden or Native Garden, unless:*

- At the time of a deceased person being interred, one only adjacent plot may be pre-purchased for future burial, subject to a sloper being placed at the site of the spare plot within three months of the plot purchase.

4.6. Interment Rights and Work Permits for Old Graves

An application for the purchase of an Interment Rights for Old Grave must be submitted to Council on the applicable form.

4.7. Grave and Plot Allocation Sizinga) *In Ground Plots:*

- 2100mm depth;
- 700mm width;
- First Interment is dug at 1800mm in ground depth;
- Reopen interments are dug at 1200mm in ground depth.
- Interment of ashes at the head end or foot end of a grave is determined on a merit by merit basis, at the time of application. Fees apply.

b) *Rose Garden:*

- Plot Allocation Size - 450mm x 400mm.

4.8. Monuments

For the purpose of this policy, the definition of a permanent and a temporary monument is considered as the following:

- Permanent - A monument that is not easily removable. Any concrete or granite grave, headstone, slab or sloper, a sloper with a plaque, any masonry structures and sculptures;
- Temporary - A monument that is easily removable. A brick (without mortar), wire, metal or wooden fence, a wooden cross, pebbles or stones, a wire cage cover (without a slab).

The holder of an Interment Rights and Work Permit is responsible for all costs relating to a monument, including maintenance and repair.

All permanent monuments and monumental work must comply with AS 4204-1994 Headstones and Cemetery Monuments and AS 4425-1996 Above-Ground Burial Structures.

A grave site can be marked with a wooden cross without the requirement to purchase a Work Permit.

Name plates on crosses must be engraved to survive weather and age deterioration.

Monument sizing is as follows:

a) *Gravesites*

Monuments erected on graves shall adhere to Australian Standards AS 4204-1994 Headstones and Cemetery Monuments and AS 4425-1996 Above-Ground Burial Structures. Council appreciates the personalisation of gravesites and requests that any memorials and monuments are of a tasteful manner which cannot be deemed as offensive.

b) *Rose Garden*

All plots must be marked with a Sloper and a Plaque.

Monument sizing in the Rose Garden are:

- Large Base - 450mm x 400mm;
- Standard Base - 300mm x 300mm;
- Standard Sloper - 250mm x 200mm;
- Plaque - standard 152mm x 152mm.

Monuments and plaques must not exceed the plot allocation size of 450mm x 400mm.

If Council is required to undertake any work relating to a monument to ensure public or employee safety it may recover these costs from the holder.

4.9. Tributes - Ornaments, Floral and Other

Council's first priority remains public safety and Council must ensure that respect is shown at time to all mourners. Therefore Council advise that items placed at gravesites are limited to floral arrangements and a limited number of ornaments.

a) *Rose Garden*

Tributes must not exceed the plot allocation size of 450mm x 400mm. Any items exceeding this plot allocation may be removed.

b) *Cremation Wall*

The Cremation Wall is designed to reflect a plaque and a single flower holder only. Any other ornaments and tributes that obstruct any niches are not permitted and may be removed. Council will send notification to the Interment Rights holder to advise that ornaments and tributes will be removed.

c) *All Areas*

Council reserves the right to remove any tributes on a gravesite, niche or plot that cause safety concerns to visitors, Council staff and Council equipment, interferes with any maintenance work or burials, or encroaches upon other graves and plots. This includes alcohol, other drink and food products.

4.10. Contractor Requirements for Work Undertaken within the Cemetery

Any person or business providing or carrying out monumental masonry services in the Cemetery, including the construction, erection, repair, cleaning and restoration of structures over burial sites and spare plots, must comply with Council's requirements, policies and procedures.

Council require specific valid insurance documents to be retained on file at Council prior to any works being undertaken. The required information will be noted on the Application for Licence to Work in the Broken Hill Cemetery and Council will require both the signed application form and required documents to be submitted prior to a licence being approved and issued, and any work being undertaken on Council property. At such time that insurance policies expire, Council will request updated documents to be submitted to Council and work will not be permitted to be undertaken until all updated documents have been received by Council.

Council reserve the right to decline an approval for an interment booking request, cancel or revoke an approval for proposed work or stop work in progress for failure to comply with Council requirements.

The above-mentioned information is applicable to all Funeral Directors, Monumental Masons and Contractors that conduct funeral services, interments or any type of work in the cemetery.

A person shall not, in the Cemetery:

- a) construct, install, alter, restore, renovate or improve any monument, memorial, foundation, vault, table, headstone, gravestone, kerbing, railing or other structure, unless it is of:
 - a material and design approved in writing by Council;
 - carried out to the standard of workmanship required by Council; and
 - constructed or maintained in accordance with AS 4204-1994 Headstones and Cemetery Monuments and AS 4425-1996 Above-Ground Burial Structures;
 - Make any inscription or carry out any adornment, unless it is approved by Council and made or carried out to the standard required by Council or erase, correct, or require the erasure or correction of, wording of any inscription that has been constructed, installed, made or carried out without Council's written consent; or otherwise than in accordance with an approval given by Council;
- b) remove a monument, memorial, foundation, vault, table, headstone, gravestone, kerbing, rail or other structure from the Cemetery without Council's written permission;
- c) do any of the above without first having an Application for Licence to Work in the Broken Hill Cemetery approved.

4.11. Interments

All requests for interments must be made to Council, with the provision of 48 hours notification.

4.12. Children's Section of the Cemetery

For the purpose of this policy and Council's Schedule of Fees and Charges, Council considers a child to be aged between 0 and 13 years.

Interment Rights, Work Permits, Burial Times and Fees and Charges will apply in relation to all interments in the Children's Section of the Cemetery, also known as and marked on the Cemetery Map as General 1.

No fee is applicable when placing a memorial plaque on the garden wall or in the garden bed border of General 1 where no remains are being interred. Council request that the details of the memorialised child and the person placing the memorial plaque submit their contact details to Council so that Council may record appropriate details.

4.13. War Cemetery

The Returned Services League Garden of Remembrance is situated within the Cemetery. The walls within the garden contain plaques of service men and women who were either killed in battle or who have since passed on. New plaques are added on a regular basis. Any enquiries are to be directed to the Broken Hill Returned Services League Sub Branch.

4.14. War Graves

Council exempt the Commonwealth War Graves Commission and Returned Services League (RSL) from the payment of an Interment Rights in relation to grave sites purchased for eligible ex-service men and women, although a fee for a Work Permit will be applied for any monumental work to be undertaken. Once a monument has been erected, the headstone or plaque is not to be altered in any manner.

The RSL will order a brass plaque for the Rose Garden or the RSL Wall. The RSL Wall does not have provision for the interment of ashes.

If an additional interment is requested to be undertaken in the grave or plot, Council will apply a fee for an Interment Rights according to the current fee noted in Council's Schedule of Fees and Charges, applicable at the time of the request, and any other applicable fees. Personal details of the additional interred person/s will only be recorded on the grave by means of a plaque attached in the centre of the slab, not on an existing or new headstone.

If the grave is damaged during the reopen process for a second or subsequent interment, the RSL will be advised and will be required to arrange for the grave to be repaired.

4.15. Shared Grave

In previous times, shared graves were used for the interment of persons without means, babies born without life and infants.

Often the deceased were interred in a grave site designed specifically for the purpose of a shared grave, or interred with the next available burial, such as being placed in the coffin or grave site with an unrelated adult who was being interred.

While Council have some records of the interred in shared graves, there are many deaths that were not registered or recorded and as such records were not maintained at the time and are not available at Council. Many records Council obtained from community and religious trustees were incomplete and while sometimes, details such as the name and date were recorded, the location was not.

Council are empathetic towards relatives and understand that this is a very sensitive topic. Council respect the rights of relatives who do wish to acknowledge or do not wish to acknowledge an interred person at the Cemetery and as such the following applies:

- a) Due to multiple relatives potentially having an interest in purchasing the Interment Rights and Work Permit for a shared grave, Council are unable to determine an appropriate person to grant these permits to.
- b) Due to the sensitive nature of a shared grave and the fact that some deaths of infants were not discussed within the family, it is impossible for Council to locate and contact each interred persons relative to confirm if they object to a sale of any permits.
- c) Council respects the rights of families mentioned in point b) and will not allow for one

relative to name any interred person in the shared grave on any monument, plaque or cross who is not related to that person.

- d) Due to points a), b) and c), Council are unable to permit the purchase of an Interment Rights and Work Permit for a grave that was used as a shared grave. As such, Council will not grant or apply fees for an Interment Rights or Work Permit for a shared grave site.
- e) Council will allow for a relative to purchase and have placed on the gravesite a Plaque or a Wooden Cross on the grave site with the details of their interred relative only.
- f) Council advise that the plaque must reflect that the grave is a shared grave through the mandatory wording 'Resting with Others in this Shared Grave'. While this will recognise it is a shared grave with other people interred, it will not reveal any personal information of others interred.

4.16. Exhumation

An exhumation may only take place when an order by a Coroner or a Court permitting this is issued, or an applicant has obtained, prior to commencing the exhumation both:

- Approval for exhumation by NSW Department of Health in accordance with the provision of *Public Health (Disposal of Bodies) Regulation, 2002*; and
- Approval from Council as per the *Cemeteries and Crematoria Act 2013*, Section 66

An exhumation of cremated remains does not require NSW Health approval and can be conducted with Council approval only.

4.17. Mohammedan Section of the Cemetery

Interment Rights of Burial in the Mohammedan Section of the Cemetery are treated differently to other sections of the Cemetery due to historical reasons.

Several members of the Mohammedan community have been provided with an Interment Rights of Burial at no charge, resolved at the Councils ordinary meeting held 30 April 2014.

All further burials in this section for those not specified in Councils report and resolution, will have the Interment Rights of Burial fee applied at the time of burial.

4.18. Miscellaneous

A person must not do any of the following within a cemetery:

- a) Damage, deface, interfere with or alter burial sites;
- b) Damage, deface, interfere with or alter monuments;
- c) Bury, inter or exhume any human remains, whether cremated or not;
- d) Enter or remain in the cemetery between sunset and sunrise;
- e) No animals are permitted in the Cemetery unless riding a horse or leading a dog on a leash;
- f) Take part in any gathering, meeting or assembly, except for the purpose of religious, research, historical, educational or other ceremony of burial or commemoration;
- g) Engage in trade or commerce without Council's written consent;
- h) Distribute any circulars, advertisements, paper drawn or photographic material without prior Council consent;
- i) Drive a vehicle at a speed of more than twenty (20) kilometres per hour;
- j) Drive a vehicle or a vehicle and trailer having an unladen weight of more than three (3) tonnes;
- k) Drive a vehicle through a cemetery for the purpose of travelling between places outside of the cemetery;
- l) Park a vehicle on any known burial place, verge or plantation, or in a manner that is likely to impede traffic;
- m) Teach, learn or practice driving a vehicle;
- n) Camp or reside on any cemetery land;

- o) Possess or consume an alcoholic or intoxicating beverage or substance;
- p) Urinate or defecate;
- q) Bring or leave any rubbish, refuse, scrap metal (including remains of vehicles), rock, soil, sand or any other such substances;
- r) Remove any dead timber, logs, trees, flora, whether standing or fallen;
- s) Kill, capture or in any way interfere with any animal, bird, fish or other fauna, whether native or introduced;
- t) Plant any tree, shrub, herbage or other plant without prior consent.

5. IMPLEMENTATION

5.1. Roles and Responsibilities

The following Council officers are responsible for the implementation and the adherence to this policy:

- General Manager
- Manager Infrastructure Strategy
- Asset Planner Buildings
- Asset Planner Open Spaces
- Council staff

5.2. Communication

This Policy will be communicated to the community and staff in accordance with Council's Policy, Procedure and Process Framework and Council's Business Paper process. Following adoption by Council the Policy will be made available on Council's website.

5.3. Associated Documents

The following documentation is to be read in conjunction with this policy.

- Australian Standard AS 4204-1994 Headstones and Cemetery Monuments;
- Australian Standard AS 4425-1996 Above-Ground Burial Structures.

6. REVIEW

Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guidelines.

The standard review period will be within each term of Council following the Local Government Elections, or as required to ensure that it meets legislation requirements and the needs of the community and Council. The responsible Council officer will be notified of the review requirements three (3) months prior to the expiry of this policy.

The Manager Infrastructure Strategy is responsible for the review of this policy.

7. LEGISLATIVE AND LEGAL FRAMEWORK

This policy is to be read in conjunction with the following:

- *Anti-Discrimination Act 1977*;
- *Births, Deaths and Marriages Registration Act 1995*;
- *Cemeteries and Crematoria Act 2013 - Sect 66*;
- *Conservation of Cemeteries Act 1974*;
- *Coroners Act 1980*;
- *Crown Lands Act 1989*;
- *Crown Lands (General Reserves) By-Law 2006*;
- *Crown Lands (General Reserves) Amendment (Sustainable Burials) By-law 2011*;

- *Heritage Act 1977;*
- *Human Tissues Act 1983;*
- *Local Government Act 1993;*
- *Local Government (Control of Cemeteries) Amendment Act 1966;*
- *Privacy and Personal Information Protection Act 1998;*
- *Public Health (Disposal of Bodies) Regulation 2002;*
- *Public Health Act 1991;*
- *Public Health Regulation 1991;*
- *State Records Act 1998;*
- *Work Health and Safety Act 2011.*

Council employees shall refrain from personal activities that would conflict with proper execution and management of Council's Cemetery Management Policy. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.

8. DEFINITIONS

'Adult' shall mean a person aged 13 years and 1 day and over.

'Applicant' shall mean the person making an application for an Interment Rights of Burial, Work Permit, enquiry, burial, relocation or exhumation. This could be a Funeral Director, Monumental Mason or a Family member or Friend.

'Burial/Interment' shall mean the placement of the remains of a deceased person in a grave, plot, or niche.

'Burial Site/Grave Site' shall mean a gravesite, vault site, memorial site or other place for the disposition or commemoration of the remains of the dead, whether cremated or not.

'Child' shall mean a person aged 0 up to 13 years of age.

'Council' shall mean the Broken Hill City Council.

'Interment Rights of Burial' shall mean a certificate that provides a person with the authorisation of who **can be interred or exhumed from a burial site**. *The Interment Rights does not give the holder any equity or property holding in the cemetery.*

'Interment Rights Holder' shall mean the owner / purchaser of the Interment Rights of Burial and recorded as such in Council's register. In some circumstances, the Interment Rights Holder refers to a surviving member of the original holder's family, their executor or administrator, Power of Attorney, their heir or successor. Ownership may be formally transferred or bequeathed by a Will. There is no entitlement to any 'real estate' or property as such.

'Exhumation' shall mean the removal of the remains of a deceased person from a grave site.

'Fee' shall mean a fee fixed by Council in its annual Schedule of Fees and Charges. Fees are updated each year and typically come into effect as of the 1st July each year.

'Funeral Director/Undertaker' shall mean person(s) whose business is the management of funerals and conducts a funeral and burial.

'Grave' shall mean an occupied burial site.

'Monument' shall mean any structure, plaque, headstone, masonry, metal work, casting or item placed over, in or around a burial right.

'Monumental Mason' shall mean a tradesman mason or person possessing the skills to carry out monumental masonry work.

'Plot' shall mean:

- An unoccupied burial site;
- A burial site within the Rose Garden.

'Pre Selection' shall mean the selection of a spare plot at a specific location.

'Register' shall mean the Council's formal repository of data containing all the required details of burial, cremation, memorial site or right of burial. (Note: limited records are available prior to 1973).

'Slab' shall mean the slab of concrete or other stone covering the gravesite.

'Spare Plot' shall mean an unoccupied burial site that has been selected, purchased and marked as a spare plot for a future burial.

ORDINARY MEETING OF THE COUNCIL

November 11, 2020

ITEM 8BROKEN HILL CITY COUNCIL REPORT NO. 158/20SUBJECT: DRAFT HERITAGE STRATEGY 2020-202311/469**Recommendation**

1. That Broken Hill City Council Report No. 158/20 dated November 11, 2020, be received.
2. That the draft Heritage Strategy 2020 – 2023 be placed on public exhibition for 28 days to allow for public comment.
3. That Council receives a further report at the conclusion of this exhibition, detailing submissions and any recommended changes arising, with a view to adopting the draft Heritage Strategy for 2020 -2023.

Executive Summary:

This report considers the content of the draft Heritage Strategy 2020- 2023 and recommends the endorsement of the draft Strategy for public exhibition.

Report:

The focus of heritage management has changed considerably since the Heritage Act came into force in 1977. The Heritage Council was the principal body involved in the statutory listing of heritage items in the eight years to 1985. In that year, a Ministerial direction issued to local councils by the then Planning Minister Bob Carr gave local government the primary responsibility for managing local heritage in New South Wales.

Following the adoption of amendments to the Heritage Act in 1999, heritage management in NSW is now a two-tiered system where:

- items of local heritage significance are listed and managed by local councils; and
- items of State heritage significance are listed on the State Heritage Register by the Minister for Planning and managed by the Heritage Council.

The draft Heritage Strategy has been prepared to meet the requirements of the NSW Heritage Branch three year funding agreement to support local government heritage management in NSW. This is the fourth three year funding agreement which was designed to streamline the administration of the program, which was previously offered on a yearly basis. Council has participated in this program for a continuous period of almost 30 years and includes the Heritage Restoration Fund and the Heritage Advisory Service. The development of the Strategy is a prerequisite of the funding offer from the NSW Heritage Office for the next three years and must be provided to the Department.

The Nine recommendations of the Heritage Branch publication *“Recommendations for Local Council Heritage Management”*, as listed below, have been reviewed and utilised in the preparation of this heritage strategy.

Summary of recommendations in the draft Strategy	
Recommendation 1	Establish a heritage committee to deal with heritage matters in your area
Recommendation 2	Identify, list and legally protect heritage items in your local government area
Recommendation 3	Appoint a heritage advisor to assist the council, the community and owners of listed items
Recommendation 4	Manage local and state heritage in a positive manner
Recommendation 5	Continue the local heritage fund to provide small grants to encourage local heritage projects and training programs
Recommendation 6	Run a main street program
Recommendation 7	Present educational and promotional programs
Recommendation 8	Lead by example by properly managing places owned or operated by council
Recommendation 9	Promote sustainable development as a tool for heritage conservation

Overall it is considered that the strategy meets the requirements of the NSW Heritage Office and guides the strategic management of heritage programs in the city for the next three years.

Community Engagement:

It is recommended that the draft Strategy be placed on public exhibition to allow for public comment.

Strategic Direction:

Key Direction:		Our Community
Objective:	1.4	Our built environment supports our quality of life
Strategy:	1.4.1.3	Heritage Strategy developed

Relevant Legislation:

- *Heritage Act 1977*
- *Environmental Planning & Assessment Act 1979*
- *Local Government Act 1993*
- *Environment Protection and Biodiversity Conservation Act 1999*

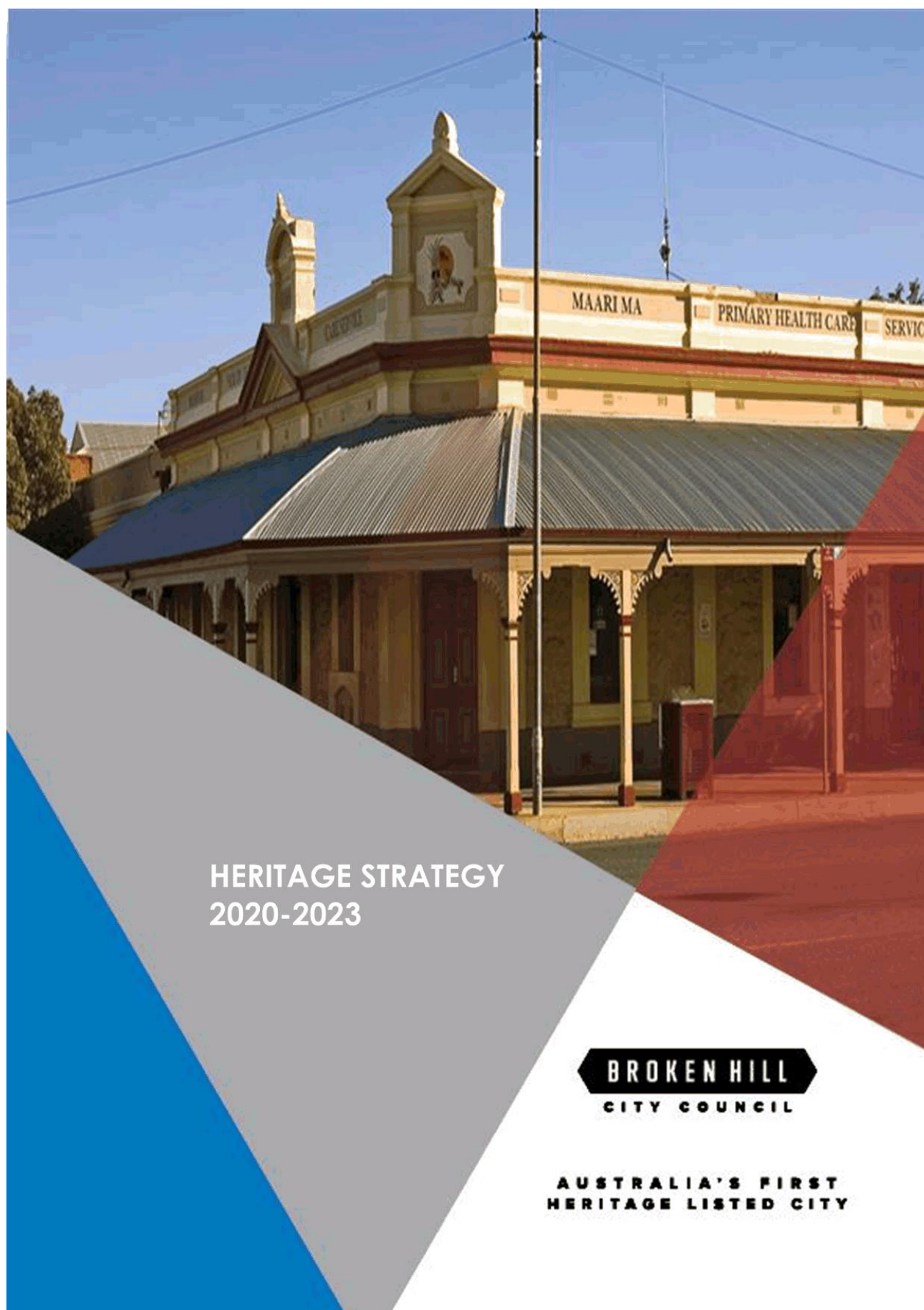
Financial Implications:

The draft strategy has been developed in consultation with Council's Heritage Advisor as a part of the normal consultancy agreement. The draft strategy has also been discussed and supported by Council's Heritage Committee.

Attachments

1. [!\[\]\(ce77bba2916ff045bdb9f4584b191293_img.jpg\)](#) Draft Heritage Strategy 2020-2023

JAMES RONCON
GENERAL MANAGER



HERITAGE STRATEGY 2020-2023

BROKEN HILL
CITY COUNCIL

**AUSTRALIA'S FIRST
HERITAGE LISTED CITY**



QUALITY CONTROL		
EDRMS REFERENCES	11/129 – D20/47866	
KEY DIRECTION	4 Our Leadership	
OBJECTIVE	4.3 We unite to succeed in Australia's first heritage listed city	
STRATEGY	4.3.1 Develop a strategy to protect Broken Hill Heritage Assets	
RESPONSIBLE OFFICER	Acting Manager City Development and Planning	
REVIEW DATE		
COMPANY	Broken Hill City Council	
PHONE NUMBER	08 8080 3300	
EMAIL ADDRESS FOR ENQUIRIES ONLY	council@brokenhill.nsw.gov.au	
DATE	ACTION	MINUTE NO.
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ASSOCIATED DOCUMENTS		

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Fire Station, Patton Street, General View, Argent Street, Broken Hill



Railway Museum, Blende Street



Typical Housing in Broken Hill

1. INTRODUCTION

This Strategy has been prepared to meet the requirements of the New South Wales Heritage Office three-year funding agreement to support local government heritage management in New South Wales. This Strategy focuses on the built heritage within the City. Council is also committed to a strategy to protect the significant Cultural Heritage of the place and desires opportunities by which Indigenous Cultural Heritage, can be more fully embraced in its cultural and heritage strategies for the City.

Broken Hill is a remarkable City with a mining history of world significance – despite minimal rainfall and extreme summer temperatures, it has survived as a unique settlement with a strong community spirit and civic pride. From 1886, it burgeoned as a mining centre attracting skilled men and labour from all over the world. By 1907, when it was proclaimed a city, 9,000 men were employed on the mines. With mining as its focus, the population of the City has peaked twice – in 1915 with 35,000 and in 1952 at just under 33,000 people. However, since that time the population has steadily declined as the mines have closed. The current population is 17,800.

The purpose of this document is to provide a summary of strategies that the Broken Hill City Council will employ, to guide heritage management for the financial years 2020/2021, 2021/2022, 2022/2023. The report provides a context of the Sustainable Development Goals and the Historic Urban Landscape approach to management of cities and their environments. It proposes that Broken Hill should refer to these frameworks in its Heritage Management Strategies.

The report also responds to the 9 recommendations of the Heritage Branch publication, *Recommendations for Local Council Heritage Management*, which have been reviewed and used in the preparation of this Heritage Strategy. This is a required framework for the NSW Heritage Office.

2. HERITAGE IN CONTEXT – THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) 2015

The 2030 Agenda for Sustainable Development was agreed by 193 Member States at the United Nations Sustainable Development Summit (September 2015) including Australia as a signatory. There were 17 clear goals (SDGs) set to be reached by 2020. The goals apply equally to Australia and Australians as they do internationally <https://sdgs.org.au>.

Of particular relevance to the City of Broken Hill is **Goal 11 SUSTAINABLE CITIES AND COMMUNITIES** - Make cities and human settlements inclusive, safe, resilient and sustainable <https://sdgs.org.au/goal/sustainable-cities-and-communities/>. Goal 11.4 outlines 'Strengthen efforts to protect and safeguard the world's cultural and natural heritage'.



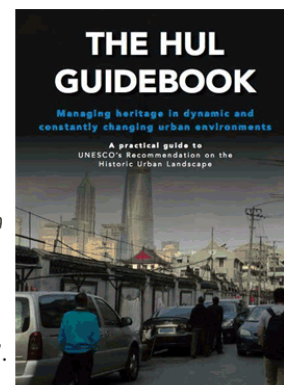
3. HERITAGE IN CONTEXT – THE HISTORIC URBAN LANDSCAPE RECOMMENDATION AND THE BURRA CHARTER

The UNESCO *Recommendation on the Historic Urban Landscape* (HUL) was adopted by the 36th Session of the UNESCO General Conference in 2011. HUL addresses 'the need to better integrate and frame urban heritage conservation strategies within the larger goals of overall sustainable development', (HUL introduction point 5). It states 'historic urban landscape is the urban area understood as the result of a historic layering of cultural and natural values and attributes, extending beyond the notion of 'historic centre' or 'ensemble' to include the broader urban context and its geographical setting', (HUL definition 8).

It 'provides the basis for a comprehensive and integrated approach for the identification, assessment, conservation and management of historic urban landscapes within an overall sustainable development framework'. (HUL definition 10).

The *Burra Charter*, 2013 - The Australia ICOMOS Charter for Places of Cultural Significance, 2013 - is a best practice standard for managing cultural heritage places in Australia. It was first adopted in 1979 and has evolved to reflect heritage practice today. It is designed for owners, managers and custodians of heritage places.

The Charter highlights tangible and intangible heritage including Aboriginal cultural heritage and calls for consideration of fabric, setting, use and associations. All of these issues need to be considered as part of this Heritage Strategy.



4. NSW HERITAGE OFFICE RECOMMENDATIONS – AIMS AND ACTIONS FOR BROKEN HILL

RECOMMENDATION 1.0 – ESTABLISH A HERITAGE COMMITTEE TO DEAL WITH HERITAGE MATTERS IN YOUR AREA

Background: A Council Heritage Committee has always been an important part of the Management Framework for Council's Heritage Program, which was established in 1986. Council's website clarifies the objectives, as follows: 'The Committee is responsible for identifying opportunities and recommending to Council, community activities that will grow the City's brand as Australia's First Heritage City and to encourage community participation in heritage activities' <https://www.brokenhill.nsw.gov.au/Council/Committees/Broken-Hill-Heritage-Committee>.

Aim: Increased community participation, awareness and appreciation of heritage in Broken Hill – with input from local council, relevant government representatives and community members.

Actions:

- Ensure active consultation with various stakeholder representative bodies to ensure community participation, awareness and appreciation of heritage occurs.
- Liaise with relevant stakeholders, who should be kept informed of specific heritage matters that will be of interest to the group or individual.

RECOMMENDATION 2.0 – IDENTIFY, LIST AND LEGALLY PROTECT HERITAGE ITEMS IN THE LOCAL GOVERNMENT AREA

Background: A milestone achievement for Broken Hill was securing National Heritage Listing for the City of Broken Hill in January 2015, the first and only city to achieve this recognition. Enthusiasm and interest in this recognition needs to be ongoing and the status used to leverage for other benefits, such as increased interest in heritage tourism. Council applied for and received two grants for further heritage studies in 2019 which will be completed in 2020. The 'National Heritage Values' study will provide the background for the current Heritage Survey/ LEP review, at Council level. As the City is nationally listed, the National criteria should inform local and state based heritage listings and decisions. Ongoing reviews should establish the heritage schedule for the next ten plus years. Ongoing challenges for protecting heritage relate to potential mine closures, redundancy of many buildings that have heritage value, declining population and need for buildings, ongoing decentralisation of retail away from central traditional shopping areas.

Aim: To increase protection and appropriate management of heritage assets.

Council will:

- Ensure that the outcomes of the heritage studies are acted on in updating the Broken Hill LEP, to ensure greater protection of heritage assets, acknowledging that presently the identified heritage items in the LEP, fall short of providing an adequate representative spread of the diversity of heritage within the City.
- Develop a strategy to monitor places and sites into the future that have heritage significance, in particular to assist with adaptation of redundant heritage items and places.
- Implement the provisions of the LEP including the heritage assessment clause (5.10.5), which requires appropriate heritage assessment at time of lodging Development Applications. Council can request the Heritage Advisor to assist applicants in undertaking this where required, LEP provisions include under 5.10 Heritage Conservation include:
 - (4) **Effect of proposed development on heritage significance** the consent authority must, before granting consent under this clause in respect of a heritage item or

heritage conservation area, consider the effect of the proposed development on the heritage significance of the item or area concerned. This subclause applies regardless of whether a heritage management document is prepared under subclause (5) or a heritage conservation management plan is submitted under subclause (6).

- (5) **Heritage assessment** the consent authority may, before granting consent to any development -

(a) on land on which a heritage item is located, or

(b) on land that is within a heritage conservation area, or

(c) on land that is within the vicinity of land referred to in paragraph (a) or (b), require a heritage management document to be prepared that assesses the extent to which the carrying out of the proposed development would affect the heritage significance of the heritage item or heritage conservation area concerned.

- (6) **Heritage conservation management plans** the consent authority may require, after considering the heritage significance of a heritage item and the extent of change proposed to it, the submission of a heritage conservation management plan before granting consent under this clause.

- Ensure that current Development Control Plans are completed and regularly updated as required. Current DCP dated 2016 includes heritage guidelines.
- Continue with electronic formatting of heritage listed items and inclusion of electronic photographs into the Council database.
- Respond to any threats for demolition of places – either individually listed or within Conservation Areas.
- Continue to provide input to the NSW Heritage Branch in the identification and listing of state significant buildings/places within the City of Broken Hill Region on the State Heritage Register.

RECOMMENDATION 3.0 – APPOINT A HERITAGE ADVISOR TO ASSIST THE COUNCIL, COMMUNITY AND OWNERS OF HERITAGE ITEMS

Background: Broken Hill City Council continues its Heritage Advisory Service, now in its 33rd year of operation. It was the second advisory service established in NSW and has the reputation for being a very successful program.

Aim: To increase community participation and proactive heritage and urban design management in Broken Hill.

Council will:

- Request input from Council's Heritage Advisor in the assessment of applications likely to impact on the heritage significance of buildings and places – ensure that this is broadly applied given the National Heritage List status of the whole City, even if/where places effected are not individually listed in the LEP.
- Continue to provide input for pre-Development Application (DA) meetings.
- Continue to provide input for design of new development in a heritage context and provide design input for this.
 - Continue to provide designs for new verandahs including preparation of sketches and drawings in Broken Hill Heritage Conservation Areas.
- Actively promote and identify sources of funding for projects, such as State or Commonwealth Government initiatives and advise property owners on required information for application.
- Actively promote and identify conservation projects (building maintenance and repairs) and assist with works.
- Continue to provide input into the review of Council reports, policies and standards relating to heritage management and urban design.

- Provide advice to owners of key buildings requiring conservation and upgrading.
- Work with the mines on management of their heritage assets.

RECOMMENDATION 4.0 – MANAGE LOCAL AND STATE HERITAGE IN A POSITIVE MANNER

Background: Council has always prioritised positive and proactive management of heritage sites and issues positively. Studies undertaken in 2020 - the 'National Heritage Values' Study and the Local Government Heritage Study seek to explain and expand upon the heritage values as a benefit to the City, many of which are based around the heritage appeal of the City.

Council has been pro-active in offering advice to a wide range of people in the community on heritage and engaging with them not just in relation to heritage matters but to assist in better design, process, dealing with Council etc. to make the overall process of gaining approvals more straightforward and the processes more certain. Heritage is a core value of the City and heritage week activities and a range of other events through local groups work towards this. There can be pressures to demolish heritage items and places within heritage areas where it is perceived that it will be cheaper and easier to build something new. This perception may be correct in some cases, but the progressive loss of items or contributory buildings erodes the core heritage value of the City and can establish precedents that will undermine heritage values and places. Consequently, it is also necessary for Council to be clear on how the listings are understood and when consents are required.

Council previously had delegation from the Heritage Council of NSW for changes to State Heritage Register listed places where the works would not have a major adverse impact on heritage values. However, this was revoked.

