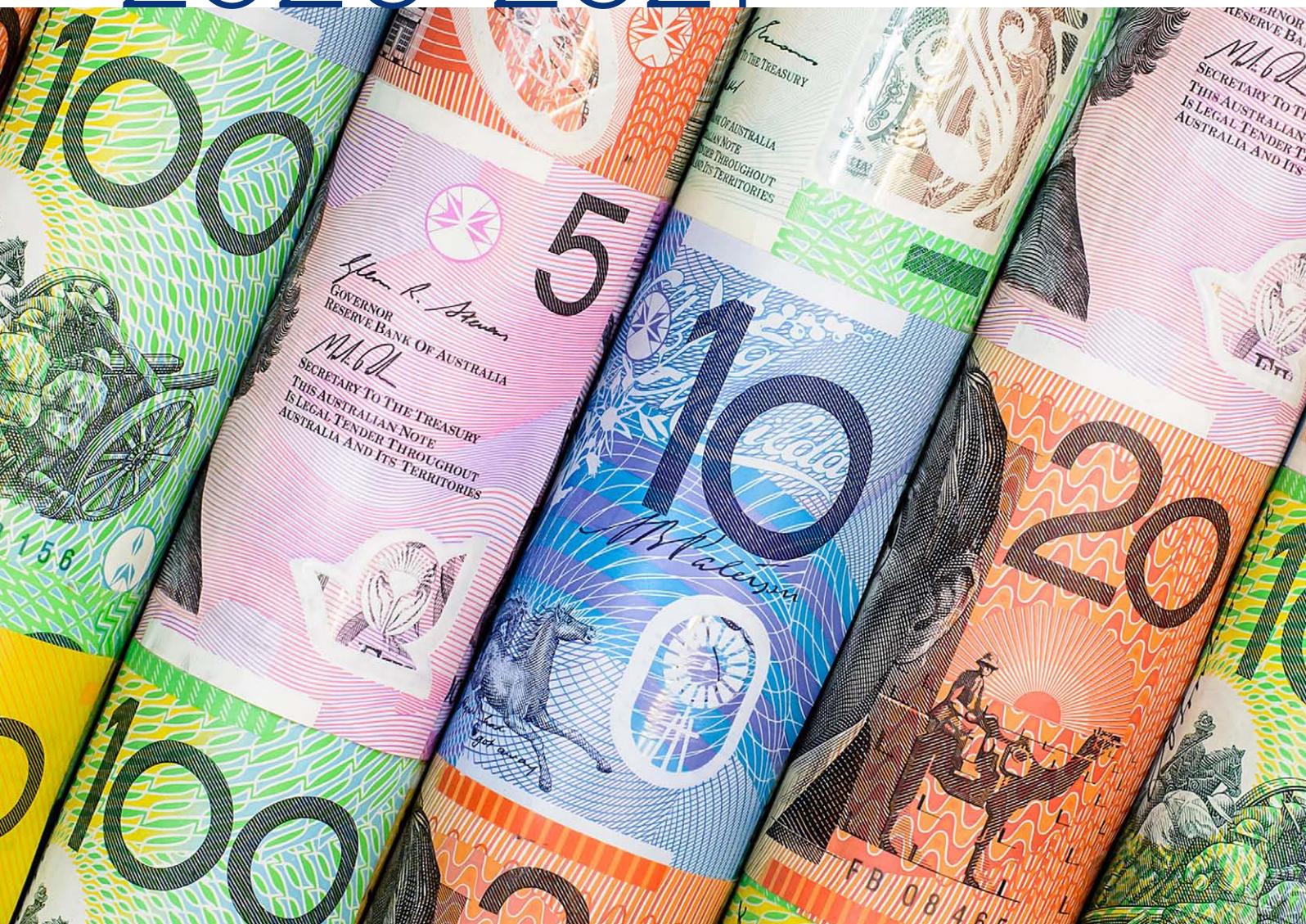


Annual Financial Statements

2020-2021



Bayside Council

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

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

444/446 Princes Highway
Rockdale NSW 2216

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

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

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

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

Bayside Council

General Purpose Financial Statements

for the year ended 30 June 2021

Statement by Councillors and Management

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 13 October 2021.



Bill Saravinovski

Mayor

13 October 2021



Liz Barlow

Councillor

13 October 2021



Meredith Wallace

General Manager

13 October 2021



Matthew Walker

Responsible Accounting Officer

13 October 2021

Bayside Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		18,479	47,544
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain /(loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	51,492
Gain /(loss) on revaluation of equity instruments at fair value through other comprehensive income		(493)	–
Total items which will not be reclassified subsequently to the operating result		(493)	51,492
Total other comprehensive income for the year		(493)	51,492
Total comprehensive income for the year attributable to Council		17,986	99,036

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

Bayside Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	29,160	43,220
Investments	C1-2	415,053	382,061
Receivables	C1-4	18,549	16,229
Inventories	C1-5	345	183
Other		1,310	682
Total current assets		464,417	442,375
Non-current assets			
Investments	C1-2	4,187	12,096
Infrastructure, property, plant and equipment	C1-6	1,455,027	1,452,902
Intangible Assets	C1-7	2,296	1,592
Right of use assets	C2-1	230	42
Investments accounted for using the equity method	D1-1	332	5,003
Total non-current assets		1,462,072	1,471,635
Total assets		1,926,489	1,914,010
LIABILITIES			
Current liabilities			
Payables	C3-1	24,670	28,399
Contract liabilities	C3-2	3,332	5,423
Lease liabilities	C2-1	48	42
Borrowings	C3-3	843	719
Employee benefit provisions	C3-4	20,194	20,469
Provisions	C3-5	3,755	2,220
Total current liabilities		52,842	57,272
Non-current liabilities			
Lease liabilities	C2-1	182	–
Borrowings	C3-3	1,322	2,165
Employee benefit provisions	C3-4	1,912	1,898
Provisions	C3-5	2,758	3,188
Total non-current liabilities		6,174	7,251
Total liabilities		59,016	64,523
Net assets		1,867,473	1,849,487
EQUITY			
Accumulated surplus		1,781,675	1,763,689
IPPE revaluation reserve	C4-1	85,798	85,798
Council equity interest		1,867,473	1,849,487
Total equity		1,867,473	1,849,487

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

Bayside Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,763,689	85,798	1,849,487	1,711,401	17,708	1,729,109
Correction of prior period errors		-	-	-	13,285	16,598	29,883
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	(8,541)	-	(8,541)
Restated opening balance		1,763,689	85,798	1,849,487	1,716,145	34,306	1,750,451
Net operating result for the year		18,479	-	18,479	47,544	-	47,544
Net operating result for the period		18,479	-	18,479	47,544	-	47,544
Other comprehensive income							
Gain /(loss) on revaluation of infrastructure, property, plant and equipment	C1-6	-	-	-	-	51,492	51,492
Gain /(loss) on revaluation of equity instruments at fair value through other comprehensive income		(493)	-	(493)	-	-	-
Total comprehensive income		17,986	-	17,986	47,544	51,492	99,036
Closing balance at 30 June		1,781,675	85,798	1,867,473	1,763,689	85,798	1,849,487

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

Bayside Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
125,163	Rates and annual charges		126,235	124,207
10,427	User charges and fees		13,391	12,470
5,050	Investment and interest revenue received		4,512	9,393
34,951	Grants and contributions		37,372	43,801
13,221	Other		25,502	26,721
<i>Payments:</i>				
(74,421)	Employee benefits and on-costs		(71,110)	(69,246)
–	Bonds, deposits and retention amounts refunded		(1,029)	(1,097)
(67,370)	Materials and services		(77,635)	(66,212)
(124)	Borrowing costs		(127)	(169)
(4,190)	Other		(7,864)	(19,032)
42,707	Net cash flows from operating activities	G1-1a	49,247	60,836
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investment securities		541,000	188,000
1,951	Sale of infrastructure, property, plant and equipment		1,166	7,335
–	Distributions received from joint ventures and associates		–	467
<i>Payments:</i>				
–	Purchase of intangible assets		(361)	–
–	Purchase of investment securities		(562,000)	(218,800)
(56,121)	Purchase of infrastructure, property, plant and equipment		(42,327)	(51,152)
(54,170)	Net cash flows used in investing activities		(62,522)	(74,150)
Cash flows from financing activities				
<i>Payments:</i>				
(719)	Repayment of borrowings		(719)	(993)
–	Principal component of lease payments		(66)	(83)
(719)	Net cash flows used in financing activities		(785)	(1,076)
(12,182)	Net change in cash and cash equivalents		(14,060)	(14,390)
43,220	Cash and cash equivalents at beginning of year		43,220	57,610
31,038	Cash and cash equivalents at end of year	C1-1	29,160	43,220
415,053	plus: Investments on hand at end of year	C1-2	419,240	394,157
446,091	Total cash, cash equivalents and investments		448,400	437,377

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

Bayside Council

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Bayside Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 13 October 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

Certain comparative figures in the prior period have been reclassified in order to conform to changes in current year presentation.

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.

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) Infrastructure, property, plant and equipment (estimated useful lives and fair value) – refer Note C1-6.
- (ii) Estimated tip site remediation provisions – refer Note C3-5.
- (iii) Employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

- (i) Impairment of receivables - refer Note C1-4.
- (ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 Revenue from Contracts with Customers and / or AASB 1058 Income of Not-for-Profit Entities – refer to Notes B2-2 – B2-4.
- (iii) Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (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

A1-1 Basis of preparation (continued)

The Trust Fund

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

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council does not recognise volunteer services on the basis that the services would not be purchased if it had not been donated.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

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

Council's assessment of these new standards and interpretations are set out below:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.

This standard has an effective date for the 30 June 2024 reporting period.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,

A1-1 Basis of preparation (continued)

- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and

Council does not expect any material impact from the above amendments.

This standard has an effective date for the 30 June 2023 reporting period.

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 2020:

- AASB 1059 Service Concession Arrangements: Grantor and associated amendments
- AASB 2018- 6 Amendments to Australian Accounting Standards – Definition of a business
- AASB 2018 – 7 Amendments to Australian Accounting Standards – Definition of material
- AASB 2019 – 3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019 -5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2019 – 7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP / GFS Reconciliations
- AASB 2020 – 4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions

None of the above standards had a significant impact on reported position or performance.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Bayside will be a Vibrant Place	43,206	42,736	61,910	59,411	(18,704)	(16,675)	8,952	4,761	755,426	754,867
Our People will be Connected in a Smart City	5,231	5,856	19,661	21,358	(14,430)	(15,502)	3,123	2,964	170,936	173,526
Bayside will be green, leafy and sustainable	35,993	34,130	29,551	32,898	6,442	1,232	689	301	368,465	367,058
We will be a Prosperous Community	122,283	133,835	77,112	55,346	45,171	78,489	33,338	45,781	631,662	618,559
Total functions and activities	206,713	216,557	188,234	169,013	18,479	47,544	46,102	53,807	1,926,489	1,914,010

B1-2 Components of functions or activities

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

Bayside will be a Vibrant Place

Built forms focus on efficient use of energy, are sympathetic to the natural landscape and make our area a great place to live. Neighbours, visitors and businesses are connected in dynamic urban environments.

Our People will be Connected in a Smart City

Knowledge sharing and collaboration ensures that we have the expertise and relationships to lead with integrity, adapt to change, connect vulnerable people to community and effectively respond in times of adversity and stress.

Bayside will be Green, Leafy and Sustainable

The biodiversity of the area is protected and enhanced through collaborative partnerships. Vital habitats are supported to rehabilitate, thrive, adapt and recover from risks and climate events. The landscape will be preserved and regenerated to benefit a healthy environment now and in future.

