

Fairfield City Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023

"...a thriving, safe and friendly place with people who support and respect each other. A community where people can be proud to live, invest and prosper."



Fairfield City Council

General Purpose Financial Statements

for the year ended 30 June 2023

Contents	Page
Statement by Councillors and Management	3
Primary Financial Statements:	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	87
On the Financial Statements (Sect 417 [3])	91

Overview

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

86 Avoca Road
WAKELEY NSW 2176

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.fairfieldcity.nsw.gov.au.

Fairfield City Council

General Purpose Financial Statements

for the year ended 30 June 2023

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

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

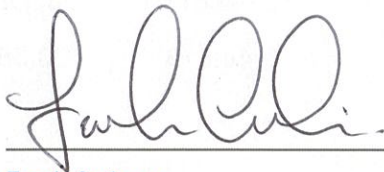
- the *Local Government Act 1993* (NSW) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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 24 October 2023.



Frank Carbone
Mayor
24 October 2023



Charbel Saliba
Councillor
24 October 2023



Bradley Cutts
General Manager
24 October 2023



Lachlan Gunn
Responsible Accounting Officer
24 October 2023

Fairfield City Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		40,813	33,580
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	<u>137,003</u>	<u>157,779</u>
Total items which will not be reclassified subsequently to the operating result		137,003	157,779
Total other comprehensive income for the year		<u>137,003</u>	<u>157,779</u>
Total comprehensive income for the year attributable to Council		<u>177,816</u>	<u>191,359</u>

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

Fairfield City Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	54,778	74,926
Investments	C1-2	66,230	50,526
Receivables	C1-4	14,180	11,438
Inventories	C1-5	609	766
Other	C1-9	1,049	3,213
Total current assets		136,846	140,869
Non-current assets			
Investments	C1-2	45,828	35,650
Infrastructure, property, plant and equipment (IPPE)	C1-6	2,536,672	2,366,554
Investment properties	C1-7	19,900	18,971
Intangible assets	C1-8	774	676
Right of use assets	C2-1	612	860
Total non-current assets		2,603,786	2,422,711
Total assets		2,740,632	2,563,580
LIABILITIES			
Current liabilities			
Payables	C3-1	30,549	30,930
Contract liabilities	C3-2	4,701	4,159
Lease liabilities	C2-1	326	377
Borrowings	C3-3	949	965
Employee benefit provisions	C3-4	17,327	17,626
Provisions	C3-5	880	1,043
Total current liabilities		54,732	55,100
Non-current liabilities			
Lease liabilities	C2-1	228	428
Borrowings	C3-3	6,659	7,609
Employee benefit provisions	C3-4	1,049	506
Provisions	C3-5	2,706	2,495
Total non-current liabilities		10,642	11,038
Total liabilities		65,374	66,138
Net assets		2,675,258	2,497,442
EQUITY			
Accumulated surplus	C4-1	988,342	947,529
IPPE revaluation reserve	C4-1	1,686,916	1,549,913
Total equity		2,675,258	2,497,442

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

Fairfield City Council

Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		947,529	1,549,913	2,497,442	913,949	1,392,134	2,306,083
Net operating result for the year		40,813	-	40,813	33,580	-	33,580
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	-	137,003	137,003	-	157,779	157,779
Total other comprehensive income		-	137,003	137,003	-	157,779	157,779
Total comprehensive income		40,813	137,003	177,816	33,580	157,779	191,359
Closing balance at 30 June		988,342	1,686,916	2,675,258	947,529	1,549,913	2,497,442

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

Fairfield City Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
121,839	Rates and annual charges		124,615	120,459
23,148	User charges and fees		21,710	15,220
1,947	Interest received		4,600	1,247
33,021	Grants and contributions		52,107	47,929
22,995	Other		21,028	34,712
<i>Payments:</i>				
(82,219)	Payments to employees		(82,407)	(76,475)
(46,326)	Payments for materials and services		(51,302)	(37,332)
(250)	Borrowing costs		(180)	(127)
–	Bonds, deposits and retentions refunded		(111)	(245)
(20,058)	Other		(15,397)	(23,159)
54,097	Net cash flows from operating activities	G1-1	74,663	82,229
Cash flows from investing activities				
<i>Receipts:</i>				
425	Proceeds from sale of IPPE		4,919	675
<i>Payments:</i>				
(500)	Purchase of investments		(24,519)	(4,300)
–	Purchase of investment property		–	(7)
(60,269)	Payments for IPPE		(73,400)	(57,210)
–	Purchase of intangible assets		(211)	(685)
(60,344)	Net cash flows from investing activities		(93,211)	(61,527)
Cash flows from financing activities				
<i>Payments:</i>				
(1,639)	Repayment of borrowings		(966)	(953)
–	Principal component of lease payments		(634)	(658)
(1,639)	Net cash flows from financing activities		(1,600)	(1,611)
(7,886)	Net change in cash and cash equivalents		(20,148)	19,091
59,215	Cash and cash equivalents at beginning of year		74,926	55,835
51,329	Cash and cash equivalents at end of year	C1-1	54,778	74,926
82,376	plus: Investments on hand at end of year	C1-2	112,058	86,176
133,705	Total cash, cash equivalents and investments		166,836	161,102