Recently (1 September, 2020) the NSW Heritage Council allowed the City of Sydney Council to grant exemptions or approvals for changes to State Heritage Register listed places, where the works would not have a major adverse impact – or materially affect – the important heritage values. These delegated functions are now formally activated, i.e. City of Sydney Council can now assess and determine applications under the *Heritage Act 1977* within the City of Sydney Local Government Area. This delegation power would be of great advantage to the City of Broken Hill.

Aims: Proactively manage heritage and urban design within Broken Hill, promote the conservation and maintenance of the Broken Hill's heritage and provide policies appropriate to the assessment of applications, which relate to places of heritage significance.

Council will:

- Pursue with the Heritage Council of NSW the ability for the Broken Hill City Council to grant exemptions or approvals for changes to State Heritage Register listed places, where the works would not have a major adverse impact – or materially affect – the important heritage values. Council previously had this delegation.
- Investigate sources for another training program which was successfully run with ABCT training from Adelaide during the Heritage Near Me Week (October 2016).
- Continue to digitise significant newspapers and other documents as part of the Broken Hill Outback Archives collection.
- Encourage activation of vacant shopfronts. Vacant shopfronts should be seen as an opportunity to be used for temporary displays, with owners encouraged to participate in the activation of shopfronts similar to the Newcastle NSW 'Renew Newcastle: Creating Creative Enterprise Hubs: A Guide by Marcus Westbury'. This approach should lift the appearance of Argent Street, adding value to the visitor experience and engendering a greater sense of pride and place amongst the local community. Participating societies, school groups and art organisations could provide a window display, using historic items for contemporary displays of interest to bring greater life to the street.

- Liaise with relevant agencies so that Aboriginal heritage is also well managed.
- Provide property owners with advice on heritage controls and/or incentives that may apply to their heritage item.
- Provide updated heritage guidelines and fact sheet for builders and owners.
- Evaluate the success of heritage programs and investigate new opportunities.
- Provide owners of heritage items with free conservation advice - this is currently being undertaken and will be continued.
- Support the use of incentives for appropriate heritage work.
- Provide updated conservation guidelines for distribution within the City.
- Provide specific advice for property owners on relevant technical problems (e.g., use of lime mortar rather than cement mortar for any stone and brick re-pointing)
- Ensure that the comprehensive LEP has appropriate controls for the assessment of applications for conservation areas or places of heritage significance.
- Continue to seek the input of Council's Heritage Adviser in the assessment of applications likely to impact on the heritage significance of buildings or places. Request heritage impact reports where required for major applications
- Continue to implement the heritage provisions within Council's Development Control Plan relating to heritage.
- Establish oral history recordings. The remoteness of the region and necessity to be self-sufficient, created generations of Broken Hill citizens who saved, improvised and collected. The legacy of this bygone approach to survival in this remote arid zone is a wealth of knowledge, stories and social history memorabilia. This generation of Broken Hill people are now, largely, in their 80s. There is an urgent need to focus on safeguarding these collections and the oral memories that go with them. Funding needs to be sourced for a comprehensive oral history project to be launched.
- Apply to re-establish delegation for processing of development applications associated with minor works to State heritage items.

RECOMMENDATION 5.0 – CONTINUE THE HERITAGE INCENTIVES FUND TO PROVIDE SMALL GRANTS TO ENCOURAGE LOCAL HERITAGE PROJECTS AND TRAINING PROGRAMS, SEEK OUT OTHER RELEVANT FUNDING

Background: Council policy for these programs is outlined in <https://www.brokenhill.nsw.gov.au/Council/Policies/Heritage-Assistance-Grants-Policy> Evaluate Council grants program to include a review of funds available, with the aim to set out a detailed strategy for future grants based on a revised approach and more significant projects.

Aim: Increased community participation and proactive conservation and management of heritage within the Broken Hill region.

Council will:

- **Broken Hill Heritage Assistance Grants** - The Heritage Restoration Fund is administered by the City of Broken Hill and has supported the conservation of many key buildings in the City. This program, now in its 34th year, provides grants and loans for private property owners. This fund is used to finance the verandah program and a residential paint scheme program. Continue to actively use and supplement this funding as required.
- Seek out other funding sources, to ensure that more verandahs are constructed to assist with heating/cooling issues on commercial properties and on main street properties generally.

- Encourage new commercial development to incorporate shading verandahs and provide landscaping in car parks to reduce ambient temperatures and address private and public OHS issues, thereby ensuring a wider compatibility with the City's Sustainability Strategy 2018-2023.



Run of continuous verandahs all erected as part of the verandah program, which now provide amenity and shade for pedestrians and business owners.



RECOMMENDATION 6.0 – RUN A MAIN STREET PROGRAM

Background: There have been various projects focused on Argent Street and Oxide Street and their activation. The long-term projects of reinstating verandahs and colour schemes has had a significant visual impact on the character of the main streets. However, there are economic and social issues that underlie how the city's main streets function that are critical elements to address. The shift to larger shopping centres away from Argent Street, the closure of banks and other issues require examination and resolution for the main street and CBD area to function. Other works can take place and will follow activation, but a heritage upgrade will not resolve the functional needs of the City. Heritage is a key element to how change can happen and retaining heritage values and elements is critical to the future of the CBD. Council will implement the recommendation of a CBD Masterplan in 2021/2022.

Aim: Encourage the upgrade and improvement of Argent, Oxide and Patton Streets as the main commercial heritage streetscape hubs.

Council will:

- In the immediate future focus on the economic reactivation on Argent Street by encouraging businesses to locate there and improve the overall amenity of the street.
- Look to increase residential use in the main street area to increase activation of the streets.



RECOMMENDATION 7.0 – PRESENT EDUCATIONAL AND PROMOTIONAL PROGRAMS

Aim: To raise community awareness and appreciation through education on heritage related issues and management within Broken Hill and to promote cultural heritage and museum development opportunities.

Council will:

- Promote Broken Hill events and projects.
- Encourage involvement and interaction with local schools to ensure involvement of young people, and their schools in local heritage activities. Utilise the resources of the History Council of NSW (refer historycouncil.nsw.org) and the Historical Society of Broken Hill. Develop historical themes as encouraged by the History Council. This initiative could also link into projects of other stakeholder groups.
- Continue to promote Broken Hill at relevant symposiums and encourage the use of Broken Hill as part of conferences, e.g. as part of post conference tours.
- Encourage tours of special interest groups to Broken Hill – e.g. geology clubs, historical societies etc. Importantly, given the Australian National Trust movement is about 100,000 strong and is part of the 7 million strong International National Trusts Organisation, the City should proactively engage with National Trust movement to generate interest and assistance, designing heritage tours opportunities within the City.
- Liaise with Heritage Committee members to determine ongoing nature of the Annual Heritage Awards.
- Continue to promote and develop a range of brochures for Broken Hill in respect of heritage conservation issues and different components of the region's history.
- Continue to liaise with and involve community groups, on issues affecting heritage

conservation in Broken Hill.

- Provide heritage information sessions for the Council as required.
- Investigate preparation of a database of heritage items and places of historical significance accessible to the public, which is to be accessed through Council's website.
- Continue to provide support to community and tourism groups in the development of cultural heritage tourism projects and programs.

RECOMMENDATION 8.0 – THE BROKEN HILL CITY COUNCIL TO LEAD BY EXAMPLE BY PROPERLY MANAGING PLACES OWNED OR OPERATED BY COUNCIL

Background: Council has engaged in a range of upgrades and works to their own properties. Heritage issues are considered during the design and development processes. There is now an increasing awareness of the importance of due process in relation to heritage and approvals to ensure that the heritage assets that Council owns are assessed in relation to their heritage values. The 2020 audit of Council assets includes heritage considerations.

Aim: To increase Council and community participation in the proactive conservation and management of heritage within Broken Hill.

Council will: Continue with its management of its heritage assets via the following which include:

- Maintain a register of assets with heritage significance. Works to heritage listed Council sites should be flagged for heritage referral prior to planning or implementing works. Council will engage in best practice in relation to Council owned heritage assets.
- Continue to maintain existing significant heritage assets including the following:
 - Various structures with parks owned by the Broken Hill City Council, e.g. rotundas.
 - Assist in resolving the issues of retention of mining structures on the Line of Lode - including safety, liability and proposed demolitions.
 - Set a good example to the community by properly managing places owned and operated by Council.
 - Prepare Conservation Management Plans and/or concise Heritage Strategy Plans for Council owned properties, depending upon the availability of funding, and where required.
 - Seek out suitable sources of funding.



Sully's Emporium 393 Argent Street before (left), after major upgrade works – completed January 2005



Art Store Added in 2010

RECOMMENDATION 9.0 – PROMOTE SUSTAINABLE DEVELOPMENT AS A TOOL FOR HERITAGE CONSERVATION

Aim: Proactive heritage and sustainable development within Broken Hill region.

Council will:

- Reference the Sustainable Development Goals as an overarching objective for heritage management, particularly Goal 11
- Continue to implement the sustainability framework for heritage within its Community Strategic Plan 2010- 2030 and will continue to implement this framework
- Encourage appropriate change of use for heritage buildings to ensure the ongoing use and maintenance of these buildings
- Ensure that the installation of solar panels on buildings within the heritage conservation areas and on heritage items are in appropriate locations
- Encourage re-use of buildings and materials and sustainable approaches to new design.

BROKEN HILL

CITY COUNCIL

www.brokenhill.nsw.gov.au

ORDINARY MEETING OF THE COUNCIL

November 12, 2020

ITEM 9

BROKEN HILL CITY COUNCIL REPORT NO. 159/20

SUBJECT: DRAFT RENEWABLE ENERGY ACTION PLAN FOR PUBLIC EXHIBITION 18/186

Recommendation

1. That Broken Hill City Council Report No. 159/20 dated November 12, 2020, be received.
2. That the draft Renewable Energy Action Plan incorporates option 4.2 Smart metering and load control and option 4.3.1 Medium Scale Solar Arrays as Council's preferred direction for the Plan.
3. That Council publicly exhibits the draft Renewable Energy Action Plan and accepts submissions from the public for a period of 28 days.
4. That Council receives a further report at the conclusion of this exhibition, detailing submissions and any recommended changes arising, with a view to adopting the draft Renewable Energy Action Plan as a Plan of Council.

Executive Summary:

This report seeks approval from Council to publicly exhibit a draft Renewable Energy Action Plan (REAP) for a period of not less than 28 days, as per Council's Communication and Community Engagement Strategy 2019-2020.

A further report to Council will be prepared once the submission period ends, outlining the submissions received and any amendment that may have been made to the Draft Plan as a result of the submissions received.

Report:

The purpose of this report is to identify and recommend options for innovative, renewable energy projects that will reduce the cost and uncertainty of future energy supply to Council infrastructure and transport, increase use and innovation of renewable resources and decrease the use of nonrenewable resources.

The REAP aims to achieve the following objectives:

- To reduce the cost and uncertainty of future energy supply to Council infrastructure and transport.
- To increase use and innovation of renewable resources and decrease the use of nonrenewable resources in accordance with the Council's Sustainability Strategy 2018-2023.
- To improve the livability of Broken Hill.

- To support residents and local businesses with energy affordability.
- To play its part in mitigation for, and adaptation to, climate change in accordance with the Climate Emergency Declaration.

The Broken Hill City Council identified the need to develop a Renewable Energy Action Plan to present clear direction for the Council to achieve 100% renewable status for the City of Broken Hill by 2030.

By implementing the Plan, Council aims to:

- Address the United Nation's Sustainable Development Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.
- Address the Council's Energy Efficiency Plan: Reduce energy use, costs and greenhouse gas emissions.
- Address the Council's Renewable Energy Plan: Produce energy from renewable sources to reduce costs and greenhouse gas emissions.
- Address the Council's Gas Consumption Plan: Reduce energy use, costs and greenhouse gas emissions.
- Address the Council's Transport Energy Plan: Reduce fuel consumption and promote active transport (reduce Greenhouse Gases).
- Address the Council's Carbon Emissions Plan: Measure and reduce greenhouse gas emissions.
- Address the Council's Built Environment Plan: Increase the livability of Broken Hill

Community Engagement:

It is recommended that Council places the draft Renewable Energy Action Plan on public exhibition for a period of 28 days.

Councillors also received a presentation from Constructive Energy P/L on the evening of Wednesday 19 November 2020.

Strategic Direction:

Key Direction:	3	Our Environment
Objective:	3.1	Our Environmental Footprint is Minimised
Strategy:	3.1.2	Increase use and innovation of renewable resources and decrease the use of nonrenewable resources

Relevant Legislation:

Renewable Energy (Electricity) Act, 2000
Electricity Supply Act 1995 No 94
Electricity Supply (General) Regulation 2014

Financial Implications:

Indicative Pricing Only (as per page 43 of the attached REAP)

Stage 1 – Establish size and shortlist locations \$30 - \$50k

Stage 2 – Detailed Concept Modelling \$30 - \$50k

Stage 3 – Full Detailed Project Planning \$250 - \$500k

Stage 4 – Project Delivery – TBD

Attachments

1. [↓](#) Draft Renewable Energy Action Plan

JAMES RONCON
GENERAL MANAGER



CONSTRUCTIVE ENERGY

Broken Hill City Council Renewable Energy Action Plan

Completed by Constructive Energy Pty Ltd
OCTOBER 2020

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Disclaimer

This report documents the results of preliminary observations and analysis of material provided to Constructive Energy Pty Ltd. In preparing the report, we have relied upon information provided by Broken Hill City Council, retailers and Azility Energy Management through referral to form our conclusions. Whilst we have reviewed this information to assess its reasonableness and internal consistency, we are not able to consider specific and/or abnormal circumstances that may impact your energy use.

The findings, conclusions and recommendations and all written material contained in the report represents our best professional judgement based on estimated and generic data and visual inspection where appropriate. Recommendations have assumed average conditions and historical usage.

Executive Summary

Constructive Energy have completed a process involving staff interviews, meetings and workshops, literature review, site visits, data collation and interrogation, modelling, market research and high-level business plan/feasibility development. As a result, we have identified a range of projects and initiatives designed to meet the unique objectives, constraints and opportunities of Broken Hill City Council (BHCC).

BHCC shares many concerns common among local governments in relation to energy, such as cost control and uncertainty about how to engage with renewable energy technologies and business models. Admirably however, Council have an overarching objective to drive operations from 100% renewable energy by 2023. This goal necessitates examining building energy consumption (both electricity and gas) and vehicles, plant and equipment.

While a full range of renewable energy technologies are explored, CE finds the most obvious opportunity in solar PV, following essentially one of two pathways; Behind the Meter (BtM) distributed energy or Distributed Energy installations across a number of Council and possibly partner assets. These options are discussed in detail throughout the Plan.

Energy Storage should be considered as part of the evaluation for every project for its ability to provide flexibility and adaptability in energy management in the future. This is particularly true if Council elects to follow the distributed energy route.

The accessibility of energy consumption data is poor across Council assets with very little real time monitoring available. Smart metering upgrades are an immediate priority even in the absence of any other activity as this represents a 'no regrets' strategy in both providing data for decision making and future proofing the Council for smarter energy trading and management.

The retailing sector is changing dramatically and BHCC is well positioned to take advantage of emerging models in valuing and sharing renewable energy. Capacity now exists for BHCC to effectively operate as a 'generator-retailer' and to use excess energy to underpin services or affordable energy to local business and industry.

Efficiency should not be forgotten as this both reduces the CAPEX required to achieve 100% renewable and, if the right generator-retail deal is brokered, will result in additional value for Council.

Vehicles, plant and equipment represent a challenge which can be managed basically through offsetting or substitution depending on financial factors, the appetite of Council for innovation/leadership and the practicality of developing alternative fuels in Broken Hill.

Constructive Energy are of the opinion that becoming 100% renewable is not only achievable, but that it makes economic sense to do so and will improve the fitness of council for the future on multiple levels. We recommend that Broken Hill City Council adopt this Renewable Energy Action Plan, use it to gain or leverage government and private investment, and start soon in order to meet the 2023 target.

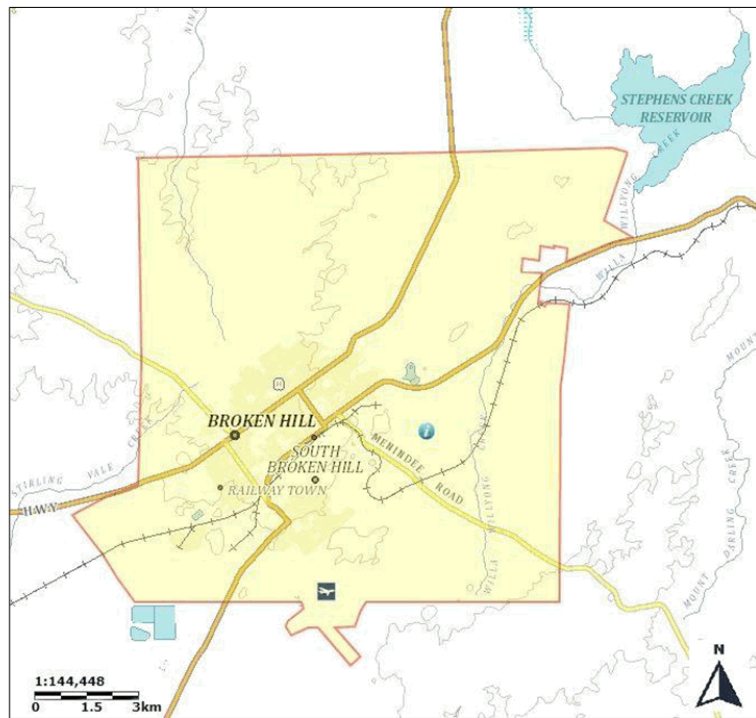
Constructive Energy is passionate and dedicated to the integration of renewable energy in Regional Australia for the advantage of local communities. As such, we are available as a 'critical friend' to Council on an ongoing basis at no charge. Constructive Energy can assist in grant submission, business case development and project delivery that BHCC may require. Recognising that energy is important but not necessarily core business for Councils, we also have the capacity to fully-fund, install and operate infrastructure to the benefit of Council and regional communities.

1.0 Introduction

1.1 Broken Hill City Council (BHCC)

Broken Hill City Council (BHCC) is a Council located in the far West of NSW. The Broken Hill region has a population of 17,814 recorded during the (Australian Bureau of Statistics, [2016 Census](#)).

The City Council covers approximately 170.29 km² and is located within the Essential Energy distribution network.



Map 1. Broken Hill City Council boundary – (source: <https://maps.six.nsw.gov.au/> - Apr 2020)

1.2 Purpose Statement

The Renewable Energy Action Plan reflects Broken Hill City Council's desire to engage with renewable energy and identify options for projects that benefit Council and the Broken Hill community.

Broken Hill City Council (BHCC) supports innovation in energy use and delivery for the purpose of improved cost control, demonstrating leadership within the community and preparing for any future carbon price.

- "Broken Hill City Council is committed to developing a sustainable and liveable city" (source, BHCC, sustainability strategy 2018-2023)
- Broken Hill City Council leads and supports the community through education, demonstration, partnership, and projects.
- Broken Hill is a Power Partner of the Cities Power Partnership focussing on Renewable Energy, Energy Efficiency, Sustainable Transport and Collaboration.

BHCC has identified their ambition to contribute to meeting the United Nations Sustainable Development Goals (2015-2030).

Sustainable Development Goal (SDG) 7 is particularly relevant to this Renewable Energy Action Plan:-

"Ensure access to affordable, reliable, sustainable and modern energy for all." (source, BHCC, sustainability strategy 2018-2023)

In context of the above, the purpose of this Plan is to provide strategic direction into the specific opportunities and pathways for Council to become 100% Renewable by 2023 and to support the entire city reaching the same status by 2030.

1.3 Broken Hill City Council Objectives

Broken Hill City Council has developed this Renewable Energy Action Plan with the following objectives:

- To reduce the cost and uncertainty of future energy supply to Council infrastructure and transport.
- "Increase use and innovation of renewable resources and decrease the use of nonrenewable resources" (source, BHCC, sustainability strategy 2018-2023)
- To attract and retain people and businesses to Broken Hill City Council.
- To support residents and local businesses suffering financial stress or discomfort due to energy affordability.
- To play its part in mitigation for, and adaptation to, climate change.

1.4 Decision Making Framework

The following framework was developed in consultation with Broken Hill City Council staff and Councillors to assist in evaluating the relative importance of projects identified through the Renewable Energy Action Plan:

- Benefit/Cost – does the project have positive financial impact?
- Community benefit – how does the wider community benefit from this project?
- Logic – is the project practical, defensible, sound, ethical, enduring?
- Leadership – will the project stimulate positive change in others?

1.5 Desktop Analysis

Given that Council intends to power the entire organisation operations using 100% renewable forms of energy, we start by quantifying where energy is consumed, how much and in what form.

Electricity

The first task in developing this action plan was to complete a desktop analysis of all metered sites to create a general profile of how BHCC uses electricity. Then further, to understand how contracts and energy supply arrangements are structured with various energy retailers and the network provider.

Broken Hill City Council engages Azility Energy Billing Services to provide a bill validation service and this portal was used to collect and verify site data.

The analysis period for all sites was the 2019 calendar year. Both negotiated 'Contract' sites and general 'Tariff' sites were analysed. In NSW consumers are entitled to negotiate or 'contest' a cheaper electricity retail charge if they consume more than 100,000 kWh per year.

Only limited data has been available for Council's contract and tariff sites. Azility and the Energy retailers were contacted to obtain interval data. Raw data tables and analysis are not included in this report.

	No. of Sites	kWh	MWh	% usage	Cost \$	% cost	c/kWh	GHG (tonnes)
Contract	8	4,255,012	4,255	91%	\$ 888,822.30	87%	21%	3447
Tariff	44	408,209	408	9%	\$ 135,938.18	13%	33%	331
Total	52	4,663,222	4,663		\$ 1,024,760.49			3777

Table 1. Contract site VS Tariff site summary

In 2019, the 8 Contract sites consumed 4,225 MWh of electricity compared to 408 MWh consumed by the 44 tariff sites as is shown in the Table 1.

While the major 'contract' sites represent 91% of energy usage, they represent 87% of the overall energy costs. This initial analysis indicates that the electricity c/kWh rates are within the anticipated range of what we would expect based on BHCC consumption.

For comparison, most Councils we have worked with have slightly lower tariff rates (\$0.29 / \$0.30 c/kWh) but usually pay more for contract sites (\$0.24 to \$0.37).

Scope 2 greenhouse gas emissions have been calculated referencing the National Greenhouse Accounts 2019, and show that Council emitted approximately 3777 tonnes via indirect emissions from consumption of purchased electricity.

Vehicles, plant and equipment

BHCC own and operate a significant register of machines required to execute the various operations of Council. Ignoring workshop and landscaping tools, there are approximately 50 pieces of small plant/special equipment, a further ~45 specific task machines from garbage compactors to road making plant to lawnmowers, and just under 60 vehicles.

The vast bulk of fuel consumed is diesel and petrol (some gas). It has been difficult to establish an average year for calculating consumption estimates but BHCC appears to consume around 60,000 L of liquid fuel each year. Based on the split of diesel and petrol this equates to approximately 600,000 kWh of energy and associated emissions in the order of 150 tonnes per annum.

These figures become the working numbers for planning how to reach 100% renewable for vehicles, plant and equipment.

Gas

BHCC requires LPG at 6 sites which is delivered via exchangeable 15kg or 45kg bottles for 2 sites and bulk transfer to on-site storage for the remaining 4 sites. Consumption at these sites appears highly variable however averaged over 3 years from 2016 to 2019 the annual consumption is in the order of 22.7 tonnes as per the table below.

		2016	2017	2018	Ave	kWh	Cost		
Living Desert Office	litres		882	1764	1323		15	ea	
Winter usage?	tonnes		0.45	0.9	0.68	9,180	per 45kg	\$ 120	\$ 1,800
Street Sweeper	litres		1000	441	720.5		mix of 45 kg and 15 kg bottles		
Annual usage	tonnes		0.51	0.225	0.37	4,998	per 15kg	\$ 40	\$ 980
Warnock St Depot - Hea	litres		5280	1694	3487		CPL	75.63	\$ 2,637
Winter usage	tonnes		2.69	0.86	1.78	24,194	Ann rental	748	
Admin office	litres	40806	22371	14748	25975		CPL	83.33	\$ 21,645
Nearly all winter usage	tonnes	20.81	11.41	7.52	13.25	180,155	Ann rental	570	
Civic Centre	litres	216	5169	6920	4102		CPL	75.63	\$ 3,102
All winter usage	tonnes	0.11	2.64	3.53	2	28,469	Ann rental	748	
South Site	litres	10663	6542	9579	8928		CPL	75.63	\$ 6,752
Mostly winter - 5-10% su	tonnes	5.44	3.34	4.88	4.55	61,925	Ann rental	561	
					22.71	308,922			\$ 36,917

Table 2. BHCC gas consumption

Two important conclusions can be drawn from these figures:-

1. The carbon emissions associated with consuming this gas equate to around 74 tonnes which is not insignificant and;
2. 308,922 kWh is a substantial amount of energy to replace. Note however that there are complexities converting electrical kWh to heat kWh so this is not a one-to-one relationship.

Energy Approaches

Constructive Energy has examined the entirety of Council's assets and operations with the view to becoming 100% renewable. We have considered 4 broad approaches.

1. Seek 100% renewable power.

Simply seek renewable electricity suppliers and move to electrify vehicles and as much equipment as possible.

2. Find alternate fuels.

Seek suppliers of biogas and biodiesel to operate existing plant and equipment.

3. Make your own.

Establish Council as a Generator-Retailer of electricity and small-scale producer of transport fuels from waste.

4. Replace versus offset.

Substitute non-renewable for renewable energy where practicable and support off-set activities/projects for remaining energy-related emissions.

It should be noted that during the writing of this report, AGL announced plans to develop storage infrastructure that effectively renders the entire city of Broken Hill 100% renewable. Even without this eventuating, the Australian Energy Market Operator and many industry commentators expect the national grid to be 50% renewably powered by 2025 and 90% renewable around 2030. It is currently about 20% on a national scale but much higher in South Australia.

In effect, if carbon neutrality is the key driver, this results in Council having a legitimate 'do nothing' approach - except for the objective of being 100% renewable by 2023 and for the non-renewable energy associated with gas for HVAC and liquid fuels for vehicles, plant and equipment.

This strategy however renders BHCC as a 'price taker' only.

This report examines opportunities for Council to become investors and long-term financial beneficiaries of energy infrastructure in the process of becoming 100% renewable.

Useful work has been completed by the NSW DPIE in relation to identifying the capacity of BHCC properties to support solar installations. Constructive Energy did not seek to replicate this work, rather to aggregate and examine the overall energy consumption story for contract and tariff sites.

2.0 Contract Site Analysis

All contract sites were analysed in detail and summary findings are included in Appendix 1 of this report.

2.1 Contract Site Overview

The following table lists all contract sites with their usage and annual cost. We have also included the resultant cents per kilowatt hour (c/kWh) to help identify which sites might be the most important to focus on. This figure reflects the ratio of fixed costs (i.e. metering and supply) to consumption and will change between bills and years, however it does help identify expensive sites and sub-optimal contract terms.

On the face of this information one might focus on sites with the highest c/kWh rate or those with the highest consumption however, more detailed analysis can often move the priority elsewhere.

Site Name	Retailer	Usage kWh	GHG tonnes	Cost \$	c/kWh
Charles Rasp Library	ERM Power	209,746.47	170	\$ 55,126.55	\$0.2628
Engineers Depot	ERM Power	210,078.58	170	\$ 51,048.25	\$0.2430
Tourist Information Centre	ERM Power	221,055.92	179	\$ 57,766.65	\$0.2613
Civic Centre	ERM Power	262,820.71	213	\$ 73,306.32	\$0.2789
Sully's Art Gallery	ERM Power	266,021.78	215	\$ 63,910.54	\$0.2402
Administration Building	ERM Power	382,614.27	310	\$102,278.80	\$0.2673
Aquatic Centre	Origin Energy	1,345,286.27	1,090	\$227,476.57	\$0.1691
Un-Metered Street Lighting	Origin Energy	1,357,388.36	1,099	\$257,908.62	\$0.1900
					\$0.2589

Table 3. Broken Hill City Council usage and costs for Contract sites

The following chart relates to the same data but provides a clear visual indication of which sites consume the most electricity.

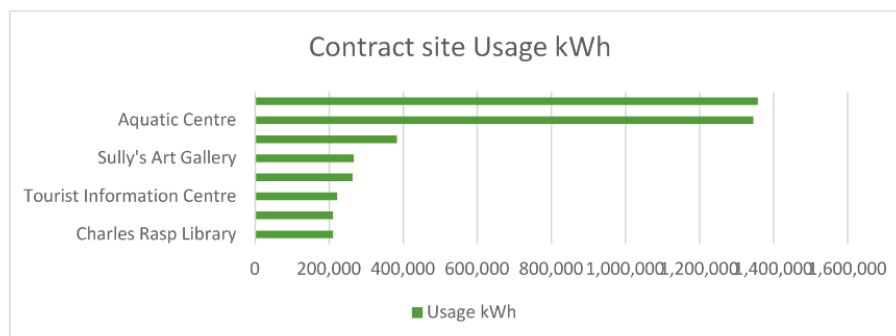


Chart 1. Contract site usage

The two largest consumers of energy, by a significant margin, were the Unmetered Streetlighting and the Aquatic Centre. The Chart 1 reveals that the annual consumption of Aquatic Centre has almost the combined total usage of the six other contract sites.

2.2 Billing Structure

The billing structure becomes important when considering the potential of on-site renewable energy to reduce costs and drive operational changes. The following image is an excerpt of a bill for the Civic Centre and provides a detailed breakdown of the charges for electricity supply to this site.

Pricing Details			Account: BHCC02_004	
Charges	Usage	Unit Price	Loss Factor	Total Price (incl GST)
Retail Charges				
NSW Peak	3,914.880 kWh	13.7609 c/kWh	0.91280	\$491.75
NSW Off Peak	5,558.520 kWh	7.8430 c/kWh	0.91280	\$397.94
NSW Shoulder	10,223.520 kWh	11.7814 c/kWh	0.91280	\$1,099.44
Environmental Schemes				
NESC	19,896.920 kWh	0.2001 c/kWh	1.06910	\$42.14
LRECs	19,896.920 kWh	1.1193 c/kWh	1.06910	\$235.70
SRECs	19,896.920 kWh	0.8203 c/kWh	1.06910	\$172.74
Network Charges				
BLNT1AO - Peak	1,303.440 kWh	14.1636 c/kWh		\$184.61
BLNT1AO - Shoulder	12,834.960 kWh	12.7531 c/kWh		\$1,636.86
BLNT1AO - Off Peak	5,558.520 kWh	6.3854 c/kWh		\$354.93
BLNT1AO - Supply Charge	31 Days	5.6482 \$/Day		\$175.09
Market Operator Charges				
AEMO Ancillary Fee	19,896.920 kWh	0.0533 c/kWh	1.06910	\$11.22
AEMO Market Fee	19,896.920 kWh	0.0368 c/kWh	1.06910	\$7.75
AEMO Market Fee	31 Days	0.3633 c/day	1.00000	\$0.11
Metering Charges				
Meter Charge		1,175.00 \$/mtripa		\$99.79
GST				\$491.00
Total (excl GST)				\$4,910.07
TOTAL for NMI 4508000046				\$5,401.07

Example Invoice for Contract Site (Civic Centre)

For ease of analysis the charges can be grouped and represented visually as per the chart below.

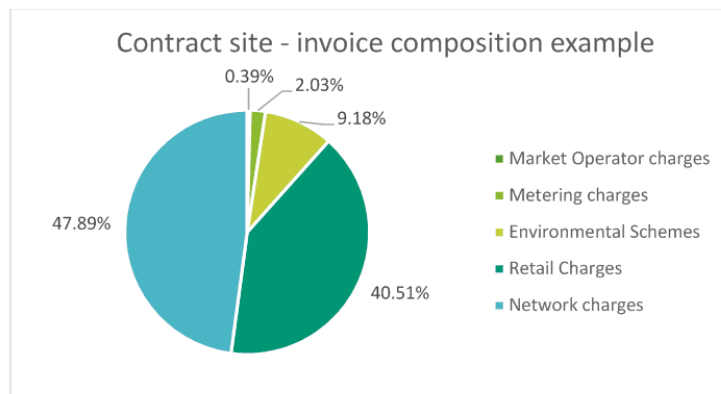


Chart 2. Contracted sites bill comparison (Dec 2019)

There are important insights to be made from this information.

- Consumers have no bargaining power over the Network, Market, Metering or Environmental charges. The only way to avoid these is to not buy electricity.
- 40% of the bill is open to negotiation (retail charges). If, for example, one could halve the retail charge rate, the overall bill saving would be 20%, or, in the above example \$3,916 vs \$4,910.

- The reason that 'behind the meter' (BTM) projects are attractive is because they reduce all elements of the bill though reducing the full purchase of electricity.
- Short of purchasing the network 'poles and wires' from Essential Energy, embedded networks and micro-grids can also avoid network charges.

Understanding the composition of electricity fees and charges can lead to the ideal of going "off grid", however, other than for new installations, this will generally push out the pay-back period due to the inability to sell excess energy, unless this revenue is less than the monthly connection fee.

Being aware of the charge structure can also lead to simple 'wins' through load shifting. The below chart shows the current retail charge structure for Broken Hill City Council's large usage sites.

The most cost-effective time of day to consume electricity is in the Off-peak period from 8pm to 7am. Shoulder times (9am-5pm) and Peak times (7-9am and 5-8pm) are charged at higher rates.