We will be a Prosperous Community

Business innovation, technology, flourishing urban spaces and efficient transport will attract diverse business, skilled employees and generate home based business. Growth in services to the local community will generate employment support, a thriving community and livelihoods.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2021	2020
Ordinary rates		
Residential	59,595	58,073
Farmland	7	7
Business	21,462	20,956
Less: pensioner rebates (mandatory)	(1,377)	(1,423)
Rates levied to ratepayers	79,687	77,613
Pensioner rate subsidies received	758	782
Total ordinary rates	80,445	78,395
Special rates		
Parking	104	105
Main street	104	105
Infrastructure levy	11,962	11,586
Local area rates	516	517
Community safety levy	468	452
Total special rates	13,154	12,765
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	33,451	31,988
Stormwater management services	1,349	1,326
Section 611 charges	119	119
Less: pensioner rebates (mandatory)	(681)	(708)
Annual charges levied	34,238	32,725
Pensioner subsidies received:		
– Domestic waste management	375	389
Total annual charges	34,613	33,114
Total rates and annual charges	128,212	124,274

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

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.

B2-2 User charges and fees

\$ '000	2021	2020
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Waste management services (non-domestic)	1,217	1,189
Waste management services (non-rateable)	101	98
Total specific user charges	1,318	1,287
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Development and planning consent fees	1,736	1,919
Health inspection and approvals fee	829	1,409
Section 10.7 certificates (EPA Act)	490	344
Section 603 certificates	351	265
Town planning	221	245
Building consents and construction certificates	158	193
Building inspections	115	110
Other	653	366
Total fees and charges – statutory/regulatory	4,553	4,851
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Restoration charges	2,613	3,352
Long day care	2,035	1,338
Leaseback fees – Council vehicles	489	468
Swimming centres	322	397
Street furniture advertising fee	66	387
B/A school fees	(3)	343
Permits and inspection fees	242	256
Engineering inspections and other fees	122	197
Design review panel	142	190
Golf course	291	171
Library and art gallery	75	100
Sundry sales	68	50
Parking fees	34	34
Contract services	35	20
Meals on wheels	–	2
Park rents	112	24
Other	183	73
Total fees and charges – other	6,826	7,402
Total user charges and fees	12,697	13,540
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time (1)	2,796	3,058
User charges and fees recognised at a point in time (2)	9,901	10,482
Total user charges and fees	12,697	13,540

Accounting policy

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

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

Where an upfront fee is charged, the fee is recognised on a straight-line basis over the expected life of the membership.

B2-3 Other revenue

\$ '000	2021	2020
Ex gratia rates	4,764	4,523
Fines – parking	4,953	5,220
Fines – other	877	798
Commissions and agency fees	4	4
Diesel rebate	92	93
Insurance claims recoveries	427	912
Legal fees recovery – other	857	839
Other	958	626
Sales – general	147	128
Other credit card service fee	86	83
Contract rebates	181	124
Rental income – halls and community facilities	152	147
Rental income – parks and sporting facilities	417	257
Non asset sales	38	235
Recoveries under management agreement	193	157
Total other revenue	14,146	14,146

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	943	685
Other revenue recognised at a point in time (2)	13,203	13,461
Total other revenue	14,146	14,146

Accounting policy for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	2,220	1,748	–	–
Financial assistance – local roads component	532	552	–	–
Payment in advance - future year allocation				
Financial assistance – general component	1,675	1,851	–	–
Financial assistance – local roads component	730	586	–	–
Amount recognised as income during current year	5,157	4,737	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Library	512	484	–	–
Library – special projects	–	–	–	1
Aged care	48	108	–	3
Child care	2,258	2,676	–	–
Community care	273	4	–	–
Emergency Services	333	–	–	–
Environmental protection	850	381	–	304
Heritage and cultural	–	–	50	–
LIRS subsidy	23	31	–	–
Street lighting	653	912	–	–
Roads and traffic	–	–	4,373	930
Road safety	8	–	48	47
Consolidated LEP Development	500	1,250	–	–
Parks	182	208	2,683	4,564
Other community infrastructure	–	–	2,365	–
Other specific grants	200	114	–	26
Transport (roads to recovery)	–	–	737	737
Previously contributions:				
Other contributions	–	99	–	47
Transport for NSW contributions	–	–	–	230
Community and Environmental Contribution	825	500	–	–
Total special purpose grants and non-developer contributions – cash	6,665	6,767	10,256	6,889
Non-cash contributions				
Dedications	–	–	5,617	6,729
Other	–	–	218	–
Total other contributions – non-cash	–	–	5,835	6,729
Total special purpose grants and non-developer contributions (tied)	6,665	6,767	16,091	13,618
Total grants and non-developer contributions	11,822	11,504	16,091	13,618
Comprising:				
– Commonwealth funding	2,197	6,956	3,091	1,069
– State funding	9,575	3,947	7,127	5,487
– Other funding	50	601	5,873	7,062
	11,822	11,504	16,091	13,618

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G3				
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	7,463	15,442
S 7.4 – contributions using planning agreements		–	–	1,160	2,250
S 7.12 – fixed development consent levies		–	–	912	922
Total developer contributions – cash		–	–	9,535	18,614
Non-cash contributions					
S 7.4 – contributions using planning agreements		–	–	8,654	10,071
Total developer contributions non-cash		–	–	8,654	10,071
Total developer contributions		–	–	18,189	28,685
Total contributions		–	–	18,189	28,685
Total grants and contributions		11,822	11,504	34,280	42,303
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		2,258	2,676	4,373	930
Grants and contributions recognised at a point in time (2)		9,564	8,828	29,907	41,373
Total grants and contributions		11,822	11,504	34,280	42,303

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	3,787	5,120	6,321	9,593
Add: operating grants recognised as income in the current period but not yet spent	733	3,504	3,873	1,599
Less: capital grants recognised in a previous reporting period now spent	(3,607)	(4,837)	(1,508)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	(3,647)	(4,871)
Unspent funds at 30 June	913	3,787	5,039	6,321
Contributions				
Unspent funds at 1 July	–	–	300,347	286,804
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	11,718	23,715
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(12,717)	(10,172)
Unspent contributions at 30 June	–	–	299,348	300,347

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include an obligation to construct specific non-financial assets to identified specifications which will be controlled by Council. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Capital grants

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

For construction projects, this is generally recognised 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.

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

Developer 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* (EP&A Act).

B2-4 Grants and contributions (continued)

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 Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	311	488
– Cash and investments	3,494	7,616
Fair value adjustments		
– Investments at fair value through profit and loss (FVTPL)	(99)	(251)
Total Interest and investment revenue	3,706	7,853

Accounting policy

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

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income

\$ '000	Notes	2021	2020
Rental income			
Other income		1,846	1,362
Total rental income	C2-2	1,846	1,362
Total other income		1,846	1,362

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	53,080	52,125
Travel expenses	2	28
Employee leave entitlements (ELE)	8,903	8,579
Superannuation – defined contribution plans	5,248	4,996
Superannuation – defined benefit plans	1,022	1,146
Workers' compensation insurance	3,211	2,540
Fringe benefit tax (FBT)	315	297
Training costs (other than salaries and wages)	518	389
Occupational health and safety	140	270
Other	98	186
Total employee costs	72,537	70,556
Less: capitalised costs	(2,830)	(2,432)
Total employee costs expensed	69,707	68,124
Number of 'full-time equivalent' employees (FTE) at year end	681	695
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	779	791

Accounting policy

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 E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		8,451	7,418
Contractor and consultancy costs		22,587	24,927
Auditor remuneration	F2-1	464	583
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	598	503
Advertising		356	727
Bank charges		168	132
Electricity and heating		2,728	1,558
Insurance		2,636	1,704
Postage		483	488
Printing and stationery		742	828
Street lighting		815	2,000
Subscriptions and publications		313	224
Telephone and communications		387	571
Other expenses		1,503	122
Food and beverages		156	245
Fees and charges		937	845
Property expenses		490	665
Motor vehicle expenses		1,661	1,907
External hire charges		101	371
Legal expenses:			
- Planning and development		982	453
- Other		1,395	1,782
Variable lease expense relating to usage		3,827	4,541
Computer maintenance		1,884	1,965
Recycling contract		783	824
Waste collection and disposal		15,837	15,872
Other		81	11
Total materials and services		70,365	71,266
Total materials and services		70,365	71,266

Accounting policy

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

B3-3 Borrowing costs

\$ '000	2021	2020
Interest on leases	4	3
Interest on loans	123	166
Amortisation of discounts on interest free loans (and favourable) loans to Council	-	8
Total borrowing costs expensed	127	177

Accounting policy

Borrowing costs incurred for the construction of any qualifying assets 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.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Infrastructure, property, plant and equipment	C1-6	3,177	3,161
Office equipment		66	232
Furniture and fittings		76	93
Infrastructure:	C1-6		
– Buildings		4,396	4,622
– Other structures		161	255
– Roads		8,775	6,784
– Car parks		217	237
– Bridges		96	113
– Footpaths		2,452	1,446
– Other road assets		645	522
– Stormwater drainage		1,699	1,636
– Swimming pools		95	86
– Other open space/recreational assets		5,331	4,892
– Other infrastructure		212	93
Right of use assets	C2-1	66	83
Other assets:			
– Library books		542	551
Intangible assets	C1-7	716	753
Total gross depreciation and amortisation costs		28,722	25,559
Total depreciation and amortisation costs		28,722	25,559
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-6		
– Buildings		10,907	–
Total gross IPPE impairment / revaluation decrement costs		10,907	–
Total IPPE impairment / revaluation decrement costs charged to Income Statement		10,907	–
Total depreciation, amortisation and impairment for non-financial assets		39,629	25,559

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets, Note C1-7 for intangible assets and Note C2-1 for right of use assets.

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

Impairment of non-financial assets

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

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

B3-4 Depreciation, amortisation and impairment of non-financial assets (continued)

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

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		(78)	91
Total impairment of receivables	C1-4	(78)	91
Net share of interests in joint ventures and associates using the equity method			
Joint ventures		–	117
Total net share of interests in joint ventures and associates using the equity method		–	117
Other			
Contributions/levies to other levels of government			
– Department of planning levy		300	294
– Emergency services levy (includes FRNSW, SES, and RFS levies)		2,849	2,527
– Other contributions/levies		1,250	694
Donations, contributions and assistance to other organisations (Section 356)		160	164
Total other		4,559	3,679
Total other expenses		4,481	3,887

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		29	2,440
Less: carrying amount of property assets sold/written off		(20)	(2,440)
Gain (or loss) on disposal		9	–
Gain (or loss) on disposal of plant and equipment			
	C1-6		
Proceeds from disposal – plant and equipment		1,137	1,396
Less: carrying amount of plant and equipment assets sold/written off		(643)	(924)
Gain (or loss) on disposal		494	472
Gain (or loss) on disposal of infrastructure			
	C1-6		
Proceeds from disposal – infrastructure		–	206
Less: carrying amount of infrastructure assets sold/written off		(4,428)	(206)
Gain (or loss) on disposal		(4,428)	–
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – financial assets		541,000	188,000
Less: carrying amount of financial assets sold/redeemed/matured		(541,000)	(188,000)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of non-current assets classified as ‘held for sale’			
Proceeds from disposal – non-current assets ‘held for sale’		–	3,293
Less: carrying amount of ‘held for sale’ assets sold/written off		–	(2,190)
Gain (or loss) on disposal		–	1,103
Net gain (or loss) on disposal of assets		(3,925)	1,575

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. 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.