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

Fairfield City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

A About Council and these financial statements	11
A1-1 Basis of preparation	11
B Financial Performance	15
B1 Functions or activities	15
B1-1 Functions or activities – income, expenses and assets	15
B1-2 Components of functions or activities	17
B2 Sources of income	21
B2-1 Rates and annual charges	21
B2-2 User charges and fees	22
B2-3 Other revenues	23
B2-4 Grants and contributions	24
B2-5 Interest and investment income	28
B2-6 Other income	28
B3 Costs of providing services	29
B3-1 Employee benefits and on-costs	29
B3-2 Materials and services	30
B3-3 Borrowing costs	30
B3-4 Depreciation, amortisation and impairment of non-financial assets	31
B3-5 Other expenses	32
B4 Gains or losses	33
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	33
B5 Performance against budget	34
B5-1 Material budget variations	34
C Financial position	37
C1 Assets we manage	37
C1-1 Cash and cash equivalents	37
C1-2 Financial investments	38
C1-3 Restricted and allocated cash, cash equivalents and investments	39
C1-4 Receivables	40
C1-5 Inventories	41
C1-6 Infrastructure, property, plant and equipment	42
C1-7 Investment properties	46
C1-8 Intangible assets	47
C1-9 Other	47
C2 Leasing activities	48
C2-1 Council as a lessee	48
C2-2 Council as a lessor	50
C3 Liabilities of Council	52
C3-1 Payables	52
C3-2 Contract Liabilities	54
C3-3 Borrowings	54
C3-4 Employee benefit provisions	56

Fairfield City Council

Contents for the notes to the Financial Statements for the year ended 30 June 2023

C3-5 Provisions	57
C4 Reserves	59
C4-1 Nature and purpose of reserves	59
D Risks and accounting uncertainties	60
D1-1 Risks relating to financial instruments held	60
D2-1 Fair value measurement	64
D3-1 Contingencies	69
E People and relationships	72
E1 Related party disclosures	72
E1-1 Key management personnel (KMP)	72
E1-2 Councillor and Mayoral fees and associated expenses	73
E2 Other relationships	74
E2-1 Audit fees	74
F Other matters	75
F1-1 Statement of Cash Flows information	75
F2-1 Commitments	76
F3-1 Events occurring after reporting date	77
F4 Statement of developer contributions as at 30 June 2023	78
F4-1 Summary of developer contributions	78
F4-2 Developer contributions by plan	79
F4-3 S7.4 planning agreements	81
F5 Statement of performance measures	82
F5-1 Statement of performance measures – consolidated results	82
G Additional Council disclosures (unaudited)	83
G1-1 Statement of performance measures – consolidated results (graphs)	83
G1-2 Council information and contact details	85

A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 24 October 2023.

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* (Act) and *Local Government (General) Regulation 2021* (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.

Historical cost convention

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

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) fair values of investment properties – refer Note C1-7
- (ii) fair values of infrastructure, property, plant and equipment – refer Note C1-6 and D2
- (iii) employee benefit provisions – refer Note C3-4.

The prior year's financial challenges arising from the far-reaching economic impacts of the COVID-19 global pandemic (COVID-19) have been largely assigned to the past as Council's operations returned to normal service levels this financial year. However, high inflation and rising utility costs during the current financial year has created new challenges for Council, its community, its customers and suppliers. Council has proactively addressed economic issues in order to mitigate the financial impact wherever possible, but there are a number of factors outside of its control. As a result, estimates and assumptions have been made as to the magnitude of the economic impact on Council's operations, which have been incorporated into fair value estimates.

Council is of the view that its investment properties and Infrastructure, Property and Plant and Equipment (IPP&E) are recorded at fair value as at 30 June 2023 and that the estimated fair values have not been significantly impacted by current inflationary pressures. Council conducts strategic procurement and has sustainable rental terms with longer term tenants, and has no reason to believe that this will change due to the quality of its property portfolio.

The construction costs for Council's IPP&E has continued to be well controlled post-COVID-19 through effective procurement practices with contracted suppliers. It has been assumed that this will continue to be the case and that any potential inflationary pressure or supply chain uncertainty can largely be addressed through proactive planning and management.

A1-1 Basis of preparation (continued)

Significant judgements in applying the Council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4 and D1-1.

Current economic conditions have had an impact on Council's ratepayers and customers, which has been taken into account when determining provisions for the impairment of receivables as at 30 June 2023. Council has worked to mitigate the impacts of the economic challenges on its community through proactive customer engagement and tailored payment solutions. At present, there are no indications that current economic conditions will have a significant impact on the judgements applied by Council.

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.

The consolidated fund consists of cash and other assets associated with general purpose operations only.

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)*, 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.

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2023 reporting period. Council has elected not to apply any of these pronouncements before their operative dates in the annual reporting period beginning 1 July 2022.

Council's assessment of the impact of the new standards, and interpretations relevant to them, are set out below:

Pronouncement

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

Nature of change in accounting policy

This Standard amends AASB 101 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.

Effective date

Annual reporting period beginning on or after 1 January 2023; i.e., councils' financial statements for the year ended 30 June 2024.

A1-1 Basis of preparation (continued)

Expected impact on council financial statements

Council does not expect that there will be a material impact to its financial statements and to its classification of liabilities as current or non-current following the implementation of this standard.

Pronouncement

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [amends AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

Nature of change in accounting policy

This Standard amends a number of standards as follows:

- AASB 7 to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- AASB 101 to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- AASB 108 to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- AASB 134 to identify material accounting policy information as a component of a complete set of financial statements; and
- AASB Practice Statement 2 to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Effective date

Annual reporting periods beginning on or after 1 January 2023, i.e., councils' financial statements for the year ended 30 June 2024.

Expected impact on council financial statements

There will be no impact on Council's reported financial performance or position. There may be a reduction in the quantum of accounting policies disclosures to focus on key decision areas and material policies only.

Pronouncement

AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback

Nature of change in accounting policy

This Standard amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 Revenue from Contracts with Customers to be accounted for as a sale.

AASB 16 already requires a seller-lessee to recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor. The amendments made by this Standard ensure that a similar approach is applied by also requiring a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that does not recognise any amount of the gain or loss related to the right of use it retains.