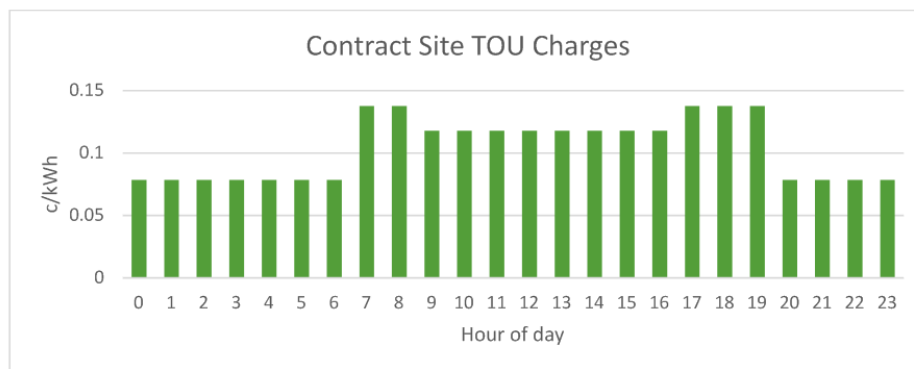


Chart 3. Contract Sites - Time of Use retail charges

Finally, the differential between peak and off-peak charges can also provide the economic rationale for battery storage and/or behind the meter load shifting.

Most obviously, can energy be purchased at the least expensive off-peak times, stored and then consumed Behind-the-meter in the most expensive periods?

2.3 100% Renewable

It would be impossible to achieve full renewable capacity at each of these sites with solar only, not least because of limited site capacity and grid connection limitations. An on-site battery can be sized to accommodate the full demand however to effectively 'off grid' the facilities requires significant investment.

A third approach would be to integrate a co-generation or hybrid energy plant. Biodiesel cogeneration plants are readily available commercially. Hybrid energy systems with on-site solar and wind generation plus battery and back-up generator are increasingly common for off-grid homes and larger industrial applications. The calculations for taking this approach are relatively straight forward and market testing could be used to establish a provider at an equivalent c/kWh to the current rate paid. Commercial options range from Council owned and operated through to full 'energy as a service' providers. The key question is; is managing these sites in isolation better than a collective approach to the full suite of council assets?

Considerations include Council capacity/desire to own/operate additional infrastructure with commensurate increase in O&M, insurance, etc.

Recommendation: Improve energy transparency and control at all sites. Also consider closely the relative merits of creating a situation where a council owned, mid-scale renewable energy generator can be established to provide energy for contract sites for near zero cost, versus reducing overall consumption with oversized BtM systems and an energy sharing platform.

3.0 Tariff Site Analysis

3.1 Tariff Site Overview

Broken Hill City Council manages 44 facilities which relate to a unique National Meter Identifier (NMI). For this analysis we have grouped these sites into areas of common function as per the Table 4 below. As per contract sites, the simple derivative of annual cost divided by consumption gives an indicative c/kWh and provides metric to prioritise sites that will benefit from a BtM renewable energy installation.

Site group	Annual kWh	GHG tonnes	Annual cost	c/kWh
Airport	138,281	112	\$ 43,585.78	31.52
Amenities	18,246	15	\$ 6,564.80	35.98
Hall or community centre	107,124	87	\$ 31,674.27	29.57
Other	45,419	37	\$ 16,788.74	36.96
Parks or sports fields	90,873	74	\$ 32,634.98	35.91
Water treatment and pumping	8,267	7	\$ 4,689.61	56.73
	408,209	331	\$ 135,938.18	37.78

*Indirect emissions from consumption of purchased electricity

Table 4. Tariff sites cost and usage breakdown

The categorisation used for Table 4.

Site group	Description
Airport	All energy usage NMIs at the BHCC airport
Amenities	toilet blocks, lookouts and town square.
Hall or community centre	Halls, community centres and libraries.
Parks or sports fields	Sports facilities, parks and gardens.
Water treatment or pumping	Sewer, septic and water pumps.
Other	Any other site that did not fit into the above categories.

Chart 4 below represents the same information in a manner that allows us to see the groupings that draw the most energy. The major tariff sites being the Airport and Halls and community centres.

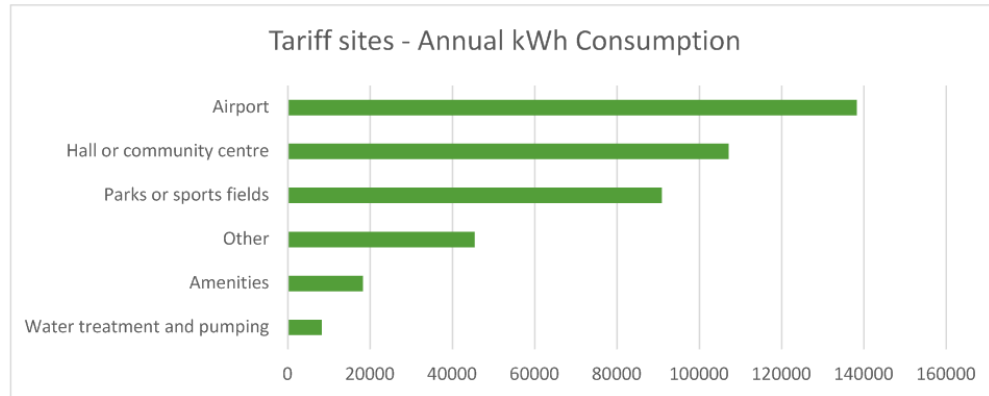


Chart 4. Grouped tariff sites annual kWh usage chart

Further insight is gathered by looking into the individual sites that consume the most energy. Table 5, below, displays any sites that consume over 20,000 kWh per year.

Site Name	Annual kWh	GHG tonnes	Annual cost	c/kWh
Air Conditioning Airport	69,296	56	\$ 19,364.55	27.94
South Community Centre	59,146	48	\$ 16,879.93	28.54
Sturt Park	32,212	26	\$ 9,316.87	28.92
Airport Terminal Building - Kiosk	30,651	25	\$ 8,907.33	29.06
Geo Centre	22,753	18	\$ 6,773.17	29.77
	214,057	173	\$ 61,241.86	28.85

*Indirect emissions from consumption of purchased electricity

Table 5. Tariff sites cost and usage breakdown

Continual tariff review is also likely to remain of value for this group of facilities, and all others on contestable tariffs.

Key questions

- Which of these sites is best suited to BtM solar?
- Which sites can change their energy use through either behaviour change or technology?
- How can we get interval/operational data for these sites?

3.2 Tariff Site Strategy

The c/kWh column in Table 5 above is a relatively blunt but useful metric. Sites with high rates (greater than 30c/kWh) usually occur when the proportion of energy consumed is small compared to the daily supply charges. The highest of these figures point to potential disconnection of certain sites from the grid and replacement with standalone solar-battery systems. As an example, this approach could be cost-effective for amenity blocks. Certainly, this approach should be considered for all new facilities where connection costs can be redirected into off-grid CAPEX with little on-going outlay.

Of the larger tariff sites, beyond energy efficiency measures there are three strategies for reducing costs; behind the meter solar installations, self-consumption of export from other Council sites at a reduced fee (see more on this below), and load shifting to optimise tariff structures. While we know there are some sites that are 'no-brainers' for small roof-top solar, it would be better to make decisions based on data and again, we are limited by the lack of energy consumption interval data at the tariff sites.

Behind the meter renewables

Constructive Energy supports findings of the Solar Suitability Assessment and Business Case developed by the NSW Dept. Planning, Industry and Environment in 2019. While pricing will have changed slightly the analysis and rationale for assessment is sound.

However, this approach will at best account for around one third of energy consumed in aggregate (8.8 – 47% range per site over 13 sites). While this results in a significant financial saving of itself (est. \$191,000 per year) it will not result in 100% renewable status. It is possible to take the approach of maximising production per site through 'oversizing' each solar array however this suffers the combined limitations of roof space and network capacity for export. It also diminishes the ROI for each site although this compensate for by internal peer-to-peer trading of the excess from each site. In short, our analysis indicates that reaching 100% renewable with a distributed array on council facilities is not practical. At the very least it becomes expensive per Watt installed.

There may be an argument for behind the meter battery installation at some sites, particularly if paired with solar or small-scale wind, as this will result in the ability to avoid peak tariff charges and participate in emerging demand response opportunities.

Internal energy sharing

Over recent years the capacity has emerged to pool several solar sites, managing them as a Virtual Power Plant (VPP), and/or to specify pathways of energy sharing between customers/sites – Peer-to-Peer trading. Examples already exist in Australia and conceptually this could be a useful model for BHCC. There is a financial advantage in paying ones-self for energy or, in time, supplying excess from site A to site B for free (although network charges still apply).

The establishment of internal energy trading will necessitate both upgraded metering devices and identifying a hierarchy applied to sites. The hierarchy will be based on factors such as consumption profile, overall load/cost and social benefit. This hierarchy enables Council to optimise the excess summer export from a Council owned and operated 'Virtual Power Plant'.

Later in this report we take this approach to an extreme and investigate the opportunity to consume energy at every BHCC site with electricity which has been generated at a single large site. This enables the pay-off of an array to be made with funds already budgeted for to operate multiple sites. As for the distributed generation approach, once the single large array is 'paid back' Council can choose to supply to itself effectively for free.

Load shifting

There are advantages in having the ability to control when and how energy is consumed. Most obviously the ability to avoid peak charge periods and optimise lower fee windows however there are also emerging markets for Demand Response. This is where network operators (retailers or network providers) make payments to consumers for decreasing load or providing/choking supply in response to issues managing the entire network. An example is asking Council to turn off non-essential loads in heatwaves to avoid overloading the network and causing blackouts.

This capacity is contingent on equipment installed at the switchboard and a software interface with embedded control logic. There are several suppliers in the market and more emerging with devices ranging from “Super smart meters” which report to retailers and also have load control capacity embedded, through to multiple sub-circuit controllers.

Recommendation: Regardless of the direction chosen in regard to strategies for tariff sites, we recommend that all installations of solar and/or electrical upgrades now be accompanied with a smart meter installation, preferably with embedded load control functionality.

In time, and as the level of available site data improves, it will be possible to implement and accurately measure energy saving initiatives such as retrofits and behaviour change programs and to take advantage of emerging load response initiatives.

4.0 Priority Renewable Energy Options

As with most things in life, it may be that there is no silver bullet solution and in-fact we are looking for ‘silver buck-shot’ with multiple strategies. As always, it is important to be clear on core objectives and the decision-making framework in evaluating alternative options.

In this section of the report Constructive Energy have highlighted the projects we feel stand out given our understanding of BHCC objectives.

4.1 Energy Efficiency Measures

Before investigating alternative sources of energy, maximising energy efficiency should be a primary objective. To reinforce this the following measures are recommended (and to some extent already evident at BHCC):

- **Monitor consumption:** Engineering and/or Finance are responsible for reviewing energy usage at all sites and of key equipment/assets.
- **Reporting and performance:** Energy use for sites/assets is reported in regular section meetings and efficiency forms a component of staff Position Descriptions.
- **Procurement policy:** Energy consumption rates are considered in the procurement of any new equipment or servicing and maintenance of existing items. This includes new buildings and vehicles.
- **Retrofit strategy:** Building modifications will be carried out at least in part for the purpose of reducing energy consumption.
- **Education:** Broken Hill City Council makes it easy for staff and constituents to reduce energy consumption through promotion of strategies and materials that facilitate energy efficiency.
- **Planning:** Broken Hill City Council promotes energy efficiency in design through the planning phase where applicants are encouraged to adopt Guidelines for factors including – insulation, glazing, orientation, primary equipment, water use, etc.
- **Product broker:** Broken Hill City Council applies knowledge and purchasing power to support residents and businesses with products that reduce their energy consumption.
- **Street lighting:** Broken Hill City Council continues to work with other councils/programs to replace existing lights with efficient alternatives.

Recommendation: That BHCC integrate the above strategies into ordinary operations.

4.2 Smart metering and load control

Australia is in transition from a centralised, ‘dumb’ monopolistic grid with fixed generation and regional distribution, to a dynamic, integrated and distributed network of coordinated generation and load at varying scales. With the privatisation and corporatisation of generation and transmission assets, and the opening of retail markets in NSW to competition, the sector is experiencing unprecedented growth in the number and type of generation assets and innovation in technology and retail mechanisms. The days of simply looking for the best kWh price from a limited pool of options, and then forgetting about it, are over.

In this context, data is increasingly important along with the old adage, *“what we inspect we improve, what we measure we manage”*.

Retailers are now reluctant to send people into the field to read meters when the automated alternative, digital meters, is less costly and more accurate. So called “Smart Meters” are able to measure consumption in intervals, usually of 30 or 5 minutes, and these can be used to create a usage profile, as has been completed for this report, but also to enable billing on a cost-reflective basis. Beyond this functionality, a new range of ‘super smart’ meters are also able to control a number of devices by sending signals to relays on the basis of pre-defined logic.

These load monitoring and controlling devices may or may not also be equipped with appropriate approvals to act as the network meter. In other words, there is a choice to either seek a meter that does everything, or to separate the network meter for billing, and the monitor and control device that provides operational intelligence and control. Both devices usually exist at the switchboard. It is critical that the metering platform can be used to provide close to real-time data through an accessible dashboard which may also eliminate the need for bill-validation platforms.

Recommendation: BHCC invest in the roll-out of meters with monitoring and control capacity across all assets with both significant consumption and, ideally, the potential to move or modify loads without adversely effecting operations. It may even be possible to leverage retailer relationships so that the cost is borne, or at least shared, as part of the energy supply contract. We suggest that there are about ~40 sites which should be equipped with smart meters.

4.3 Solar

Solar Photo-Voltaic (PV) cells are a proven technology capable of delivering on-site electricity for immediate consumption and/or export. While panel efficiency has improved in recent years, the major factor driving an increase in solar installations has been dramatic reductions in panel costs, combined with government subsidies. The subsidies for systems less than 100kW (Small Technology Certificates or STCs) are reducing year on year until being completely phased out by 2030. Subsidies for systems larger than 100kW exist in a market mechanism (Large Generation Certificates or LGCs) that has been volatile and oversubscribed to date resulting in uncertain and low values.

- Currently the greatest economic impact from solar is to consume locally and avoid purchasing from the grid – known as Behind the Meter (BtM). This works particularly well when the demand pattern of solar use closely matches the intensity of the sun.

These circumstances lead to 2 principal approaches; several sub-100kW systems distributed over multiple sites and larger mid-scale single site systems in the order of 500kW to 5 MW. These two approaches are detailed below.

4.3.1 Medium Scale Solar Arrays

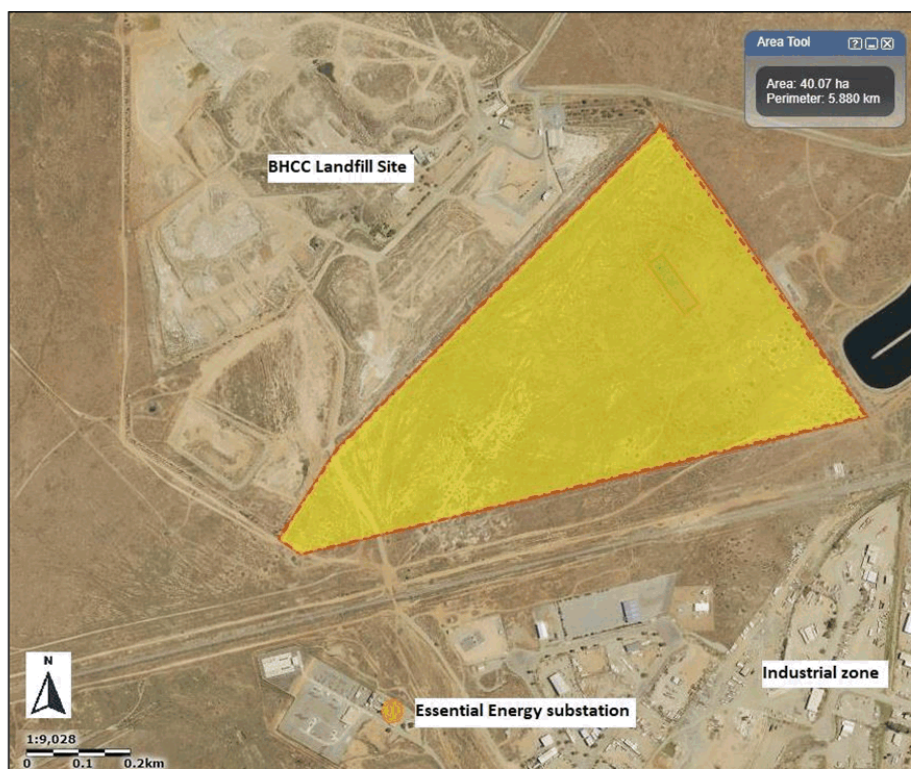
When identifying a potential location for standalone medium scale renewable energy installations, it is important to consider proximity to suitable power lines, transformers and electricity substations; close range of a substation or appropriate 'feeder' can lead to more cost-effective grid connection for larger arrays.

Larger solar installations require more research and modelling than those installations below 5 MW because they can have a disruptive and damaging impact on the network. Facilities under 5MW require an intermediary licenced market participant to sell into the National Energy Market but currently avoid extensive Australian Energy Market Operator (AEMO) reporting requirements. Once the 5MW threshold is broken, these additional costs, along with increased implementation costs such as network fault protection works, typically result in systems of around 8MW or more to stack up financially. It is likely that the 5MW threshold will change in time as the Market Operator recognises the value in increased mid-scale generation across the network.

There is another threshold within the Essential Energy distribution network at 1MW, below which the potential network impact, and hence approval process, is usually significantly easier and less costly. Solar installations below 1MW are not regarded as High Voltage customers whereas arrays over 1MW require Connection Investigation Services Agreements that will incur costs in the order of \$25,000 to \$250,000, including detailed engineering and High Voltage design.

In the Broken Hill City Council LGA there is an obvious opportunity for mid-scale solar around the Essential Energy sub-station on the South-Western edge of the city near the Council Landfill site. Council has recently purchased a 40ha land parcel adjacent to the Landfill. This site is a prime candidate for a mid-scale solar opportunity as it is close to energy infrastructure and industrial loads – important for network stability.

There will be many more suitable sites available within the distribution network within the city limits which may support smaller arrays than those over the 1MW threshold which, depending on strategy, would be required for Broken Hill City Council to become 100% renewably powered and to offset carbon emissions. Ideally Council would own land or assets for solar and battery installations, however this is not critical as, for example, site lease costs can be integrated into the business plan.



Map 2. Essential Energy Substation location (SixMaps, July 2020)

The commercial development appetite for medium to large solar arrays has reduced from a peak in 2018 of around 20 GW, as uncertainty relating to the daytime market price has increased. There are now periods where solar supply exceeds market demand, and this is pushing the pool price down resulting in the so-called 'duck curve' already evident in some parts of the NEM (National Energy Market) particularly during spring and autumn months. In the past, the market price average was reliably above the cost of production making solar projects profitable but now there is an increased risk of a revenue shortfall. This issue has been exacerbated by network constraints resulting in Market Operator curtailment of export from large solar farms. This reinforces the case for more, smaller, solar arrays within the Distribution network – provided that there is a customer 'locked in' at an appropriate rate.

Developers usually seek to secure revenue by locking in customers with a fixed price Power Purchase Agreement, however for Councils the opportunity exists to create an internal arrangement linked to the wholesale electricity market. With supply matched to demand and a floating market price, the Council is less concerned with what the energy price is at any point in time and more concerned about the transactional cost. That is; if the NEM price is high then increased costs of consumption are offset by increased revenue for the array. Equally, low prices reduce revenue to the array but save on expenditure at Council sites. To avoid excess export at low value it is important to match the solar array size to demand, noting that the opportunity exists to increase the pool of customers by signing up local Commercial and Industrial facilities. Of course, once the array is paid off, Council has access to electricity at negligible cost (refer to the section "Council as energy retailer" below).

Understanding this model is critical to the decision for Council to invest in a mid-scale array as without it, CE would not currently advise Council to proceed with a mid-scale solar project. See more about this in section 4.4 Council as Energy Generator/Retailer.

Modelling was completed to examine what the options might be for BHCC to progress a mid-scale array. Local climate data was used to project solar generation and aggregated to monthly figures. These were mapped against actual usage for the 2019 calendar year. The following chart represents annual consumption in aggregate and the percentage of usage likely to currently occur in daylight (solar production) hours. It also includes the equivalent electrical demand for substitution of gas and transport fuels.

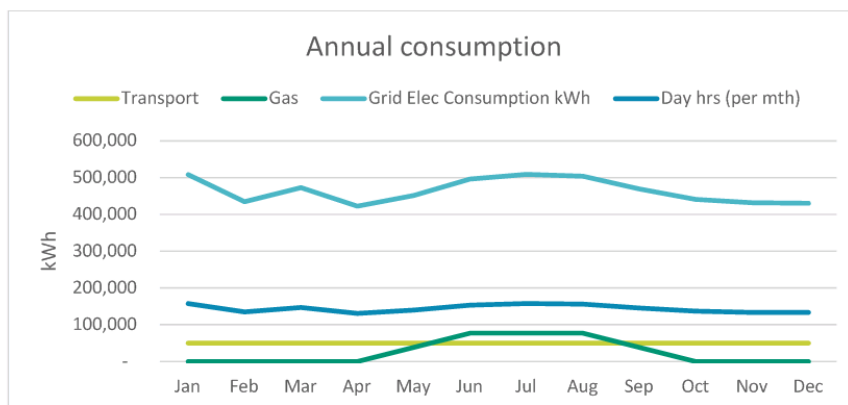


Chart 5. Broken Hill City Council Annual electricity consumption

The profile is interesting as it visually represents two important factors relevant to solar generation; peak consumption occurs in the summer and winter months and consumption during daylight hours is around 1/3 of total consumption.

We now need to understand how this profile interacts with the wholesale or spot price on the National Energy Market. The charts below indicate that, on average, summer is a good time to be selling solar energy into the spot market as the price is relatively high compared to other seasons— particularly in the peak heat of mid-afternoon. In shoulder seasons daytime export is of lesser value than it is in winter but in all three seasons there is a distinct peak at the start and end of each day.

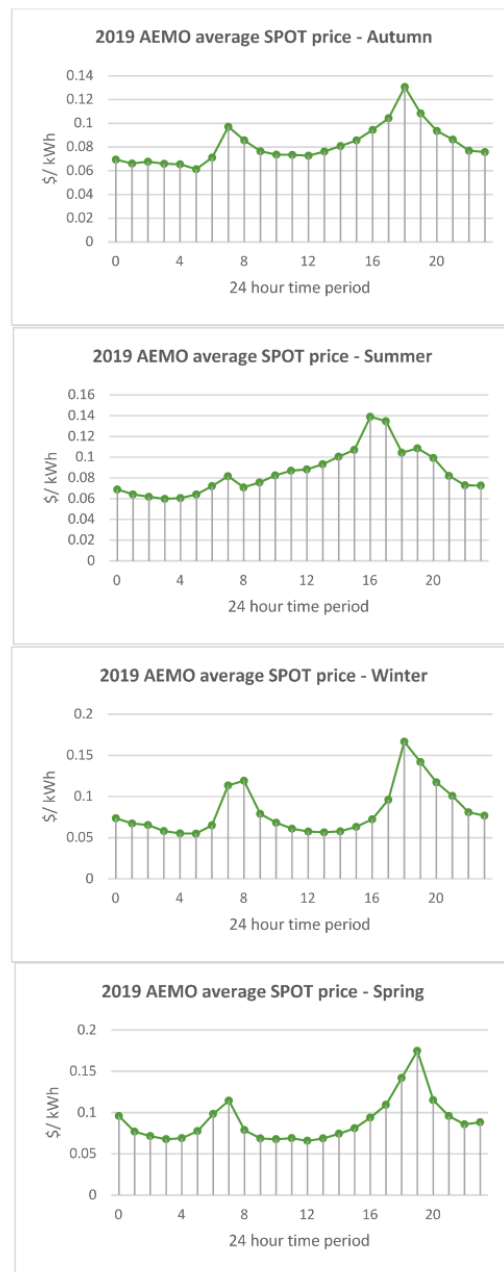


Chart 6. Seasonal average AEMO (Australian Energy Market Operator) spot market electricity price charts

We now examine a scenario for the purpose of informing decision making around the objectives and scale of a stand-alone BHCC solar array to enable BHCC to be a 100% NET renewable energy consumer. For the sake of illustration, the scenario assumes that BHCC is happy to pay itself 8c/kWh for solar energy which represents a saving of approximately 6c off small site retail and that export is also purchased by a third party for 8c. We have also modelled the array install cost at \$1.45 per watt which is inclusive of all project costs.

Our analysis indicates the improved financial case for Council self-consuming the energy vs finding a consumer willing to enter into a Power Purchase Agreement (PPA) for 8c (more likely around 6c at present) or relying solely on the spot market. Not surprisingly, the key variables for financial return are the install cost and sale/purchase price per kWh.

100% offset		-----> Array Size	3300 kWp	CAPEX	\$ 1.45 per watt	TOTAL CAPEX	\$4,785,000							
Daytime offset		-----> Array Size	2500 kWp	CAPEX	\$ 1.45 per watt	TOTAL CAPEX	\$3,625,000							
Solar Production B.O.M.			Revenue	Council consumption				\$ 0.08	\$ 0.06	\$ 0.08				
month	kWh/m2	kWh/m	Large	Tariff	Gas	Transport	Combined	Day hrs (per mth)	Export	Int'l rev.	retail saving	Exp. rev.		
Jan	7.93	776,757	\$ 62,141	420,593.43	37,441.73	-	50,000.00	508,035.16	157,491	619,266	\$ 12,599	\$ 9,449	\$ 49,541	
Feb	7.02	648,770	\$ 51,902	351,296.32	33,424.35	-	50,000.00	434,720.67	134,763	514,007	\$ 10,781	\$ 8,086	\$ 41,121	
Mar	6.12	523,411	\$ 41,873	388,545.13	34,575.14	-	50,000.00	473,120.27	146,667	376,743	\$ 11,733	\$ 8,800	\$ 30,139	
Apr	4.59	348,629	\$ 27,890	339,490.28	32,978.49	-	50,000.00	422,468.77	130,965	217,664	\$ 10,477	\$ 7,858	\$ 17,413	
May	3.36	242,526	\$ 19,402	330,615.47	32,611.25	38,615.25	50,000.00	451,841.97	140,071	102,455	\$ 11,206	\$ 8,404	\$ 8,196	
Jun	2.80	190,170	\$ 15,214	333,830.52	34,894.81	77,230.50	50,000.00	495,955.83	153,746	36,423	\$ 12,300	\$ 9,225	\$ 2,914	
Jul	3.04	213,072	\$ 17,046	345,866.70	35,865.58	77,230.50	50,000.00	508,962.78	157,778	55,293	\$ 12,622	\$ 9,467	\$ 4,423	
Aug	4.07	293,979	\$ 23,518	343,343.87	33,816.80	77,230.50	50,000.00	504,391.17	156,361	137,618	\$ 12,509	\$ 9,382	\$ 11,009	
Sep	5.27	403,843	\$ 32,307	351,425.98	29,465.44	38,615.25	50,000.00	469,506.67	145,547	258,296	\$ 11,644	\$ 8,733	\$ 20,664	
Oct	6.49	554,863	\$ 44,389	360,982.43	30,280.07	-	50,000.00	441,262.50	136,791	418,072	\$ 10,943	\$ 8,207	\$ 33,446	
Nov	7.30	652,527	\$ 52,202	346,260.00	35,583.01	-	50,000.00	431,843.01	133,871	518,655	\$ 10,710	\$ 8,032	\$ 41,492	
Dec	7.95	778,504	\$ 62,280	342,762.22	37,272.77	-	50,000.00	430,034.99	133,311	645,193	\$ 10,665	\$ 7,999	\$ 51,615	
	5.5	5,627,050	\$ 450,164	4,255,012	408,209	308,922	600,000	5,572,144	1,727,365	3,899,685	\$ 138,189	\$ 103,642	\$ 311,975	
Payback			\$ 10.6											

Table 6. Summary table of generation and revenue

Scenario – 100% Renewable Energy generation matched to BHCC's stationery and transport consumption.

In this scenario, we have matched a 3330kWp array to meet energy consumption on the basis of creating a revenue stream to offset unavoidable usage and to reach 100% renewable status in terms of carbon abatement. The size of an array to achieve this is approximately 3300 kWp.

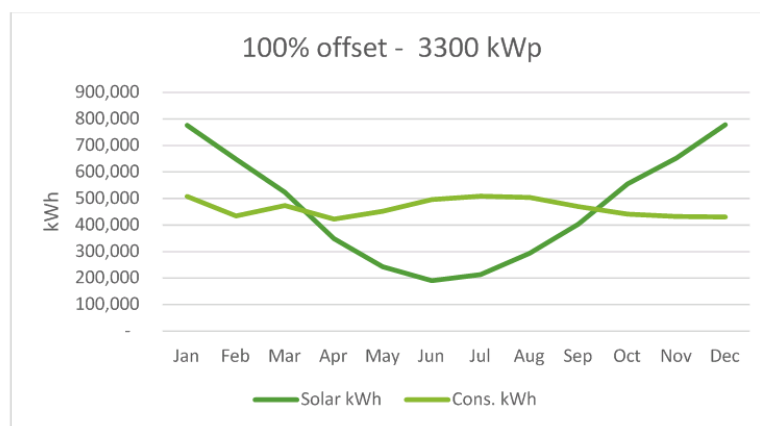


Chart 7. Solar generation matched to daytime consumption – 3300 kWp array

Chart 7 indicates that the bulk of all energy consumed, 24 hours per day, both exceeds and is less than the amount generated depending on the season. In terms of annual volume however the curves are equivalent. The corresponding revenue charts are displayed below.

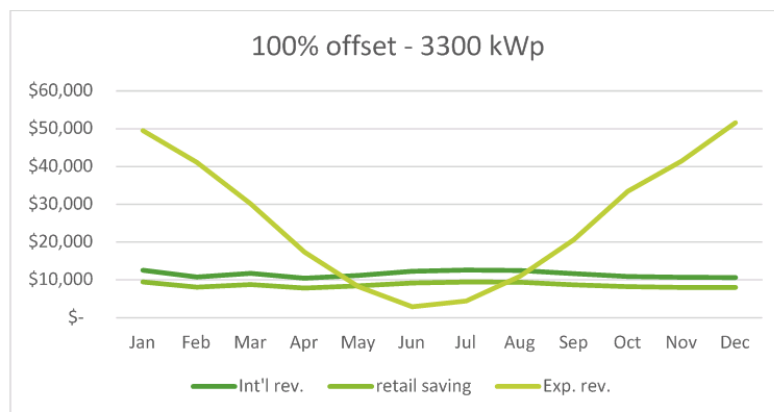


Chart 8. Intersection of monthly revenue/value curves for a 3330kW array

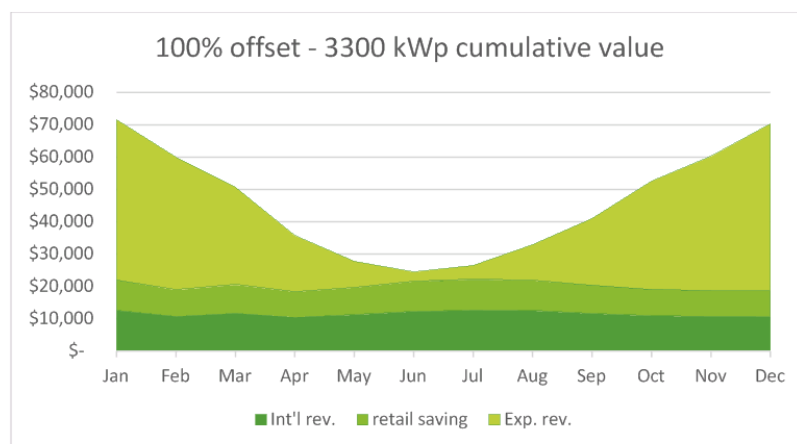


Chart 9. Cumulative value created by a 3,300kW array.

The above scenario illustrates to BHCC the need to be clear on objectives in constructing and operating a mid-scale array. The analysis has been undertaken to illustrate concepts, highlight risks and demonstrate the impact of alternative approaches to becoming active in the renewable energy generation space. We have been careful to be realistic and conservative in our analysis however detailed modelling, costing and analysis will be required before investing in a project.

That said, our analysis reveals that it is possible for an investment in a single site array of just under \$5 million to create annual value of just over \$500,000, with Council paying off a their own solar farm in around 10 years instead of paying a retailer. After this point, council can decide what to do with 1.7GWh of free energy.

Clearly there is also value in being able to vary consumption to be within solar producing hours or in least-cost market hours as referenced in 4.2 above.

Given that the minimum effective life of a solar array is the warranty period, i.e. 25 years, and infact usually more like 40 years, Council have the capacity to structure finance over a longer term to deliver increased cash flow now, or as-short-a term as possible to pay off quickly and create an effectively free energy supply. Aside from whatever advances in technology are available at that time in the future, including electric vehicles, there are a wide range of social impacts that could be supported with this low-cost energy.

Constructive Energy has completed detailed modelling for another Council who have elected to proceed with this approach based on favourable economic and social returns. The project will reduce current outgoings for energy in the medium term, pay off a 5MW array in just under 10 years, engage local business with lower cost local renewable energy and deliver a financial dividend of ~\$13 million over 25 years.

If Broken Hill City Council elects to further investigate this concept CE can facilitate the necessary system design and Network Enquiries and work with Council to develop the detailed business plan.

A final point of note is to consider that there may be city-based local governments that would welcome the opportunity to partner with a 'country cousin' that can generate renewable energy for them, to offset their usage. This could be another way of locking in price certainty and revenue to de-risk the business plan.

4.3.2 Distributed Solar Installation (+ Virtual Net Metering)

In November 2019 BHCC engaged DPIE (Dept Planning Industry and Industry) to undertake a feasibility of BtM 'Behind the Meter' (BtM) installations at 13 Council facilities.

The purpose of the feasibility study was to explore the ability for BHCC to:

- reduce electricity costs
- minimise the environmental impact of BHCC's operations (reducing carbon emissions)
- Contribute to the Government's Resource Efficiency Policy (GREP) solar target

As recommended in the DPIE Solar suitability assessment and business case, the most conventional renewable energy option for reducing costs is to install 'Behind the Meter' (BtM) solar arrays at strategic locations.