B5 Performance against budget

B5-1 Material budget variations

Pre amble

Council's original budget was adopted by the Council on 24/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
Rates and annual charges	125,163	128,212	3,049	2% F
User charges and fees	10,427	12,697	2,270	22% F
The increase in user fees and charges is mainly attributable to higher than expected volume of road opening permits during the year driven by the increased construction activity during the pandemic.				
Other revenues	11,650	14,146	2,496	21% F
The increase in other revenue is mainly attributable to the return of rental income to normal levels following a period of rental relief due to COVID-19 hardship.				
Operating grants and contributions	10,843	11,822	979	9% F
Capital grants and contributions	24,108	34,280	10,172	42% F
Favourable variation is attributable to increase Federal Govt and State Govt stimulus funding for roads, traffic facilities and infrastructure during the financial year.				
Interest and investment revenue	5,050	3,706	(1,344)	(27)% U
Interest and investment income is lower than budgeted due to a movement of funds into higher grade investment securities during the year, which have lower annual returns.				
Net gains from disposal of assets	-	-	-	∞ F
Other income	1,571	1,846	275	18% F
EXPENSES				
Employee benefits and on-costs	74,421	69,707	4,714	6% F
Materials and services	67,370	70,365	(2,995)	(4)% U
Borrowing costs	124	127	(3)	(2)% U
Depreciation, amortisation and impairment of non-financial assets	20,279	39,629	(19,350)	(95)% U
The increase is mainly attributable to a revaluation decrement recognised in the income statement in respect of building assets amounting to \$10.9m (unbudgeted). In addition to this, current year depreciation expense has increased due to the impact of the revaluation increments in assets classes that were revalued in the prior year.				
Other expenses	4,190	4,481	(291)	(7)% U

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	42,707	49,247	6,540	15% F
Increased cashflows from operating activities are attributed to increased and advance receipts of grant funding and higher than budget user fees and charges.				
Cash flows from investing activities	(54,170)	(62,522)	(8,352)	15% U
Cash outflows from investing activities are higher than budget due to purchase of additional investments securities during the financial year (approx. \$20m)				
Cash flows from financing activities	(719)	(785)	(66)	9% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	29,160	10,097
Cash-equivalent assets		
– Deposits at call	–	33,123
Total cash and cash equivalents	29,160	43,220

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	29,160	43,220
Balance as per the Statement of Cash Flows	29,160	43,220

Accounting policy

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

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Financial assets at fair value through the profit and loss				
Non-convertible debentures, Floating rate notes (with maturities > 3 months)	7,046	5	9,061	7,096
Total	7,046	5	9,061	7,096
Debt securities at amortised cost				
Long term deposits	408,000	–	373,000	5,000
Total	408,000	–	373,000	5,000
Equity securities at fair value through other comprehensive income				
Listed equity securities	7	–	–	–
CivicRisk ¹	–	4,182	–	–
Total	7	4,182	–	–
Total financial investments	415,053	4,187	382,061	12,096
Total cash assets, cash equivalents and investments	444,213	4,187	425,281	12,096

(1) Previously disclosed at Note D1 Interests in other entities

Accounting policy

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.

C1-2 Financial investments (continued)

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

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

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

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

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

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

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

No strategic investments were disposed of during 2021, and there were no transfers of any cumulative gain or loss within equity relating to these investments. Dividends received were less than \$1,000.

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.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	444,213	4,187	425,281	12,096

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund

	745	5,423
--	------------	-------

External restrictions – included in liabilities	745	5,423
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External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Advertising SEPP64	947	396
Community safety levy	838	873
Developer contributions – general	299,348	300,347
Domestic waste management	23,454	16,881
Infrastructure levy reserve	18,049	15,368
Local area funds	13,472	13,256
Mascot main street	1,111	1,005
Mascot parking rate	1,591	1,485
Roads reserve	1,080	1,080
Specific purpose unexpended grants	2,631	1,635
Stormwater management	5,553	4,849
External restrictions – other	368,074	357,175
Total external restrictions	368,819	362,598

C1-3 Restricted cash, cash equivalents and investments (continued)

\$ '000	2021	2020
Internal restrictions		
Council has internally restricted cash, cash equivalents and investments as follows:		
Arncliffe Youth Centre	1,276	2,471
Audit & legal	3,405	3,417
Botany Aquatic Centre	1,399	364
Brighton bath amenities building	2,767	3,453
Business improvements and efficiencies	2,483	2,421
Community and environmental projects	3,213	2,007
Contribution to works	273	577
Council election	1,220	1,000
Deposits, retentions and bonds	2,600	2,600
Employees leave entitlement	6,771	8,069
Financial assistance grants in advance	2,504	2,437
General revenue funded carry-over works	178	1,318
Internal borrowings against consolidated internal restrictions	–	(339)
Mascot oval	80	80
Office equipment and IT reserve	3,537	3,877
Parking infrastructure	2,908	–
Planning proposals	100	169
Plant and equipment	4,208	6,562
Public liability claims	746	746
Strategic priorities	29,794	30,726
Synthetic fields	1,159	796
Work health & safety	1,235	1,213
Total internal restrictions	71,856	73,964
Total restrictions	440,675	436,562

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

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	10,623	-	8,535	-
Interest and extra charges	1,107	-	1,084	-
User charges and fees	3,754	-	4,186	-
Accrued interest on investments	534	-	1,258	-
Government grants and subsidies	2,459	-	1,266	-
Net GST receivable	1,156	-	1,092	-
Total	19,633	-	17,421	-
Less: provision of impairment				
Rates and annual charges	(144)	-	(135)	-
Interest and extra charges	(145)	-	(139)	-
User charges and fees	(24)	-	(23)	-
Other debtors	(771)	-	(895)	-
Total provision for impairment – receivables	(1,084)	-	(1,192)	-
Total net receivables	18,549	-	16,229	-

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year	1,192	1,151
+ provisions recognised / (reversed) during the year	(81)	87
– amounts already provided for and written off this year	(27)	(46)
Balance at the end of the year	1,084	1,192

C1-4 Receivables (continued)

Accounting policy

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

Impairment

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

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

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

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 60 days past due has seen a significant increase in credit risk.

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

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

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

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

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

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

None of the receivables that have been written off during the year are subject to enforcement activity.

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Stores and materials	295	–	165	–
Trading stock	50	–	18	–
Total inventories at cost	345	–	183	–
Total inventories	345	–	183	–

Accounting policy

Raw materials and stores, work in progress and finished goods

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

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period									At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Other movements WIP Expensed	Transfer to intangible assets	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	13,844	–	13,844	9,106	–	–	–	–	(10,001)	–	(1,039)	(1,059)	10,850	–	10,850
Plant and equipment	24,077	(9,942)	14,135	2,026	–	(643)	(3,177)	–	130	–	–	–	23,877	(11,406)	12,471
Office equipment	343	(215)	128	6	–	–	(66)	–	–	–	–	–	349	(281)	68
Furniture and fittings	759	(496)	263	–	–	–	(76)	–	–	–	–	–	759	(572)	187
Land:															
– Operational land	365,558	–	365,558	–	1,427	(20)	–	–	–	–	–	–	366,965	–	366,965
– Community land	157,451	–	157,451	–	2,749	–	–	–	–	–	–	–	160,200	–	160,200
– Land under roads (post 30/6/08)	3,786	–	3,786	–	1,304	–	–	–	–	–	–	–	5,090	–	5,090
Land improvements – non-depreciable	1,500	–	1,500	–	–	–	–	–	–	–	–	–	1,500	–	1,500
Infrastructure:															
– Buildings	244,946	(71,811)	173,135	3,400	6,141	(3,554)	(4,396)	(10,907)	4,563	2,298	–	–	270,420	(99,739)	170,681
– Other structures	12,010	(3,175)	8,835	11	92	–	(161)	–	22	(4,286)	–	–	6,673	(2,160)	4,513
– Roads	501,741	(146,793)	354,948	6,600	1,348	–	(8,775)	–	1,774	–	–	–	507,686	(151,793)	355,893
– Car Parks	14,148	(4,720)	9,428	26	92	(45)	(217)	–	46	–	–	–	14,214	(4,884)	9,330
– Bridges	9,396	(1,520)	7,876	–	–	–	(96)	–	–	(114)	–	–	9,281	(1,615)	7,666
– Footpaths	137,632	(61,993)	75,639	2,299	2,920	(11)	(2,452)	–	713	–	–	–	142,322	(63,214)	79,108
– Other road assets (including bulk earthworks)	32,878	(14,469)	18,409	1,260	1,028	–	(645)	–	558	121	–	–	35,562	(14,831)	20,731
– Bulk earthworks (non-depreciable)	61,823	–	61,823	133	260	–	–	–	126	–	–	–	62,342	–	62,342
– Stormwater drainage	163,770	(63,968)	99,802	76	1,555	(45)	(1,699)	–	1,439	927	–	–	167,629	(65,574)	102,055
– Swimming pools	6,987	(660)	6,327	–	–	–	(95)	–	–	1	–	–	6,988	(755)	6,233
– Other open space/recreational assets	102,670	(30,363)	72,307	1,059	2,727	(773)	(5,331)	–	612	(931)	–	–	103,333	(33,663)	69,670
– Other infrastructure	10,807	(4,490)	6,317	56	21	–	(212)	–	18	1,983	–	–	13,881	(5,698)	8,183
Other assets:															
– Library books	2,721	(1,330)	1,391	441	–	–	(542)	–	–	1	–	–	2,481	(1,190)	1,291
Total infrastructure, property, plant and equipment	1,868,847	(415,945)	1,452,902	26,499	21,664	(5,091)	(27,940)	(10,907)	–	–	(1,039)	(1,059)	1,912,402	(457,375)	1,455,027

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

C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period								At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets ²	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Other movements WIP Expensed	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	8,460	–	8,460	10,843	1,342	–	–	(6,780)	–	(21)	–	13,844	–	13,844
Plant and equipment	23,385	(8,693)	14,692	3,528	–	(924)	(3,161)	–	–	–	–	24,077	(9,942)	14,135
Office equipment	1,520	(1,160)	360	–	–	–	(232)	–	–	–	–	343	(215)	128
Furniture and fittings	1,034	(689)	345	11	–	–	(93)	–	–	–	–	759	(496)	263
Land:														
– Operational land	328,858	–	328,858	–	16,957	(2,440)	–	373	15,392	–	6,418	365,558	–	365,558
– Community land	160,764	–	160,764	–	2,320	–	–	–	(15,392)	–	9,759	157,451	–	157,451
– Land under roads (post 30/6/08)	2,801	–	2,801	–	363	–	–	–	–	–	622	3,786	–	3,786
Land improvements – non-depreciable	1,108	–	1,108	314	–	–	–	78	–	–	–	1,500	–	1,500
Infrastructure:														
– Buildings	241,807	(68,895)	172,912	972	4,285	(206)	(4,622)	1,886	(2,092)	–	–	244,946	(71,811)	173,135
– Other structures	14,072	(5,799)	8,273	622	227	–	(255)	64	(96)	–	–	12,010	(3,175)	8,835
– Roads	454,423	(121,005)	333,418	2,278	–	–	(6,784)	6	(998)	–	27,028	501,741	(146,793)	354,948
– Bridges	9,260	(1,425)	7,835	31	65	–	(113)	58	–	–	–	9,396	(1,520)	7,876
– Footpaths	106,204	(46,731)	59,473	1,058	1,385	–	(1,446)	1,220	–	–	13,948	137,632	(61,993)	75,639
– Other road assets (including bulk earthworks)	35,630	(12,636)	22,994	228	566	–	(522)	246	(15)	–	(5,088)	32,878	(14,469)	18,409
– Bulk earthworks (non-depreciable)	63,018	–	63,018	–	–	–	–	–	–	–	(1,195)	61,823	–	61,823
– Stormwater drainage	163,454	(62,332)	101,122	31	269	–	(1,636)	16	–	–	–	163,770	(63,968)	99,802
– Swimming pools	6,857	(550)	6,307	–	–	–	(86)	–	106	–	–	6,987	(660)	6,327
– Car Parks	12,752	(4,463)	8,289	27	170	–	(237)	166	1,014	–	–	14,148	(4,720)	9,428
– Other open space/recreational assets	93,784	(27,320)	66,464	2,106	7,232	–	(4,892)	2,667	(1,270)	–	–	102,670	(30,363)	72,307
– Other infrastructure	3,733	(768)	2,965	76	19	–	(93)	–	3,351	–	–	10,807	(4,490)	6,317
Other assets:														
– Library books	2,558	(1,194)	1,364	578	–	–	(551)	–	–	–	–	2,721	(1,330)	1,391
Total infrastructure, property, plant and equipment	1,735,482	(363,660)	1,371,822	22,703	35,200	(3,570)	(24,723)	–	–	(21)	51,492	1,868,847	(415,945)	1,452,902

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

(2) New additions to WIP comprise costs related to software development which are not available for use as at 30 June 2020. These assets will be transferred to intangible assets once they are completed and available for use.