Effective date

Annual reporting periods beginning on or after 1 January 2024, i.e., councils' financial statements for the year ended 30 June 2025.

Expected impact on council financial statements

There will be no impact for Council, however requirements will be reviewed if Council enters into any sale and lease back arrangements.

The following pronouncements are issued but not yet effective and are not expected to have relevance to Council, but have been included for completeness:

Pronouncement

AASB2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

AASB2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections .

Changes are effective for annual reporting periods beginning on or after 1 January 2025.

Impacts councils with associates or joint ventures where there has been a sale or contribution of assets between the entity and its investor.

Pronouncement

AASB 17 Insurance Contracts and associated amendments

Effective for annual reporting periods beginning on or after 1 January 2023

A1-1 Basis of preparation (continued)

Will result in changes to insurance accounting

Pronouncement

AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transactions [AASB 1 and AASB 112]

Effective for annual reporting periods beginning on or after 1 January 2023

Provides clarification of the accounting for deferred tax when the transaction on initial adoption gives rise to equal taxable and deductible temporary differences

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 as at 30 June 2023:

- AASB 2022-3 *Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB15*
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments*

None of these standards had a significant impact on Council's 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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
Asset Management – Civil & Built	15,169	10,001	27,513	25,066	(12,344)	(15,065)	13,646	9,679	1,496,804	1,503,008
Asset Management – Open Space	3,510	1,705	4,954	4,280	(1,444)	(2,575)	3,115	1,508	146,883	128,895
Building Control and Compliance	872	1,109	2,773	2,663	(1,901)	(1,554)	–	–	–	–
Business Continuity and Insurance	–	1	1,543	1,621	(1,543)	(1,620)	–	–	–	–
Business Improvement	–	–	999	–	(999)	–	–	–	229	–
Catchment Planning	1,589	1,790	1,684	1,757	(95)	33	27	242	5,989	5,248
Children and Family Services	17,106	15,014	15,224	12,966	1,882	2,048	9,380	8,371	20,259	17,392
City Connect Bus	–	–	35	32	(35)	(32)	–	–	19	12
Communication and Marketing	27	13	1,975	1,762	(1,948)	(1,749)	18	10	12	14
Community Business Hub	62	17	558	497	(496)	(480)	–	–	3,887	3,979
Community Compliance	5,343	5,056	2,942	2,608	2,401	2,448	–	–	66	405
Community Facilities	943	523	2,736	2,337	(1,793)	(1,814)	–	–	47,463	32,500
Corporate Planning	–	–	451	487	(451)	(487)	–	–	7	6
Customer Service Administration Centre	–	1	879	834	(879)	(833)	–	–	–	–
Design Management	1,411	910	1,153	983	258	(73)	1,404	910	2,592	1,543
Development Planning	1,147	934	2,104	1,969	(957)	(1,035)	160	330	3	–
Economic Development	4	7	308	300	(304)	(293)	4	7	–	–
Emergency Management	75	73	2,146	2,223	(2,071)	(2,150)	81	79	901	428
Environment and Public Health	315	107	901	781	(586)	(674)	–	–	100	100
Financial Sustainability	179	216	3,712	3,709	(3,533)	(3,493)	–	–	270	396
Fleet and Stores Management	429	268	1,875	1,606	(1,446)	(1,338)	–	–	2,276	–
Governance	84	37	1,773	2,488	(1,689)	(2,451)	–	–	4	7
Human Resources	–	–	3,635	3,118	(3,635)	(3,118)	–	–	20	1
Information and Communication Technology	1	1	7,398	7,235	(7,397)	(7,234)	–	–	1,952	2,336
Infrastructure Construction and Maintenance	2,088	336	14,292	10,564	(12,204)	(10,228)	1,172	103	63,578	69,741
Internal Audit	–	–	123	154	(123)	(154)	–	–	–	–
Land Information Services	–	1	299	233	(299)	(232)	–	–	–	–
Leisure Centres	8,345	8,608	14,813	14,924	(6,468)	(6,316)	–	2,800	89,834	115,243
Library Services	851	693	7,031	6,302	(6,180)	(5,609)	708	625	17,621	18,763
Major Events	392	622	886	1,033	(494)	(411)	–	500	–	–
Major Projects and Planning	2,269	2,150	894	572	1,375	1,578	2,269	2,150	4,554	3,923

continued on next page ...

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

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.

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$ '000									
Museum and Gallery	147	147	900	653	(753)	(506)	114	131	4,962	4,089
Natural Resource Management	184	146	1,915	1,631	(1,731)	(1,485)	182	145	1	(445)
Parks and Gardens Operations	90	36	3,968	3,447	(3,878)	(3,411)	-	-	17,557	17,465
Place Management	746	2	2,213	1,514	(1,467)	(1,512)	746	2	2,963	1,468
Procurement	3	-	947	706	(944)	(706)	-	-	17	1,617
Property Strategy and Services	12,611	7,336	4,317	3,785	8,294	3,551	-	-	111,828	91,968
Quality Management and Assurance	-	-	127	-	(127)	-	-	-	-	-
Records and Information Management	-	-	1,460	1,333	(1,460)	(1,333)	-	-	-	-
Showground and Golf Course	1,706	1,009	3,183	907	(1,477)	102	-	-	40,903	4,704
Social Planning and Community Development	758	540	2,719	2,501	(1,961)	(1,961)	646	503	95	194
Strategic Land Use Planning	415	424	1,482	1,475	(1,067)	(1,051)	18	12	-	-
Street and Public Amenities Cleaning	520	423	6,353	5,713	(5,833)	(5,290)	-	-	1,128	151
Sustainable Resource Centre	2,960	4,161	2,527	2,672	433	1,489	-	-	18,628	10,644
Traffic and Transport	-	-	528	406	(528)	(406)	-	-	217	-
Waste Management	33,841	31,572	25,507	24,684	8,334	6,888	4	189	2,436	3,290
Corporate Services	114,398	107,742	4,023	3,620	110,375	104,122	17,995	16,355	634,574	524,495
Total functions and activities	230,590	203,731	189,778	170,151	40,812	33,580	51,689	44,651	2,740,632	2,563,580

B1-2 Components of functions or activities

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

Asset Management – Civil and Built

Ensure community assets (buildings, drainage, roads and street lighting) are maintained to an agreed standard by undertaking condition inspections to identify and program required repair and renewal works.