BtM solar arrays in both residential and commercial settings self-consume electricity generated during daylight hours, thus avoiding power costs charged on a per kWh basis. Excess energy generation is sold into the network at a negotiated feed-in tariff or shared with other consumers. An ideal site for this type of installation (where a faster return on capital investment can be achieved) should present the following characteristics; -

- High, regular electricity consumption, with most of the usage occurring during the daylight hours.
- Large suitable roof structure, preferably north facing and not shaded, or suitable nearby space for ground/frame mounted solar.

Important Considerations

- Identify project drivers as cost, energy-sharing and carbon offsetting will all lead to different answers
- Size and design individual systems correctly to meet the identified objectives
- The Small-scale Renewable Energy Scheme currently offers significant discounts on solar systems smaller than 100kW. The scheme reduces in value on 31st December each year until it ends in 2030.
- Systems larger than 30kW require additional costs associated with network connection studies and permission from the network provider to connect to the grid.

There are currently new technologies and market-place arrangements being developed that allow peer-to-peer solar energy trading between properties, known as Virtual Net Metering (VNM) and the ability to collectively manage multiple installations, known as a Virtual Power Plant. At a small scale, a household can trade their excess solar generation to a property of their choosing at a negotiated price. This system usually requires both parties in the transaction to be with the same retailer and arrangements can be put in place for one-off transactions or longer-term periods.

Using this concept, it is possible for Broken Hill City Council to develop a Rooftop Solar Virtual Power Plant large enough to power a major portion of Council sites and other businesses and residences in the LGA. Under this model, Council could also subsidise or facilitate the installation of solar and battery systems at selected sites and facilitate customers with the enabling retailer and load control metering devices.

Important Considerations

- All properties/customers operating within the network would probably need to sign up with the same retailer. The retailer would also need to be involved in setting up and operating the system.
- A specific meter/device is required to monitor and acquit energy usage.
- The project may require a significant effort to recruit customers (which could include customers outside of the LGA if desired).

To illustrate this opportunity CE considered the impact of existing/augmented solar systems and new BtM installations as part of a holistic program (sourced from the DPIE feasibility study 2019).

NMI	Site Name	Annual Site cons kWh	BtM System Size kWp	On site gen /yr	Self cons kWh	Avoided GHG tonnes
450800032	Administration Building	382,614	31	47,450	46,700	38
4508000909	Air Conditioning Airport	69,296	32.6	51,200	38,100	31
4001208908	Aquatic Centre	1,345,286	332	528,075	514,000	416
4508000046	Civic Centre	262,821	75	100,200	85,500	69
4508000110	Engineers Depot	210,079	156	197,300	150,000	122
45080003199	Geo Centre	22,753	10	15,400	9,700	8
45080009550	Chloride Street Public Toilets	16,990	4.6	6,900	5,300	4
45080001996	South Community Centre	59,146	20	31,500	22,700	18
45080126783	Sturt Park	32,212	4	5,600	3,400	3
4508009467	Sully's Art Gallery	266,022	72	107,135	103,500	84
4508000071	Tourist Information Centre	221,056	40	61,000	47,500	38
Totals		2,888,274.35	777	1,151,760	1,026,400.00	831

Table 7. Example distributed solar BtM installations

CE integrated the capacity for a virtual network and imagined that Broken Hill City Council charged themselves 8c/kWh for energy consumed at the retail tariff sites (which would be on the high side but result in a shorter payback period). The table 7 below is a summary of the collective financial impact if these projects were to proceed.

Council consumption	BtM solar generation		CapEx	Revenue	GHG	Payback and Yield	
Total combined consumption kWh (across all sites)	Daytime consumption	Export kWh	Inst cost	Tot revenue p.a. (including VNM)	Avoided GHG tonnes	Payback (simple)	Yield
4,589,488.22	1,026,400.00	125,360.00	\$ 1,105,042.90	\$ 261,379.20	831	4.23	23.7%

Table 8. Example distributed solar BtM collective financial impact

While these figures are very general, it is evident that there is an improvement in the economic case for roof-top solar when viewed holistically under a virtual network. It may also be desirable for Council to facilitate the involvement of other organisations and individuals in a Council-wide virtual network, however this can become complex and should be modelled in more detail. It would also be advisable to plan this with the engagement of service/community groups and the business groups.

It should be noted that the resultant payback and yield on paper achieve an exceptionally good financial return on the investment. However, this approach does not account for the complexity of the multiple solar installation at separate locations. Detailed project and financial planning will be required to firm up actual figures for investment readiness.

Each site location would require, detailed network applications, structural and electrical assessments, and may be subject to export limitations or unforeseen wiring upgrades, which would financially impact the project. Furthermore, connection limitations make it very difficult to realise the full Council self-sufficiency figure of 3,300kWp.

Prior to progressing the case for BtM solar installations, it is important for Council to acknowledge that the broadscale implementation of BtM roof-top solar systems potentially cannibalises the case for a mid-sized solar array. Installing multiple BtM solar installations reduces the amount of solar energy that Council can sell to itself in order to secure revenue for the larger project (which may be likely to provide a more significant pay-off in the longer term).

That said, BtM solar is readily achievable and delivers an immediate financial return and it may be that a hybrid of the two approaches is acceptable.

There are essentially three options for progressing BtM installations;

1. Broken Hill City Council Capital investment – savings invested to immediately reduce operating costs
2. Project finance – taking advantage of low interest rates in a cash-positive structure
3. 'Rent to buy' – Third-party installs and operates until nominated hand-over

Constructive Energy can provide oversight or facilitation of each of these options if desired.

Recommendation: There is a strategic choice to be made between implementing distributed BtM solar and a mid-scale solar project. If the key project driver is return on investment then distributed solar wins out, however it is more challenging to deliver 100% renewable status itself by 2023 so BHCC may also require a retail agreement to purchase renewable energy from an existing generator to fill the balance of demand.

Distributed batteries

Battery storage in association with BtM solar can create value through back-up capacity, improved power quality, optimised consumption and export in relation to tariff charges, enhanced demand control capacity and improved monitoring/reporting.

At present many commentators contend that the payback for batteries is too long, however when viewed holistically there are many cases where the yield of a combined solar + storage installation is above 10%. Given the high potential IRR for distributed solar it would be remiss not to consider the opportunity to incorporate energy storage where advantageous.

Site Name	Qty Batteries	Battery Capacity /yr kWh	Tot revenue p.a. (including batteries)	Solar + battery Payback (simple)	Solar + battery Yield	Avoided GHG tonnes
Administration Building	1	4,928	\$ 11,596.88	4.81	20.8%	38
Air Conditioning Airport	2	9,855	\$ 11,898.60	5.72	17.5%	39
Aquatic Centre	8	39,420	\$ 128,005.25	4.75	21.0%	428
Civic Centre	4	19,710	\$ 24,298.50	5.91	16.9%	81
Engineers Depot	2	9,855	\$ 42,858.60	5.47	18.3%	129
Geo Centre	1	4,928	\$ 3,603.30	7.16	14.0%	12
Chloride Street Public Toilets	-	-	\$ 1,464.00	4.10	24.4%	4
South Community Centre	2	9,855	\$ 7,612.75	6.75	14.8%	26
Sturt Park	-	-	\$ 1,080.00	4.72	21.2%	3
Sully's Art Gallery	1	4,928	\$ 25,777.03	5.02	19.9%	87
Tourist Information Centre	3	14,783	\$ 14,704.13	6.06	16.5%	49
Totals	24	118,260	\$ 272,899.03	5.19	19.3%	896

Table 9. Example distributed solar + battery collective financial impact

Our analysis of solar only BtM installations reveals a collective yield on investment in excess of 23%. The table above indicates that the functionality of 24 batteries can be added to the project with the minimal impact of lowering the yield below 20% but still achieving system pay-back well within the 10 yr/3000 cycle warranty of most batteries.

If managed collectively, a number of distributed batteries can not only assist with individual sites, but also enable participation in market and network 'events' for which network operators will pay in order to reduce difficulties in managing the grid.

Recommendation: BHCC should consider the case for battery storage in association with any BtM solar installation and especially for sites with energy quality or security requirements

4.4 Council as Energy Generator / Retailer

Broken Hill City Council has the land access, load and grid capacity to install and operate a medium scale solar power plant in the order of 3MW. The inevitable question regarding this option is how to consume the generated energy in local assets and how to maximise financial benefit from selling the excess. As a Council owned and controlled asset, a solar PV facility has the potential to generate both energy for self-consumption and a revenue stream to off-set unavoidable consumption costs such as street lighting.

Clearly, if it were not possible to consume renewable energy 'behind the meter' then the next best thing would be to supply the excess energy to other Council sites and other larger consumers such as local industry. As described in 4.1 above, Power Purchase Agreements (PPAs) are the most common mechanism for this to occur to date. However, if this is done, it is still necessary to pay for the "poles and wires" either by paying the network owner-operator a fee or through owning the network. It is unclear at this point if discrete rural energy networks will ever be 'for sale', however, an embedded network constructed and owned by Council, such as for a new greenfield development or an industrial estate, already has precedent.

Power Purchase Agreements have been established and tested in the Australian context and are a feasible option for BHCC to consume energy from their own solar generation, or any other arrays for that matter, however they do require integration with a 'friendly' retailer and monthly reconciliation of estimated versus actual generated/consumed electricity. For simplicity, it may be possible to find a local large consumer that agrees to purchase all energy generated from a Broken Hill City Council array.

Recommendation: A third option as indicated above would be for Council to effectively operate as a generator-retailer, choosing to purchase energy from its own solar array at an agreed price, but also to purchase energy from the National Energy Market and then choose the level of price mark-up on-selling to themselves (see Chart 25 below). While there are benefits in removing the retailer's margin through purchasing wholesale, the risk of this approach is that the pool price may, or will at times, be higher than the relevant standard tariff. Our modelling has shown for previous years that wholesale consumers tend to be better off overall, but this is not guaranteed. To mitigate against this risk, the ability to control loads automatically would limit exposure to any price spikes. In other words, if the price is high outside of solar production periods, then we switch things off! The other key mitigating factor would be integration of battery storage which could be used as an economic tool to play the market or to load shift (see below).

It would be possible for Council to apply for its own licences so as to be formally recognised as a retailer however this carries cost in establishment and on-going compliance overheads that are, in our view, prohibitive. While the Local Government Act carries the capacity for Councils to supply energy (as per County Councils of last century) in the current competitive and innovative environment it may be smarter to partner with an existing retailer willing to provide the mechanism.

There are several retail organisations currently delivering cost-reflective pricing and facilitating sale of energy into the NEM. Linked to a solar array of course Council would be exposed to purchasing energy from the market for the times outside of solar production hours. (Wind power and energy storage would change this.) The degree to which Council is exposed to the volatility of pricing in these periods versus having the retail partner set a fixed price to 'hedge' the risk depends on the ability to negotiate a deal.

To further illustrate the concept, we have prepared the charts below comparing the amount BHCC actually paid to power the Admin Building, a high yet consistent usage tariff site, versus what would have been paid at the market spot price.

Chart 10 displays each 1 hour interval averaged over a month (Jan) and extrapolated over a 24 hour period. We have then overlayed the corresponding Electricity SPOT prices from the NEM for the same period.

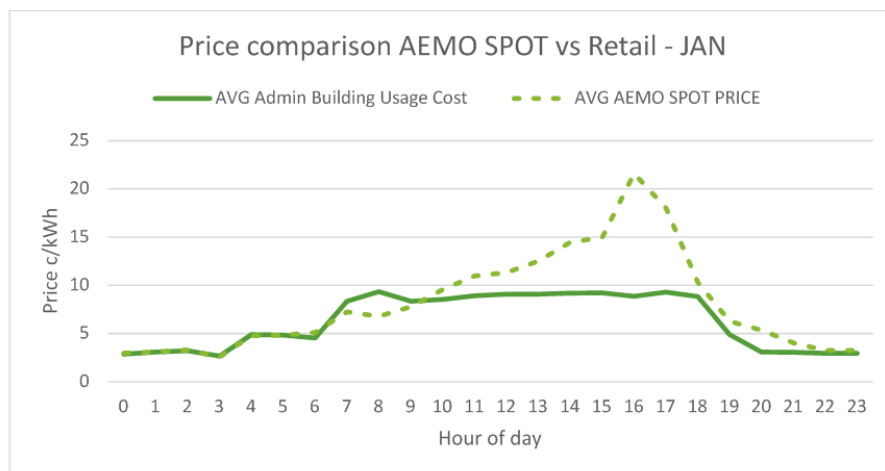


Chart 10. Comparison of Council Admin Building cost by hour versus equivalent spot market cost Jan-19

Based on this analysis it can be seen that if BHCC paid wholesale price for energy during January, this would have been more expensive than paying the pre-agreed retail tariff. In other words, the retailer took a hit in supplying BHCC!

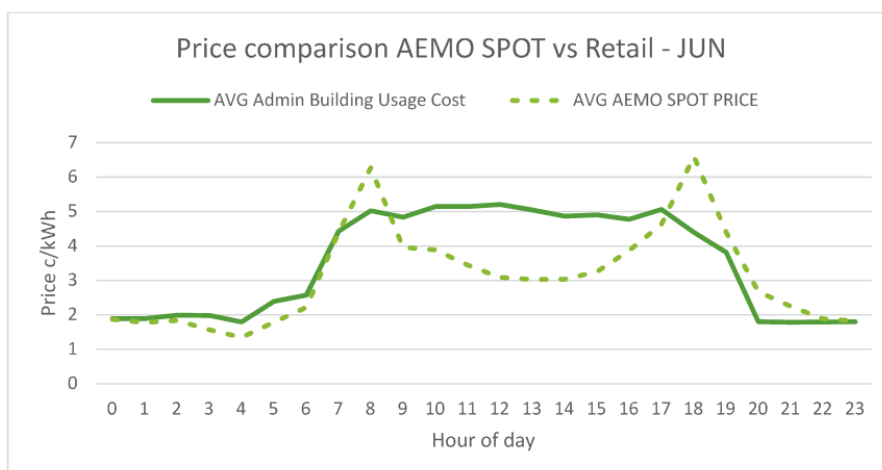


Chart 11. Comparison of Council Admin Building cost by hour versus equivalent spot market cost June - 19

Chart 11 above indicates a period when BHCC would have made a saving purchasing energy at wholesale prices, even considering peaks at the beginning and end of the day. This chart also indicates the obvious opportunity in load control and energy storage – maximising energy consumed from 09:00 to 17:00, avoiding consumption in morning and evening peak periods and aiming to sell stored energy into the market at its highest price.

The primary purpose of bringing this to the attention of Broken Hill City Council is to be aware of both the opportunity and consequence of 'stepping into' the generator - retailer space. While there are costs in establishing Councils as generator-retailers the savings and potential revenues are significant. However, even with automation, there will be a requirement for human oversight and this would need to be in the form of internal staff responsibility or outsourced services. Essentially BHCC needs someone 'in their corner' to ensure that the generator is performing as expected, the retail structure is delivering value, and that the load controlling logic is optimising self-consumption and minimising external energy purchase.

Part of the role of Constructive Energy is to guide and support Council decision making, in regard to establishing projects, negotiating deals and managing renewable energy assets to optimise benefit. Should BHCC wish to follow this pathway, after securing the opportunity to deploy or own energy generation assets, the next step would be to test the retail market to identify suppliers willing to engage in this manner. We have previously received positive responses from Enosi/Energy Locals, Simply Energy, Energy Australia, Origin Energy and Flow Power.

It is important to note that, as identified in 4.1.1 above, sizing a solar array to 100% meet Council demand inevitably leads to an export 'problem'. This requires BHCC to find a market outside itself that values this export. Such a market could be a small number of high-demand industrial users, commercial and retail businesses with daytime usage, and/or local residences. This 'solar power station' model is illustrated below.

1). Solar Power Station Model

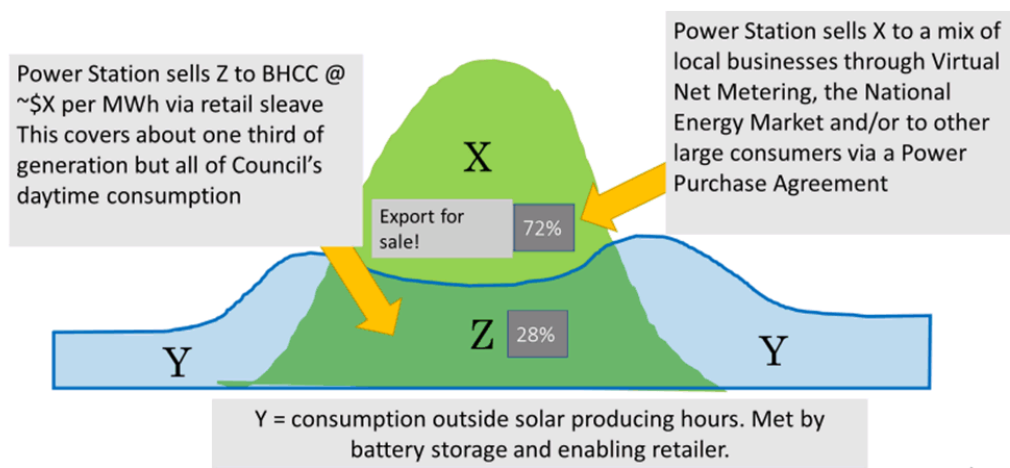


Figure 1. What to do with solar excess

In reality it is difficult to establish the exact quantum of 'X' in the figure above and to that extent there is a risk in raising the expectations of the last few customers who may never consume much energy from the array. In other words, after 'Z' is fully allocated we can guarantee supply for the first customer but not the last! Figure 2 below illustrates the likely management of this issue which is to have a certain percentage sold commercially with the remainder exposed to the wholesale market price.

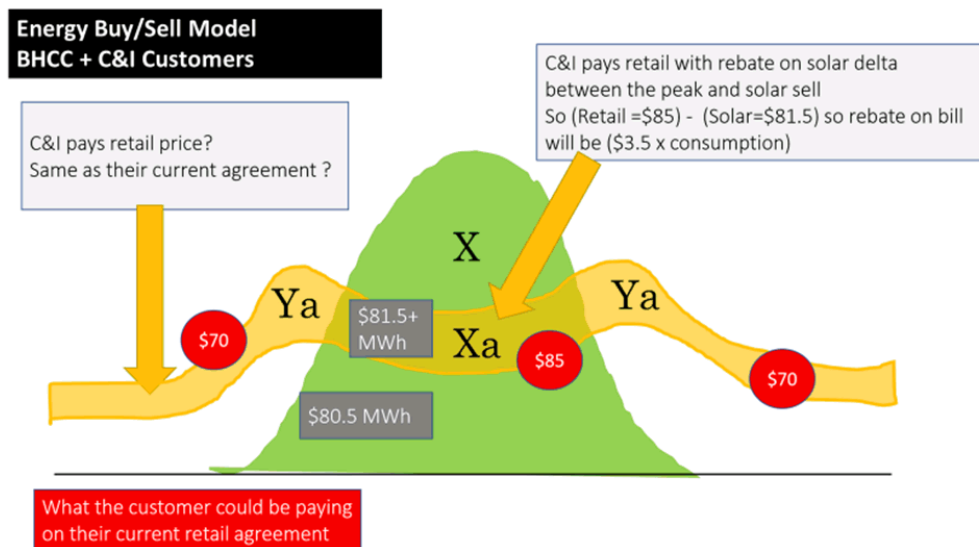


Figure 2 C&I customer engagement concept

An ideal agreement would incorporate both elements, so Council is able to negotiate 'certainty' and savings with electricity production and consumption, ultimately benefiting the BHCC community, and to underpin affordable local energy to the local community. The retailer would provide customer support and billing facilities and in return the Council could assist the retailer with their brand promotion and customer acquisition in their Local Government Area.

Recommendation: If BHCC decide to progress the mid-scale 100% offset option, this should be done in concert with identifying and negotiating with a retail partner. BHCC will need to come to a position on which local customers to engage, how and why. Eg. Main street shops to assist in providing affordable, local energy.

Interestingly, an example of where Council has successfully operated as a retailer, exists in the telecommunications industry. The Southern Phone company was formed in 2002 and is a successful collaboration of 35 regional Councils providing mobile, fixed-line and data services to the benefit of regional Australians. Their website states that ... "since 2008 we've delivered more than \$15.8 million in dividends and grants for the benefit of regional communities".

Southern Phone has acquired and services over 100,000 customers with the vast majority located within regional Australia. In December 2019, Southern phone was acquired by AGL Energy Ltd, providing each of their shareholders \$785,000 return from their initial investment of \$2 (source Southern Phone Jan20).

4.5 Energy Storage

In addition to exploring the various large-scale solar installation options available, it is important to consider integration of energy storage options to bring additional value and benefit to a project. Batteries are an increasingly critical part of optimising the economic and environmental benefits of renewable energy generation and are now affordable to the extent that pay-back periods are usually less than 10 years and can be less than 5 with the right price and market settings.

The battery market is currently in price decline as various providers and technologies vie for market share. In addition, the impact of batteries on the grid is in the early stages of implementation in practice so case studies will have important flow-on impact. Energy storage integration presents the following key benefits to a project-

- Load smoothing: battery storage can buffer solar generation peaks and intermittent or variable demand profiles.
- Load sharing: particularly where micro-grids are implemented, battery storage can provide a power sharing and grid stabilising faculty.
- Load shifting: supporting the economic case for avoiding purchase of high-cost electricity.
- Load export: smart-meter technology can identify when a system should export onto the grid (when demand and price is high) and when to divert to storage. Under a generator/retailer model, integration of battery technology adds an additional advantage to 'playing' the energy markets.

The enduring problem with intermittent renewable energy generation is reliability of supply, a factor which has been improved dramatically at the time of writing by the improving economics around battery storage. The emergence of technologies that can offer utility scale storage at a price point with a 10 year pay-back is significant. It is now technically feasible to operate 'off grid' at scale, however, taking all BHCC's sites off the grid is not desirable for a range of reasons and at present would increase the cost of supply. However respected industry energy analysts suggest that price parity for this scenario could occur in the next 5 years and it will be worthwhile for Broken Hill City Council to consider this scenario with their high use sites in the next 5-10 years.

There are other reasons to integrate batteries, including energy security, control and monitoring. For example, if every BtM solar installation included a Tesla Powerwall, this would automatically provide data and control measures plus a degree of redundancy/security in the case of blackouts. A trial of 1200 households in Adelaide equipped with a Tesla Powerwall and rooftop solar, operating a virtual network, is proving successful in providing cheaper energy to householders partly because the system as a whole can be controlled and derive revenue from demand management to support network stability.

Recommendation: BHCC should model energy storage as part of the business plan in both medium scale and/or distributed solar project options. This modelling should compare a single, mid-scale, grid connected storage device (ideally with the solar array) and multiple smaller behind-the-meter devices.

4.6 Retail arrangements

Broken Hill City Council has a variety of sites that have large and consistent consumption and this has provided leverage for negotiations in the past which, through well run tendering processes, resulted in sharper competition between each of the energy retailers and hence better pricing.

As discussed above, as Broken Hill City Council implements the recommendations of this REAP it is possible to become a net generator of electricity which is then sold back to other BHCC sites, the community and local industry. This changes the relationship with retailers who are already being disrupted by the 'prosumer' revolution affordable solar has created. However, we appreciate that BHCC may not wish develop renewable energy projects themselves and if so, negotiating suitable retail contracts remains important.

Proposed changes to network operating rules will see smaller operators such as Councils able to participate in high value demand responses, such as being paid to reduce demand or produce electricity at times where the network is stressed. Any supply agreements should account for this into the future.

Because the sector is rapidly changing it is difficult to provide definitive guidance in respect to retailer contracts. That said, there is also opportunity emerging in this period of significant innovation so it is important for Council

Recommendation: Going forward Council should be increasingly wary of simple bulk purchasing contracts for electricity as these approaches can limit the capacity for Council to save or off-set usage (usually a 20% reduction cap before fees apply) and to gain from participating in the new distributed energy economy. We recommend that Council be careful in engaging with any retailer over a long term and ensure the ability to reduce consumption along with fair exit conditions. Ideally any new retail agreement needs to enable Council to sell excess energy production to the retailer at a market or negotiated price, whilst purchasing electricity consumption at a fixed low price during peak times. The contract should also enable peer-to-peer trading and the operation of a Virtual Power Plant.

to be clear on wants and needs as, chances are, at least one of the retailers will be eager to attract and retain council business.

4.7 Transport, plant etc,

4.7.1 Electric Vehicles

Australia lags many other developed nations where electrification of transport is progressing rapidly. With Tesla most prominently spearheading the 'mainstreaming' of fully electric cars, as opposed to hybrid drive trains, all major brands are now developing Electric Vehicles (EVs). Many countries internationally have incentives and targets for EV uptake and China leads the world with development and sales, particularly in the heavy vehicle sector.

"For a GVW of less than 16 tonnes, an increasingly wide selection of all-electric trucks is reaching the market. In fact, major postal and package delivery companies, including DHL, UPS and FedEx, are expanding their fleets, and the Swiss and Austrian postal services have pledged to transition to all-electric fleets by 2030 or earlier." (source, International Energy Agency 2019)

For regional councils, the immediate challenges of model availability, range anxiety and relatively high prices are likely to abate by about 2025 (unless government incentives are established before then) as competition increases.

The relevance of EVs to this plan is particularly apparent when considering export of surplus generation and the fact that in around a decade, Council will be producing energy for essentially no cost. Even at modest c/kWh prices, the operational savings are clear as illustrated in the table below comparing a basic hatch-back sedan.

Internal Combustion Engine (ICE)			Battery Electric Vehicle (BEV)		
Fuel efficiency	7	L/100km	Power efficiency	16	kWh/100km
Fuel cost	\$ 1.40	per L	Electricity cost	\$ 0.10	kWh
Annual running cost	\$ 1,470		Annual running cost	\$ 240	
Annual km	15,000		Savings with EV	\$ 1,230	per annum

However, because the fuel costs are marginal in the context of greater CAPEX, even considering reduced servicing costs, at present the financial case for EVs is not compelling. That said, the BHCC 100% renewable target may add to other factors, such as research, leadership, etc and these may outweigh the reduced financial case. CE conceives that the 'tipping point' for wide scale adoption will occur when the price gap for equivalent ICE cars reduces to around 15%.

Aside from fleet cars, there is perhaps a more compelling case to look at electrification of heavy vehicles. The City of Casey in Victoria has commenced garbage collection services with an all-electric truck and many factories already use electric forklifts. Again, the case for these will be made more compelling in years to come if Council has the ability to set its own pricing for the electric 'fuel'.

The most obvious conflict with solar energy and electric powered vehicles is in the time of use – that being the overlap of solar generation and daylight working hours. This can really only be managed through the use of batteries and/or by analysing which vehicles/plant can be charged during the day.

An additional issue with EVs arises in relation to charging capacity; not just where to place them but the engineering behind delivering large amounts of energy quickly. So-called 'superchargers' require large amperage, not always available through the existing grid, and therefore can incur significant costs to establish. This leads to longer charge times and the necessity of charging overnight.

Recommendation: That BHCC invest in a small number of electric vehicles to test how they can be best integrated into operational activities. (Thought bubble – as the home of Mad Max – BH could become the centre of electric hotrod (and sedan) retrofits!

4.7.2 Hydrogen powered drive trains

It is important to understand the 4 distinct elements involved in production and utilisation of hydrogen as a fuel.

1. Energy Source. This needs to provide regulated, good quality electricity and be matched to full chain production capacity.
2. Hydrogen Production. Classified as 'green' = produced with renewable energy or 'blue' = produced with fossil fuels. Basically, using energy to either split water or hydrocarbons.
3. Gas storage. From short term (buffering in production) to long term and both stationary (as energy storage) or transportable (like LPG).
4. Energy Conversion. Oxidation of the hydrogen to release water and energy in the form of electricity and heat. Most commonly in fuel cells or turbines.

Based on CE research it is possible to purchase existing small-scale electrolyzers and produce hydrogen at around \$5 - \$6 per kg. This could be done at the site of a solar array to produce a transportable form of renewable energy.

The following table indicates the relative value of the hydrogen fuel in application.

Toyota Mirai		
100	km/kg	
5	kg tank capacity	
33	kWh per kg	
165	kWh per tank	
3	kWh per km	
495	km for	\$ 25.00
99	km/kg	
7	L/100km	petrol car
34.65	L equiv.	\$ 45.05
Truck FB Scania/Volvo EV		
200	km range	
80	kWh battery	
2.5	km per kWh	
412.5	km for 5kg	\$ 25.00
82.5	km/kg	diesel truck
20	L diesel	\$ 28.00
Water pump		
100	kW capacity	
3.03	kg H per hr	\$ 15.15
25	L diesel per hr	\$ 35.00

Table XX vehicle and pump performance and cost comparison

It is important to remember that hydrogen vehicles are actually electric vehicles with a hydrogen fuel cell replacing chemical batteries. The advantage of this approach is in energy density and recharge times. A hydrogen powered vehicle can be recharged in a few minutes, just like a standard gas vehicle, and as can be seen in the table above, just 1 kg can move a vehicle 100km.

There is much conjecture about whether EVs or HVs will win the Australian market for renewably powered vehicles however it is the view of CE that each system has strengths and weaknesses. The range and speed of refuelling through existing infrastructure point to an advantage for HVs in regional and remote Australia. Certainly, one Australian company is banking on a solid market - H2X currently plans to produce 20,000 HVs each year by 2025 out of the Illawarra region in NSW.

BHCC own and operate a range of plant and equipment for which there are currently no battery-electric or hydrogen-electric powered models available. Caterpillar, Hitachi, New Holland and many more start-up firms are researching and developing renewable powered alternatives to the full range of heavy plant and equipment. Mining companies are at the forefront in much of this development.

The Australian Government is invested in the CSIRO National Hydrogen Roadmap released in 2019 and has leveraged \$ billions in private investment to stimulate a hydrogen economy for both internal and export markets. The stated aim in much of this investment is to lower production costs to meet a \$2 per kg threshold. Some commentators expect the price to fall from the current \$5-6 and reach \$3 by 2023.

Recommendation: That BHCC position itself as a centre for R&D in the emerging hydrogen economy. Also that Council conduct feasibility into a pilot plant and vehicle(s).

4.7.3 Electric devices

Cordless power tools and light plant such as lawnmowers are also the focus of many manufacturers. For example, Makita have allegedly ceased all R&D into petrol powered tools. While these tools and plant use a small amount of energy in comparison to cars for example, there are operational advantages in not having to deal with mixing fuel and small engine maintenance.

Commercial grade brush-cutters and chainsaws are quieter, simpler and deliver instant power with back-back battery systems that can deliver several hours of continuous operation. They are significantly more expensive to purchase however these prices are falling with increased market share. In time we can expect to see a greater range of electric small plant and equipment as the energy density and affordability of batteries improve.

If BHCC seeks to electrify small plant and equipment we suggest that a decision is made to, as much as possible, stick with one 'family' so that battery packs and chargers can be shared. Thought must also be given into the creation of battery e-waste and the non-sense in discarding perfectly functional equipment which may only have occasional use, simply to remove a small amount of hydrocarbon fuel consumption.

Recommendation: That BHCC adjust procurement policy to preference electric plant and equipment for replacement and new purchases.

5.0 Other Renewable Energy Options

5.1 Pumped Hydro

The Broken Hill City Council region contains hills and disused mining facilities that may be appropriate for pumped hydro schemes. Any new Council water security initiatives should also consider energy production as part of their remit.

Pumped Hydro is emerging as a preferred dispatchable energy source, particularly over longer timeframes, due to its flexibility and low carbon emissions. Using combined pump/turbine plants, water is pumped from lower reservoirs to higher ones at times of plentiful or cheap energy and then released at times of peak demand when the price for electricity is high. Medium scale Pumped Hydro is likely to become an important 'product' in future markets as a buffer or insurance against high power prices and to time-shift large solar production from the middle of the day until night-time.

If Broken Hill City Council elects to proceed with a mid-scale array then an equivalent scale pumped hydro scheme should be investigated in comparison to other chemical forms of storage.

Regardless of progressing Broken Hill City Council's own solar, it may be that a council-owned pumped hydro facility in association with a decommissioned mine would be economic on the basis of services to other renewable energy projects in the area. In the medium term dispatchable energy is becoming increasingly valuable to the National Energy Market, often attracting pricing around twice the value of daytime generation. It will be interesting to see how AGL fares with their compressed air energy storage project. It may be the case that feasible, mid-scale water-based systems are not applicable in Broken Hill due to practical considerations.

Recommendation: Limited action in relation to pumped hydro in decommissioned mines at this point in time. It may be something to have 'on the radar' in discussion with Transgrid/AGL and various mining companies.

5.2 Wind

Broken Hill City and surrounds have a fantastic wind energy resource, as evidenced by the establishment of Silverton wind farm to the North West.

Technologies that harness the wind resource present a significant opportunity for BHCC to reduce operational costs and meet carbon emissions reduction ambitions.

Cases for wind energy include powering:

- Lighting for footpaths and roadways.
- Public amenities - roadside rest areas, toilet blocks, barbeques and shelters.
- Pumping stations.
- Telecommunications towers.
- Telemetry systems such as for water monitoring devices and security systems.

Street lighting typically contributes from between 30% to 60% of a council's carbon emissions (<https://www.energyrating.gov.au/products/street-and-public-lighting>). From the energy consumption data, street lighting produces around 30% of the Council's emissions and a renewable energy-based street lighting system therefore represents a strong pathway to meeting a significant proportion of the Council's emissions reduction goals.

5.2.1 Small Wind Turbines

Small wind turbines are emerging as a cost-effective renewable energy technology. These systems can be beneficial where there is a desire to provide amenities to the public in locations where grid-connections are cost prohibitive. In many cases, the cost to buy and install these amenities can be significantly less than the grid-

connection, with the additional benefits that the operational cost to power the sites is effectively zero, using zero emission technology.

BHCC has already made inroads in this regard, implementing some small wind turbines in Sturt Park. There are several Australian owned companies providing barbecues, shelters and other public amenities furniture with integrated solar, small wind and battery systems.