C1-6 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

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

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

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:

Asset Class	Years
Plant and equipment	5 to 8
Office equipment	4 to 10
Furniture & Fittings	10

Infrastructure	
Buildings	15 to 100
Other Structures	20 to 100
Roads	30 to 145
Car Parks	20 to 120
Bridges	40 to 100
Footpaths	40 to 80
Other Road Assets	25 to 130
Stormwater Drainage	0 to 100
Swimming Pools	10 to 80
Other Open Space/Recreational Assets	0 to 100
Other Infrastructure	20 to 80

Other Assets	
Library Books	5

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE 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 IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

C1-6 Infrastructure, property, plant and equipment (continued)

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

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. Where the Crown reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1.

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.

C1-7 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Software		
Opening values at 1 July		
Gross book value	3,321	3,733
Accumulated amortisation	(1,729)	(1,388)
Net book value – opening balance	1,592	2,345
Movements for the year		
Acquisitions	1,420	–
Amortisation charges	(716)	(753)
Gross book value written off	–	(412)
Accumulated amortisation charges written off	–	412
Closing values at 30 June		
Gross book value	4,742	3,321
Accumulated amortisation	(2,446)	(1,729)
Total software – net book value	2,296	1,592

Accounting policy

IT development and software

Costs incurred in developing products or systems, and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction, are capitalised to software and systems.

Costs capitalised include, external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Office and IT equipment

Leases for office and IT equipment relate to items such as photocopiers. The leases are for between 1 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

\$ '000	Office & IT Equipment	Total
2021		
Opening balance at 1 July	42	42
Additions to right-of-use assets	254	254
Depreciation charge	(66)	(66)
Balance at 30 June	230	230
2020		
Opening balance at 1 July	125	125
Depreciation charge	(83)	(83)
Balance at 30 June	42	42

(b) Lease liabilities

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Cash flows	48	182	–	230	230
2020					
Cash flows	42	–	–	42	42

(c) Income Statement

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

\$ '000	2021	2020
Interest on lease liabilities	4	3
Variable lease payments based on usage not included in the measurement of lease liabilities	3,827	4,541
Depreciation of right of use assets	66	83
	3,897	4,627

C2-1 Council as a lessee (continued)

(d) Statement of Cash Flows

\$ '000	2021	2020
Total cash outflow for leases	3,897	4,627
	3,897	4,627

(e) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land which are used for parks and open space.

The leases are generally between 2 and 20 years and require payments of a maximum amount of \$9,000 per year. The use of the right-of-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

Accounting policy

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

C2-2 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 (i) below) in the Statement of Financial Position. These leases are held on a rolling 12 month basis.

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

\$ '000	2021	2020
---------	------	------

(i) Operating lease income

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

Lease income relating to variable lease payments not dependent on an index or a rate	1,846	1,362
Total income relating to operating leases	1,846	1,362

Amount of IPPE leased out by Council under operating leases

Buildings	31,481	32,429
Total amount of IPPE leased out by Council under operating leases	31,481	32,429

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.

Council's operating leases are all short term property leases with renewal on a rolling 12 month basis.

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.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	3,066	–	3,473	–
Accrued expenses:				
– Salaries and wages	676	–	1,482	–
– Other expenditure accruals	4,949	–	6,414	–
Prepaid rates	1,020	–	918	–
Security bonds, deposits and retentions	14,581	–	15,610	–
Builders service and plan first levy payable	89	–	75	–
Other	289	–	427	–
Total payables	24,670	–	28,399	–
Total payables	24,670	–	28,399	–

Current payables not anticipated to be settled within the next twelve months

\$ '000	2021	2020
Payables – security bonds, deposits and retentions	12,583	13,443
Total payables	12,583	13,443

Accounting policy

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.

Payables

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

C3-2 Contract Liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets)	3,332	–	5,423	–
Total grants received in advance	3,332	–	5,423	–
Total contract liabilities	3,332	–	5,423	–

Accounting policy

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

C3-3 Borrowings

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Loans – secured ¹	843	1,322	719	2,165
Total borrowings	843	1,322	719	2,165

(1) Disclosures on liability interest rate exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	2,884	(719)	–	–	–	–	2,165
Lease liability (Note C2-1b)	42	(66)	254	–	–	–	230
Total liabilities from financing activities	2,926	(785)	254	–	–	–	2,395

\$ '000	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	3,869	(993)	–	–	–	8	2,884
Lease liability (Note C2-1b)	–	(83)	–	–	125	–	42
Total liabilities from financing activities	3,869	(1,076)	–	–	125	8	2,926

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
The amount of financing facilities available to Council at the reporting date is:		
Bank overdraft facilities ¹	890	890
Credit cards/purchase cards	80	80
Total financing arrangements	970	970
Drawn facilities		
– Credit cards/purchase cards	7	3
Total drawn financing arrangements	7	3
Undrawn facilities		
– Bank overdraft facilities	890	890
– Credit cards/purchase cards	73	77
Total undrawn financing arrangements	963	967

Security over loans

All loans secured over future cash flows from Councils general purpose revenues.

Leased liabilities are secured by the underlying leased assets.

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

C3-3 Borrowings (continued)

Accounting policy

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.

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.

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 borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	7,358	–	7,588	–
Sick leave	1,013	–	1,168	–
Long service leave	11,524	1,912	11,361	1,898
Gratuities	299	–	352	–
Total employee benefit provisions	20,194	1,912	20,469	1,898

\$ '000	2021	2020
Current provisions not anticipated to be settled within the next twelve months	11,810	12,868
	11,810	12,868

Accounting policy

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2021	2021	2020	2020
	Current	Non-Current	Current	Non-Current
Other provisions				
Self-insurance - workers compensation - public liability	–	5	–	10
Remediation Provision	1,851	2,753	316	3,178
Land Disposal Tax	1,904	–	1,904	–
Sub-total – other provisions	3,755	2,758	2,220	3,188
Total provisions	3,755	2,758	2,220	3,188

C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions			Net carrying amount
	Self insurance	Asset Remediation	Land Disposal Tax	
2021				
At beginning of year	10	3,494	1,904	5,408
Additional provisions	–	1,110	–	1,110
Amounts used (payments)	(5)	–	–	(5)
Total other provisions at end of year	5	4,604	1,904	6,513
2020				
At beginning of year	201	3,678	1,904	5,783
Amounts used (payments)	(191)	–	–	(191)
Remeasurement effects	–	(184)	–	(184)
Total other provisions at end of year	10	3,494	1,904	5,408

Nature and purpose of provisions

Asset remediation

Council has, as a result of past operating activities, a number of former tip sites situated within its LGA, that may require future restoration and remediation works if the contamination at any point becomes significant.

The asset remediation provision represents the present value estimate of future costs Council may incur to rehabilitate and reinstate the former tip sites. The provision for remediation also includes an estimate of future monitoring costs estimates over a reasonable number of years.

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Accounting policy

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 a borrowing cost.

Asset remediation – 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.

C3-5 Provisions (continued)

A 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.

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.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

D Council structure

D1 Interests in other entities

D1-1 Interests in joint arrangements

Net carrying amounts – Council's share

\$ '000	Nature of relationship	Place of business	Interest in ownership		2021	2020
			2021	2020		
Civic Risk Mutual (United Independent Pools)	Joint Venture	Penrith, NSW	0.0%	8.0%	–	545
Civic Risk Mutual (Metropool)	Joint Venture	Penrith, NSW	0.0%	32.0%	–	4,130
Bayside Garden Centre	Joint Venture	Kogarah, NSW	50.0%	50.0%	332	328
Total carrying amounts – material joint ventures					332	5,003

Due to a change in the operating structure of Civic Risk Mutual (United Independent Pools) and Civic Risk Mutual (Metropool) as at 1 July 2020, Council now discloses its net investment in these entities at Note C1-2 Investments in accordance with AASB 9 *Financial Instruments*.

Details

	Principal activity	Measurement method
Civic Risk Mutual (United Independent Pools)	Liability insurance & risk management	Equity method
Civic Risk Mutual (Metropool)	Liability insurance & risk management	Equity method
Bayside Garden Centre	Wholesale & retail Nursery	Equity method

Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2021	2020	2021	2020
Civic Risk Mutual (United Independent Pools)	0.0%	8.0%	0.0%	5.0%
Civic Risk Mutual (Metropool)	0.0%	32.0%	0.0%	17.0%
Bayside Garden Centre	50.0%	50.0%	50.0%	50.0%

D1-1 Interests in joint arrangements (continued)

Summarised financial information for joint ventures

\$ '000	Civic Risk Mutual (United Independent Pools)		Civic Risk Mutual (Metropool)		Bayside Garden Centre	
	2021	2020	2021	2020	2021	2020
Dividends received by Council	-	-	-	467	-	-
Statement of financial position						
Current assets						
Cash and cash equivalents	-	6,177	-	9,281	337	304
Other current assets	-	5,924	-	5,781	244	213
Non-current assets	-	5,102	-	6,711	177	144
Current liabilities						
Current financial liabilities (excluding trade and other payables and provisions)	-	5,923	-	1,762	-	-
Other current liabilities	-	489	-	1,689	87	25
Non-current liabilities						
Non-current financial liabilities (excluding trade and other payables and provisions)	-	3,635	-	5,558	-	-
Net assets	-	7,156	-	12,764	671	636
Statement of comprehensive income						
Income	-	14,474	-	1,845	1,029	1,001
Interest income	-	205	-	271	-	3
Other expenses	-	(14,468)	-	(2,405)	(925)	(877)
Profit/(loss) from continuing operations	-	211	-	(289)	104	127
Profit/(loss) for the period	-	211	-	(289)	104	127
Total comprehensive income	-	211	-	(289)	104	127
Share of income – Council (%)	0.0%	4.3%	0.0%	55.8%	50.0%	50.0%
Profit/(loss) – Council (\$)	-	9	-	(161)	52	64
Total comprehensive income – Council (\$)	-	9	-	(161)	52	64
Reconciliation of the carrying amount						
Opening net assets (1 July)	7,156	6,945	12,764	14,648	658	567
Profit/(loss) for the period	-	211	-	(289)	104	126
Dividends paid	-	-	-	-	(64)	(35)
Other adjustments to equity	(7,156)	-	(12,764)	(1,595)	(27)	-
Closing net assets	-	7,156	-	12,764	671	658
Council's share of net assets (%)	0.0%	7.6%	0.0%	32.4%	49.5%	51.6%
Council's share of net assets (\$)	-	544	-	4,136	332	340

D1-1 Interests in joint arrangements (continued)

Accounting policy

The council has determined that it has only joint ventures.