Asset Management – Open Space

Ensure Open Space and related assets (Parks, Playgrounds, Reserves, Sportsfields, Trees and Public Toilets) are maintained to an agreed standard by undertaking condition inspections to identify and program required maintenance and renewal works.

Building Control and Compliance

Performs the assessment, investigation, certification and enforcement of laws, regulations and policies for developments and land use activities within Fairfield City to ensure their compliance, health, safety and amenity.

Business Continuity and Insurance

Develop, implement and manage Council's Opportunity and Risk Management Framework and Council's commercial insurance functions inclusive of general insurance renewals, management of claims and provision of insurance advice.

Business Improvement

Identify opportunities and develop business improvement initiatives to meet the needs of the business by providing guidance, innovative solutions, and practical tools to drive growth, efficiency, and productivity.

Catchment Planning

Develop policy, undertake studies to identify and plan measures, develop detailed designs for construction of measures and provide advice relating to catchment planning, floodplain, stormwater and waterway management.

Children and Family Services

Provides quality children and family services including child care and early intervention programs to ensure a good future for our children and families within Fairfield City.

City Connect Bus

Provides free City Connect Bus Service for areas that are poorly serviced by existing private bus routes and increase accessibility to key destinations and community facilities.

Communication and Marketing

Promote Council and encourage community engagement through communications materials, media liaison, Mayoral relations, as well as providing graphic design and print services for Council. Provide executive support for Mayor, General Manager and Directors.

Community Business Hub

Manage and maintain Council's Community Business Hub (Fairfield City HQ), which provides community and business spaces. Fairfield City HQ is a co-working space for start-ups and local small businesses. The Hub provides networking and programs to support businesses economic growth and employment opportunities.

Community Compliance

Investigate and ensure compliance with the regulatory and compliance laws within Fairfield City on community, parking and companion animal issues.

Community Facilities

Coordinate the management of Council community facilities including community buses, sporting fields, tennis/futsal and community centres/halls.

Corporate Planning

Implement the compliance, coordination and development of the Integrated Planning and Reporting Framework (plans and reports) and service area improvements.

Customer Service Administration Centre

Delivers a centralised Customer Service Centre at the administration building, which provides information, transactions and advice to customers via the front counter and operates the call centre.

B1-2 Components of functions or activities (continued)

Design Management

Defines, develops and manages civil, urban and landscape infrastructure designs; and provides surveying and spatial data services.

Development Planning

Conduct the assessment and processing of all major development applications and engineering construction certificates across residential, commercial and industrial developments.

Economic Development

Promote, manage and deliver economic development projects and initiatives supporting businesses, economic growth and employment opportunities for residents.

Emergency Management

Provide leadership, assistance and resources in order to support emergency and disaster planning, response and recovery operations within Fairfield City.

Environmental and Public Health

Monitor and enforce regulatory and compliance laws within Fairfield City for environmental and public health standards.

Financial Sustainability

Conduct the delivery of Council's financial services, rate payments, revenue collection, analysis, advice and statutory reporting to ensure appropriate cash flow and long-term financial viability.

Fleet and Stores Management

Coordinate and manage Fleet and Plant acquisition, disposal and rolling Plant Replacement Program and budget as well as manage central Stores function.

Governance

Ensure that Council has strong and effective governance and oversees the management of processes and protocols for Council's formal decision making that supports Council's capability to fulfil its legal, financial and ethical obligations.

Human Resources

Provide strategic and operational human resources service including industrial and employee relations, work health and safety, workers compensation, payroll and organizational learning and development.

Information and Communication Technology

Provide the implementation, maintenance and support of Council's information and communications technology systems and infrastructure. Design, install and maintain the Closed Circuit Television (CCTV) program in public places and Council facilities across Fairfield City.

Infrastructure Construction and Maintenance

Deliver Council's major programs for new capital and renewal of infrastructure assets (buildings, roads, kerb and gutter, footpaths, drainage, signs/line marking and sportsfields). Undertake breakdown repair and programmed maintenance for Council's infrastructure assets to meet Council's service standard.

Internal Audit

Ensure that Council maintains a sound system of internal control, business improvement and compliance that supports Council's capability to fulfil its legal, financial and ethical obligations.

Land Information Services

Prepare and manage Council's information relating to land in both text and geographic mapping formats across Fairfield City.

Leisure Centres

Manage and maintain Council's three leisure centres (Prairiewood Leisure Centre including Aquatopia, Fairfield Leisure Centre and Cabravale Leisure Centre), Fairfield Youth and Community Centre for the provision of indoor and outdoor, active and passive dry and aquatic facilities and services to the community and visitors for wellbeing, water safety, sport and recreation.

B1-2 Components of functions or activities (continued)

Library Services

Manage and maintain Council's five library sites (Cabramatta, Bonnyrigg, Fairfield, Wetherill Park and Smithfield) to provide equitable, accessible, cost effective and efficient service to meet the leisure and information, lifelong learning and entertainment needs of Fairfield City community.

Major Events

Delivers an integrated portfolio of major events across the City including Culinary Carnivale, Cabramatta Moon Festival, Lunar New Year, Bring it On and Illuminate New Years' Eve.