One Australian start-up Diffuse Energy (<https://www.diffuse-energy.com/>) has designed and commercialised small wind turbines. Their Hyland 920 turbine has been designed to work side by side with solar and batteries to reliably power telecommunications infrastructure at remote locations. The operating costs for this technology are extremely low, compared to diesel power generation.

To demonstrate how this technology may be applied for BHCC, we have produced a conceptual model of a new off-grid public amenity (using Duke of Cornwall Park consumption figures). This highlights how cost effective the renewable energy technology is whilst providing 24/7 reliable energy with zero emissions.

New amenity	Load	kWh/yr*	kWh/d*
1	New amenity	3880	10.6
	Annual cost	\$1,436.00	
	Cost per day	\$3.93	
Grid connection			
1	Grid installation CapEx	\$30,000.00	
	reduced to daily rate at	10	year Payback
	=	\$8.47	per day to finance
	Total cost	\$12.40	per day

*Usage figures modelled off Duke of Cornwall Park

smallWind	System size	220	W
1	Daily output	2.1	kWh
	Annual cost	\$2,433.33	
	Cost per unit per day (installed)	\$6.67	
Solar	System size	2.5	kWh
1	Per W installed	\$1.35	
	CapEx	\$3,375.00	
	=	\$0.95	per day (10 years)
Battery	System size	13.5	kWh
1	Installation cost	\$11,700	
	reduced to daily rate at	10	year Payback
	=	\$3.21	per day to finance
	Total cost	\$10.82	per day
	Carbon Offset	3.1428	tonnes p.a.

*Emission factor August 2019 (NSW)

Table 10. Broken Hill City Council Offgrid public amenity concept

5.2.2 Community Large Wind

There is also the potential for Council to use larger wind energy installations to offset significant amounts of energy usage. Larger installations necessitate more planning requirements with longer implementation timeframes but can provide significant benefits.

A BHCC backed community project, in a form similar to the Hepburn community wind energy project (<https://www.hepburnwind.com.au/>) could play a very substantial role in reducing the Council's emissions footprint. That project delivers around 10 GWh per year - more than double BHCC's energy consumption. An innovative business model, where BHCC has a power purchase agreement (PPA) with the community project could provide the necessary incentives to get the project running and attract external investment, while also allowing BHCC to meet its goals of becoming net carbon neutral. The approvals process for large scale wind turbines can be slow however and may not be realistic by 2023.

Although turbines are available from 100kW to 1,000kW, the economics of wind energy tend to leave out the middle ground, leading to the massive turbines and multiple tower wind farms we see developing. That said, Broken Hill is somewhat unique in having reasonable levels of strong evening wind which would be very useful in generating energy at the time that streetlights are consuming it for example. It may be worth testing the market for a mid-scale turbine in the vicinity of the possible solar farm on high ground, in proximity to usable network infrastructure, and away from residences.

Recommendation: Small-scale wind generators should be considered for any new or existing remote infrastructure. Mid-scale wind generators could be considered as part of a hybrid mid-scale project (which we have not modelled). Local wind farms should be approached to provide renewable energy to Council to fill the shortfall if Council elects to proceed with BtM solar only as the offset strategy.

5.3 Virtual Power Plants

As referenced previously in this report, there are currently new technologies and market-place arrangements being developed that allow peer-to-peer solar energy trading between residential properties, known as Virtual Power Plants (VPP). At a small scale, a household can trade their excess solar generation to a property of their choosing at a negotiated price. This system requires both parties in the transaction to be with the same retailer and arrangements can be put in place for one-off transactions or longer-term periods. The integration of battery technology and smart grid software can significantly improve these systems by being able to meet demand during non-solar generating periods. There are pilot schemes in Australia where entire residential housing developments are connected into an embedded network; - residents effectively generate and share power for the net benefit of everyone involved.

Using this concept, it is possible for Broken Hill City Council to develop a Rooftop Solar Virtual Power Plant large enough to offset Council consumption and other businesses and residences in the LGA. Under this model, Council would subsidise the installation of solar and battery systems at selected sites and facilitate customers with the enabling retailer and load control metering devices.

As can be imagined, this approach would require Council to recruit and facilitate a group of 'partners' with the capacity to install solar that, after whatever self-consumption occurs, resulted in the equivalent of 4 MW capacity. Subtracting the 2.89 MW identified in section 4.1.2 above, this equates to a further 1.11 MW. This could potentially be met through oversized systems on about 100 to 200 premises.

CE have previously modelled this for another council and found the \$ per kW installation cost significantly more expensive than the mid-scale array option. This may be mitigated to a large extent if an attractive deal can be constructed for participants to part fund the installation themselves. This approach clearly places Council in the realm of community solar projects and as such, council need to be sure they have the appetite internally and confidence in the community to become engaged in such an approach. The approach would require detailed modelling, careful structuring and a recruitment campaign.

Recommendation: BHCC decide on the degree to which their 100% renewable target should be pursued with discrete projects they can readily control, versus a community engaged approach with incentives and a VPP structure for Council to claim the entire generation pool.

5.4 Bioenergy

Bioenergy requires organic feedstocks which are digested or gasified in vessels, resulting in a range of simple hydrocarbon gasses (eg methane) or liquids (eg ethanol). While bioenergy can be applied as a dispatchable energy source, the immediately apparent value to BHCC is potentially to become renewable fuel sources that replace gas and diesel, rather than electrifying the HVAC systems and diesel plant and equipment.

Given the arid nature of the Broken Hill region there are limited feedstocks of organic materials or wastes. Residential and commercial waste transported to the waste treatment centre may provide enough feedstock to match council demand but this has not been quantified for this report. For example, in simple terms, would there be around 30,000 L per year of waste cooking oil to be converted into biodiesel for running Councils heavy plant and equipment? (Notwithstanding production quality and warranty issues). Could the landfill site generate enough methane which, when scrubbed, would be meet the demand for ~23 tonnes of LPG?

The Australian Energy Market Operator has identified bioenergy as part of the 'future mix' of energy for Regional Australia and Broken Hill City Council presents as an excellent candidate for the integration of this technology in a diversified and distributed low-carbon energy future. A specific high-level audit of organic waste streams would be the starting point for investigating bioenergy.

Recommendation: BHCC make a strategic decision on how to approach renewable energy for building HVAC gas and diesel plant/vehicles. BHCC may seek interest or funding from suitable agencies to conduct a study into this element of the REAP as it has wide-spread application.

5.5 Microgrids

The term microgrid traditionally applies to a single point of connection into 'the grid' behind which sit multiple metered loads. Examples are shopping centres and some industrial subdivisions. Transgrid recently promoted Broken Hill's potential to become "one of the world's biggest renewable microgrids" although this is in some way an oxymoron!

Microgrids are going to play a large role in future new greenfield developments in regional Australia. The costs of installing and firming renewables are now competitive and, in some circumstances, much cheaper than installing and maintaining the poles and wires to new remote locations. There are also examples where a number of meters can be consolidated into a single market facing meter and with basic wiring and administrative changes, result in reduced billing due to standing charges.

An article in ABC News recently reported significant interest in micro-grids and energy sharing in a variety of applications from small townships to university campuses to remote communities ([See ABC News 4th December 2019](#)).

Recommendation: For Broken Hill City Council, microgrids should be considered for any development likely to have a few or more meters connected to the network. If Council is the enabler, then it is likely to result in reduced operating costs for sub-metered customers and an on-going revenue stream to Council.

Constructive Energy has the role of Technical Director in a federal government funded study into the application of [microgrids in agriculture](#) with Queensland Farmers Federation and others.

5.6 Off-grid facilities and critical infrastructure

Many remote communities and mining operations are currently installing independent generation facilities. A good example of this has occurred in remote farming communities around Esperance WA. In 2015 a large bushfire caused loss of life and property, including large swathes of the local electricity distribution infrastructure. In agreement with the local community the electricity provider (Horizon Energy) has installed a virtual microgrid with each customer having their own solar production and firming capacity (battery). Locals have confirmed that the outcome for them has been stable and reliable power at equivalent cost (source: ABC news Oct 2019)

We recommend that serious consideration is given to installation of solar, battery and backup generation capacity for any new developments planned by Broken Hill City Council where access to the network may be problematic or expensive. Further, this approach can provide energy security for critical infrastructure in the event of natural disasters or other supply interruptions. The emerging hydrogen economy can also offer

Recommendation: That Broken Hill City Council consider the relative importance of energy security at key sites and factor this into considerations for BtM installations as this may be the factor that weights the business case towards proceeding.

solutions in the context.

5.7 Ground Source Heating and Cooling

Where major retrofits are being undertaken or new buildings constructed, the possibility of using ground source air conditioning should be considered. Opportunities such as open trenches for other plumbing work could be used to improve the cost-effectiveness of installing buried pipe loops as part of a ground source heat pump solution.

There are examples globally of roads being underpinned with a network of pipes to capture solar-thermal energy which then dramatically reduces heating costs for nearby buildings in winter.

While seemingly left-of-field, using the temperature of the earth to heat and cool can be low-cost, low maintenance renewable energy source, particularly in a setting like Broken Hill which receives high variance between daytime and night-time temperatures.

Recommendation: Include ground source as a technical solution to investigate in specifying upgrades to building Heating Ventilation Air Conditioning systems.

5.8 Demand Side Participation (DSP)

Demand Side Participation has been referenced elsewhere in the Plan however it does stand on its own as an opportunity for Council to participate and financially benefit from the scheme. The Australian Energy Market Operator (AEMO) has forecast elevated risk to electricity supply over the next 10 years, and in particular, interruptions to electricity supply during peak summer periods.

A contractual arrangement can be entered into by Council (the participant) with AEMO, in which they agree to the curtailment of non-scheduled energy consumption or provision of non-scheduled generation in response to the demand of electricity.

- Examples include industrial facilities that are exposed to the wholesale price and elect to reduce electric load at times of high prices, consumers that agree to let their battery be controlled by a third party or are incentivised to switch off air-conditioners, and small non-scheduled generators that have the ability

to produce electricity at these times, offsetting local consumption (source: [March 2020 - Demand side participation forecast and methodology](#)).

The mechanisms and regulation for DSP are currently evolving however we can be sure that this will become an increasingly prevalent component of energy retailing and network operation.

Recommendation: Council explore opportunities to have excess solar and battery production enabled during these peak periods, for financial reward.

6.0 CAPEX Funding and Ownership Models

The strong economic return in renewable energy infrastructure is resulting in a range of potential investment options and there is currently significant investor interest which can be leveraged. The following enabling mechanisms all have relevance and precedent within the local government sphere.

Broken Hill City Council owned and operated on BHCC facilities

Delivers BHCC the shortest pay-back and maximum return (cash flow) but BHCC carries all the risk (after warranty). BHCC may choose to invest existing reserves (including grant funding) or take advantage of low borrowing rates to structure projects as cash-positive from day 1.

Corporate owned

Corporate owned on Broken Hill City Council facilities: It is common practice for solar companies to offer installation at no cost and to enter into a Power Purchase Agreement (or equivalent lease-type arrangement) that will slightly reduce and lock in a cost for energy over typically a 7 - 10-year timeframe. In this instance the provider carries the risk and maintenance burden but is able to generate a cash flow and profit after the pay-back period. The asset is often gifted to the host at contractual exit e.g. after a 12-year period

Community Owned on Broken Hill City Council facilities

There is a strong movement for community ownership of commercial and larger scale solar plants and many models and organisations exist to facilitate this. The arrangements are similar to corporate investment however the financial returns are distributed to community investors, typically at around 6 – 10%. Community owned solar is seen as a way to engage community and to share economic benefits locally and in many parts of the world a set percentage of community ownership is stipulated as a condition of consent – particularly in wind projects.

Broken Hill City Council as provider on/to third parties

Subject to the right agreements and on the strength of business modelling, Broken Hill City Council may choose to invest in solar panels on or near industrial sites in BHCC and to benefit from a Power Purchase Agreement while supporting local business through reduced operating costs and energy certainty.

Hybrid funding

For certain larger installations it is possible that a range of funders invest in the project. For example, the host/energy user, the community, Council and a third-party commercial operator may all invest in a set percentage share of a project.

7.0 BHCC Renewable Energy Roadmap

In August 2020, Constructive Energy met with the BHCC Key Directions Working Group. The working group were seeking a detailed 'Roadmap' with next steps for Council to achieve net zero emissions on Council assets by 2023.

In response to reviewing the draft REAP, the working group identified essentially 3 main pathways to achieve this; mid-scale array, distributed energy + community program, or wait for a 3rd party to de-carbonise the local grid.

After deliberation, it was agreed to further pursue the mid-scale array option in concert with improved energy monitoring and control. In the next section of this Renewable Energy Action Plan (REAP), we have documented a potential Roadmap for Council to adopt, enabling BHCC to achieve their Carbon Neutral ambitions, with a positive business case, via this pathway.

It must be noted that some of the steps outlined in each of the projects have already been completed by BHCC as part of developing this REAP. For the purpose of completeness, the entire process has been outlined.

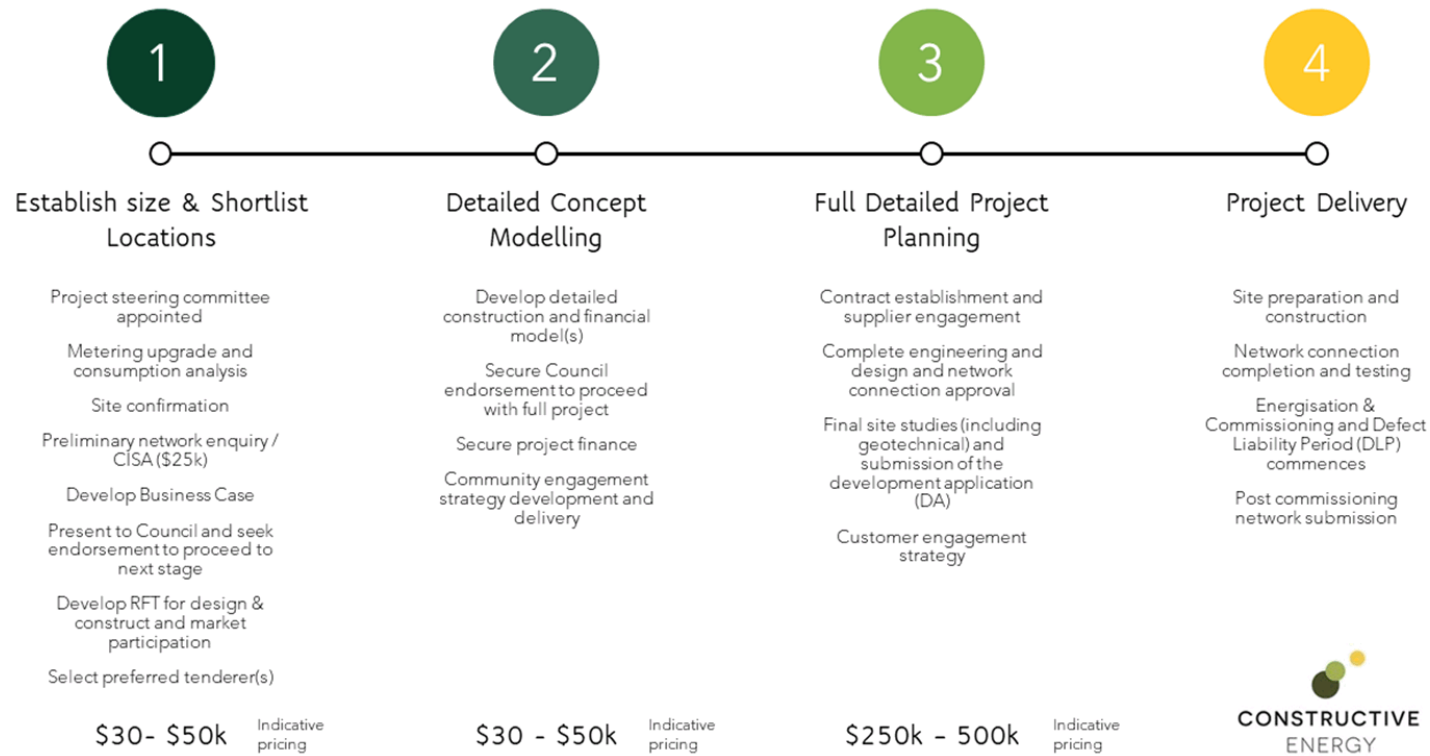
Constructive Energy has also been engaged by other Local Government clients to undertake similar projects. If BHCC decide to engage Constructive Energy to proceed with the any or all of these projects, this will allow BHCC to leverage the work already performed by these other Councils. This will mean several of the steps outlined in this Roadmap can be expedited and the results from previous analysis shared directly with BHCC (Subject to direct relevance and consent of other Council(s) that have recently facilitated this work).

For instance, Constructive Energy has recently performed an Expression of Interest (EOI) for a Central West rural Council for them to build and operate their own 1.7MW solar array and battery.

This EOI has discovered multiple market offerings that would be beneficial to the BHCC mid-scale solar business case. In this instance it would be highly beneficial to BHCC to approach these suppliers and the EOI step to be skipped by BHCC, reducing the costs and time incurred.

7.1 Mid-scale solar project

MIDSCALE SOLAR STAGES



7.1.1 Establish Size & Shortlist Locations

Project Steering Committee appointed

A project steering committee will be formed to work closely with Constructive Energy, guiding and ensuring that Council and the Community's interests are aligned with project outcomes.

Metering upgrade and consumption analysis

This task is an important first step required to establish a baseline of Council's consumption, critical to optimising any mid-scale or behind-the-meter solar and battery installation and managing load profiles.

Please refer to section "Energy monitoring and control".

Site confirmation

Constructive Energy to confirm potential locations for the installation of a mid-scale solar array. This analysis will involve due diligence with land tenure, claim overlays and site suitability including landform, soils and vegetation impacts.

Final location selection will be dependent on Network Connections approval. Our previous experience has shown that a site may seem ideal on paper but when the Preliminary Network Enquiry is submitted, there are unforeseen network constraints with the location, e.g. feeder upgrades or substation transformer upgrades.

Preliminary network enquiry / CISA (\$25k)

For a mid-scale solar and battery installation to proceed with grid connection, the first step is to perform a Preliminary Network Enquiry (PNE) with the local Distribution Network Service Provider (DNSP). This process is designed to propose to the DNSP where the installation is to be located and the generation/load size, profile, etc. The PNE is to establish at a high level if the existing infrastructure has capacity to handle the proposed project. This process usually takes up to a month once the submission is lodged to receive the results.

For a midscale solar and battery to be connected to the National Energy Market (NEM), a Connection Investigation Services Agreement (CISA) needs to be lodged with the DNSP. This is required for all midscale solar installations above >1MWp. There is a ~ \$25,000 lodgement fee and potential further costs incurred as the CISA process is undertaken.

Develop Business Case

Complete feasibility studies to develop realistic budgets for CAPEX, O&M and Revenue/Value for Council to integrate with existing financial modelling approaches. CE can also assist with content for many of the standard inclusions in council business papers.

Present to Council and seek endorsement to proceed to next stage

Based on network feedback, Constructive Energy and the project steering committee will present to Council the proposed project and high-level performance/financial modelling. The steering committee we will then seek Council endorsement and budget allocation to proceed with the next stage of the project.

Develop RFT for design & construct and market participation

Constructive Energy will prepare a Request for Tender (RFT) for the purpose finding the project partners, to assist with the market participation (sharing energy across Council sites and selling excess energy) and the detailed engineering and design of the system.

Constructive Energy can conduct this step as a 'Select RFT' based on knowledge of which providers currently have capacity to deliver. CE can introduce experienced project partners and suppliers to the BHCC RFT that will bring market leading offerings to Council. CE has recently undertaken this market testing process with other local government clients and can leverage the existing supplier relationships.

Select preferred tenderer(s)

Evaluate the competitive tenders to identify best match. Engage the supplier in an iterative 'gateway' contract arrangement to minimise risk, maximise local contractor involvement and comply with Local Government procurement guidelines.

7.1.2 Detailed Concept Modelling

Develop detailed construction and financial model(s)

Working with the preferred suppliers and steering committee on a fully costed business case. This will include details about how best to monetise the inevitable excess summer or shoulder season generation plus the construction costs and associated network design to be completed.

Secure Council endorsement to proceed with full project

Present market tested cost estimates and revenue/value projections to Council. Also, present findings in relation to key potential 'showstoppers' such as excessive network augmentation costs, DA barriers, unforeseen site issues, etc.

Secure project finance

The Council will be in position to seek project finance for the next two stages. The full project planning and project delivery stages. The fully costed business case will be used to secure finance from Council's preferred financial institution.

Constructive Energy can assist with any government grant or private funding applications that Council may seek to assist with the project, e.g. government battery subsidies, or build own operate transfer (BOOT) proposals.

Community engagement strategy development and delivery

The steering committee will develop a community engagement strategy to ensure that the local community and stakeholders are brought along and with the project and their sentiment is heard. This phase may also involve recruitment of community customers.

7.1.3 Full detailed project planning

Contract establishment and supplier engagement

Council Executive and project steering committee will negotiate terms and timelines with delivery partner(s). The final agreement will be presented to Council for endorsement and signoff.

Complete engineering and design and network connection approval

The next stage of the project commences with the detailed engineering and design being developed by an accredited Level 3 network engineering firm and the solar and/or battery installation partner. This step will also require engagement with the DNSP and may go through multiple iterations to arrive at the final design and approval.

Final site studies (including geotechnical) and submission of the Development Application

Note – the DA process will have commenced during the previous stage. Outcomes of site studies in response to DA initial feedback can then be integrated into the final submission ensuring that the development is compliant with local and state planning rules.

Customer engagement strategy

If the business case for the solar array requires Council and their retail partner to trade the excess energy from the array and batteries, then a customer engagement campaign will need to be conducted with local business and possibly households. This is a very important step to aggregate local demand for the future energy output from the array once the BHCC array comes online.

Constructive Energy experience has demonstrated that there is extraordinarily strong community sentiment for supporting a Council owned solar and battery array. The retail partner engaged for the project will be required to provide the supporting services including customer acquisition, invoicing, and energy firming capacity.

7.1.4 Project delivery

Site preparation and construction

The project at this point will be 'shovel-ready' and earthworks and solar array can be constructed. Where possible, the local workforce will be used reflecting one of the key drivers for Council.

Construction will include supply and install of all LV and HV transformers, switchboards, grid protection boards, trenching, cabling, inverters, solar panels and batteries. Oversight will be provided by the Managing Contractor to ensure that all safety standards are met and industry best practice is adopted.

Network connection completion and testing

When the construction phase has been completed and prior to grid connection, there is a requirement to test the capability of the generation asset to meet agreed performance standards. Results are shared with the Australian Energy Market Operator (AEMO) and the local DNSP. Formal connection approval will follow.

Energisation & Commissioning and Defect Liability Period commences

Once approvals have been received and the project has received regulatory signoff an official go-live date can be scheduled. This may include a 'ribbon-cutting' event involving the Mayor and local Member of Parliament!

Post commissioning network submission

Network connection requires that AEMO and the DNSP are provided with updated performance information within 3 months of commissioning. This must be accompanied with a compliance monitoring program implemented no later than 6 months from the energisation of the solar array.

7.2 Energy Monitoring and Control

One of the recommendations of this REAP is for CE to assist BHCC upgrading Council managed assets with a 'complete energy management solution'. The objective is to provide visibility on BHCC consumption patterns and to ultimately provide Council with energy usage and cost savings.

Constructive Energy recommends that BHCC invest in a BtM metering and control system that enables real-time energy visibility through an intuitive portal plus the capacity to switch non-critical loads on and off and modulate flexible loads like Air Conditioning.

The modest Capital Expenditure for the devices is offset by immediate savings realised by Council when staff behaviour changes and energy use within existing tariff structures is optimised.

Local electricians are preferred for installation due to familiarity with site usage and wiring at Council sites.

There are three stages suggested with an Energy monitoring and control project: -

7.2.1 Energy monitoring and control pilot

Council may wish to undertake an energy monitoring and control pilot to understand the capability of devices and the ability for them to work in BHCCs operating environment, including: -

- Ease of installation of the devices at the pilot site.
- Ability to capture real-time (or near) energy consumption and generation data (if applicable).
- Ease of using the metering dashboard for reporting.
- Ability to extract and manipulate energy consumption and generation data.
- Ability to identify and realise potential cost and energy savings reductions at the pilot site.

Constructive Energy is currently running pilot programs for two Councils and the QLD Farmers Federation. Results of these can be shared with BHCC. BHCC can then decide whether a pilot study is warranted.

Once the pilot has been conducted and results reported back to Council and the BHCC key directions working group, then the project can progress to the next stage.

7.2.2 Staged rollout of selected devices to Council priority sites

The next step is to categorise Council sites into three categories: -

- Energy monitoring only.
- Energy monitoring and control.
- No devices required.

Constructive Energy will work with Council to recommend a hierarchy to rollout the selected devices.

7.2.3 Ongoing management and reporting

Constructive Energy would assist with ongoing support of these devices and provide Council with insight at both strategic and operational levels leading to cost control, transparency in energy use, better reporting, and real-data validation of future energy-related project proposals.

Capability Statement

Constructive Energy

Constructive Energy (CE) was founded in 2018 in the regional city of Bathurst (NSW). We are a renewable energy strategy and energy management firm.

Constructive Energy has a combined experience of over 25 years' worth of renewable energy and energy efficiency expertise.

Our key focus is to assist regional local government organisations with their transition towards a renewable energy future.

Since forming, Constructive Energy has:

- Developed Renewable Energy Action Plans for 5 local governments.
- Developed the detailed business case and commenced project delivery of a \$7.6 million, 5 MW solar array.
- Completed several major funding applications for renewable energy projects with multi-State and national consortia including microgrid feasibility with the Murray Darling Association, Queensland Farmers Federation and Cotton Australia (result pending).
- Delivered energy efficiency training to builders in Australia and the US.
- Presented on renewable energy at several conferences and forums.

Our service offering includes:

- Renewable energy and energy efficiency strategy
- Small and medium scale renewable energy installation and project management
- Energy contract management and renewable energy procurement
- Outsourced energy management and energy consumption reporting

Our stated goal by 2030 is to:

- Assist Local Government to install and own over \$60m in renewable energy infrastructure.
- Facilitate the micro-grid, VPP and behind-the-meter transition across regional Australia
- Deliver 20m tonnes in Carbon abatement.

Appendix

Specific Site Analysis

We will now explore a series of charts related to each of the facilities listed. Understanding when energy is consumed across time creates an 'energy profile' for each site which becomes important in making decisions about the business case for renewable power, load shifting, energy storage and efficiency.

Streetlights are omitted from this detailed analysis due to the timing and consistency of the load however an offset option will be discussed later in the report.

Please note that

Broken Hill City Council Administration Building

Site details

Street Address	Sulphide Street Broken Hill NSW 2880
NMI	4508000032
Current Retailer	ERM Energy
Roof space	Yes
Map URL	https://nationalmap.gov.au/renewables/#share=s-gFEFXMYPhmBj82vC
Description	The site does not appear to have any solar installed on the roof. However there appears adequate for a modest mid-size rooftop solar installation.

Assessment

This Administration building's annual consumption for FY1819 was 382 MWh. This site has an interval meter installed, collecting meter reads at 15-minute intervals. The interval data has been analysed and shows that it has typical administration centre profile with a relatively small 'resting' load overnight, ramping up at 4am likely when HVAC systems start, then moving into higher use during office hours.

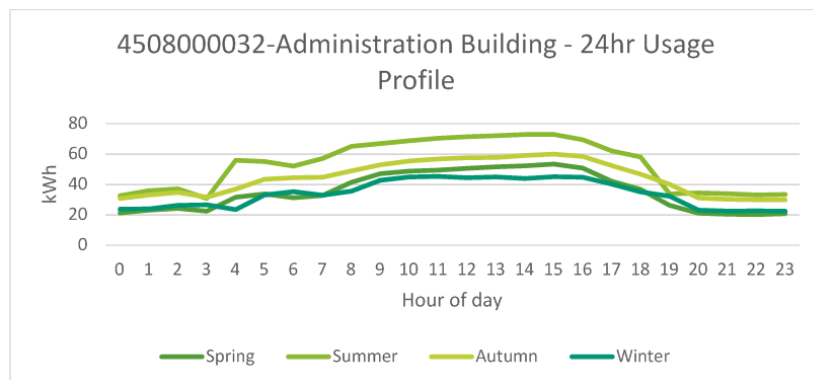


Chart 12. Example office facility energy profile

Clearly there is a strong overlap between the administration consumption profile and the generation profile of photo-voltaic (PV) solar panels. This overlap, combined with the ability to generate 'behind the meter' and thus to avoid purchasing energy, makes a compelling business case for commercial solar.

The other factor to consider, which we can obtain from the monthly billing data, is the annual energy profile. For example, Does the Administration Centre use more energy for cooling in summer or heating in winter? The figure below (Chart 13) shows that energy use peaks in summer months, due to the HVAC systems at the site.

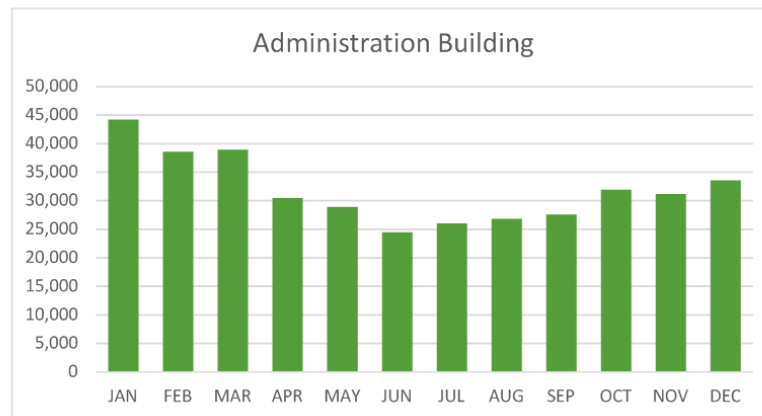


Chart 13. Administration building annual usage profile

Gas consumption

While there is no 'town gas' in Broken Hill, the administration building consumes gas for heating via gas delivered to an external storage tank. The amount consumed varies considerably over the years and appears to be declining. The average from 2016-2018 was 13.25 tonnes which equates to 180,155 kWh.

While it used to be the case that gas heating was more cost-effective than electrical this is no longer the case. That said, the changeover costs for fully electric HVAC can be substantial and would require detailed costings. Another alternative would be to support the development of gas in Broken Hill from organic waste streams or even hydrogen. This would need to be tied into a broader program to be viable of course.

CE is also aware of a comprehensive review into site HVAC which noted a range of legacy issues and failure expected without significant works anticipated in the next 2 – 5 years.

Given the site usage profile, there is no obvious case for a battery installation alongside the rooftop solar however, as battery installation costs are falling this option should be kept on-the-horizon. Battery installations provide the ability for a site to 'time-shift' solar production hours to night-time hours when other Council sites and plant are operating e.g. pumping and/or street lighting.

We also recommend implementing energy efficiency measures at the Council Administration building as an easy and cost-effective opportunity to reduce energy consumption at this site. These measures include, lighting upgrades, increased insulation and window/wall shading that would reduce energy demand – particularly in summer. A third-party provider with audit capacity would be advantageous in developing a detailed and fully costed energy efficiency

plan. These usually 'pay back' within a few years and possibly less if approved under the NSW government Energy Saving Certificates Scheme.

Site recommendation

With or without a BtM solar installation, the Administration Centre's energy usage profile closely matches the solar production hours which is useful. We suggest that when HVAC upgrades are scheduled Council takes the opportunity to transition to an all-electric solution.

Aquatic Centre

Site details

Street Address	336 McCulloch Street Broken Hill NSW 2880
NMI	4001208908
Current Retailer	Origin Energy
Roof space	Yes
Map URL	https://nationalmap.gov.au/renewables/#share=s-eWbjxS2ZtYAcWcl3
Description	Located in the Northern edge of the City.

Assessment

This site is Council's largest consumption site (excluding streetlighting). The annual consumption for 2019 was 1.345 GWh. Consumption data was analysed and shows a consistent usage profile across a 24 hour period regardless of season. There is some seasonal variance as would be expected at this type facility.

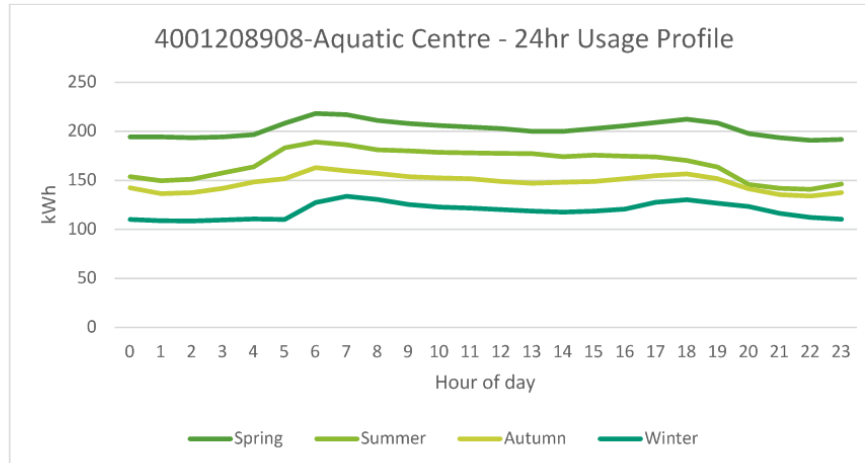


Chart 14. Aquatic Centre 24-hour usage profile

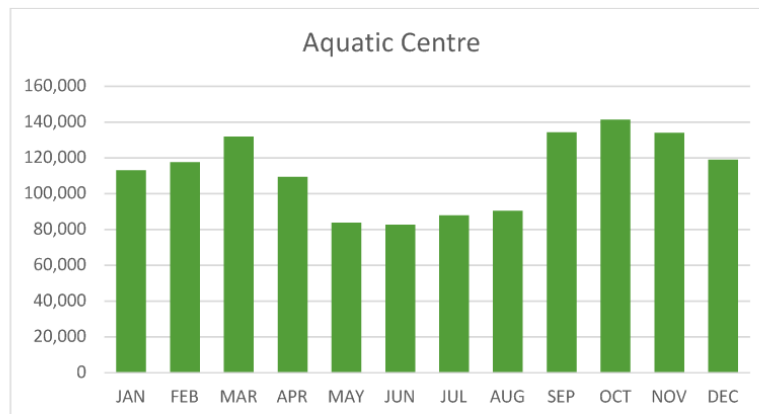


Chart 15. Aquatic Centre annual usage profile

Chart 15 demonstrates the monthly variance in consumption at this site showing peak usage across shoulder seasons. The profile is relatively well matched to an annual solar production profile apart from the summer peak when a solar system sized to meet winter demand would produce excess energy.