Joint ventures:

Interests in joint ventures are accounted for using the equity method in accordance with *AASB 128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	29,160	43,220	29,160	43,220
Receivables	18,549	16,229	18,549	16,229
Investments				
– Debt securities at amortised cost	408,000	378,000	408,000	378,000
Fair value through other comprehensive income				
Investments				
– Equity securities at fair value through other comprehensive income	4,189	–	4,189	–
Fair value through profit and loss				
Investments				
– Held for trading	7,051	16,157	7,051	16,157
Total financial assets	466,949	453,606	466,949	453,606
Financial liabilities				
Payables	24,670	28,399	24,670	28,399
Loans/advances	2,165	2,884	2,165	2,884
Total financial liabilities	26,835	31,283	26,835	31,283

Fair value is determined as follows:

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

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

Council's finance area manages the cash and Investments portfolio 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 financial instruments held are:

E1-1 Risks relating to financial instruments held (continued)

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

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

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
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.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	4,080	3,780
Impact of a 10% movement in price of investments		
– Equity / Income Statement	1,124	1,616

(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, other than Council has significant credit risk exposures in its local area given the nature of Council activities.

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

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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.

E1-1 Risks relating to financial instruments held (continued)

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land; 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 payment.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	61	6,892	2,316	1,799	662	11,730
2020						
Gross carrying amount	52	6,156	1,561	1,258	592	9,619

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	6,287	445	5	110	1,056	7,903
ECL provision	84	84	–	44	583	795
2020						
Gross carrying amount	4,699	659	300	235	1,910	7,803
ECL provision	–	–	–	66	860	926

E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. 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 (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Payables ¹	0.00%	14,581	9,078	–	–	23,659	23,650
Borrowings	4.29%	–	843	1,322	–	2,165	2,165
Total financial liabilities		14,581	9,921	1,322	–	25,824	25,815
2020							
Payables ¹	0.00%	15,610	11,871	–	–	27,481	27,481
Borrowings	4.31%	–	719	2,165	–	2,884	2,884
Total financial liabilities		15,610	12,590	2,165	–	30,365	30,365

Loan agreement breaches

No breaches to loan agreements have occurred during the reporting year.

(1) Excludes prepaid rates as this is not a financial liability.

E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

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

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

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

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

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

E2-1 Fair value measurement (continued)

\$ '000	Notes	Date of latest valuation 2021	Fair value measurement hierarchy						Total	
			Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2021	2020
			2021	2020	2021	2020	2021	2020	2021	2020
Recurring fair value measurements										
Financial assets										
Financial investments	C1-2									
At fair value through profit or loss – designated at fair value on initial recognition		30/06/2021	-	-	7,051	52,365	-	-	7,051	52,365
At fair value through other comprehensive income		30/06/2021	4,189	8	-	-	-	-	4,189	8
Total financial assets			4,189	8	7,051	52,365	-	-	11,240	52,373
Infrastructure, property, plant and equipment										
Work in progress	C1-6	30/06/2021	-	-	-	-	10,850	13,843	10,850	13,843
Operational land		31/03/2020	-	-	228,978	228,978	137,987	136,580	366,965	365,558
Plant and equipment		30/06/2021	-	-	-	-	12,471	14,135	12,471	14,135
Office equipment		30/06/2021	-	-	-	-	68	128	68	128
Furniture and fittings		30/06/2021	-	-	-	-	187	263	187	263
Library books		30/06/2021	-	-	-	-	1,291	1,391	1,291	1,391
Community land		01/07/2019	-	-	-	-	160,200	157,451	160,200	157,451
Land improvements		10/09/2018	-	-	-	-	1,500	1,500	1,500	1,500
Buildings		30/06/2021	-	-	-	-	170,681	173,136	170,681	173,136
Other structures		30/06/2019	-	-	-	-	4,513	8,836	4,513	8,836
Roads		30/06/2020	-	-	-	-	355,893	354,948	355,893	354,948
Car Parks		30/06/2020	-	-	-	-	9,330	9,428	9,330	9,428
Bridges		10/09/2016	-	-	-	-	7,666	7,877	7,666	7,877
Footpaths		30/06/2020	-	-	-	-	79,108	75,637	79,108	75,637
Bulk Earthworks		30/06/2020	-	-	-	-	62,342	61,823	62,342	61,823
Stormwater Drainage		01/07/2019	-	-	-	-	102,055	99,803	102,055	99,803
Swimming Pools		10/09/2016	-	-	-	-	6,233	6,327	6,233	6,327
Land under roads		01/07/2019	-	-	-	-	5,090	3,786	5,090	3,786
Other road assets		30/06/2020	-	-	-	-	20,731	18,409	20,731	18,409
Other infrastructure assets		30/06/2019	-	-	-	-	8,183	6,317	8,183	6,317
Openspace / recreation assets		30/06/2019	-	-	-	-	69,670	72,306	69,670	72,306
Total infrastructure, property, plant and equipment			-	-	228,978	228,978	1,226,049	1,223,924	1,455,027	1,452,902

E2-1 Fair value measurement (continued)

Valuation techniques

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:

Level 1 measurements

Financial assets

The Council's financial assets relates to its investments in short term deposits, held to maturity and floating rate notes linked to the relevant investment period's (mid) Bank Bill Swap rates (BBSW). Council receives indicative market valuation advice from the investment banks. The indicative valuations are based upon recent comparative market based evidence. The information included under 7(b) is considered sufficient to meet the Fair Value disclosures requirements hence additional information is not included under this note.

Level 2 measurements

Infrastructure, property, plant and equipment (IPPE) Work in Progress (IPPE)

The Work in progress relating to IPPE 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 therefore placing the IPPE WIP in Level 2.

Operational Land

The Council engages external, independent and qualified valuers to determine the fair value of the Council's Operational Land.

The fair value of Operational Land has been determined by referencing it to current prices in an active market for similar properties. Where such information is not available, current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences are considered. Appropriate adjustments are also made for the inherent features of the property such as fire-prone, flood zonings and usability of the land.

Operational land assets are categorised as Level 2 and level 3 as determined by the valuation report provided by Australis & Asset Management.

Valuation techniques remained the same for this reporting period.

Operational land was last revalued at 31 March 2020

Level 3 measurements

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

Plant & Equipment, Office Equipment, and Furniture & Fittings

This asset category includes:

Plant & Equipment – Motor Vehicles, trucks, mowers, ancillary 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

This asset category comprises of assets such as library books, journals, magazines, CDs and DVDs.

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 is based

E2-1 Fair value measurement (continued)

on internal factors which are unobservable in the market making it a level 3 asset. Valuation techniques remain the same for this reporting period.

Land Under Roads

Land Under Roads identified as roads constructed post 30/6/2008 has been valued based on Municipal Average Land Rate discounted by 90%. Council has elected to only recognise land under roads for new roads constructed after 30/6/2008.

The Council uses Local Government Area rateable land values provided by the NSW Valuer-General to determine the fair value of the Council's Land Under Roads (LUR) assets.

The urban Average Rateable Value per hectare within each Local Government Area (LGA) is adjusted by an "open spaces ratio" to approximate fair value (unimproved and pre-subdivision land).

The urban Average Rateable Value by LGA is derived from data provided by the Valuer – General. Measurement of land area in situ under roads.

This assets class is categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

Land Under Roads was last revalued at 1 July 2019

Intangible assets

Intangible assets are measured initially at cost and amortised on a systematic basis over their useful lives. After initial recognition, the Council measures an intangible asset at cost less accumulated amortisation and impairment losses. Significant unobservable inputs considered in the assessment these assets remaining useful life, pattern of consumption, technological obsolescence and thus residual value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Community Land

The Council engages the Valuer General of New South Wales to determine the fair value of the Council's Community Land.

The fair value for Community Land has been determined using an Unimproved Capital Value, derived from the Valuer General's valuation performed for rating purposes, and applying to the total area. Given the nature of Community land, comparable sales data is generally not available. As the Valuer General's valuation considers land in all zoning, average unit derived from Valuer General's valuation is considered the most practicable approach to valuing Community Land.

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

Community land was last revalued at 1 July 2019.

Infrastructure assets

The Council engages external, independent and qualified valuers to determine the fair value of the Council's Infrastructure assets. Infrastructure assets were last revalued by independent valuers on dates as specified below.

Generally the nature of infrastructure assets requires that they are valued by gross replacement value using the application of unit rates. Unit rates are developed by summing each component which goes into producing a unit (be it metres, square metres, tonnes, etc) of an asset. The major components of any asset are the raw materials, plant, labour and indirect costs (overheads). These unit costs are then applied to known measurements of the assets to produce a replacement cost, which is then depreciated to estimate the Fair Value.

The raw cost of material, as well as plant and labour hire rates, are established either through communicating directly with suppliers and obtaining quoted prices, by using cost guides such as the Rawlinsons' Construction Handbook and through reviewing contract quotes and prices obtained by Council. Overheads are estimated using industry standards.

Useful lives are a measure of the estimated time an asset or asset component is expected to be available for use by an entity. It should be noted that in reality, no two assets provide the same useful life due to varying usage, levels of service requirements and obsolescence factors.

E2-1 Fair value measurement (continued)

Our useful lives are determined based on guidance from the Institute of Public Works Engineering Australia's (IPWEA) practice note 12. The useful lives used in this valuation have been tailored to the entity based on our assessment of the specific assets in question.

The remaining lives used in the depreciation calculations are estimated using three different methods depending on the available data:

- Condition;
- Known Age; and
- Estimated Age.

Ideally, where both the condition and age of the asset are known, these two inputs are used in conjunction to determine the appropriate level of accumulated depreciation. If the asset is determined to be in an "average" condition for its age, the calculation reverts to the construction year. However if the asset is found to be in better or worse condition for its age, the remaining life is adjusted accordingly.

Where only condition of the asset is known from the Council's / Valuer's inspection or where detailed condition reports have been prepared, the remaining life is dependent on the recorded condition, using a sliding scale. Where detailed condition is not available the remaining life is estimated using the current age of the assets, adjusted for obsolescence.

Where neither the condition nor the age are known, assumptions are made as the age and condition of the assets in collaboration with Council staff, in order to obtain a current replacement cost which reasonably reflects the value of the asset.

Roads, Other Road Assets & Footpaths

Road assets are assets with the primary function of enabling transportation of vehicles. The asset register system adopted has a hierarchical structure in which all Roads are identified by name and number. Each road is then subdivided into a number of segments based on length, geometry and change of structure or traffic. Some roads may have only one segment. Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system). The components located within the road segment are as follows.

- Road Surface (surface)
- Road pavement structure (pavement)
- Road bulk earthworks (bulk earthworks)
- Kerb and gutter

Other Road Assets are assets supporting the primary road function, which includes:

- Bus shelters
- Centre Medians
- Crash Barriers
- Pedestrian Refuges
- Retaining Walls-Roads
- Roundabouts
- Speed Humps and Thresholds
- Street Furniture
- Street Lighting
- Traffic Calming Devices
- Traffic Islands
- Traffic Management Devices

Other Road Assets may be lineal features, area features or point features. Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system).

Footpaths include pathways that used by pedestrians and cyclists, as pedestrian only paths, cyclist only paths or shared paths. Footpaths are categorised by material. Footpaths are not componentised. Measurement is derived from spatial modelling of the assets in Council's GIS (Geographical information system).

The valuation of Roads, Other Road Assets and Footpaths using a gross replacement value was conducted by AssetVal as at 30 June 2020. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, and depreciated value.