Major Projects and Planning

Project manage and coordinate the funding, design, procurement, construction and commissioning of major new community infrastructure, civil and building construction and special projects.

Museum and Gallery

Engages the local communities through visual arts and social history exhibitions, workshops, education programs and events; and manages and maintains the Social History Collection, Vintage Village, Stein Gallery, Museum and the site.

Natural Resource Management

Provide and deliver educational programs and community sustainability initiatives for the community and Council, and maintain and protect the natural environment in the City.

Parks and Gardens Operations

Provide the necessary and effective resources to implement the service levels identified in Council's Parks and Recreation (Open Space) Asset Management Plan.

Place Management

Manage and coordinate projects, activities, policies, plans, partnerships and project opportunities across Fairfield City in consultation with key stakeholders to ensure the sustainable development, vibrancy and resilience of town and business centres, employment and industrial lands are delivered for the benefit of residents and businesses.

Procurement

Develop, implement and ensure a competitive, transparent, accountable and ethical procurement processes in the acquisition of goods and services to deliver Council services.

Property Strategy and Services

Provide Council with a self-funded Property Development Fund for the purpose of generating additional revenue through entrepreneurial real estate activities enabling Council to re-invest the funds back into the community, Coordinate the management of Council owned properties, leased and licensed properties, retail shopping centres and multi-deck car parks as well as real estate functions to buy, sell, lease land, grant easements and road closures.

Quality Management and Assurance

Maintain Council's information portal (Quality Management System), align all services to Integrated Planning and Reporting Framework, and legislative requirements as well as integrate various processes and measures, monitor controls, and improve operations through efficient and effective service performance.

Records and Information Management

Manage Council's records and information including access, retrieval, storage and disposal.

Showground and Golf Course

Undertakes the management and maintenance of Fairfield Showground, Sporting Fields, Fairfield Markets, Fairfield Golf Course and Parklands Function Centre.

Social Planning and Community Development

Social Planning and Community Development works in partnership with community members, organisations, government agencies and other stakeholders to provide opportunities and enable people who need support to participate in the economic, social and cultural life of the City. We seek to achieve social justice, minimise harm, enhance social inclusion, community participation and cohesion, as well as safe and healthy people and places.

B1-2 Components of functions or activities (continued)

We do this through advocacy, capacity building, support and strengthening of individuals and community organisations.

Strategic Land Use Planning

Identify, map and coordinate planning for residential, business and rural land across Fairfield City, as well as preparing zoning certificates and representing Council on planning and infrastructure matters with State and Federal Governments.

Street and Public Amenities Cleaning

Provide the cleaning of streets and public amenities in the town centres, residential and industrial areas across Fairfield City.

Sustainable Resource Centre

Divert construction and demolition waste from landfill by recycling and selling construction materials.

Traffic and Transport

Manages Fairfield City's road network, including traffic management, transport, road safety, parking restrictions and liaison with State Government entities.

Waste Management

Manage domestic and commercial waste services across Fairfield City.

Corporate Services

Executive management to ensure Council maintains a sound system of internal control, business improvement and compliance that supports Council's capability to fulfill its legal, financial and ethical obligations.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2023	2022
Ordinary rates		
Residential	53,542	53,068
Farmland	258	258
Business	36,304	35,893
Less: pensioner rebates	(1,903)	(2,020)
Rates levied to ratepayers	88,201	87,199
Pensioner rate subsidies received	1,654	1,723
Total ordinary rates	89,855	88,922
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	34,128	31,791
Drainage	1,541	1,531
Section 611 charges	-	82
Less: pensioner rebates	(1,080)	(1,085)
Annual charges levied	34,589	32,319
Total annual charges	34,589	32,319
Total rates and annual charges	124,444	121,241

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at 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 recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	2023	2022
User charges		
Domestic waste management services	51	39
Waste management services (non-domestic)	475	363
Total user charges	526	402
Fees		
Building regulation	115	103
Planning and building regulation	822	576
Regulatory fees	2,460	1,316
Section 10.7 certificates (EP&A Act)	360	383
Total Fees	3,757	2,378
Child care	6,055	5,307
Park rents	404	185
Entry fees	4,511	3,132
Fairfield showground	1,411	843
Golf course	37	61
Library	63	17
Recreation facilities	2,445	1,497
Membership Fees	2,377	1,699
Total Fees	17,303	12,741
Total other user charges and fees	21,060	15,119
Total user charges and fees	21,586	15,521
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	2,414	1,760
User charges and fees recognised at a point in time	19,172	13,761
Total user charges and fees	21,586	15,521

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 such as joining fees for the leisure centre the Membership Fee is recognised on a straight-line basis over the expected life of the membership.

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

B2-3 Other revenues

\$ '000	2023	2022
Fines	5,370	5,179
Legal fees recovery	127	49
Car park operations	3,227	2,180
Commissions and agency fees	204	155
Insurance claims recoveries	4	288
Recycling income (non-domestic)	3,013	4,191
Other	2,101	2,460
Total other revenue	14,046	14,502
Timing of revenue recognition for other revenue		
Other revenue recognised over time	-	-
Other revenue recognised at a point in time	14,046	14,502
Total other revenue	14,046	14,502