Site recommendation

BtM rooftop solar installation was previously marked for installation for this site, however due to a severe hailstorm, prior to this system being commissioned, this project was abandoned. The storm caused damage to the solar panels and roof structure.

CE is aware that a structural assessment is being undertaken on the roof structure. Based on this, our immediate recommendation is to investigate the possibility for this site to purchase energy from a Council owned and operated Medium Scale Solar Array via a Virtual Net Metering arrangement (refer to section 4.1.1)

An audit specifically for this site would be advantageous as the consumption appears especially high for equivalent facilities and from our site visit it was not immediately obvious as to why.

Broken Hill Regional Art Gallery (Sully's Art Gallery)

Site details

Street Address	408 Argent Street, Broken Hill, NSW, 2880
NMI	4508009467
Current Retailer	ERM Power
Roof space	Limited
Map URL	https://nationalmap.gov.au/renewables/#share=s-yKe3zj0e4H1jvhVP
Description	Located near the railway near the Geographic centre of the city.

Assessment

Sully's gallery is the third highest consumption site and has substantial energy consumption of 266 MWh per annum.

Chart 16 below shows the 24hr usage profile at Sully's gallery across the 4 seasons. The profile for this site is not as we would expect it. The site energy consumption doesn't drop off as much as would anticipate it to overnight. There is a modest increase in usage through daytime and opening hours, as we would anticipate. However, the most striking anomaly is the concave daytime consumption curve during winter.

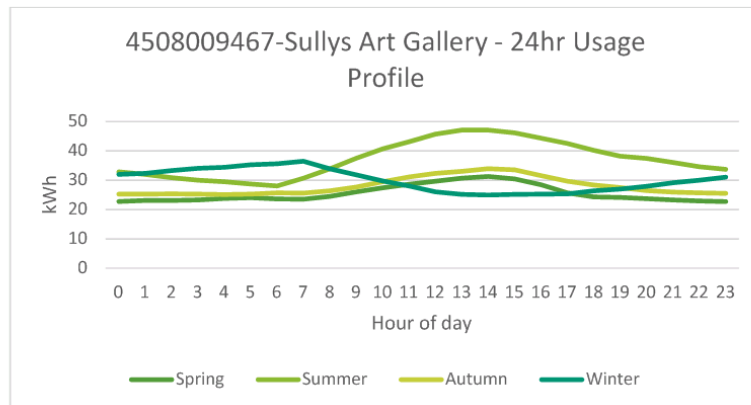


Chart 16. Sully's Art Gallery 24-hour usage profile

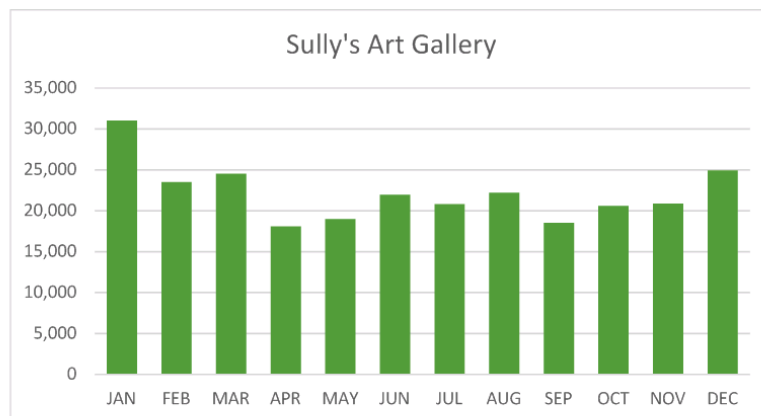


Chart 17. Sully's Art Gallery annual usage profile

Chart 17 demonstrates that there is seasonal variance in the electricity usage at the site, peaking in January. The likely cause of this increase in usage is due to HVAC systems in summer.

Site recommendation

Our immediate recommendation is to investigate why the overnight usage at this site is so high.

- Is the overnight HVAC system required to run 24x7 keep the temperate and humidity constant in the building and for the artwork preservation?
- If so, can the building be retrofitted with energy efficient measures to reduce, the night-time usage when the building is not being used?

Our recommendation is that the energy consumption, at Sully's gallery could be offset by Council owned and operated mid-scale solar array and virtual net metering arrangement.

BHCC Civic Centre

Site details

Street Address	31 Chloride Street, Broken Hill, NSW, 2880
NMI	4508000046
Current Retailer	ERM Power
Roof space	Yes
Map URL	https://nationalmap.gov.au/renewables/#share=s-dRwdquKjLwiv1FFj
Description	The Civic Centre located in the centre of town and close to the other Council facilities.

Assessment

The Civic Centre, as shown in Chart 18 demonstrates the perfect 'bell-shaped' electricity usage profile. There is little overnight usage, however from 5am through to 6pm is the vast majority of usage.

This energy profile is 'text-book' for a BtM Solar array business case. Currently the majority of the site's usage is consumed during Peak and Shoulder Tariff times and daylight hours.

BtM solar consumption at this site, would enable Council to self-consume and offset both the network and consumption charges, dramatically shortening the payback period and return on investment.

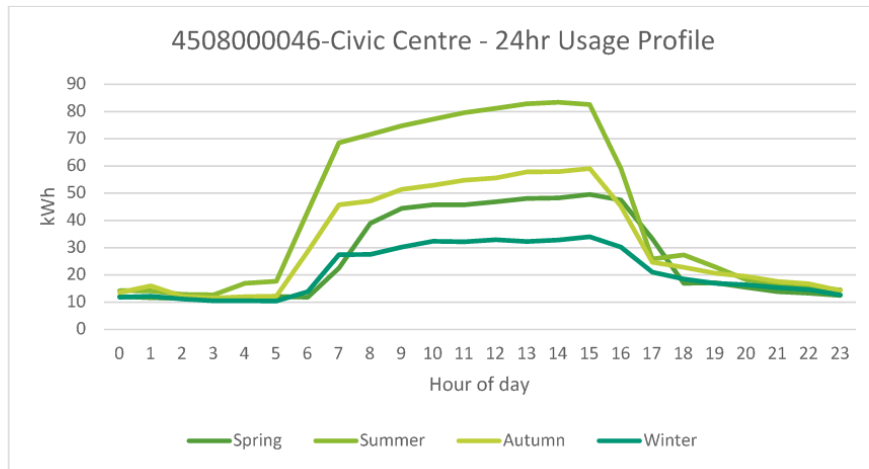


Chart 18. BHCC Civic Centre 24-hour usage profile

Chart 19 below, demonstrates the there is some seasonal variance and as we anticipated the summer months have the most amount of consumption.

Many BtM solar installations are constrained by the problem of what to do with their excess summer production? Fortunately, at the Civic Centre, the increase in summer consumption, aligns beautifully with the increase in solar output from a PV array, adding weight to the case for a BtM solar installation at this site.

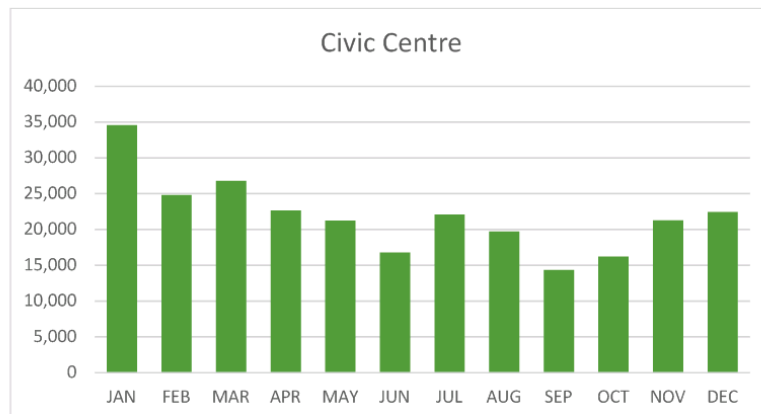


Chart 19. Civic Centre annual usage profile

Site recommendation

With almost ~1000m² Roof space, and the bell-shaped consumption and seasonal profiles, we highly recommend a detailed business case for BtM solar PV installation at this site be prepared.

Any solar installation under 100 kWp, qualifies for small-scale technology certificates (STC's) reducing the capital expenditure required. An array of this magnitude would also likely bring this site under the 160MWh p.a threshold and would remove the additional network demand charges, improving the business case further.

Tourist Information Centre**Site details**

Street Address	23 Bromide Street, Broken Hill, NSW, 2880
NMI	4508000071
Current Retailer	ERM Energy
Roof space	Yes
Map URL	https://nationalmap.gov.au/renewables/#share=s-n8qYeSqlc400YVso

Assessment

Interval data was not able to be obtained for the Tourist Information Centre. However, billing data was able to give us an overall picture of the annual usage for the site. Refer to Chart 20 below.

Like the other sites the consumption through the summer months was high. For the rest of the year the consumption fell within a consistent band of 12,000 kWh and 20,000 kWh consumed.

Although we don't have interval meter reading data for this site, we can assume that most of its consumption would be during the normal operating hours (8:30am – 5pm).

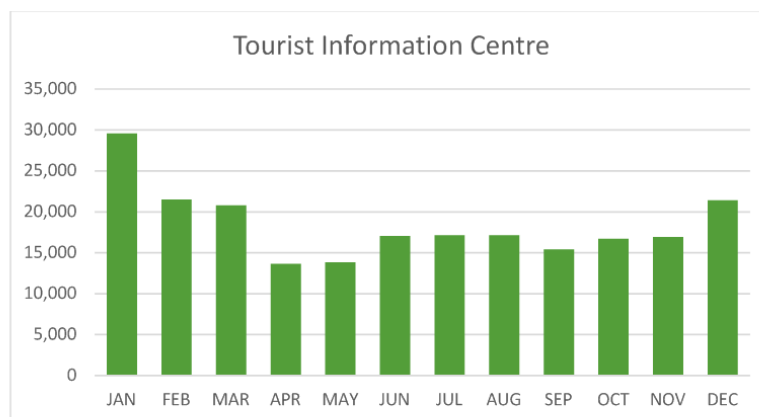


Chart 20. Tourist Information Centre annual usage profile

Site recommendation

This site consumes ~220MWh per annum. This is again close to threshold applied to site a for network demand charges applied by the network operator Essential Energy (large consumption tariff >160 MWh p.a.). Therefore, these costs could be easily eliminated by installation of rooftop solar PV and battery.

Aerial photography of the site reveals that there is available roof space, without shade, suitable for a rooftop solar installation. We recommend a meter upgrade at this site, so that interval data can be obtained, and a detailed business case prepared for a BtM solar installation.

Engineers Depot

Site details

Street Address	Warnock Street Broken Hill, NSW, 2880
NMI	4508000110
Current Retailer	ERM Power
Roof space	N/A
Map URL	https://nationalmap.gov.au/renewables/#share=s-mqq0cJXFYepxRWkKW

Assessment

Similar to the BHCC Tourist Information Centre, interval data was unavailable for the Engineers Depot. The usage was consistent across the year, except for January, where there was a huge spike in electricity consumption.

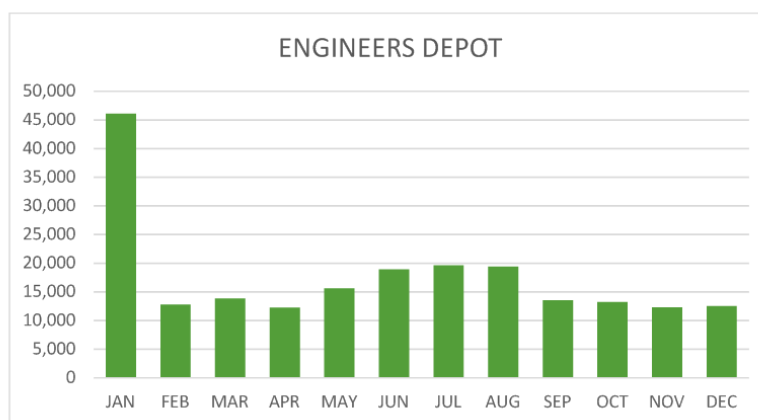


Chart 21. Engineer's Depot annual usage profile

Site recommendation

Our recommendation for this site, is to install a smart interval meter at this site. We also recommend further investigation on the reason for the spike in energy usage in January to determine whether this was a once-off or a more regular event.

Similar sites investigated for other Council's has revealed that Council depots usually consume all their energy during daylight hours, making them very good candidates for BtM solar and battery installations. We recommend that a more detailed investigation of the costs of electrification of the plant and equipment paired with solar and batteries to enable cost and carbon reductions at this site.

Charles Rasp Memorial Library

Site details

Street Address	249 Blende Street, Broken Hill, 2880
NMI	4508000044
Current Retailer	ERM Energy
Roof space	Limited
Map URL	https://nationalmap.gov.au/renewables/#share=s-fQYgmr85XPND6lei
Description	Also known as the Broken Hill City Library

Assessment

This site has the least amount of consumption of all of the Contract sites, at 209MWh for 2019. The season profile is similar to that of Sully's Art gallery.

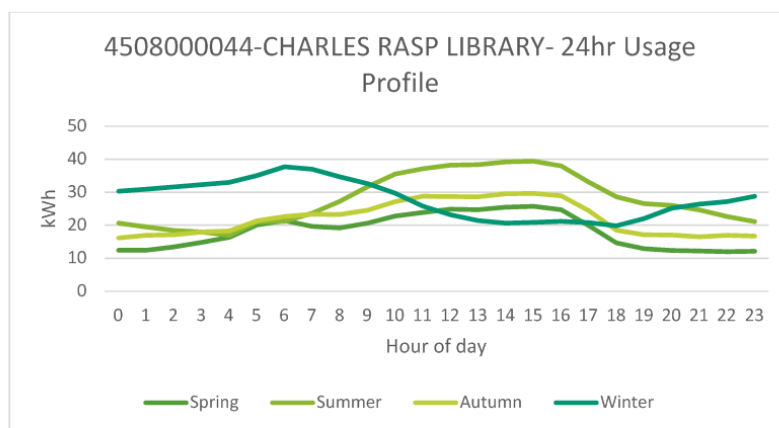


Chart 22. Charles Rasp Library 24-hour usage profile

This site has a more pronounced bell curve profile peaking during business hours, as we would anticipate. The only anomaly is during winter where energy usage increases and peaks overnight.

Chart 22 reveals peaks during summer and winter months and troughs during shoulder seasons. This is a typical profile where HVAC are required most.

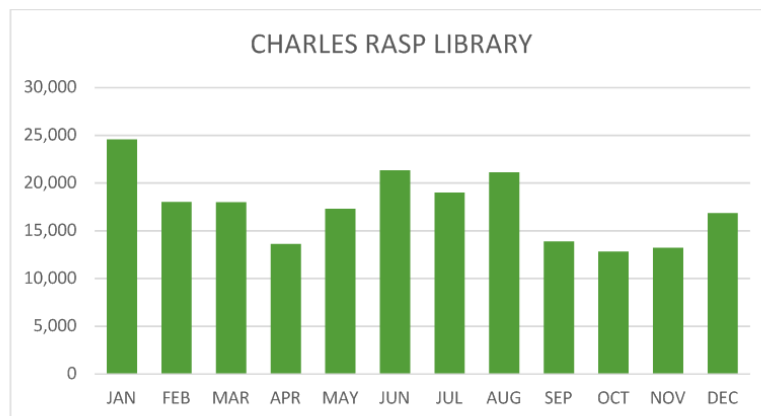


Chart 23. Charles Rasp Library annual usage profile

Site recommendation

This site has adequate roof space without shading and would be another candidate for BtM rooftop solar or mid-scale solar option as discussed in detail further in this report.

OUTCOME SUMMARY TABLE

Activity/Outcome	Summary	Ranking	Responsible
ENERGY EFFICIENCY			
Monitor consumption:	Engineering are responsible for reviewing energy usage at all sites and of key equipment/assets.		
Reporting and performance	Energy use for sites/assets is reported in regular section meetings and efficiency forms a component of staff Position Descriptions		
Procurement policy	Energy consumption rates are considered in the procurement of any new equipment or servicing and maintenance of existing items. This includes new buildings and vehicles.		
Retrofit strategy	Building modifications will be carried out at least in part for the purpose of reducing energy consumption.		
Planning	Broken Hill City Council promotes energy efficiency in design through the planning phase where applicants are encouraged to adopt Guidelines for factors including – insulation, glazing, orientation, primary equipment, water use, etc		
Product broker	Broken Hill City Council applies knowledge and purchasing power to support residents and businesses with products that reduce their energy consumption		
Street lighting	Broken Hill City Council works with Essential Energy, etc to replace existing streetlights with efficient alternatives.		
SOLAR ENERGY			
On-site Solar for Council assets	Broken Hill City Council installs solar panels on (or nearby) Council owned sites 'behind the meter' sized to minimise purchase		
Education and Leadership	Broken Hill City Council makes it easy and safe for residents and businesses to install solar.		
Micro-grids	Broken Hill City Council develops new industrial and residential estates with the capacity for Council owned micro-grids and reduced energy costs to constituents from Council supplied electricity		
Generator /retailer models	Broken Hill City Council engages actively in leading the advent of energy sharing/virtual power plant metering where Council and constituents can be the		

	beneficiaries of local renewable generation 'in front of the meter.		
Industry support	Local industries are encouraged and supported to offset energy demand with commercial solar installations and/or to purchase Council generated energy at a competitive rate.		
HYDRO ELECTRICITY			
Hydroelectric generation	Broken Hill City Council remain on the lookout for opportunities and encourage mine decommissioning plans to investigate this.		
BIOENERGY			
Bioenergy	Broken Hill City Council is home to many carbon-rich agricultural and primary production feedstocks capable of generating bioenergy. As a dispatchable energy source, this may be an important part of the local energy mix in the coming years. BHCC should foster and collaborate with local businesses developing bioenergy.		
TRANSPORT			
Plant and Transport	Keep a watching brief on development of battery powered tools, electric and hydrogen powered plant and electric vehicles noting a likely exponential rise in adoption from 2025.		
ENERGY STORAGE			
Critical Infrastructure	Battery storage will be investigated to both maximise the value of solar generation and to provide back-up energy security for key services.		
Batteries for load sharing	Where Council creates/controls micro-grids, battery storage will be investigated to provide power sharing and grid stabilising faculty		
Medium scale array	Storage must be integrated into any proposal for developing a solar array to enable load shifting and to mitigate market risks if/when BHCC becomes a generator-retailer		
Virtual Power Plant	Distributed batteries are supported as part of developing a community wide VPP.		
Energy Resilience	Batteries storage to be integrated with all 'Greenfield' installations to provide energy resilience against extreme weather events, e.g. bushfire, storms.		

ORDINARY MEETING OF THE COUNCIL

November 2, 2020

ITEM 10BROKEN HILL CITY COUNCIL REPORT NO. 160/20

SUBJECT: NOTIFICATION OF APPOINTMENT OF NATIVE TITLE MANAGER
UNDER THE CROWN LAND MANAGEMENT ACT 2016 18/144

Recommendation

1. That Broken Hill City Council Report No. 160/20 dated November 2, 2020, be received.
2. That Council nominate Georgina Falkner (Strategic Land Use Planner) as Council's Native Title Manager under the *Crown Land Management Act 2016*.
3. That Council give notice to the Minister for Lands and Forestry of the name and contact details of Council's appointed Native Title Manager, as required under Section 8.8 of the *Crown Lands Management Act 2016*.

Executive Summary:

Council is required under the new *Crown Land Management Act 2016* to appoint a Native Title Manager who has undertaken the required training. Council is required to give notice to the Minister for Lands and Forestry of the details of the appointed Native Title Manager, being Council's Strategic Land Use Planner, Georgina Falkner. As the giving of notice to the Minister is a non-delegable function under Section 377(1)(s) of the Local Government Act 1993, a Council resolution is required for this purpose.

Report:

The new *Crown Land Management Act 2016* ('the Act') commenced 1 July 2018. The Act transfers responsibility for Crown Reserves to local councils, as appointed Council Crown Land Managers. In addition to the reserve management obligations, the new Act results in the transfer of Native Title management obligations to local councils, to ensure that dealings on Crown Land are compliant under the *Native Title Act 1993*. Each NSW council is required to appoint a qualified Native Title Manager who has undertaken the required training.

Following the resignation of Council's previous Native Title Manager, Council's Strategic Land Use Planner, Georgina Falkner, undertook the official Native Title Manager training online on 15 October 2019. Whilst legal advice will be sought where applicable to ensure compliance with the *Native Title Act 1993*, due to Native Title being a complex area of law, the completion of this training by a staff member of Council has fulfilled Council's obligations under the new Act.

Under Section 8.8 of the Act, Council is required to give notice to the Minister for Lands and Forestry of the name and contact details of Council's appointed Native Title Manager. As the giving of notice to the Minister is a non-delegable function under Section 337(1)(s) of the Local Government Act 1993, a Council resolution is required for this purpose.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organisation to operate within its legal framework

Relevant Legislation:*Crown Land Management Act 2016**Native Title Act 1993**Local Government Act 1993***Financial Implications:**

Nil.

Attachments

There are no attachments for this report

JAMES RONCON
GENERAL MANAGER

ORDINARY MEETING OF THE COUNCIL

November 18, 2020

ITEM 11BROKEN HILL CITY COUNCIL REPORT NO. 161/20

SUBJECT: COMMUNITY ASSISTANCE GRANTS AWARDED FOR ROUND 2
OF 2020/2021 20/44

Recommendation

1. That Broken Hill City Council Report No. 161/20 dated November 18, 2020, be received.
2. That Council notes the Community Assistance Grants awarded for Round Two of 2020/2021 which were recommended by the Panel on 18 November 2020 and approved by the General Manager.
3. That the unspent grant money of \$24,993.90 from Round Two of 2020/2021 be used as follows:
 - That \$18,627.00 be used to increase the budget for Christmas lights and Christmas decorations in the shopping precincts in Broken Hill as per Council's resolution of 30 September 2020 Minute No. 46355 (this budget was created using the funds allocation for the Christmas Pageant and the New Year's Eve events which were cancelled due to COVID-19).
 - That Council considers the following report to provide a waiver of fees to the Broken Hill Harness Racing Club and the Central Football Club for hire of the Memorial Oval facilities to a total amount of \$6,366.50. **Note:** A separate report to Council regarding the request from the Memorial Oval Community Committee for a waiver of fees is included as the next report in the November 2020 Business Paper for Council's consideration.

Executive Summary:

Council is committed to assisting local community not-for-profit organisations in the delivery of services/activities/programs that align with the objectives of Broken Hill's Community Strategic Plan. To facilitate this Council holds two rounds of Community Assistance Grant (CAG) funding each year to provide "one-off" financial grants. The grants program complies with Section 356 of the *Local Government Act 1993*.

Applications for Community Assistance Grants for Round Two of 2020/2021 closed on 31 October 2020 at which time Council received eight (8) applications.

From those eight (8) applications the CAG Panel recommended full support of seven (7) applications and part support of one (1) application. The Panel's recommendations gained approval from the General Manager on 18 November 2020. (see minutes attached)

Report:

Council's Community Assistance Grants Policy provides a framework for Council to provide grants for community events, projects, services or activities known as Community Assistance Grants that align with the objectives of Broken Hill's Community Strategic Plan.

The framework aims to ensure that the allocation of Council's limited resources is undertaken in a fair, transparent, accountable and ethical manner. Council recognises that there can be difficulties in meeting community expectations with the increasingly limited financial resources available. Council also recognises that it is accountable to the community for the management and disbursement of its funds and that it must be done in a manner that maximises the benefits to the community and is seen as fair and equitable.

Increase to the budget for Round Two 2020/2021Two grants from Round One not paid due to COVID-19 restrictions on events

Due to the COVID-19 pandemic, two of the grants awarded in Round One were not paid as the organisations advised they could not continue with their project/event due to the COVID-19 Public Health Order restrictions in place. These being:

1. In One Accord – awarded \$5,000.00 towards Carols by Candlelight – event cancelled.
2. Life Education NSW – awarded 1,300.00 to tow the Happy Harold Educational Van to Wentworth and return – trip cancelled.

\$6,300.00 from these two unpaid grants was rolled over to the amount available for Round Two of 2020/2021.

Council Resolution re Golf Broken Hill Inc.

At the 30 September 2020 Council Meeting, Council a request from the new administration of Golf Broken Hill Inc for a form of annual financial assistance to help the executive committee to redevelop the golf course and clubrooms and to promote the facility as the best inland golf course in remote and regional Australia. (land rates are approximately \$12,000.00 per year).

Council resolved to increase the CAG budget each year by \$6,000.00 commencing in this current round of funding and that Golf Broken Hill Inc is still required to apply for this funding and meet all current criteria:

Minute No. 46356:

1. *That Broken Hill City Council Report No. 130/20 dated September 2, 2020, be received.*
2. *That Council votes to increase the annual Community Assistance Grants fund by \$6,000.00 (from \$98,000.00 to \$104,000.00) per year commencing in the current financial year for Round 2 of the grants program.*
3. *That the \$6,000.00 be set aside as a community grant for Golf Broken Hill Inc each year should they apply and meet all eligibility and assessment criteria, otherwise the funds will be included in the available Community Assistance Grants budget for all applications for Round 2 each year.*

4. *That Golf Broken Hill Inc be encouraged to apply to the Community Assistance Grants Program annually to assist with the operation of the Broken Hill Golf Course.*
5. *That Golf Broken Hill Inc provides the Community Assistance Grants Panel with a report in 12 months' time (as part of the application process) outlining their financial position.*

A footnote was added to the Committed Grants section of the CAG Policy to reference this matter rather than amending the Policy as Golf Broken Hill Inc will still be required to apply to one round per year and meet all eligibility, and if they don't apply, the \$6,000.00 will be available to other applicants.

Applications for Community Assistance Grants for Round Two of 2020/2021 closed on 31 October 2020 at which time Council received eight (8) applications (one being from Golf Broken Hill Inc for the quarantined funds).

The CAG Panel met on 18 November 2020 and conducted a robust evaluation of the applications received for Round Two of 2020/2021 and presented its recommendations to the General Manager for the awarding of grants. From the eight (8) applications received, the General Manager approved the Panel's recommendations on 18 November 2020 to provide grants to the following eight (8) organisations:

Total of budget available for Round Two			\$59,550.00
Applicant	Project/Activity	Amount Requested	Amount Granted
Clontarf Foundation	Purchase of a trailer to store and transport equipment for student camps	\$2,594.55	\$2,594.55
Broken Hill Community Inc	To reconfigure and upgrade their rainwater tank system	\$10,000.00	\$10,000.00
Golf Broken Hill Inc	Funds quarantined (Minute No. 46356) for annual grant to make improvements to the facility.	\$6,000.00	\$6,000.00
North Broken Hill bowling Club	Replacement Sign/Notice Board	\$726.00	\$726.00
Compass Housing Services	BBQ trailer for 123 Community HUB	\$7,750.00	\$5,000.00
Under the Silver Tree Cooperative Bookshop Inc	Purchase of a laptop computer	\$1,645.00	\$1,645.00
Broken Hill Desert Rats Rod & Custom Car Club	Installation of a spectator fence at the Broken Hill Motor Sports Facility	\$7,500.00	\$7,500.00
Broken Hill FM Association	Replacement of UPS batter system	\$1,090.55	\$1,090.55
Total of grants awarded			\$34,556.10
Balance Remaining from Round Two			\$24,993.90

All recipients of Grants must enter into an agreement with Council and provide Council with full acquittal information following the conduct of their activity/program/event. If an

organisation fails to adequately acquit their grant, they will be ineligible for grants in the future and may be required to repay the grant funds to Council (depending on the circumstances).

The CAG Panel's recommendations for the approval of grants were presented to the General Manager who approved the grants on 18 November 2020. All applicants will be advised of the outcome of their CAG applications, and the grants will be awarded.

Surplus Funds

This report is provided for Council's information regarding the grants awarded for Round Two of 2020/2021 and to consider the recommendation from the Community Assistance Grants Panel, that the surplus funds be used as follows:

- to provide an increase of \$18,627.00 to the budget for Christmas lights and Christmas decorations in the shopping precincts in Broken Hill as per Council's resolution of 30 September 2020 Minute No. 46355 (using the funds allocation for the Christmas Pageant and the New Year's Eve events which were cancelled due to COVID-19).
- to provide a waiver of fees to the Broken Hill Harness Racing Club and the Central Football Club for hire of the Memorial Oval facilities to a total amount of \$6,366.50.

A separate report to Council regarding the request from the Memorial Oval Community Committee for a waiver of fees is included in the November 2020 Business Paper.

Community Engagement:

Each Round of CAG Funding is open for two months prior to the closing date. Council advertises extensively in the Barrier Daily Truth, Council's website and facebook page during this period.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.3	We unite to succeed in Australia's First Heritage Listed City
Strategy:	4.3.1	Opportunities to work together are identified and relationships are developed and maintained for the benefit of the community

Relevant Legislation:

Local Government Act 1993, Section 356

Council's adopted Community Assistance Grant Policy.

Financial Implications:

Approval of grants for Round Two of 2020/2021 saw 58% of the budget for Round Two expended.

The Community Assistance Grants Panel recommends that the balance of \$24,993 be used as follows:

- That an increase of \$18,627.00 to the budget be made, for Christmas lights and Christmas decorations in the shopping precincts in Broken Hill as per Council's resolution of 30 September 2020 Minute No. 46355 (this budget was created using the funds allocation for the Christmas Pageant and the New Year's Eve events which were cancelled due to COVID-19).
- That Council considers the following report to provide a waiver of fees to the Broken Hill Harness Racing Club and the Central Football Club for hire of the Memorial Oval facilities to a total amount of \$6,366.50. **Note:** A separate report to Council regarding the request from the Memorial Oval Community Committee for a waiver of fees is included as the next report in the November 2020 Business Paper for Council's consideration.

Attachments

1. Minutes of the Community Assistance Grants Panel Meeting held 18 November 2020
[!\[\]\(cf5be311f7b2821912d8009884508fa2_img.jpg\)](#)

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER

COMMUNITY ASSISTANCE GRANTS PANEL MEETING
FOR ROUND 2 OF 2020/21
HELD WEDNESDAY 18 NOVEMBER 2020 AT 10:30AM

1. ATTENDANCE

Present: Cr Gallagher, Cr Clark, Pam Tucker, Sandra Haring , Ken Martin and Leisa Bartlett
Apologies: Cr Kennedy

Acknowledgement of Country Cr Gallagher delivered the Acknowledgment of Country

2. DISCLOSURE OF INTEREST

NAME	DISCLOSURE	ACTION
Councillor Gallagher	non pecuniary - Clontarf Foundation as quote is from daughter's business. No benefit to Cr Gallagher. Will remain and vote.	
Pam Tucker	Husband is a board member for the Broken Hill Golf Club. Will remain and not vote.	

3. REPORTS

a) Update Report

Moved S. Haring Seconded P. Tucker

That the Panel notes the update provided regarding Round 1 of 2020/2021 Community Assistance Grants.

That the Panel notes that the Community Assistance Grants Policy has not been amended since the last Panel Meeting.

That the Panel notes the Council resolution of 30 September 2020 Minute No. 46356 for the annual quarantining of funds for Golf Broken Hill Inc should they apply and meet all eligibility and assessment criteria.

That the Community Assistance Grants Panel determines the Assessment Score needed to be reached , at this Panel meeting, for applicants to be recommended for approval taking into consideration the number of applications received; the total amount requested; and the budget available (this score will be different for each Panel Meeting).

That the Panel's recommendations be presented to the General Manager for approval with a report to be presented to the next available Council Meeting for information only.

That the Community Assistance Grants Panel recommends to Council that the surplus funds be used as follows:

a) to provide a waiver of fees to the Central Football Club and the Broken Hill Harness Racing Club as requested by the Memorial Oval Community Committee and as per the report to the November 2020 Council Meeting to a total amount of \$6,366.50.

b) to use the remainder funds of \$18,627.00 increase the budget for Christmas lights and decorations in the various shopping precincts in the City as per Council resolution of September 2020 due to the cancellation of the Christmas Pageant and New Year's Eve events.

carried

b) Applications for Round 2 2020/2021

Available Budget for Round 2 2019/2020 \$ 59,550.00

Organisation	Activity/Project	Meets Eligibility & Assessment Criteria	Assessment Score	Rank	Grant Amount Requested	Grant Amount Approved by Panel	Panel Comment/Notes
North Broken Hill Bowling Club	Replacement Notice Board/Sign	yes	48	1	\$726.00	\$ 726.00	
Broken Hill Desert Rats Rod and Custom Car Club	torwards installation of a septic fence at the Broken Hill Motor Sports Facility	yes	46	2	\$7,500.00	\$ 7,500.00	
Broken Hill Community Inc	To reconfigure and upgrade the rainwater tank system	yes	45	3	\$ 10,000.00	\$ 10,000.00	
Golf Broken Hill Inc	Funds quarantined (Minute No. 46356) for annual grant to Golf Broken Hill	yes	45	3	\$6,000.00	\$ 6,000.00	
Broken Hill Community FM Association - 2DRYFM	Replacement of UPS battery system	yes	45	3	\$ 1,090.55	\$ 1,090.55	
Under the Silver Tree Cooperative Bookshop	Purchase of a laptop computer	yes	44	4	\$1,645.00	\$ 1,645.00	
Clontarf Foundation	Purchase of a trailer to store and transport equipment for student camps	yes	39	5	\$2,594.55	\$ 2,594.55	
Compass Housing Services	Purchase of BBQ trailer for 123 Community HUB	yes	35	6	\$7,750.00	\$ 5,000.00	That Compass Housing be requested to purchase the trailer locally if possible.
Totals					\$ 37,306.10	\$ 34,556.10	
unspent grant money remaining:						\$ 24,993.90	

Note:

4. General Business

That the CAG Facilitator check with Councilor Kennedy as to whether he contacted Mr Hermansson to provide assistance in submitting a future application as per the previous Panel Meeting minutes. The CAG Facilitator advised that Mr Hermansson's contact details were passed onto Councillor Kennedy following Round 1.