These asset classes are categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

E2-1 Fair value measurement (continued)

Bridges

Bridges were last revalued by APV Valuers & Asset Management on 10 September 2016.

Bridges include road bridges, foot bridges and also large road culverts. A road culvert is determined to be a bridge if the culvert supports a road and the length of the culvert is 6 metres or greater, measured along the centre line of the carriageway.

Bridges are valued using condition and age based methodology.

Stormwater Drainage

The stormwater drainage network comprises the following types of assets:

- Stormwater pipes
- Stormwater channels – earth lined
- Stormwater channels – concrete lined
- Stormwater pits
- Gross pollutant traps (GPTs), and stormwater quality improvement devices (SQIDs)
- Flood management devices

Measurement is derived from spatial modelling of the assets in Council's GIS (geographical information system).

The valuation of Stormwater Drainage using a gross replacement value was conducted by AssetVal as at 1 July 2019. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, and depreciated value.

This assets class is categorised as Level 3 as some of the inputs mentioned above require significant professional judgement and are therefore unobservable.

Buildings

The Council engages external, independent and qualified valuers to determine the fair value of the Council's buildings. Buildings were last revalued on 30 June 2021 and the fair values were determined by Australis Asset Advisory Group.

Gross Value of each building, which is obtained by applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. 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. The key unobservable input being the rate square metre has been benchmarked to construction costs of similar properties across the industry.

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.

Further details relating to the rate per square metre has been provided below.

Open Space/Recreation Assets

Open space and recreational infrastructure assets are those that enables recreational, leisure and sporting opportunities at parks, reserves or sportsgrounds. This is a broad category and includes most infrastructure located in parks, reserves, sportsgrounds and sports facilities such as barbeques, barbeque shelters, bins, lighting, irrigation, electrical equipment, park furniture, park fixtures, retaining walls, landscape edging, bollards, fencing, signs, public art, playground equipment, fitness facilities, sports tracks, fields and courts.

The valuation of Open Space/Recreation Assets using a gross replacement value was conducted by Rapid Maps as at 30 June 2019. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, remaining useful life, and depreciated value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

E2-1 Fair value measurement (continued)

Other Structures

Other Structures are those large and significant structures and shelters greater than 30m² but not those already included within the Buildings Class.

The valuation of Other Structures using a gross replacement value was conducted by Rapid Maps as at 30 June 2019. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, remaining useful life, and depreciated value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Other Infrastructure Assets

Other Infrastructure assets include jetties, boat ramps, sea walls, viewing decks, boardwalks and retaining wall within Parks and Reserves.

The valuation of Other Infrastructure Assets using a gross replacement value was conducted by Rapid Maps as at 30 June 2019. Significant unobservable inputs considered in the valuation of these assets are gross replacement value based on an appropriate unit rate, effective useful life, remaining useful life, and depreciated value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Swimming Pools

Assets within this class are comprised of swimming pools and associated structures.

The valuation of the swimming pools using cost approach was conducted by APV Valuers and Asset Management on 10 September 2016. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Library books	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	14,135	14,692	128	360	263	345	1,391	1,364
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	130	–	(1)	–	–	–	–	–
Purchases (GBV)	2,026	3,528	7	–	–	11	441	578
Disposals (WDV)	(643)	(924)	–	–	–	–	–	–
Depreciation and impairment	(3,177)	(3,161)	(66)	(232)	(76)	(93)	(541)	(551)
Closing balance	12,471	14,135	68	128	187	263	1,291	1,391

\$ '000	Community Land		Land Improve-ments		Buildings		Other assets and other infrastructure	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	157,451	160,764	1,500	1,108	173,135	172,912	6,317	2,965
Total gains or losses for the period								
Recognised in profit or loss – revaluation decrement	–	–	–	–	(10,907)	–	–	–
Recognised in other comprehensive income – revaluation surplus	–	9,759	–	–	–	–	–	–
Other movements								
Transfers from/(to) another asset class	(1)	(15,392)	–	–	6,861	(2,093)	2,001	3,351
Purchases (GBV)	2,750	2,320	–	392	9,542	7,144	77	95
Disposals (WDV)	–	–	–	–	(3,554)	(206)	–	–
Depreciation and impairment	–	–	–	–	(4,396)	(4,622)	(212)	(94)
Closing balance	160,200	157,451	1,500	1,500	170,681	173,135	8,183	6,317

E2-1 Fair value measurement (continued)

\$ '000	Other structures		Roads and other road assets		Bridges		Footpaths	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	8,835	8,273	382,785	364,701	7,877	7,835	75,637	59,473
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	–	21,940	–	–	–	13,948
Other movements								
Transfers from/(to) another asset class	(4,264)	(96)	2,495	2	(115)	–	715	–
Purchases (GBV)	103	913	10,356	3,685	–	155	5,219	3,662
Disposals (WDV)	–	–	(45)	–	–	–	(11)	–
Depreciation and impairment	(161)	(255)	(9,637)	(7,543)	(96)	(113)	(2,452)	(1,446)
Closing balance	4,513	8,835	385,954	382,785	7,666	7,877	79,108	75,637

\$ '000	Bulk earthworks and land under roads		Stormwater drainage		Open space recreational assets		Swimming pools	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	65,608	65,819	99,802	101,122	72,307	66,464	6,327	6,307
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	(574)	–	–	–	–	–	–
Other movements								
Transfers from/(to) another asset class	127	–	2,366	–	(319)	(1,270)	–	106
Purchases (GBV)	1,697	363	1,631	316	3,786	12,005	–	–
Disposals (WDV)	–	–	(45)	–	(773)	–	–	–
Depreciation and impairment	–	–	(1,699)	(1,636)	(5,331)	(4,892)	(94)	(86)
Closing balance	67,432	65,608	102,055	99,802	69,670	72,307	6,233	6,327

E2-1 Fair value measurement (continued)

\$ '000	Total	
	2021	2020
Opening balance	1,073,498	1,034,504
Recognised in profit or loss – revaluation decrement	(10,907)	–
Recognised in other comprehensive income – revaluation surplus	–	45,073
Transfers from/(to) another asset class	9,995	(15,392)
Purchases (GBV)	37,635	35,167
Disposals (WDV)	(5,071)	(1,130)
Depreciation and impairment	(27,938)	(24,724)
Closing balance	1,077,212	1,073,498

Highest and best use

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

Per LGA 1993, Sect 35, Community land is required to be used and managed in accordance with the plan of management applying to the land and any law permitting the use of the land for a specified purpose or otherwise regulating the use of the land. The fair value of community land is therefore determined using an Unimproved Capital Value derived from the Valuer General's valuation performed for rating purposes.

E3-1 Contingencies

LIABILITIES NOT RECOGNISED

(i) Defined benefit 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; and
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer;

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

Description of the funding arrangements.

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

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

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

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

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

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

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

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

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

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 2021 was \$870,610. The last valuation of the Scheme was performed by Mr Richard Boyfield (FIAA) on 30 June 2020, and covers the period ended 30 June 2021.

The amount of additional contributions included in the total employer contribution advised above is \$563,400. Council's expected contribution to the plan for the next annual reporting period is \$860,806.

The estimated employer reserves financial position for the pooled employees at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

E3-1 Contingencies (continued)

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

The share of this surplus that is broadly attributed to Council is estimated to be in the order of \$2,466,090 as at 30 June 2021.

Council's share of that surplus 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 asset for the surplus has been recognised in Council's accounts.

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) CivicRisk Metro (Formerly Metro Pool)

Council is a member of CivicRisk Metro, a joint venture of seven local councils in New South Wales.

It was established in 1990 to allow sharing of public liability and professional indemnity risks of its member councils.

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

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

(iii) CivicRisk Mutual (Formerly United Independent Pools (UIP))

Council is a member of CivicRisk Mutual, a joint venture, incorporated in July 2005 by CivicRisk West (formerly West Pool) and CivicRisk Metro (formerly Metro Pool).

CivicRisk Mutual "pools" the Industrial Special Risk, commercial motor property damage, Councillors', Directors' and Officers'/Statutory Liability and Fidelity Guarantee/Crime/Cyber risks of its 17 member Councils. It also undertakes various other activities, including running risk management forums and the bulk purchase of certain other insurances.

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

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

(iv) 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.

(v) Other guarantees

Council has a bank guarantee of \$453k related to its discontinued Airport Business Unit and is seeking its release.

E3-1 Contingencies (continued)

Other liabilities

(i) Remediation

The Council as part of past Council operations may have remediation liabilities. While some provision has been made in the accounts for this, there is the potential for further exposure to losses not already provided for.

(ii) Third party claims

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

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

(iii) S94 Plans

Council levies section 94/94A contributions upon various development across the Council area through the required contribution plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

(iv) 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.

(v) ICAC investigation Operation Ricco

ICAC's investigation of allegations of fraud and corruption identified significant weaknesses in the former City of Botany Bay Council's internal controls. The systematic nature of the breakdown in governance may result in liabilities relating to past decisions or actions which are unknown at reporting date.

There is also potential future expenses relating to the legal recovery actions which may not be fully recoverable.

(vi) Property sale tax liability

The Council as part of past transactions may have tax liabilities that arise from prior periods. While some provision has been made in the accounts for this, there is the potential for further exposure to losses not already provided for.

E3-1 Contingencies (continued)

ASSETS NOT RECOGNISED

(i) Legal recoveries of fraud

Legal recovery actions are being progressed against persons for recovery of monies identified by the ICAC Operation Ricco and by Council as fraud against the former City of Botany Bay Council. Outcomes cannot be reliably measured at time of reporting resulting in a contingent asset relating to legal recoveries and insurance settlements.

(ii) Legal actions

Council has provided for some legal settlements, but is currently defending these legal claims which are potential contingent assets if successful.

(iii) 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.

(iv) 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.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	2,248	2,227
Post-employment benefits	189	206
Other long-term benefits	50	49
Total	2,487	2,482

Other transactions with KMP and their related parties

Council has determined that no transactions between KMP (or their related parties) and Council have occurred during the reporting period.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	89	69
Councillors' fees	470	389
Other Councillors' expenses (including Mayor)	39	45
Total	598	503

F2 Other relationships

F2-1 Audit fees

\$ '000	2021	2020
(i) Audit and other assurance services: Auditors of Council - NSW Auditor General		
Audit and review of financial statements	385	450
Total fees paid or payable to the Auditor-General	385	450
(ii) Other non-assurance services: Other firms		
Internal audits and other reviews (other firms)	79	133
Total fee paid or payable for non-assurance services	79	133
Total audit fees	464	583

G Other matters

G1-1 Statement of Cash Flows information

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

\$ '000	2021	2020
Net operating result from Income Statement	18,479	47,544
Adjust for non-cash items:		
Depreciation, amortisation and impairment	28,722	25,559
Net losses/(gains) on disposal of assets	3,925	(1,575)
Non-cash contributions and dedications	(5,835)	(6,729)
Adoption of AASB 15/1058	–	(8,541)
Decrements/(reversal of previous revaluation decrements) from revaluations		
– Investments classified as ‘at fair value’ or ‘held for trading’	99	251
– Revaluation decrements / impairments of IPP&E direct to P&L	10,907	–
Amortisation of premiums, discounts and prior period fair valuations		
– Interest exp. on interest-free loans received by Council (previously fair valued)	–	8
Share of net (profits) or losses of associates/joint ventures using the equity method	(4)	117
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(2,212)	(367)
Increase/(decrease) in provision for impairment of receivables	(108)	41
Decrease/(increase) in inventories	(162)	(23)
Decrease/(increase) in other assets	(628)	(285)
Increase/(decrease) in payables	(407)	1,098
Increase/(decrease) in other accrued expenses payable	(2,271)	635
Increase/(decrease) in other liabilities	(1,051)	(952)
Increase/(decrease) in contract liabilities	(2,091)	5,423
Increase/(decrease) in employee benefits	(261)	(993)
Increase/(decrease) in other provisions	1,105	(375)
Work-in-progress expensed	1,040	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	49,247	60,836

(b) Non-cash investing and financing activities

Other dedications	5,835	6,729
Total non-cash investing and financing activities	5,835	6,729

Refer to Note C2 for information on acquisition of assets under leases.