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 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	1,937	3,857	–	–
Financial assistance – local roads component	532	923	–	–
Payment in advance - future year allocation				
Financial assistance – general component	8,394	5,922	–	–
Financial assistance – local roads component	2,092	1,423	–	–
Amount recognised as income during current year	12,955	12,125	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Bushfire and emergency services	81	79	–	–
Community care	2,420	989	–	–
Heritage and cultural	18	12	–	–
Library	6,401	5,803	–	–
Recreation and culture	85	50	–	45
Street lighting	1,045	999	–	–
Transport (other roads and bridges funding)	–	–	1,524	5,837
Other specific grants	1,553	3,526	16,499	6,301
Other specific grant	–	–	–	1,419
Transport for NSW contributions (regional roads, block grant)	138	103	–	–
Other contributions	48	84	–	–
Child care	1,258	953	–	–
Total special purpose grants and non-developer contributions – cash	13,047	12,598	18,023	13,602
Total special purpose grants and non-developer contributions (tied)	13,047	12,598	18,023	13,602
Total grants and non-developer contributions	26,002	24,723	18,023	13,602
Comprising:				
– Commonwealth funding	12,955	12,125	2,187	5,116
– State funding	12,735	12,368	15,835	8,419
– Other funding	312	230	1	67
	26,002	24,723	18,023	13,602

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	F4				
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	7,664	6,326
Total developer contributions – cash		–	–	7,664	6,326
Total developer contributions		–	–	7,664	6,326
Total contributions		–	–	7,664	6,326
Total grants and contributions		26,002	24,723	25,687	19,928
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		–	–	–	1,419
Grants and contributions recognised at a point in time		26,002	24,723	25,687	18,509
Total grants and contributions		26,002	24,723	25,687	19,928

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 2023	Operating 2022	Capital 2023	Capital 2022
Unspent grants and contributions				
Unspent funds at 1 July	6,923	5,079	2,890	3,007
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	4	2,149	6,075	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(3,200)	(305)	–	(117)
Unspent funds at 30 June	3,727	6,923	8,965	2,890
Contributions				
Unspent funds at 1 July	23,979	30,816	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	6,305	4,015	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(12,664)	(10,852)	–	–
Unspent contributions at 30 June	17,620	23,979	–	–

Accounting policy

Grants and Contributions - enforceable agreement with sufficiently specific performance obligations.

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

The performance obligations are varied based on the agreement. 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, whereas over time recognition is where the control of the services is ongoing throughout the project.

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.

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.

Capital grants

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

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

B2-4 Grants and contributions (continued)

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*.

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.

B2-5 Interest and investment income

\$ '000	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges	338	337
– Cash and investments	5,621	944
Total interest and investment income (losses)	5,959	1,281

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2023	2022
Other			
Other		395	–
Total Other		395	–
Fair value increment on investment properties			
Fair value increment on investment properties		929	–
Total fair value increment on investment properties	C1-7	929	–
Rental income			
Investment properties			
Lease income relating to variable lease payments not dependent on an index or a rate		1,213	1,160
Total Investment properties		1,213	1,160
Other lease income			
Room/Facility Hire		6,516	4,526
Other		538	442
Total other lease income		7,054	4,968
Total rental income	C2-2	8,267	6,128
Fair value increment on investments			
Fair value increment on investments through profit and loss		1,363	–
Total Fair value increment on investments		1,363	–
Total other income		10,954	6,128

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	59,959	57,475
Employee leave entitlements (ELE)	10,719	9,020
Superannuation	7,268	6,897
Workers' compensation insurance	1,051	848
Fringe benefit tax (FBT)	134	136
Training costs (other than salaries and wages)	710	357
Protective clothing	249	230
Temporary contract labour	4,947	3,046
Other	137	94
Total employee costs	85,174	78,103
Less: capitalised costs	(2,214)	(1,960)
Total employee costs expensed	82,960	76,143

Accounting policy

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

All employees of 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.

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 D3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		22,421	14,761
Contractor costs		1,064	979
Audit Fees	E2-1	268	215
Councillor and Mayoral fees and associated expenses	E1-2	619	540
Election expenses		–	788
Electricity and heating		2,018	1,807
Insurance		1,264	1,344
Postage		680	468
Printing and stationery		365	416
Street lighting		2,608	2,858
Subscriptions and publications		804	781
Telephone and communications		811	872
Valuation fees		376	380
Advertising (general)		370	443
Advertising (positions vacant)		94	52
Children services		195	147
Commission / rebate		608	553
Conferences		248	256
Consumables		332	191
Equipment less than \$1,000		882	833
Financial charges		333	342
Photocopier operating costs		75	83
Other expenses		714	504
Publicity and promotion		858	761
Rates collection		6	1
Water rates		1,101	743
Legal expenses: other		707	842
Expenses from short-term leases		41	38
Expenses from leases of low value assets		690	779
Fuels		2,084	1,828
Increase/decrease stock valuation		116	40
Information technology		3,177	2,311
Materials fleet running expenses		2,629	2,260
Stock Adjustments		88	4
Trading requirement stock		95	58
Total materials and services		48,741	39,278
Less: capitalised costs		(195)	(237)
Total materials and services		48,546	39,041

Accounting policy

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

B3-3 Borrowing costs

\$ '000	2023	2022
Interest bearing liability costs		
Interest on leases	38	29
Interest on loans	142	98
Total borrowing costs expensed	180	127

Accounting policy

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

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

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Plant and equipment		3,786	3,676
Office equipment		326	314
Furniture and fittings		23	23
Infrastructure:			
– Buildings – non-specialised	C1-6	9,113	8,339
– Roads		11,642	10,921
– Bridges		507	464
– Footpaths		2,470	2,299
– Stormwater drainage		2,464	2,461
– Kerb and gutter		2,758	2,741
– Park infrastructure		3,415	3,063
Right of use assets	C2-1	631	654
Other assets:			
– Library books		221	187
– Other		553	589
Intangible assets	C1-8	113	9
Total depreciation and amortisation costs		38,022	35,740
Total depreciation, amortisation and impairment for non-financial assets		38,022	35,740

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.

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 non financial 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).