That future rounds be advertised with input from the Community Representatives on the Panel.

Meeting concluded:

12:14pm

Chairperson:

General Manager's Approval:

*approved with thanks
18/11/20*

ORDINARY MEETING OF THE COUNCIL

November 18, 2020

ITEM 12

BROKEN HILL CITY COUNCIL REPORT NO. 162/20

SUBJECT: REQUEST FOR REDUCTION IN MEMORIAL OVAL HIRE FEES
DUE TO COVID-19 PANDEMIC PUBLIC ORDER RESTRICTIONS
ON GATHERINGS AND EVENTS 11/117, 12/52

Recommendation

1. That Broken Hill City Council Report No. 162/20 dated November 18, 2020, be received.
2. That correspondence from the Memorial Oval Community Committee requesting a reduction/waiver of hire fees of the Memorial Oval facilities for the Central Football Club and the Broken Hill Harness Racing Club due to a reduction in usage as a result of the COVID-19 pandemic Public Order restrictions on gatherings and events, and also the reduction in patrons at these events, be received.
3. That Council waiver 50% of the annual hire fee for the Central Football Club at the Memorial Oval (being \$1,296.50), due to the cancelled AFL season in Broken Hill.
4. That Council waiver 50% of the annual canteen/bar hire fee of the Memorial Oval facilities (being \$2,016.00) to the Broken Hill Harness Racing Club to reflect a reduction in usage over the 2020/21 racing season.
5. That Council reduces the current oval hire fee of \$1,018.00 for the Broken Hill Harness Racing Club by 30% (new fee \$712.60) for the upcoming 10-week racing season commencing January 2021.
6. That the total amount of \$6,366.50 in waiver of fees be covered by the surplus funds from Round 2 of the Community Assistance Grant program for 2020/2021.

Executive Summary:

Council has received correspondence from the Memorial Oval Community Committee requesting that Council considers providing either a waiver of fees or a reduction in fees for the two annual users of the Memorial Oval facilities, being the Central Football Club and the Broken Hill Harness Racing Club.

Report:

Council has received correspondence from the Memorial Oval Community Committee requesting that Council considers providing either a waiver of fees or a reduction in fees for the two annual users of the Memorial Oval facilities, being the Central Football Club and the Broken Hill Harness Racing Club, who have had to cancel their events due to the COVID-19 Public Health Order in place.

Council's Schedule of Fees and Charges 2020/2021 (adopted by Council on 30 June 2020) sets out the annual and per hire fees for the Memorial Oval facilities and the following fees apply to the Central Football Club and the Broken Hill Harness Racing Club:

4	Memorial Oval							
4 - 22	Broken Hill Harness Racing Club - bar canteen rental	Third party	Month	\$ 305.45	Yes	\$ 30.55	\$ 336.00	
4 - 23	Broken Hill Harness Racing Club - race meetings	Third party	Night	\$ 925.45	Yes	\$ 92.55	\$ 1,018.00	
4 - 24	Trials - day	Third party	Each	\$ 110.00	Yes	\$ 11.00	\$ 121.00	
4 - 25	Trials - night	Third party	Each	\$ 252.73	Yes	\$ 25.27	\$ 278.00	
4 - 26	Broken Hill Football League	Third party	Year	\$ 763.64	Yes	\$ 76.36	\$ 840.00	
4 - 27	Central Football Club (power additional)	Third party	Year	\$ 2,357.27	Yes	\$ 235.73	\$ 2,593.00	

The Broken Hill Harness Racing Club

The Broken Hill Harness Racing Club currently pays \$336.00 per month for bar/canteen rental and have exclusive use the canteen/bar facility annually. It is recommended that a waiver of 50% of the annual bar/canteen rental (being \$2,016.00) is granted, to reflect the reduction in use from July 2020 to December 2020 as a result of COVID-19.

Furthermore as a result of the COVID-19 pandemic the Broken Hill Harness Racing Club will run on a shortened 10 week race season commencing January 2021 with limited patrons due to density restrictions. It is therefore recommended that a 30% reduction in the facility fee of \$1,018.00 per race meeting, with the revised fee being \$712.60 per race meeting for the remainder of the 2020/21 race season be granted to the Broken Hill Harness Racing Club, to recognise the reduction in ticket revenue the club will receive.

The Broken Hill Harness Racing Club also hire the oval three times in December and three times in January to conduct trial races. These fees are \$121.00 for day use and \$278.00 for night use. Given that trials do not normally cater for patrons, a reduction in these fees is not recommended as the COVID-19 restrictions have not impacted the trial races.

Central Football Club

The Central Football Club currently pay \$2,593.00 per financial year for use of the facility and it is recommended that a 50% waiver (of \$1,296.50) be granted as the 2020 Broken Hill AFL season was cancelled and as result usage of the oval and facilities was significantly reduced.

The request has been made by the Memorial Oval Community Committee due to their concern that the two local not-for-profit organisations are experiencing hardship due to the cancellation of AFL games and the cancellation of harness racing events which both clubs rely upon to generate income in order to pay the Memorial Oval hire fees.

The waiver of fees can be accommodated from the Community Assistance Grants Round 2 2020/21 surplus funds of \$24,993.90. The Community Assistance Grants Panel meeting was held on 18 November 2020 and following the awarding of grants the Panel considered options for the use of the remaining funds. The request from the Memorial Oval Community Committee was considered by the Panel and they have recommended, through their minutes, that part of the surplus funds be considered by Council to cover the waiver of fees to the Central Football Club and the Broken Hill Harness Racing Club.

It should also be noted that neither of the sporting organisations have received financial assistance from Council in the current financial year.

Community Engagement:

Nil.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.3	We unite to succeed in Australia's First Heritage Listed City
Strategy:	4.3.1	Opportunities to work together are identified and relationships are developed and maintained for the benefit of the community

Relevant Legislation:

Local Government Act 1993, Section 356

Financial Implications:

If approved, the following waiver of fees will apply:

Central Football Club – waiver of 50% annual hire fees	\$1,296.50
Broken Hill Harness Racing Club – waiver of 50% annual bar fees	\$2,016.00
Broken Hill Harness Racing Club – reduction of 30% oval hire fees for remainder 10 week race program	<u>\$3,054.00</u>
	\$6,366.50

It is recommended that part of the surplus funds from Round 2 of the 2020/21 Community Assistance Grants program be used to cover the waiver of fees.

Attachments

1. [↓](#) Correspondence from the Memorial Oval Community Committee

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER



Memorial Oval Community Committee
PO Box 192
Broken Hill NSW 2880
Email: memorialoval355@gmail.com

Dear sir,

Due to the impact of the COVID-19 pandemic causing local events to be cancelled, this has caused financial hardship for users who regularly hire the oval. The cost to these small Clubs has been enormous and risks their ability to be able to continue into next season.

Due the hardship caused, and no games being played to create an income or allow for fundraising, Central Football have requested that their 2020 fees be waived or at the least, reduced.

Likewise, the Broken Hill Harness Racing Club has requested their fees for 2020 also be waived or reduced, BHHRC hire the track each racing season as well as hire the bar and office during the entire year. During COVID-19, BHHRC has cancelled their events, causing hardship as it is a not for profit Club who do their own fundraising.

Both clubs play a major part in Broken Hill and provide seasonal opportunities for football players teams/coaches as well as sport and entertainment for Harness Racing trainers including drivers, spectators and TAB etc.

The Memorial Oval Committee, having received the request from both clubs as per minutes dated 14/7/2020 and 4/8/2020 requests Councils consideration in this matter.

Sincerely yours

Jody Whitehair
Secretary
Memorial Oval Community Committee

ORDINARY MEETING OF THE COUNCIL

November 12, 2020

ITEM 13BROKEN HILL CITY COUNCIL REPORT NO. 164/20

SUBJECT: MINUTES OF THE LOCAL TRAFFIC COMMITTEE MEETING NO
408 HELD TUESDAY, 10 NOVEMBER 2020 11/397

Recommendation

1. That Broken Hill City Council Report No. 164/20 dated November 12, 2020, be received.
2. That the minutes of the Local Traffic Committee Meeting No. 408 held Tuesday, 10 November 2020 be received.
3. That Item Number 408.6.6 – Gypsum Street – Request for Angle Parking; that 5 angle parks (60 degree) be installed directly in front of Pets Tucker, Gypsum Street. No time limits to apply.
4. That Pets Tucker contribute \$660.00 towards the changed parking arrangements in Gypsum street for new signage.
5. That Item Number 403.6.6 – Brown Street – Speeding Motorists; that in the new bituminised section of Brown Street, at the inlet and outlet of the drainage, armco rails or w-beam rails are installed and at the two speed cushion locations hard plastic bollards are installed.
6. That Item Number 406.6.6 – Blende Street – Library Parking; that the three 2-hour time restricted car parks at the side of the Library, be changed to 1-hour, and that a disabled car parking space and Broken Hill City Council staff only car parking space, be installed in the carpark at the 'Roundhouse Toilets'.

Executive Summary:

Under Guidelines published in March 2009 by the Roads and Traffic Authority (now known as the Roads and Maritime Services), entitled 'A guide to the delegation to councils for the regulation of traffic states:

"The Local Traffic Committee (LTC) has no decision-making powers and is primarily a technical review committee. It only advises the Council on matters for which the Council has delegated authority, being certain prescribed traffic control devices and traffic control facilities.

The Council must refer all traffic related matters to the LTC prior to exercising its delegated functions. Matters related to State Roads or functions that have not been delegated to the elected Council must be referred directly to Roads and Maritime Services or relevant organisation. Such matters must not be referred to the LTC.

Council is not bound by the advice given by its LTC. However, if Council does wish to act contrary to the unanimous advice of the LTC or when the advice is not unanimous, it must notify Roads and Maritime Services and the NSW Police and wait 14 days before proceeding."

Report:

This report is to provide Council with the minutes and action list of the Local Traffic Committee meeting held Tuesday, 10 November 2020 which details recommendations to Council for consideration and adoption.

In relation to *Item Number 408.6.6 – Gypsum Street – Request for Angle Parking; that 5 angle parks (60 degree) be installed directly in front of Pets Tucker, Gypsum Street. No time limits to apply*; it is standard practice for a developers/business to contribute in full towards parking changes when the purpose of the change is for new/revised development or at the request of a business or organisation.

In this instance, it is proposed that given Council has recently reconstructed this section of the road and that line marking has already been budgeted and planned for, that Council only request Pet's Tucker to contribute towards the revised parking signage. It is estimated that the revised parking signs, inclusive of materials and installation will cost \$660.00.

Community Engagement:**Strategic Direction:**

Key Direction:	4.	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organisation to operate its legal framework

Relevant Legislation:

- *Road Transport (Safety and Traffic Management) Regulation 1999*, and
- Road Rules 2008
- A guide to the delegation to councils for the regulation of traffic (guidelines)

Financial Implications:

Financial implications for any of the recommendations to Council will be detailed in the LTC minutes, if relevant.

Attachments

1. [↓](#) Minutes - Local Traffic Committee - Meeting No 408, 10 November 2020

JAY NANKIVELL
CHIEF FINANCIAL OFFICER

JAMES RONCON
GENERAL MANAGER

LOCAL TRAFFIC COMMITTEE MINUTES OF MEETING NO 408

Held 9.00am Tuesday, 10 November 2020
Councillor Room, Administrative Centre

Chairperson Bibek Bhattarai, Infrastructure Projects Engineer opened the meeting at 9.00am and welcomed all representatives present.

408.1 Present

Bibek Bhattarai	Chairperson/Infrastructure Projects Engineer
Codie Howard	Works Manager
Marion Browne	Councillor
David Vant	Roads and Maritime Services (RMS) Representative
Peter Beven	Local Member's Representative
Emily Guerin	Minute Secretary/Administration Officer
Inspector Yvette Smith	NSW Police
Paul Bezzina	Asset Inspector

408.2 Apologies

408.3 Disclosure of interest – NIL

408.4 Adoption of previous minutes

Previous minutes of meeting No 407 held 6 October 2020 were confirmed via online voting as follows:

All in favour: Moved: Peter Bevan Seconded: Codie Howard

408.5 Council Resolutions

The following Committee Recommendations were adopted by Council at its meeting held September 2020.

ITEM 14 - BROKEN HILL CITY COUNCIL REPORT NO. 146/20 - DATED OCTOBER 16, 2020 -
MINUTES OF THE LOCAL TRAFFIC COMMITTEE MEETING NO 407 HELD TUESDAY, 6 OCTOBER
2020 11/397

RESOLUTION

Minute No. 1

Councillor M. Browne moved
Councillor M. Clark seconded

Resolved

1. That Broken Hill City Council Report No. 146/20 dated October 16, 2020, be received.
2. That the minutes for the Local Traffic Committee Meeting No.405 held Tuesday, 6 October 2020 be received.
3. That the following Item 406.6.6 – Blende Street – Library Parking; be approved to install 2-hour timed parking signs in Blende Street in front of the Library (directly opposite the Civic Centre).

CARRIED UNANIMOUSLY

408.6 Correspondence In

Item No.	EDRMS No.	Details
408.6.1	D20/43197	No Stopping Zone – Musicians Club
Discussion Notes		<p>Discussion around location of delivery door which was identified as being in the laneway therefore the carpark can not be utilised as a delivery option.</p> <p>Concerns raised that the fundamental issue is that Council's Development Application process should be identifying service deliveries as part of the application. However, Committee discussed that this is difficult given the age of the town and how long businesses have been operating.</p> <p>The issue is there are no stopping signs however these were obviously installed for a reason but is there any chance these can be changed to loading zones?</p> <p>This should sit with Council to come up with a solution and provide a recommendation to the Local Traffic Committee (LTC). The LTC is for road safety and management only.</p> <p>Seems to be a city-wide issue particularly relating to the CBD. Instead of responding to each request one by one, there needs to be a city-wide audit and survey of loading zones to identify where they are needed to service several businesses not install one for each business.</p> <p>Council have conducted a number of surveys of parking within in the CBD however it is more in relation to the timed parking and keeping the flow of traffic moving within Argent Street.</p> <p>Laneways are narrow and cannot be made wider therefore might have issues creating loading zone.</p>
Recommendation		<p>Generic letter to be sent to all businesses requesting a loading zone advising a city-wide audit will be conducted.</p> <p>Council to conduct an audit and refer back to the committee.</p>
408.6.2	D20/40838 D20/42158	Loading zone – Salvation Army
Discussion Notes		
Recommendation		<p>Generic letter to be sent to all businesses requesting a loading zone advising a city-wide audit will be conducted.</p> <p>Council to conduct an audit and refer back to the committee.</p>
408.6.3	D20/40839	Loading Zone – Silver City Cinema
Discussion Notes		
Recommendation		<p>Generic letter to be sent to all businesses requesting a loading zone advising a city-wide audit will be conducted.</p>

		Council to conduct an audit and refer back to the committee.
408.6.4	D20/42024	Loading Zone – Argent Lane – Broken Hill Pub
Discussion Notes		
Recommendation		Generic letter to be sent to all businesses requesting a loading zone advising a city-wide audit will be conducted. Council to conduct an audit and refer back to the committee.
408.6.5	D20/42023	Loading Zone – Argent Lane – The Workies
Discussion Notes		
Recommendation		Generic letter to be sent to all businesses requesting a loading zone advising a city-wide audit will be conducted. Council to conduct an audit and refer back to the committee.
408.6.6	D20/45188	Gypsum Street - Request for Angle Parking - Tayla Cuffe Petstucker
Discussion Notes		Council conducted a site inspection and after measuring the site can include 5 angled parks incorporating the disabled ramp. Officers drove through the lane to ensure the visibility of the incoming vehicles as well. 5 angled parks at 60-degrees inclusive of disabled ramp. Footpath is quite wide; the visibility is good. Not wanting timed parking. Line marking to be included.
Recommendation		All in favour of 5 angled parks at 60-degree inclusive of disabled ramp.
408.6.7	D20/46084	Request for parking changes – Australia Post
Discussion Notes		If you are emptying the post box, the contents aren't overly heavy if you have to park a distance away. It is an offence to park within 3 metres of a red post box. The collecting trucks (Australia Post Vehicles) are exempt. A no parking zone means you can pick up and drop off within so many metres and for a certain period. Rule 168 - No Parking Signs The driver of a vehicle must not stop where a 'No parking' sign applies, unless: <ul style="list-style-type: none"> • Dropping off, or picking up, passengers or goods, and • Vehicle is not left unattended (driver not over 3 m from closest point of the vehicle), and • Drops off, or picks up, and drives on as soon as possible and, in any case within the required time after stopping. Required time: <ul style="list-style-type: none"> • Time indicated on or with the sign, or • 2 minutes if no indicated time, or

	<ul style="list-style-type: none"> • 5 minutes if no time indicated or is less than 5 minutes, and R206 applies. • Time extension for people with disabilities <p>Rule 199 - Stopping Near a Postbox A driver must not stop on a road within 3 metres of a public postbox, unless:</p> <ul style="list-style-type: none"> • Dropping off, or picking up passengers or mail, or a parking control sign applies.
Recommendation	Council to follow up with Ranger and discuss Rule 168 and Rule 199.

408.7 Correspondence Out

Item No.	EDRMS No.	Details
408.7.1	D20/43740	Response – Parking Arrangements Blende Street – Tracy Fraser
408.7.2	D20/41755	Response – Loading Zone – Attard's Transport

408.8 General Business

Item No.	EDRMS No.	Details
408.8.1		Local Members Representative, Peter Bevan raised a number of talking points.
Discussion Notes		<ul style="list-style-type: none"> • 17 shoves in Argent Street – Council have agreed to fix however waiting availability of crews and funding. Looking to include in January or February 2021. • Z bend near the highway near ABC – TfNSW is ready to go but still awaiting funding. • Iodide Street and Wolfram Street – trees to be trimmed as blocking sight – request to be actioned internally within Council not a traffic matter. • Kaolin and Wicks Street – section of the road narrows and has gravel on the side – can this be looked at with the possibility of asphaltting the side.
Recommendation		Noted by Committee.

408.9 Action Item List

Item No.	397.6.1
EDRMS No.	D19/43779
CRM No.	
Responsible Officer	Council's Chief Operations Officer, Anthony Misagh
Current Status	Pending
Date	Item Details
October 2019	Angle parking at taxi rank outside the Theatre Royal Hotel – Point to Point Transport Commission
Date	Committee Recommendation/s

Action Date	Running Actions
October 2019	<p>After an assessment by the Point to Point Transport Commission (regulator for taxi's and hire vehicles in NSW) there were concerns regarding the angled parks directly in front of the Theatre Royal Hotel operating as taxi bays during the hours of 9pm and 3am Friday and Saturday nights.</p> <p>Discussion around suggested safety concerns about potential blind spots when taxis are reversing and suggested solution to change the 5 parking spots from angled parking to parallel parking for Friday and Saturday nights.</p> <p>The suggested parallel parking raised questions about how the new parks would fit amongst angled parks and if all the parallel parks were utilised and the angled parks before and after this section, could this be a potential risk for the taxis reducing their turning space and ability to get out.</p> <p>The parallel parking would only create 2 parking spots therefore reducing the available parking. Point to Point suggested the parking spots be marked by cones during hours of operation, this places possible pressure on Council to be responsible on Friday and Saturday nights to mark out the area.</p> <p>Committee did not believe there had been any previous concerns regarding parking in this area or accidents caused due to blind spots. They could not see a difference between a taxi backing out or a normal vehicle.</p> <p>RMS, David Vant advised this style of parking arrangement had happened in two other locations being Dubbo and Orange. He suggested contacting either Dennis Valentine at Dubbo Council or Jason Pheakstone at Orange Council. Both Council's would have had to create a traffic management plan for the installation of parallel parking. David suggested if Broken Hill City</p>

Council wanted to go down this path, instead of reinventing the wheel, speak to either of the above Council's.

Local Member Representative, Peter Bevan discussed current parking behaviours in Argent Street. Normally when someone is travelling along Argent street, even if they do not want the carpark, they normally indicate to the driver backing out that they can come out. He presumed the same thing would happen for taxis.

Discussion around the operation of the parallel parking bay, being that taxis would park in a location nearby and then just drive in, pick up their passenger and drive back out. It would be a rather quick stop.

Discussion that if the parks are still signed as angle parks can it be signed as parallel parking as well? If the proposed parking goes through the LTC process and a traffic management plan is created, then it can be implemented. Signage would need to be installed to reflect the parking arrangements. Contact with either Dubbo or Orange Council's would be handy regarding wording of signs.

Another suggestion was to mark yellow lines at the end of the current angled parks and then sign according to what the parking arrangements are within what times. The traffic management plan with Dubbo and Orange, does include coning as we would be unable to mark with yellow lines.

Moving forward, discussions with the hotel and taxis company would need to happen. Possible discussion with Dubbo and Orange first to get an idea of the process and how it operates and then if this is what Council wants to do.

Changing the angled parks to parallel will reduce parking however will not have as a huge of an impact at night as it would during the day. Ideally it be cleaner to change all 6 parks to parallel. In general, it is not ideal to mix angled and parallel parks.

Discussion around possibility of putting parking bay at the start or the end of the hotel instead, however given the hotel's location is in the middle of the block this would not be possible. There is already a taxi bay located further down which has parallel parking. However not having a taxi bay directly in front of the hotel may be an issue for patrons and the hotel as they would need to walk roughly 100ms.

Suggestion to utilise a space near town square for a taxi bay.

LTC discussed the possibility of a night-time inspection to see how busy the area actually is.

Possibility of widening the current parks and have 4 parks instead of 5 making it more visible. It is not visibility for cars but for the pedestrians.

Question raised that if Council were not to go ahead with this recommended change, would this make Council liable if an accident were to occur?

RMS, David Vant advised that if the issue goes through the LTC formal process including investigations and collation of data, Council would be unblameworthy.

Alan Lawrence and Anthony Misagh to have discussions with the taxi companies and the Theatre Royal Hotel and provide a report at the next LTC meeting.

November 2019

Develop a Traffic Management Plan to be provided at the next LTC.

	<p>Report to be provided by Chief Operations Officer, Anthony Misagh regarding consultation with Taxi companies, The Theatre Royal Hotel and the Police.</p>
December 2019	<p>Committee meeting cancelled</p>
February 2020	<p>Point to Point Transport Commissioner, Jenny and Chairperson, Raji have had a discussion regarding the issue at the Theatre Royal Hotel. Raji has also spoken to Orange and Dubbo Council's regarding the proposal as it has already been implemented at these sites.</p> <p>Current proposal is to change the 5 angled parks to 2 parallel parks only during taxi times. Parallel parking signs within the taxi zone sign including times would need to be installed.</p> <p>Raji has had a discussion with the Theatre Royal Hotel and Independent Taxi regarding the concerns raised and the proposal. Both have confirmed they do not have any issues with how the taxi bay currently operates.</p> <p>A discussion between Raji and Yellow Cabs has also occurred. It was identified that Yellow Cabs are the ones who have raised this issue with the Point to Point Transport Commissioner. Yellow cabs are in favour of the parallel parking.</p> <p>Raji raised the issue with Yellow Cabs on where the taxi's waiting to pick up passengers would park if the taxi zone was being utilised. The response provided was the normal carparking spaces further down which is actually illegal. Otherwise they will have to go around two blocks until taxi zone is free.</p> <p>Yellow Cabs also mentioned that the Demo Club have the same issue and parallel parking is required. Demo Club have an exit through the back door into a one-way laneway, this could be an option for taxi's to park/pick up out the back of the Club. Customers would just need to be made aware this is an option. There is no disabled access at the rear of the Club which could be an issue.</p> <p>As Police were not in attendance at the LTC meeting, notification of proposed changes in front of Theatre Royal Hotel to be supplied.</p> <p>Committee were all in favour of an interim trial period of 2 months with parallel parking at theatre Royal Hotel. Consultation with the Demo Club to happen when RMS, David Vant is in Broken Hill Tuesday, 10 March 2020.</p> <p>Council report to be created with the above recommendation.</p>
March 2020	<p>Ongoing – signs to be installed beginning of April 2020.</p>
April 2020	<p>Signs have been installed – item to stay open until next Local Traffic Meeting on Tuesday, 5 May 2020 for review. Council, Raji to follow up with Theatre Royal Hotel and Taxi companies.</p>
May 2020	<p>Chairperson, Raji to follow up and provide an update at June meeting.</p>
June 2020	<p>Council's Asset Officer, Paul Bezzina, spoke with both Taxi companies (Yellow and Independent) on Wednesday, 3 June 2020 who advised they have not been able to trial the new arrangements due to Covid-19.</p> <p>The Theatre Royal Hotel has only just re-opened and the Night Trian will not be reopening until Covid-19 has been cleared.</p> <p>Both Taxi companies have requested that the first cab parking spot be shifted down to be in line with the Night Train front door.</p>

	Committee could not justify moving the cab parking. Trial period extended for another 3 months.
July 2020	Trial period still being undertaken.
August 2020	Trial period to be extended to December due to Covid-19.
September 2020	Trial period to be extended to December due to Covid-19.
October 2020	Trial period to be extended to December due to Covid-19.
November 2020	Trial period to be extended until business has reopened.

Item No.	403.6.6
EDRMS No.	D20/21069
CRM No.	
Responsible Officer	Chairperson, Raji Navis
Current Status	Pending
Date	Item Details
June 2020	Brown Street – Speeding Motorists – Ann Evers
Date	Committee Recommendation/s
June 2020	Install traffic classifiers
Action Date	Running Actions
June 2020	<p>Inspection conducted at Brown Street and there were no visible marks on the road of dangerous driving.</p> <p>This is the third email regarding the corner of Brown Street and corner of Silver City Highway. People are coming at a high speed down the street and turning. Part of the issue is that line marking has not yet been completed.</p> <p>A matter of people of driving properly. Speed bumps will not resolve the issue.</p> <p>Discussion around installing classifiers to see what is happening. Most of this issue is driver behaviour and LTC cannot do much about driver behaviour. Can make physical changes but if it is a driver behaviour issue, it comes down to enforcement.</p>
July 2020	Signs and speed bumps as per the Brown Street design will be installed within the next couple weeks.

	<p>Centre line marking has been completed. The giveaway sign marking is yet to be completed due to covid-19.</p> <p>Hopefully the above will resolve the issue. Follow up at next meeting.</p>
August 2020	<p>Data to be reviewed September Meeting.</p>
September 2020	<p>Brown Street the only concern but is still nothing significant.</p> <p>Some of the increased speeds are very early in the morning.</p> <p>Police, Yvette Smith to provide data to Police to monitor the area.</p> <p>Line marking to be completed, Council are currently engaging a contractor.</p> <p>Speed bumps to be reviewed by the traffic committee. Specification to be provided at the next Traffic Committee Meeting.</p>
October 2020	<p>Letter was sent advising no further action would be taken however speed humps were going to be installed as per the design.</p> <p>Separate attachment with design.</p> <p>Discussion around previous speed cushions installed and motorist speeding around the cushions.</p> <p>In relation to the speed cushions, if you can line them up in the vicinity of a culvert or drain, it then stops motorists being able to speed around the hump.</p> <p>The proposed locations for the speed cushions are near the approaching secondary road and near the middle culvert (only culvert located towards Silverton Road).</p> <p>The distance between the first speed cushion is 172 which is fairly close to a residence which could potentially have noise issues with the vehicles breaking, mounting and unmounting the speed cushion and acceleration. Consultation to be held with property owner. Normally do not go within 200 metres of a residence.</p> <p>Second speed cushion is located at 393 and the third at 643 which is near the culvert.</p> <p>Specification meets Australia Standard with a height design of 75mm and width of 1800mm.</p> <p>No public buses use this stretch of road and is not a heavy vehicle route however there are heavy vehicles which travel along it. Earth moving companies at the top of Brown Street and Schlapp Street.</p> <p>Council to consultant with residence at 172 and identify if foresee there being any disturbance. Also investigate if there are any heavy vehicles using this stretch of road which is not permissible within that area and advise them that it is not the heavy vehicle route.</p> <p>Something to consider where the speed cushions are located, is what the treatment outside the pavement of the road will be to prevent motorists driving around the cushion. Guideposts are not going to be strong enough.</p> <p>Consult resident and report back at the next LTC meeting.</p>
November 2020	<p>Council discussed with residents about installing traffic cushions in x3 locations. Residents were in favour of x2 of the locations however were against installation of a traffic cushion at the third location being at chainage 172.</p>

Suggested solution was to install steel bollards near the speed cushions so that vehicles cannot manoeuvre around the cushion.

Discussion around if the Steel posts were going to be frangible so if someone hits them, they will bend and absorb the impact rather than ridged. If ridged poles are used, then they have to put out of the clear zone. If installed out from the clear zone, the cars will go between the bump and the clear zone.

At the inlet and outlet of the drainage, Council want to install armco rails or w-beam rails, to minimise the risk of over speeding vehicles drive into the culvert. The Committee were in favour of this.

Committee all in favour of hard plastic bollards being installed.

Item No.	406.6.1
EDRMS No.	D20/35512 and D20/40169
CRM No.	
Responsible Officer	
Current Status	Pending
Date	Item Details
September 2020	Review No Stopping Signs – TNT Broken Hill
Date	Committee Recommendation/s
September 2020	All in favour of a letter being sent advising that there will be/is a loading zone in Oxide Street near the Astra which can be utilised.
Action Date	Running Actions
September 2020	Discussion around Crystal Lane and that there are no loading zones. Although the laneway is narrow there should still be a loading zoning. Committee determined at last meeting to install a loading zone in Oxide Street near the Astra. This zone can be utilised for Repco.
October 2020	Discussion around Development Application (DA) conditions for deliveries for Repco. TNT have mentioned the use of a forklift for deliveries, was this taken into consideration in original DA and what were the conditions for unloading/loading of supplies with delivery vehicles. A Traffic Management Plan for the safety of pedestrians would have been submitted. Committee discussed the following: <ul style="list-style-type: none"> Laneway is 5.6m wide, delivery truck is close to 2.5m in size which would only leave available width of 3.1m for passing vehicles.

- Delivery truck would need to be parked right against the building to allow for clearance. Reduce lane width to 3m maximum.
- Presumption that the vehicle is unloaded from the rear or the side.
- Available space near the 'No Stopping' sign is 9.6m. Operations would basically close that Lane, there is no way a delivery truck would be able to unload as well as have passing traffic.
- Cannot see anything that has been changed in relation to deliveries. Council's Rangers have been issuing more fines and been more observant of things happening around the place.

RMS do not support the proposed loading zone and stick with the original recommendation of utilising the loading zone located in Oxide Street near the Astra.

Council to investigate the original Development Application lodged and report back to the Committee.

November 2020

Advice: Council's Planning, Development and Compliance Department have conducted a search through Council's records on Development Applications (DA) for Oxide Street, Repco.

There is no DA showing up for the premises in Oxide Street, being Repco. It is likely that, at the time, a DA was not required for the business to commence.

Please note that in some cases, in commercial zones, shops can change over to other shops within existing buildings, without needing to gain DA consent. (this is called exempt development). So there will be occasions where a tenant may change, but there will not necessarily be a requirement for a DA.

Historically, in the CBD area within town, consideration was given to how businesses could operate within existing buildings, and still be able to load/unload goods. In many cases the only option would be from the rear lanes of properties. This was not necessarily dealt with through the DA process, but rather through Traffic committee consideration as a separate matter.

Where businesses are building a new premises, on vacant land, then consideration can be given to enforce they provide an on-site loading area, however this is not the case with existing businesses such as in Argent Street, of course.

To be sent a letter advising a city-wide audit will be conducted. Council to complete audit and report back to the Committee.

Item No.	407.8.1
EDRMS No.	
CRM No.	
Responsible Officer	
Current Status	Pending

Date	Item Details
October 2020	Busy Kids – Request for School Zone
Date	Committee Recommendation/s
Action Date	Running Actions
October 2020	<p>Discussion around full page article in the BDT on Wednesday, 30 September 2020 stating that an application for school signs had been rejected and that the LTC were seeking further clarification from the RMS Road Safety and Traffic Management Department.</p> <p>RMS, David Vant has spoken to a representative from Busy Kids and explained the exact situation. Busy Kids have been given a full explanation on why the signs requested are not allowed. A parking issue with Service NSW has been identified which is being followed up internally by RMS.</p> <p>Local Member Representative, Peter Bevan undertook an inspection at Rainbow Preschool which is in between two lanes (Wentworth Road and Bonanza Street) and located on a mining lease, there is one sign which states 'Preschool' only.</p> <p>Inspection also conducted at Happy Day Preschool which has eight signs in total. Four signs are school zone signs without lights and the other four signs are preschool signs.</p> <p>Committee discussed the following options:</p> <ul style="list-style-type: none"> • Possibility of 'Preschool' only signs on either side of the road. • As facility is not a preschool is there any childcare signs. which can be used – not that the committee are aware of. • Possibility of a reduced speed limit in that block. • Traffic classifiers to be installed to obtain speed/driving behaviours. • Additional patrols of the area by Police or Council Rangers. <p>As per previous LTC meeting discussion, the childcare facility identified as having a school zone but not within a school precinct, RMS David Vant has received notification that there is going to be a review of this signage with the possibility of the signs being removed as it is only a private business.</p> <p>Busy Kids have been informed that part of the mandate is that all children must be escorted on and off the premise by a responsible adult. Which is one of the reasons apart from not being a school why they do not qualify for a school zone.</p> <p>Busy kids were worried about parking situation with Service NSW, which RMS are going to try and address internally.</p> <p>Council to place traffic classifiers and obtain speed/driving behaviours and provide information to LTC at next meeting.</p>
November 2020	A site visit to be arranged with Busy Kids and Local Traffic Committee on Monday, 14 December 2020.