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date, but not recognised in the financial statements are payable as follows:		
Property, plant and equipment		
Buildings	3,372	10,431
Plant and equipment	-	721
Road infrastructure	17,107	3,573
Infrastructure Works	13,485	19,460
Information Management	-	1,393
Other	-	25
Total	33,964	35,603

Details of capital commitments

Capital commitments are based upon the completion of Council's capital works program which has commenced.

G3 Statement of developer contributions as at 30 June 2021

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Drainage	21,889	285	–	159	(2,080)	–	20,253	–
Roads	12,623	100	–	91	(2,970)	–	9,844	–
Traffic facilities	39,811	51	–	289	(670)	–	39,481	–
Parking	1,174	–	–	9	–	–	1,183	–
Open space	91,202	2,488	–	664	(1,329)	–	93,025	–
Community facilities	53,937	3,197	–	395	(2,076)	–	55,453	–
Other	51,569	1,358	–	355	(2,523)	–	50,759	–
S7.11 contributions – under a plan	272,205	7,479	–	1,962	(11,648)	–	269,998	–
S7.12 levies – under a plan	14,334	912	–	104	–	–	15,350	–
Total S7.11 and S7.12 revenue under plans	286,539	8,391	–	2,066	(11,648)	–	285,348	–
S7.11 not under plans	15	–	–	–	–	–	15	–
S7.4 planning agreements	13,793	1,160	8,654	101	(1,069)	–	13,985	–
Total contributions	300,347	9,551	8,654	2,167	(12,717)	–	299,348	–

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN - S94 CITY WIDE PLAN (former Botany)								
Drainage	6,249	-	-	46	-	-	6,295	-
Traffic facilities	38,255	-	-	279	-	-	38,534	-
Open space	33,117	-	-	242	-	-	33,359	-
Community facilities	11,914	-	-	87	-	-	12,001	-
Other	11,467	915	-	84	-	-	12,466	-
Total	101,002	915	-	738	-	-	102,655	-
CONTRIBUTION PLAN - MASCOT PRECINCT (former Botany)								
Other	34,892	17	-	233	-	-	35,142	-
Total	34,892	17	-	233	-	-	35,142	-
CONTRIBUTION PLAN S94 PLAN 2016-2031 (former Botany)								
Traffic facilities	1,556	51	-	10	(670)	-	947	-
Open space	31,506	1,201	-	229	(890)	-	32,046	-
Community facilities	2,675	1,324	-	20	(1,735)	-	2,284	-
Other	701	241	-	5	(584)	-	363	-
Total	36,438	2,817	-	264	(3,879)	-	35,640	-
Rockdale Contributions Plan 2016 - Urban Renewal Area (Former Rockdale City Council)								
Drainage	11,608	119	-	85	(1,206)	-	10,606	-
Roads	12,623	100	-	91	(2,970)	-	9,844	-
Community facilities	34,757	1,745	-	255	-	-	36,757	-
Other	646	-	-	5	(318)	-	333	-
Total	59,634	1,964	-	436	(4,494)	-	57,540	-

G3-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Rockdale S94 Contributions Plan 2004 (Former Rockdale City Council)								
Drainage	4,032	166	–	28	(874)	–	3,352	–
Parking	1,174	–	–	9	–	–	1,183	–
Open space	26,579	1,287	–	193	(439)	–	27,620	–
Community facilities	4,591	128	–	33	(341)	–	4,411	–
Other	1,943	83	–	14	(1,621)	–	419	–
Total	38,319	1,664	–	277	(3,275)	–	36,985	–
Ramsgate Commercial Centre Development Contributions Plan 2006 (Former Rockdale City Council)								
Other	1,920	102	–	14	–	–	2,036	–
Total	1,920	102	–	14	–	–	2,036	–
 S7.12 Levies – under a plan								
S7.12 Levies								
S94A Levies	14,334	912	–	104	–	–	15,350	–
Total	14,334	912	–	104	–	–	15,350	–

G3-3 Contributions not under plans

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
(Former Rockdale City Council)								
Inter-allotment Drainage	15	-	-	-	-	-	15	-
Total	15	-	-	-	-	-	15	-

G3-4 S7.4 planning agreements

S7.4 planning agreements

Other	13,793	1,160	8,654	101	(1,069)	-	13,985	-
Total	13,793	1,160	8,654	101	(1,069)	-	13,985	-

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(952)	(0.55)%	2.39%	4.52%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	172,528				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	160,706	77.71%	75.00%	78.08%	> 60.00%
Total continuing operating revenue ¹	206,808				
3. Unrestricted current ratio					
Current assets less all external restrictions	93,011	3.36x	3.62x	4.12x	> 1.50x
Current liabilities less specific purpose liabilities	27,704				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	27,897	30.59x	23.83x	25.68x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	912				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	11,441	8.30%	7.02%	6.57%	< 5.00%
Rates and annual charges collectable	137,868				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	437,160	33.09	32.23	29.26	> 3.00
Monthly payments from cash flow of operating and financing activities	13,212	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



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Bayside Council

To the Councillors of the Bayside Council

Opinion

I have audited the accompanying financial statements of Bayside 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 2021, the Statement of Financial Position as at 30 June 2021, 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 2021, 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 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the 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 B1-5 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.



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

22 October 2021
SYDNEY



Bill Saravinovski
Mayor
Bayside Council
PO BOX 21
ROCKDALE NSW 2216

Contact: Karen Taylor
Phone no: 9275 7311
Our ref: D2119967/1689

22 October 2021

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2021
Bayside Council**

I have audited the general purpose financial statements (GPFS) of the Bayside Council (the Council) for the year ended 30 June 2021 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 2021 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

System implementation and data migration process requires improvement

During the 2020–21, the Council implemented a new financial system. We assessed management's project governance over the project and inspected key controls, and identified deficiencies including:

- lack of formal tracking of data migration progress and issues identified
- documentation of data migration testing lacked detail
- no evidence that user access rights were validated prior to system go live
- lack of segregation of duties due to privileged access rights to the new system.

INCOME STATEMENT

Operating result

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	128.2	124.3	 3.1
Grants and contributions revenue	46.1	53.8	 14.3
Operating result from continuing operations	18.5	47.5	 61.1
Net operating result before capital grants and contributions	(15.8)	5.2	 403.8

Rates and annual charges revenue (\$128.2 million) increased by \$3.9 million (3.1 per cent) in 2020–21 due primarily to \$1.5 million increase in annual charges revenue and the rate peg of 2.6 per cent.

Grants and contributions revenue (\$46.1 million) decreased by \$7.7 million (14.3 per cent) in 2020–21 due primarily to:

- \$2.5 million increase in capital grants and contributions received during the year
- offset by \$10.5 million decrease in developer contributions received during the year.

The Council's operating result from continuing operations (\$18.5 million including depreciation and amortisation expense of \$28.7 million) was \$29.0 million lower than the 2019–20 result. This was mainly due to:

- \$3.2 million increase in depreciation and amortisation
- \$7.7 million decrease in grants and contributions revenue
- \$4.1 million decrease in interest and investment income
- \$10.9 million fair value decrement for revaluation of buildings
- \$3.9 million net losses from the disposal of assets.

The net operating result before capital grants and contributions (loss of \$15.8 million) was \$21.0 million lower than the 2019–20 result.

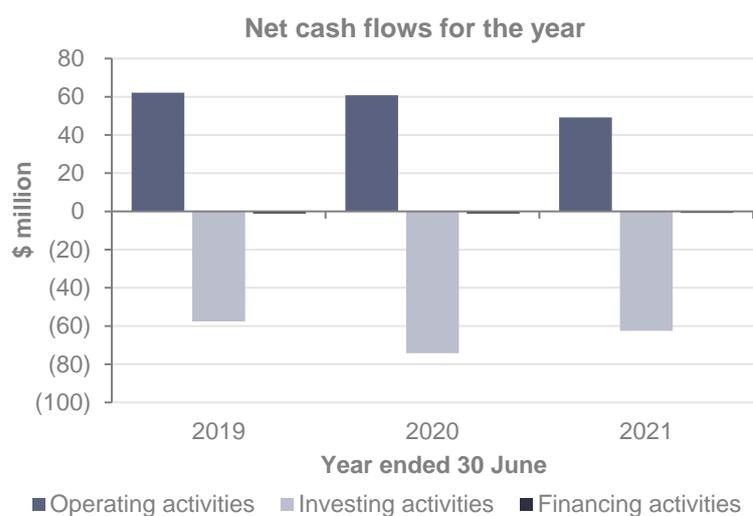
STATEMENT OF CASH FLOWS

Cash balances have declined due to receiving less:

- investment and interest revenue
- grants and contributions.

Net cash from operating activities and cash used in investing activities both decreased by \$11.6 million in the current year.

Net cash used in financing activities remained static.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	448.4	437.4	Externally restricted balances include developer contributions, special rate levies and domestic waste management charges.
Restricted cash and investments:			
• External restrictions	368.8	362.6	Balances are internally restricted due to Council policy or decisions for forward plans including capital works program.
• Internal restrictions	71.9	74.0	

Debt

At 30 June 2021, Council had:

- \$2.2 million in secured loans (\$2.9 million in 2019–20)
- \$0.9 million approved bank overdraft with nil drawn down.

PERFORMANCE

Performance measures

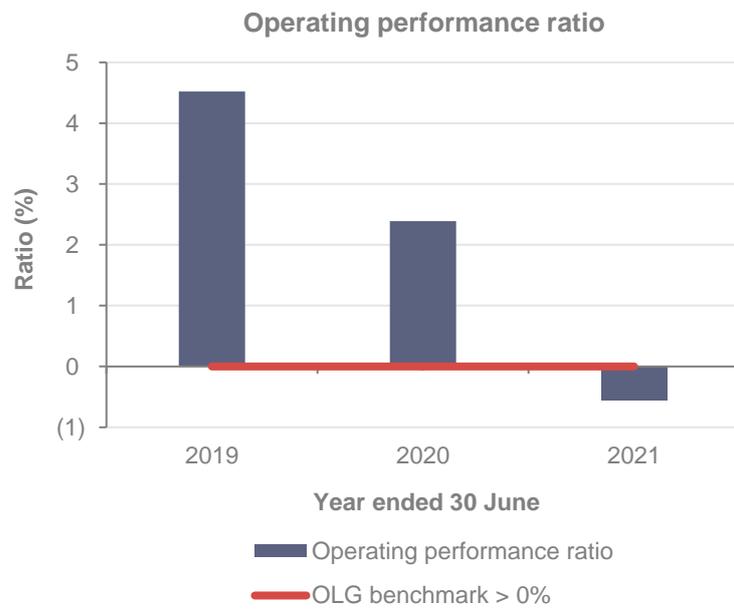
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

Council has not met this benchmark for 2020–21. The decrease is mainly due to:

- \$4.1 million decrease in interest and investment income
- \$3.2 million increase in depreciation.