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	2023	2022
Impairment of receivables			
Other		126	70
Total impairment of receivables	C1-4	126	70
Other			
Contributions/levies to other levels of government			
– Board of fire commission		2,024	2,093
– Corporation sole EPA act		614	525
– NSW waste and recycling services		17,282	16,376
Donations, contributions and assistance to other organisations (Section 356)		23	36
Total other expenses		20,069	19,100

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	2023	2022
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		3,767	–
Less: carrying amount of property assets sold/written off		(2,373)	–
Gain (or loss) on disposal		1,394	–
Gain (or loss) on disposal of plant, equipment and infrastructure			
	C1-6		
Proceeds from disposal – plant, equipment and infrastructure		1,152	675
Less: carrying amount of plant, equipment and infrastructure assets sold/written off		(634)	(268)
Gain (or loss) on disposal		518	407
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		–	–
Less: carrying amount of term deposits sold/redeemed/matured		–	–
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		1,912	407

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

Council's original budget was adopted by the Council on 28 June 2022 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	2023 Budget	2023 Actual	2023 ----- Variance -----		
Revenues					
Rates and annual charges	121,839	124,444	2,605	2%	F
User charges and fees	23,148	21,586	(1,562)	(7)%	U
Other revenues	15,831	14,046	(1,785)	(11)%	U
Revenue from the Sustainable Resource Centre was impacted by a reduction in demolition activity this financial year, which reduced the volume of material available for recycling. The gradual increase in activity in city centres during the post COVID recovery period mitigated the level of parking enforcement income.					
Operating grants and contributions	20,884	26,002	5,118	25%	F
Operating Grants were higher than expected this year primarily because 100% of the Financial Assistance Grants (FAGs) were paid in advance for the 2023/24 Financial Year (2022/23: 75%), which was in addition to the residual 25% of FAG's received for the 2022/23 Financial Year.					
Capital grants and contributions	12,137	25,687	13,550	112%	F
Favourable variance to budget is largely due to receipt of increased funding for roads and infrastructure works in response to severe weather events in the prior year, and Developer Contributions exceeding budget.					
Interest and investment revenue	1,947	5,959	4,012	206%	F
Council's investment revenue has benefited from the RBA's decision to significantly increase cash rates during the financial year. Revenue is above budget because it was finalised before the RBA changed its monetary policy in May 2022.					
Net gains from disposal of assets	425	1,912	1,487	350%	F
Above budget result is due to one-off sale of a parcel of Council land during the year.					
Other income	7,164	10,954	3,790	53%	F
Rental income from facilities and properties rebounded from COVID quicker than forecast, and in addition there were one-off financial benefits arising from the fair value gain on revaluation of investment properties as at balance date, and income from the sale of Energy Saving Certificates generated when streetlights were replaced with more energy efficient LED's during the year.					
Expenses					
Employee benefits and on-costs	82,219	82,960	(741)	(1)%	U
Materials and services	46,326	48,546	(2,220)	(5)%	U
Borrowing costs	250	180	70	28%	F

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
Interest saving arising from the majority of Council's loan being fixed for a long-term at a low rate.				
Depreciation, amortisation and impairment of non-financial assets	39,526	38,022	1,504	4% F
Other expenses	20,058	20,069	(11)	0% U

B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	54,097	74,663	20,566	38% F
Cash flows were better than budget due to increased grant funding for roads and infrastructure to assist with impacts of severe weather events in the prior year, above budget Financial Assistance Grant funding, higher investment income due to the significant increase in RBA cash rates during the year, increased rental income from facilities and properties, and one-off gains from the sale of a parcel of land and Energy Savings Certificates.				
Cash flows from investing activities	(60,344)	(93,211)	(32,867)	54% U
Capital expenditure on IPPE was greater than budget because there was a catchup of works that were unable to be completed in the prior year due to the COVID lockdown and sustained period of severe weather events that limited activity in the prior year. Purchases of investments were above budget because additional funds were available as the result of project deferrals.				
Cash flows from financing activities	(1,639)	(1,600)	39	(2)% F

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	17,056	1,412
Cash equivalent assets		
– Deposits at call	37,722	73,514
Total cash and cash equivalents	54,778	74,926

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	54,778	74,926
Balance as per the Statement of Cash Flows	54,778	74,926

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	2023		2022	
	Current	Non-current	Current	Non-current
Financial assets at fair value through profit and loss				
Aust mortgaged backed securities	230	–	226	–
Total	230	–	226	–
Debt securities at amortised cost				
Floating Rate Note	6,000	38,828	4,000	35,650
Term deposits	60,000	7,000	46,300	–
Total	66,000	45,828	50,300	35,650
Total financial investments	66,230	45,828	50,526	35,650
Total	121,008	45,828	125,452	35,650

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).

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 or 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, floating rates notes and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

Financial assets through profit or loss

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

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

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	166,836	161,102
Less: Externally restricted cash, cash equivalents and investments	(106,351)	(110,388)
Cash, cash equivalents and investments not subject to external restrictions	60,485	50,714
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants	4,577	5,089
External restrictions – included in liabilities	4,577	5,089
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	17,620	23,978
Specific purpose unexpended grants – general fund	12,692	9,812
Stormwater management	2,970	3,833
Other special levies	5,645	10,169
Voluntary purchase reserve	263	741
Domestic waste management	62,584	56,766
External restrictions – other	101,774	105,299
Total external restrictions	106,351	110,388

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2023	2022
(b) Internal allocations		
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Car park assets	4,962	3,224
Future capital works	1,083	1,067
Museum reserve	18	18
Property development	13,202	7,460
Sustainable resource centre plant reserve	1,504	1,327
Town funds	868	1,664
IT Core System	433	488
Surplus Land Sales	852	852
Unspent loan	622	622
Insurance claims reserve	5,793	5,793
Total internal allocations	29,337	22,515

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

C1-4 Receivables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Rates and annual charges	5,919	–	6,044	–
Accrued revenues				
– Interest on investments	1,656	–	297	–
– Other income accruals	2,119	–	803	–
Net GST receivable	2,171	–	1,923	–
Other debtors	3,125	–	3,055	–
Total	14,990	–	12,122	–
Less: provision for impairment				
Rates and annual charges	(424)	–	(378)	–
Other debtors	(386)	–	(306)	–
Total provision for impairment – receivables	(810)	–	(684)	–
Total net receivables	14,180	–	11,438	–

\$ '000	2023	2022
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	684	628
+ new provisions recognised during the year	126	56
Balance at the end of the year	810	684

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 estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates and annual charges 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.