Item No.	407.6.1
EDRMS No.	
CRM No.	
Responsible Officer	
Current Status	Pending
Date	Item Details
October 2020	Burke Ward Public School – Line Marking Request – Lisa Bell
Date	Committee Recommendation/s
Action Date	Running Actions
October 2020	<p>Discussion around existing line marks and the school wanting to reinstate previous markings.</p> <p>Being a school, they are only allowed certain types of signs and line markings. Therefore, what they are asking may not necessarily be allowed as it is outside the standard requirements. An audit needs to be conducted to identify what line markings are already there and what line markings are missing.</p> <p>A site inspection to be arranged to confirm/audit the existing lines and signs.</p> <p>School is currently on holidays; however, Council's Asset Officer will meet with the school once school resumes to discuss the application and clarify exactly what the school is wanting.</p> <p>Gypsum Street is a regional road, which Council are looking to upgrade. Newton Lane is a local road. Rakow Street is a State Highway therefore may ask for assistance with expenditure from RMS. RMS would cover costs of State Road.</p> <p>Council to meet with the school and clarify request. Council to also conduct an audit of current line marking. Report to be provided at next LTC meeting.</p>
November 2020	<p>Discussed with principal and they are requesting designated line marking so that maximum vehicles can utilise the space. In between the holding line and the kerb.</p> <p>A site visit to be arranged with the School and Local Traffic Committee on Monday, 14 December 2020.</p>

Item No.	406.6.6
EDRMS No.	D20/35814
CRM No.	
Responsible Officer	Bibek Bhattarai and Paul Bezzina
Current Status	Pending
Date	Item Details
September 2020	Blende Street – Library Parking
Date	Committee Recommendation/s
October 2020	To maintain consistency, 2-hour time parking signs to be installed out front the Library (directly across from the Civic Centre).
Action Date	Running Actions
September 2020	<p>Time limited parking in the that area to cater for people not parking there all day.</p> <p>Timed parking along the side of the library would guarantee some parking for library users.</p> <p>There is timed parking in front of the Civic Centre but there is not timed parking in front of the Library. Most cars parked out front of the Library and are there all day.</p> <p>Parking beside the library as well – there are x3 15-minute parking. In that section there are 3-4 parks (thought they were 2 hours). If these parks were 2 hours, it would make it better for users.</p> <p>Council to follow up and provide feedback at next meeting.</p>
October 2020	<p>Replacement signs to be erected by Council and the times to be determined by Committee.</p> <p>To prevent people parking in this area in the morning and going else where and not attending the Library, a time zone to be implemented.</p> <p>Parking within the rest of Blende Street is 2-hour parking out front he Civic Centre and further down the street has no parking restrictions.</p> <p>To maintain consistency, 2-hour time parking signs to be installed out front the Library.</p> <p>Library also requested changes to the three 15-minute parks alongside the building. Committee were not in favour of changing these parks to 2-hour</p>

parking therefore, 15 minutes to remain as it is useful for quick visits to the Library.

All in favour.

November 2020

Items missed: (MAP page 29)

- 1-hour carpark for 3 vehicles spot - (Sign is missing currently on side of library)
- Disability parking space on last bay of carpark.
Currently, there are 2 disability carparks in front of the Civic Centre but not so convenient for visitors to the library and there is no facilities for disabled person either.

The last park to be turned into disabled carpark – can still maintain the same number of parking zones, provides access to toilet and Library. There is a dish crossing which cannot be used as a ramp for a disabled person it needs to be a specific disabled ramp and constructed to Australian standards.

Suggestion to utilise carpark at the 'Round House' toilets, there are two driveways in and out. Make one of the parks disabled parking therefore a ramp will not have to be installed and the other park to be made available for Broken Hill City Council staff only to service the area i.e. gardeners and cleaners.

There are x6 carparks at the side of the Library, x3 are currently timed at 15-minutes and x3 timed at 2-hours. Proposal to the Committee is to change the x3 2-hour parks to 1-hour parking which will be much more effective. Committee all in favour of this change.

All in favor of changing the three 2-hour time restricted car parks, at the side of the Library, to 1-hour and installing a disable car parking space and Broken Hill City Council staff only car parking space in the carpark at the 'Roundhouse Toilets'.

Next Meeting Date – Monday, 14 December 2020 in the morning site inspections and meeting in office.

408.11 Meeting Closed – 10.15am

ORDINARY MEETING OF THE COUNCIL

November 10, 2020

ITEM 14BROKEN HILL CITY COUNCIL REPORT NO. 165/20SUBJECT: ACTION LIST REPORT11/21**Recommendation**

1. That Broken Hill City Council Report No. 165/20 dated November 10, 2020, be received.

Executive Summary:

The purpose of this report is to ensure that Council and the community are informed on the status of actions required by previous Council resolutions.

Report:

A new format Action List was presented to the June 2017 Council Meeting to provide Councillors with a clearer way of reporting on the progress of outstanding Council resolutions. As per Minute No. 45570, the Action List has been produced in the new colour coded format and shows the progress of Council' outstanding decisions (Green – completed, Yellow – in progress and Red – not yet commenced).

The Action List attached to this report covers decisions at Ordinary Council Meetings; is for information only and will be provided to Council on a monthly basis.

Discussions have been held with staff regarding the long outstanding items on the Action List, most of which are leasing/licencing matters. Staff will be working to finalise these items as a priority and/or request Council to rescind resolutions where circumstances have changed.

Community Engagement:

Nil.

Strategic Direction:

Key Direction:	4	Our Leadership
Objective:	4.1	Openness and transparency in decision making
Strategy:	4.1.1	Support the organisation to operate its legal framework

Relevant Legislation:

Local Government Act 1993

Financial Implications:

Nil

Attachments

1. [↓](#) Action List - Ordinary Council Meetings
2. [↓](#) Action List - Extraordinary Council Meetings

JAMES RONCON
GENERAL MANAGER

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 26/04/2018	VanDerBerg, Francois Roncon, James	Reports	COMPULSORY ACQUISITION OF WARNOCK GOSSAN STREET ROAD RESERVE
Resolved:			
<ol style="list-style-type: none"> That Broken Hill City Council Report No. 59/18 dated April 6, 2018, be received. That Council make an application to the Minister and Governor for approval to acquire the sections of Warnock and Gossan Street traversing Crown Land in Lot 7469 in Deposited Plan 1182254, under Section 177 of the <i>Roads Act 1993</i> and Section 186 of the <i>Local Government Act 1993</i>. That the acquisition be undertaken in accordance with the requirements of the <i>Land Acquisition (Just Terms Compensation) Act 1991</i>. That upon acquisition, Council to undertake required actions to open the subject road by registration of a plan in accordance with Section 7 of the <i>Roads Act 1993</i>. <p>16 May 2018 - 9:45 AM - Leisa Bartlett In progress.</p> <p>15 Aug 2018 - 3:32 PM - Leisa Bartlett MPDC advised - OLG advised that the land is subject to a Native Title Claim and that compulsory acquisition cannot go ahead at this stage. Council is waiting for further advice from OLG.</p> <p>11 Sep 2018 - 4:40 PM - Leisa Bartlett No change, awaiting advice from OLG.</p> <p>9 Oct 2018 - 5:08 PM - Leisa Bartlett Awaiting OLG advice</p> <p>13 Nov 2018 - 9:26 AM - Leisa Bartlett Awaiting OLG advice due to Native Title.</p> <p>6 Feb 2019 - 1:51 PM - Leisa Bartlett In discussions with Crown Lands regarding Native Title.</p> <p>7 Mar 2019 - 1:55 PM - Leisa Bartlett No change, awaiting response from Crown Lands.</p> <p>15 May 2019 - 10:41 AM - Georgina Falkner Crown Lands have advised they have no objection to receiving Proposed Acquisition Notices. Investigating budget and Native Title prior to making application to OLG.</p> <p>14 Jun 2019 - 3:27 PM - Leisa Bartlett no change in status</p> <p>4 Jul 2019 - 1:51 PM - Leisa Bartlett no change in status</p> <p>20 Aug 2019 - 3:39 PM - Anthony Misagh Acquisition is on hold and most likely will not be going ahead at this point. It holds native title and it is getting somewhat expensive.</p> <p>17 Oct 2019 - 9:54 AM - Leisa Bartlett Discussions being held with month with the Department of Crown Lands.</p> <p>14 Nov 2019 - 4:35 PM - Leisa Bartlett Seeking legal advice from Council's Solicitors</p> <p>12 Feb 2020 - 12:12 PM - Leisa Bartlett Legal advice received. Matter in progress.</p> <p>7 Apr 2020 - 10:14 AM - Leisa Bartlett 11/03/2020 - Matter in progress.</p> <p>8 Apr 2020 - 11:16 AM - Leisa Bartlett In progress.</p> <p>8 May 2020 - 11:58 AM - Leisa Bartlett Matter in progress.</p> <p>10 Jun 2020 - 2:35 PM - Leisa Bartlett Matter in progress.</p> <p>15 Jul 2020 - 1:45 PM - Leisa Bartlett Matter in progress.</p> <p>12 Aug 2020 - 9:41 AM - Leisa Bartlett Matter in progress.</p> <p>17 Sep 2020 - 3:05 PM - Leisa Bartlett Matter on hold until the Federation Way Acquisition is complete.</p> <p>16 Oct 2020 - 8:42 AM - Leisa Bartlett Matter on hold.</p> <p>10 Nov 2020 - 4:11 PM - Leisa Bartlett Matter on hold.</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 29/05/2019	Misagh, Anthony Roncon, James	Confidential Matters	FAR WEST HACC TRANSFER OF NORTH MINE HALL LEASE TO LIVEBETTER SERVICES
<u>Resolved</u>			
<ol style="list-style-type: none"> That Broken Hill City Council Report No. 77/19 dated December 17, 2018, be received. That Council consent to the proposed transfer of lease, with the current lease for the North Mine Hall to be transferred from Far West HACC Services to Livebetter Services Limited. That the terms and conditions of the current lease agreement remain the same, including the rent of \$1 per year. That Livebetter Services Limited are responsible for any legal fees incurred by Council. That the Mayor and General Manager be authorised to sign the transfer of lease documents under the Common Seal of Council. <p>12 Jun 2019 - 10:52 AM - Georgina Falkner Transfer documents being finalised 4 Jul 2019 - 1:54 PM - Leisa Bartlett Transfer documents with Livebetter for execution. 20 Aug 2019 - 3:14 PM - Anthony Misagh No update 10 Sep 2019 - 10:44 AM - Georgina Falkner Awaiting signed documents from Livebetter, have followed up on progress. 17 Oct 2019 - 9:57 AM - Leisa Bartlett Contact will be made again with Livebetter seeking the return of signed documents. 14 Nov 2019 - 4:00 PM - Leisa Bartlett No change in status 12 Feb 2020 - 12:13 PM - Leisa Bartlett Lease with Livebetter for signature. 8 Apr 2020 - 11:18 AM - Leisa Bartlett Have followed up with LiveBetter as Council is still awaiting a signed copy of the lease. 8 May 2020 - 12:02 PM - Leisa Bartlett Transfer document still with Livebetter for signature. 10 Jun 2020 - 2:36 PM - Leisa Bartlett Another email sent chasing up signed lease. 15 Jul 2020 - 1:45 PM - Leisa Bartlett LiveBetter have advised that they have misplaced the transfer lease documents. Due to the time lapse, the original lease to Far West HACC has now expired and a new lease will now be negotiated directly with LiveBetter. A new report to Council will be presented in the coming months to consider approval of a lease offer to LiveBetter, and this item can then be removed. 12 Aug 2020 - 9:41 AM - Leisa Bartlett New lease terms being negotiated. 17 Sep 2020 - 3:06 PM - Leisa Bartlett In progress. 16 Oct 2020 - 8:42 AM - Leisa Bartlett Matter in progress. 10 Nov 2020 - 4:13 PM - Leisa Bartlett Matter in progress.</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 27/11/2019	VanDerBerg, Francois Roncon, James	Reports	ACQUISITION OF FEDERATION WAY
<u>Resolved</u>			
<ol style="list-style-type: none"> That Broken Hill City Council Report No. 194/19 dated October 21, 2019, be received. That Council make an application to the Minister and Governor to compulsorily acquire Federation Way, otherwise known as part lots 11-14 Section 57 DP 759092, part lots 1-8 Section 58 DP 759092, part lots 7428-7431 DP 1178911 and part lot 7421 DP 1183597 (as identified in the plan of acquisition). 			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

3. That the acquisition be undertaken in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*, under Section 186 of the *Local Government Act 1993* and for the purposes of a public road under Section 177 of the *Roads Act 1993*.
4. That upon acquisition, Council undertake the required actions to open the subject road by registration of a plan in accordance with Section 7 of the *Roads Act 1993*.
5. That the Mayor and General Manager be authorised to sign and execute any documents related to the acquisition or road opening under the Common Seal of Council.

12 Feb 2020 - 12:21 PM - Leisa Bartlett

In progress.

7 Apr 2020 - 10:46 AM - Leisa Bartlett

11/03/2020 - in progress

8 Apr 2020 - 11:20 AM - Leisa Bartlett

in progress.

8 May 2020 - 12:16 PM - Leisa Bartlett

Application to OLG is being drafted.

10 Jun 2020 - 2:38 PM - Leisa Bartlett

Application sent to Office of Local Government

15 Jul 2020 - 1:54 PM - Leisa Bartlett

Matter with the OLG.

12 Aug 2020 - 9:42 AM - Leisa Bartlett

Matter with OLG.

17 Sep 2020 - 3:07 PM - Leisa Bartlett

Matter with OLG. Enquiries were made with OLG, but no timeframe was given.

16 Oct 2020 - 8:44 AM - Leisa Bartlett

Awaiting approval from OLG.

10 Nov 2020 - 4:14 PM - Leisa Bartlett

Acquisition approved by OLG. Solicitor is preparing acquisition documents.

Meeting	Officer/Director	Section	Subject
Ordinary Council 24/06/2020	Nankivell, Jay Roncon, James	Reports	ADOPTION OF DRAFT QUEEN ELIZABETH PARK PLAN OF MANAGEMENT
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 80/20 dated June 4, 2020, be received. 2. That Council refer the Draft Plan of Management for Queen Elizabeth Park to the Minister administering the <i>Crown Land Management Act 2016</i> 3. That following consent from the Minister, Council publicly exhibit the Draft Plan of Management for a period of no less than 28 days, in accordance with the <i>Local Government Act 1993</i>. 4. That the General Manager be authorised to sign any documents required to notify the Minister. <p style="text-align: right;">CARRIED UNANIMOUSLY</p> <p>15 Jul 2020 - 1:57 PM - Leisa Bartlett Draft Plan of Management has been sent to the Minister for Crown Lands for approval. Once approval is received the Draft Plan can be placed on public exhibition.</p> <p>12 Aug 2020 - 9:42 AM - Leisa Bartlett Awaiting response from Crown Lands.</p> <p>17 Sep 2020 - 3:08 PM - Leisa Bartlett Awaiting response from Crown Lands.</p> <p>16 Oct 2020 - 9:19 AM - Leisa Bartlett Awaiting response from Crown Lands.</p> <p>10 Nov 2020 - 4:21 PM - Leisa Bartlett Approval received from Crown Lands. The Plan of Management is being placed on public exhibition and a report will be presented to Council after the public exhibition period has closed.</p> <p>COMPLETE</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 29/07/2020	Andrews, Anne Roncon, James	Confidential Matters	WILLYAMA COMMON TRUST LEASE OF PART LOT 7421 DP 1183597 TO AXICOM PTY LIMITED
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 104/20 dated June 23, 2020, be received. 2. That the Willyama Common Trust lease Part Lot 7421 DP 1183597 (being a telecommunications compound on the Line of Lode) to Axicom Pty Limited for a period of 20 years for telecommunications purposes. 3. That the annual rent be \$12,000.00 per annum with an annual 2.5% increase. 4. That the Mayor and General Manager be authorised to sign and execute the lease documents under the Common Seal of Council, in the absence of a Trust Seal. 			
CARRIED UNANIMOUSLY			
<p>12 Aug 2020 - 10:00 AM - Leisa Bartlett Solicitors are drawing up the lease agreement. 17 Sep 2020 - 3:09 PM - Leisa Bartlett Draft lease being finalised. 16 Oct 2020 - 9:20 AM - Leisa Bartlett Draft lease with Solicitors. 10 Nov 2020 - 4:23 PM - Leisa Bartlett Solicitors have finalised the draft lease and the lease is being sent to Axicom Pty Ltd for signature.</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 29/07/2020	Andrews, Anne Roncon, James	Confidential Matters	WILLYAMA COMMON TRUST LICENCE OF PART LOT 7315 DP 1183447 TO BROKEN HILL SPEEDWAY CLUB
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 105/20 dated July 1, 2020, be received. 2. That Council (as Trust Manager for the Willyama Common Trust) lease Part Lot 7315 in Deposited Plan 1183447 to the Broken Hill Speedway Club for the purpose of a motocross track extension and associated access. 3. That the lease term be 25 years and the annual rental be the minimum Crown Lands rental. 4. That the Mayor and General Manager be authorised to sign and execute any documents under the Common Seal of Council, the absence of a Trust Seal. 			
CARRIED UNANIMOUSLY			
<p>12 Aug 2020 - 10:00 AM - Leisa Bartlett Solicitors are drawing up the licence agreement. 17 Sep 2020 - 3:09 PM - Leisa Bartlett Draft lease being finalised. 16 Oct 2020 - 9:20 AM - Leisa Bartlett Draft lease with Solicitors. 10 Nov 2020 - 4:26 PM - Leisa Bartlett Licence is with the Broken Hill Speedway Club for signature.</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 30/09/2020	Nankivell, Jay Roncon, James	Reports	Christmas and New Year's Eve Events
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 129/20 dated September 17, 2020, be received. 2. That Council note the below report. 3. That Council promote a dollar for dollar grant capped at \$250.00 (Council contribution) to CBD Businesses to decorate their shop windows and/or awnings for Christmas. 4. That Council develops more ideas to celebrate Christmas and New Year's Eve at various locations across the City. 			
CARRIED UNANIMOUSLY			
<p>15 Oct 2020 - 12:01 PM - Leisa Bartlett Media release issued advising businesses of our intention and governance structure being set up to invite businesses formally. Christmas Tree & Decorations ordered. Further ideas being investigated with input from Councillors requested.</p> <p>10 Nov 2020 - 4:55 PM - Leisa Bartlett Forms developed and communicated to business owners for use.</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 30/09/2020	Andrews, Anne Roncon, James	Confidential Matters	REQUEST FOR LEASE OF THE ALMA MECHANICS INSTITUTE, PATTON STREET
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 133/20 dated September 18, 2020, be received. 2. That Council, in its capacity as Trust Managers, enters a lease agreement with West Darling Arts for the exclusive use of the Alma Mechanics Institute in Patton Street for an initial five year period with an option to extend for a further five years; and that approval also be sought from the Minister for Crown Lands. 3. That the lease be granted conditional to the West Darling Arts success in securing government grant funding to carry out necessary building works (to the flooring, kitchen, toilet, air-conditioning and electrical work) to the Alma Institute to make good the building for leasing purposes; and that the lease will commence at the conclusion of the building works to be carried out by the West Darling Arts using grant funding. 4. That rental be set at the Crown Lands minimum base rental (currently \$496 per annum and subject to annual CPI changes); and West Darling Arts be responsible for minor maintenance items (to be negotiated). 5. That all standard Crown Lands lease terms apply. 6. That the West Darling Arts pays all legal fees for the set-up of the lease agreement. 7. That the Mayor and General Manager be authorised to sign the lease agreement under the Common Seal of Council. 			
CARRIED UNANIMOUSLY			
<p>14 Oct 2020 - 5:33 PM - Leisa Bartlett Applicant has been advised of Council resolution and an initial meeting is being arranged to discuss lease terms.</p> <p>10 Nov 2020 - 4:27 PM - Leisa Bartlett</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

In lease discussions with applicant, a meeting is being arranged with representatives of West Darling Arts during the week commencing 16 November 2020.

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Bartlett, Leisa Roncon, James	Notice of Motion	TELLUS HOLDINGS LTD - PROPOSED BLUE BUSH PROJECT
Resolved			
<ol style="list-style-type: none"> 1. That Motions of Which Notice has been Given No. 17/20 dated October 16, 2020, be received. 2. That Council writes to the Coolgardie Shire Council and the Alice Springs Town Council to seek advice on any positive effects or negative effects that the hazardous waste disposal facility has had on their communities and in particular regarding the creation of employment; also any fears that the community had prior to the construction of the facility which may have been allayed once the facility was operational. 			
CARRIED			
<p>5 Nov 2020 - 3:40 PM - Leisa Bartlett Letters sent seeking a videoconference meeting with the Mayor of each Council. COMPLETE</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Notice of Motion	INSTALLATION OF LOADING ZONES
Resolved			
<ol style="list-style-type: none"> 1. That Motions of Which Notice has been Given No. 18/20 dated October 16, 2020, be received. 2. That the matter be referred to the Broken Hill Traffic Committee. 			
CARRIED UNANIMOUSLY			
<p>10 Nov 2020 - 2:22 PM - Leisa Bartlett Matter referred to the Broken Hill Traffic Committee. COMPLETE</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Bartlett, Leisa Roncon, James	Reports	CORRESPONDENCE REPORT - NSW GOVERNMENT SMALL BUSINESS SUPPORT GRANTS
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 135/20 dated October 13, 2020, be received. 2. That correspondence dated 6 October 2020 from The Premier of NSW, The Hon Gladys Berejiklian MP regarding the NSW Small Business Support Grant and Small Business Recovery Grant and advising that the correspondence has been forwarded to The Treasurer, The Hon Dominic Perrottet MP, be received and noted. 			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

- That Council writes to the Premier of NSW, The Hon Gladys Berejiklian MP and The Treasurer, The Hon Dominic Perrottet MP, requesting that Broken Hill be considered as a border town given its proximity to the South Australian border and its remoteness in order for Broken Hill businesses to be eligible for the NSW Southern Border Small Business Support Grant along with the NSW Small Business Support Grant and Small Business Recovery Grant.
- That Council develops a policy that engages and helps small businesses that are struggling through difficult times.

CARRIED UNANIMOUSLY

10 Nov 2020 - 2:23 PM - Leisa Bartlett
Letters sent to the NSW Premier and Treasurer 10/11/20.
Item 4 (development of a policy) has been referred to the Our Economy KDWG.

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Bartlett, Leisa Roncon, James	Reports	CORRESPONDENCE REPORT - MENINDEE LAKES SUSTAINABLE DIVERSION LIMIT ADJUSTMENT MECHANISM PROJECT
Resolved			
<ol style="list-style-type: none"> That Broken Hill City Council Report No. 137/20 dated September 30, 2020, be received. That correspondence dated 22 September 2020 from The Hon Melinda Pavey MP, Minister for Water, Property and Housing regarding the Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project be received and noted. That Council writes to the The Hon Melinda Pavey MP, Minister for Water, Property and Housing requesting an amendment to the terms of reference within the document "Menindee Lakes Sustainable Diversion Limit Adjustment Mechanism Project" to remove the 106gl water savings target, thus allowing many potential water saving ideas. 			
CARRIED UNANIMOUSLY			
<p>11 Nov 2020 - 2:40 PM - Leisa Bartlett Correspondence sent to Minister Pavey on 10/11/20. COMPLETE</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nu'man, Razija Roncon, James	Reports	PUBLIC INTEREST DISCLOSURES ANNUAL REPORT 2019/2020
Resolved			
<ol style="list-style-type: none"> That Broken Hill City Council Report No. 138/20 dated September 25, 2020, be received. That the Broken Hill City Council Public Interest Disclosures Annual Report 2019/2020 be forwarded to the Minister for Local Government and the NSW Ombudsman by 30 October 2020. 			
CARRIED UNANIMOUSLY			
<p>5 Nov 2020 - 4:01 PM - Jodie Brealey COMPLETE - PID Annual Report 2019/20 was forwarded to the Minister and Ombudsman 30/10/2020</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nu'man, Razija Roncon, James	Reports	RECONCILIATION ACTION PLAN 2020-2022
Resolved			
1. That Broken Hill City Council Report No. 140/20 dated October 16, 2020, be received.			
2. That Broken Hill City Council approves the fully endorsed Reconciliation Action Plan October 2020- October 2022.			
CARRIED UNANIMOUSLY			
10 Nov 2020 - 4:43 PM - Leisa Bartlett Uploaded to Council's website. COMPLETE			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Bartlett, Leisa Roncon, James	Reports	ADOPTION OF DRAFT MOBILE FOOD VEHICLES, TEMPORARY FOOD STALLS AND HAWKING POLICY
Resolved			
1. That Broken Hill City Council Report No. 141/20 dated August 28, 2020, be received.			
2. That Council adopts the draft Mobile Food Vehicles, Temporary Food Stalls and Hawking Policy as a Policy of Council.			
3. That adoption of the draft Mobile Food Vehicles, Temporary Food Stalls and Hawking Policy will render the Food Hawker and Vendor Regulations Policy obsolete.			
CARRIED UNANIMOUSLY			
10 Nov 2020 - 2:25 PM - Leisa Bartlett All processes complete to adopt draft policy. COMPLETE			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Reports	INDUSTRIAL RATES
Resolved			
1. That Broken Hill City Council Report No. 142/20 dated October 19, 2020, be received.			
2. That Council note the information provided by the Valuer General.			
3. That Council review the city's entire rating structure as part of preparing the 2021/22 Operational Plan to ensure a fair and equitable outcome for all rating categories across the city.			
4. That Council continues to pursue the Department of Crown Lands to access further land for the Kanandah Road Industrial Precinct if possible.			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

CARRIED

10 Nov 2020 - 4:56 PM - Leisa Bartlett
Madam Mayor and General Manager meeting with Minister for Agriculture and Western NSW during fourth week of November. Rates modelling being prepared for 2021/2022 budget.
COMPLETE

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Reports	BUDGET CARRYOVER'S 2020/21
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 143/20 dated October 16, 2020, be received. 2. That Council revoke the budget items as listed below in <i>Table 1</i> for the amount of \$37,500. 3. That Council note the carryover budget items as listed below in <i>Table 2</i> for the amount of \$4,837,930. 			
CARRIED			
<p>5 Nov 2020 - 4:21 PM - Leisa Bartlett All action undertaken. COMPLETE</p>			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Reports	QUARTERLY BUDGET REVIEW STATEMENT FOR PERIOD ENDED SEPTEMBER 2020
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 144/20 dated October 20, 2020, be received. 2. That the 1st Quarterly Budget Review Statement and recommendations be adopted. 3. That Council note the projected 2020/21 operating deficit (before capital) of \$2,580,000. 4. That Council note the 2020/21 projected capital budget expenditure of \$46,326,000. 5. That Council note the revised Long-Term Financial Plan 2021-2030 			
CARRIED			
<p>5 Nov 2020 - 4:21 PM - Leisa Bartlett All action undertaken. COMPLETE</p>			

Outstanding For Action	Division: Committee: Ordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/04/2018 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 2:46:16 PM
Action Sheets Report – Ordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Reports	MINUTES OF THE LOCAL TRAFFIC COMMITTEE MEETING NO 407 HELD TUESDAY, 6 OCTOBER 2020
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 146/20 dated October 16, 2020, be received. 2. That the minutes for the Local Traffic Committee Meeting No.405 held Tuesday, 6 October 2020 be received. 3. That the following Item 406.6.6 – Blende Street – Library Parking; be approved to install 2-hour timed parking signs in Blende Street in front of the Library (directly opposite the Civic Centre). 			
CARRIED UNANIMOUSLY			
5 Nov 2020 - 4:22 PM - Leisa Bartlett Placed in works schedule. COMPLETE			

Meeting	Officer/Director	Section	Subject
Ordinary Council 28/10/2020	Nankivell, Jay Roncon, James	Confidential Matters	CIVIC CENTRE LITIGATION
Resolved			
<ol style="list-style-type: none"> 1. That Broken Hill City Council Report No. 150/20 dated October 21, 2020, be received. 2. That Council commit to seeing the matter through to the Hearing, as detailed within the attached report from Council's Solicitors. 3. That Council adopt an increase in the budget that will see the matter through to the Hearing, in accordance with the attached cost schedule. 			
CARRIED			
5 Nov 2020 - 4:24 PM - Leisa Bartlett All action undertaken. COMPLETE			

Outstanding For Action	Division: Committee: Extraordinary Council Officer: Further Report Required: Including Further Reports	Date From: 1/10/2020 Date To: 11/11/2020 Printed: Wednesday, 11 November 2020 3:14:50 PM
Action Sheets Report – Extraordinary Council Meetings		

Meeting	Officer/Director	Section	Subject
Extraordinary Council 9/11/2020	Nu'man, Razija Roncon, James	Mayoral Minute	RECRUITMENT PROCESS AND SELECTION COMMITTEE FOR THE POSITION OF GENERAL MANAGER
Resolved			
<ol style="list-style-type: none"> 1. That Mayoral Minute No. 11/20 dated November 5, 2020, be received. 2. That Council note the resignation of General Manager James Roncon, to be effective from 1 January 2021. 3. That Council endorse the action taken by the Mayor to seek Expressions of Interest from a restricted panel of three suitably qualified recruitment agencies. 4. That the General Manager's Performance Review Committee and any interested Councillors work with the successful recruitment agency to commence and establish the process to be undertaken for the recruitment of a new General Manager. 5. That Council endorse the preferred candidate for approval prior to the appointment of the General Manager. 6. That the Mayor and Deputy Mayor be delegated the role of negotiating with the preferred candidate to make an offer of appointment once approval to make an offer has been resolved by Council. 7. That Council appoints Mr. Jay Nankivell as Acting General Manager from 2 January 2021 and assigns Mr Jay Nankivell with the General Manager's delegations of authority, until the new General Manager is appointed. 			
CARRIED			
<p>11 Nov 2020 - 3:09 PM - Leisa Bartlett The resolution has been actioned and the recruitment process has commenced. A further report will be presented to Council to appoint the preferred candidate.</p> <p>COMPLETE</p>			

QUESTIONS TAKEN ON NOTICE FROM PREVIOUS COUNCIL MEETINGS

1. QUESTIONS ON NOTICE NO. 11/20 - DATED NOVEMBER 05, 2020 - COUNCILLOR QUESTIONS TAKEN ON NOTICE AT THE AUGUST 2020 ORDINARY COUNCIL MEETING (12/160)493

ORDINARY MEETING OF THE COUNCIL

November 5, 2020

ITEM 1QUESTIONS ON NOTICE NO. 11/20

SUBJECT: COUNCILLOR QUESTIONS TAKEN ON NOTICE AT THE AUGUST 2020 ORDINARY COUNCIL MEETING 12/160

Summary

The report provides responses to questions raised by Councillors during the August 2020 Council Meeting, which were taken on notice.

Recommendation

1. That Questions On Notice No. 11/20 dated November 5, 2020, be received.

Background

Following are the responses to questions raised by Councillors which the Mayor and/or General Manager did not answer and took on notice at the October 2020 Council Meeting.

Question:	<p><u>From Item 12 – Quarterly Budget Review</u> 12/160</p> <p><i>Councillor Algate referred to page 137 of the Business Paper and queried the figure of \$11m listed as capital expenditure for renewal assets (replacement) and described as “other” and asked for a line-by-line breakdown of this amount.</i></p> <p><i>The Chief Financial Officer advised that he will provide this breakdown to Councillors.</i></p>
Response:	<p>A breakdown of the capital expenditure for renewal assets has been circulated to Councillors.</p>
Question:	<p><u>Mildura and Adelaide Bus Service</u> 11/291</p> <p><i>Councillor Browne advised that the bus service to Mildura had been cancelled and asked that clarification be sought as to why the Mildura and Adelaide bus services had ceased and to request that they both be made permanent.</i></p> <p><i>Councillor Clark advised that she believes the cancellation of the bus service to Mildura and Adelaide was only temporary due to the border closure.</i></p>

Response:	<p>Enquiries were made with a local travel business who advised that the Broken Hill to Adelaide service was not cancelled during the pandemic and has been operational 2 days per week during the pandemic despite the border closure.</p> <p>The NSW Trainlink bus service from Broken Hill to Mildura was cancelled until further notice due to the border closure and now that the government have advised that the borders will be open on 23 November 2020, the local travel business is awaiting advice as to when this service will be operational again.</p>
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Attachments

There are no attachments for this report

JAMES RONCON
GENERAL MANAGER

CLOSED

Council Meeting to be held **Wednesday, November 25, 2020**

1. **BROKEN HILL CITY COUNCIL REPORT NO. 166/20 - DATED**
NOVEMBER 10, 2020 - CONFIDENTIAL MINUTES FOR CONFIRMATION
- ORDINARY COUNCIL MEETING HELD 28 OCTOBER 2020 -
CONFIDENTIAL

(General Manager's Note: This report considers confidential minutes for confirmation that relate to a lease agreement and is deemed confidential under Section 10A(2) (c) of the Local Government Act, 1993 which provides for information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).

2. **MAYORAL MINUTE NO. 12/20 - DATED NOVEMBER 16, 2020 -**
EXPRESSIONS OF INTEREST FOR - RECRUITMENT OF GENERAL
MANAGER - CONFIDENTIAL

(General Manager's Note: This report considers Expression of Interest and is deemed confidential under Section 10A(2) (c) of the Local Government Act, 1993 which provides for information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).

3. **BROKEN HILL CITY COUNCIL REPORT NO. 167/20 - DATED**
NOVEMBER 13, 2020 - REQUEST FOR TENDER T20/3 FOR SUPPLY
OF BULK MATERIALS 2021 CONTRACT - VP208137 - CONFIDENTIAL

(General Manager's Note: This report considers a tender and is deemed confidential under Section 10A(2) (c) of the Local Government Act, 1993 which provides for information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business).