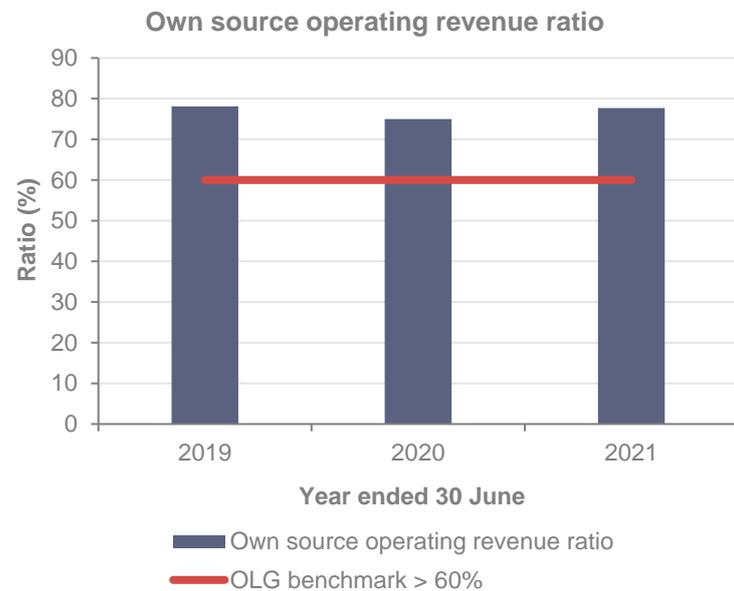
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

Council continued to exceed the benchmark for the current year.

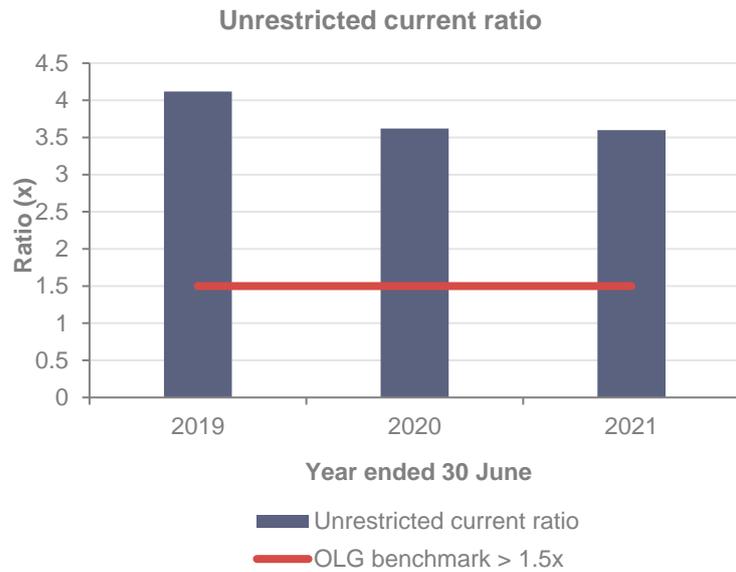
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council continued to exceed the benchmark for the current year.

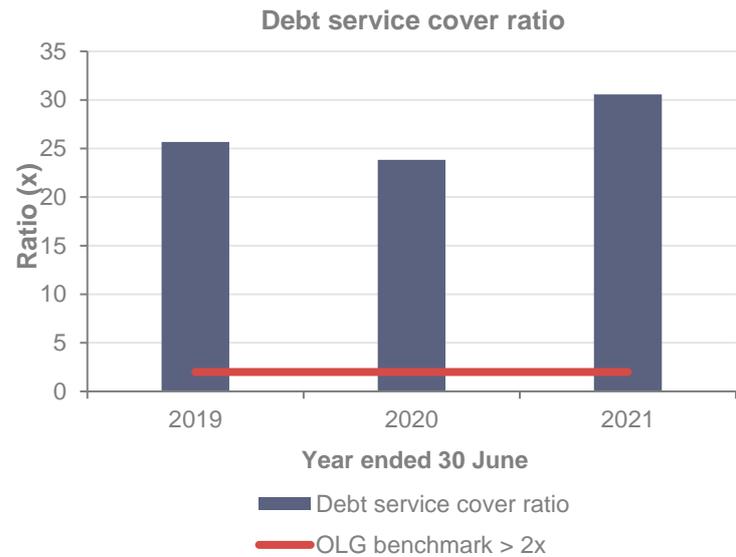
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

Council continued to exceed the benchmark due to repaying borrowings to reduce the outstanding balance.

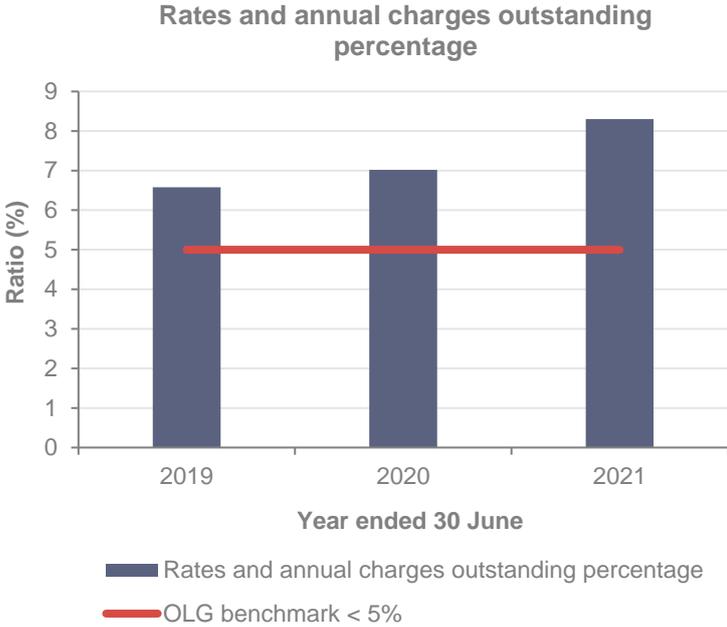
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

Council is not meeting this benchmark. The increase is due to reduced collectability, due to the ongoing impacts of COVID-19 on the community.

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 5 per cent for metropolitan councils.



Cash expense cover ratio

Council continues to exceed the benchmark. The increase in ratio is due to increase in cash and current investments to \$448.4 million at 30 June 2021 (\$437.4 million at 30 June 2020).

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.



Infrastructure, property, plant and equipment renewals

Council's performance is as follows:

- asset renewals were \$26.5 million in 2020–21 (\$22.7 million in 2019–20), with \$6.6 million on road renewals
- new assets during the 2020–21, \$21.7 million (\$35.2 million in 2019–20) included \$6.1 million for buildings and \$2.9 million on footpaths.

OTHER MATTERS

Impact of new accounting standards

The Council assessed the impact of adopting AASB 1059 Service Concession Arrangements and determined that it did not have any arrangements in place that fell within the scope of the new Standard.

Legislative compliance

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

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



Karen Taylor
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Bayside Council

SPECIAL SCHEDULES
for the year ended 30 June 2021



Serving Our Community

Bayside Council

Special Schedules

for the year ended 30 June 2021

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Bayside Council

Permissible income for general rates

\$ '000	Notes	2020/21 Former Rockdale City Council	2020/21 Former Botany City Council	2020/21 Bayside Council	2021/22 Bayside Council
Notional general income calculation ¹					
Last year notional general income yield	a	60,157	30,912	91,069	94,139
Plus or minus adjustments ²	b	748	63	811	695
Notional general income	c = a + b	60,905	30,975	91,880	94,834
Permissible income calculation					
Or rate peg percentage	e	2.60%	2.60%		2.00%
Or plus rate peg amount	i = e x (c + g)	1,584	805	2,389	1,897
Sub-total	k = (c + g + h + i + j)	62,489	31,780	94,269	96,731
Plus (or minus) last year's carry forward total	l	(29)	15	(14)	70
Less valuation objections claimed in the previous year	m	-	(32)	(32)	-
Sub-total	n = (l + m)	(29)	(17)	(46)	70
Total permissible income	o = k + n	62,460	31,763	94,223	96,801
Less notional general income yield	p	62,435	31,704	94,139	96,787
Catch-up or (excess) result	q = o - p	25	60	85	13
Less unused catch-up ⁵	s	-	(15)	(15)	-
Carry forward to next year ⁶	t = q + r + s	25	45	70	13

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.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Bayside Council

To the Councillors of Bayside Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Bayside Council (the Council) for the year ending 30 June 2022.

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 2020–21 (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 2021 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 and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

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.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Karen Taylor

Delegate of the Auditor-General for New South Wales

22 October 2021

SYDNEY

Bayside Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance ^a \$ '000	2020/21 Actual maintenance \$ '000			1	2	3	4	5
Buildings	Buildings	12,568	38,232	4,895	6,096	170,681	270,420	27.0%	22.0%	37.0%	11.0%	3.0%
	Sub-total	12,568	38,232	4,895	6,096	170,681	270,420	27.0%	22.0%	37.0%	11.0%	3.0%
Other structures	Other structures	132	444	237	–	4,513	6,681	29.0%	33.0%	31.0%	6.0%	1.0%
	Sub-total	132	444	237	–	4,513	6,681	29.0%	33.0%	31.0%	6.0%	1.0%
Roads	Sealed roads	701	1,600	5,226	4,157	355,893	507,380	28.0%	37.0%	35.0%	0.0%	0.0%
	Bridges	15	68	50	–	7,666	9,281	49.0%	50.0%	0.0%	1.0%	0.0%
	Footpaths	2,236	9,772	2,846	1,682	79,108	142,300	8.0%	18.0%	67.0%	7.0%	0.0%
	Other road assets (incl bulk earthworks)	894	2,862	516	8	92,403	112,475	62.0%	11.0%	25.0%	2.0%	0.0%
	Sub-total	3,846	14,302	8,638	5,847	525,740	771,436	29.5%	29.9%	39.0%	1.6%	0.0%
Stormwater drainage	Stormwater drainage	1,189	2,841	767	983	102,055	166,705	6.0%	32.0%	60.0%	1.0%	1.0%
	Sub-total	1,189	2,841	767	983	102,055	166,705	6.0%	32.0%	60.0%	1.0%	1.0%
Open space / recreational assets	Swimming pools	–	–	138	262	6,233	6,988	25.0%	75.0%	0.0%	0.0%	0.0%
	Other	1,973	6,074	5,885	3,697	69,670	104,351	35.0%	42.0%	17.0%	5.0%	1.0%
	Sub-total	1,973	6,074	6,023	3,959	75,903	111,339	34.4%	44.1%	15.9%	4.7%	0.9%
Other infrastructure assets	Other	587	2,113	182	–	8,183	13,973	13.0%	32.0%	40.0%	13.0%	2.0%
	Sub-total	587	2,113	182	–	8,183	13,973	13.0%	32.0%	40.0%	13.0%	2.0%
Total – all assets		20,295	64,006	20,742	16,885	887,075	1,340,554	26.3%	29.8%	39.3%	3.8%	0.8%

(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

Bayside Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	14,920	42.65%	35.91%	86.62%	>= 100.00%
Depreciation, amortisation and impairment	34,986				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	20,295	2.26%	1.47%	1.51%	< 2.00%
Net carrying amount of infrastructure assets	897,925				
Asset maintenance ratio					
Actual asset maintenance	16,885	81.40%	96.87%	95.35%	> 100.00%
Required asset maintenance	20,742				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	64,006	4.77%	3.81%	5.45%	
Gross replacement cost	1,340,554				

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

(1) 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.



Bayside Council

Serving Our Community

Bayside Customer Service Centres

Rockdale Library, 444-446 Princes Highway, Rockdale
Westfield Eastgardens, 152 Bunnerong Road, Eastgardens
Monday to Friday 8:30am – 4:30pm, Saturday 9am – 12pm

Phone **1300 581 299 | 9562 1666**

Email **council@bayside.nsw.gov.au**

Web **www.bayside.nsw.gov.au**