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.

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

Current economic conditions have had an impact on Council's ratepayers and customers, which has been considered when assessing impairment of receivables as at 30 June 2023. However, the impacts of the economic challenges have been mitigated through proactive customer engagement and tailored payment solutions.

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.

Where 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.

C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
(i) Inventories at cost				
Stores and materials	559	–	707	–
Trading stock	50	–	59	–
Total inventories at cost	609	–	766	–
Total inventories	609	–	766	–

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	Asset movements during the reporting period							At 30 June 2023				
	At 1 July 2022							At 30 June 2023				
\$'000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	35,116	-	35,116	-	4,378	-	-	-	-	39,494	-	39,494
Plant and equipment (MV, HV and MP)	38,096	(22,739)	15,357	-	3,845	(498)	(3,786)	-	-	38,766	(23,848)	14,918
Office equipment (OE, computer and others)	3,468	(2,320)	1,148	-	36	-	(326)	(109)	-	3,396	(2,647)	749
Furniture and fittings	516	(431)	85	-	-	-	(23)	-	-	516	(454)	62
Land:												
- Operational land	324,707	-	324,707	-	-	(2,373)	-	-	82,117	404,451	-	404,451
- Community land	535,422	-	535,422	-	15,926	-	-	-	6,882	558,230	-	558,230
- Land under roads (post 30/6/2008)	2,222	-	2,222	-	-	-	-	-	-	2,222	-	2,222
Infrastructure:												
- Buildings	466,796	(143,536)	323,260	3,951	11,334	-	(9,113)	(32,981)	-	429,929	(133,478)	296,451
- Park Recreational assets	89,320	(20,403)	68,917	2,968	1,625	-	(3,415)	-	-	93,913	(23,818)	70,095
- Roads	594,908	(164,242)	430,666	17,443	907	-	(11,642)	-	29,686	642,946	(175,886)	467,060
- Bridges	49,983	(9,017)	40,966	760	74	(136)	(507)	-	-	50,634	(9,477)	41,157
- Footpaths	149,237	(41,778)	107,459	3,344	1,374	-	(2,470)	-	8,566	162,521	(44,248)	118,273
- Bulk earthworks (non-depreciable)	34,884	-	34,884	-	-	-	-	-	-	34,884	-	34,884
- Stormwater drainage	385,532	(94,344)	291,188	33	333	-	(2,464)	-	36,592	422,490	(96,808)	325,682
- Kerb and gutter	224,100	(73,469)	150,631	4,693	-	-	(2,758)	-	6,250	235,043	(76,227)	158,816
Other assets:												
- Library books	5,156	(3,132)	2,024	-	308	-	(221)	-	-	5,464	(3,353)	2,111
- Other Park Recreation & CCTV	10,297	(7,795)	2,502	-	68	-	(553)	-	-	10,365	(8,348)	2,017
Total infrastructure, property, plant and equipment	2,949,760	(583,206)	2,366,554	33,192	40,208	(3,007)	(37,278)	(33,090)	170,093	3,135,264	(598,592)	2,536,672

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

continued on next page ...

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

By aggregated asset class	Asset movements during the reporting period						At 30 June 2022						
	At 1 July 2021	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress		54,474	-	54,474	-	(19,358)	-	-	-	-	35,116	-	35,116
Plant and equipment (MV, HV and MP)		35,736	(19,677)	16,059	-	3,242	(268)	(3,676)	-	-	38,096	(22,739)	15,357
Office equipment (OE, computer and others)		3,370	(2,060)	1,310	-	152	-	(314)	-	-	3,468	(2,320)	1,148
Furniture and fittings		502	(408)	94	-	14	-	(23)	-	-	516	(431)	85
Land:													
- Operational land		282,354	-	282,354	-	-	-	-	-	42,353	324,707	-	324,707
- Community land		527,230	-	527,230	-	8,192	-	-	-	-	535,422	-	535,422
- Land under roads (post 30/6/08)		2,222	-	2,222	-	-	-	-	-	-	2,222	-	2,222
Infrastructure:													
- Buildings - non-specialised		370,573	(135,425)	235,148	7,492	25,037	-	(8,339)	-	63,922	466,796	(143,536)	323,260
- Park Recreational assets		75,624	(17,340)	58,284	1,411	12,284	-	(3,063)	-	-	89,320	(20,403)	68,917
- Roads		572,772	(153,322)	419,450	8,449	1,144	-	(10,921)	-	12,544	594,908	(164,242)	430,666
- Bridges		49,602	(8,553)	41,049	163	224	-	(464)	(5)	-	49,983	(9,017)	40,966
- Footpaths		137,922	(39,479)	98,443	1,933	2,166	-	(2,299)	-	7,216	149,237	(41,778)	107,459
- Bulk earthworks (non-depreciable)		34,841	-	34,841	-	44	-	-	-	-	34,884	-	34,884
- Stormwater drainage		358,972	(91,882)	267,090	206	118	-	(2,461)	5	26,230	385,532	(94,344)	291,188
- Kerb and gutter		214,635	(70,728)	143,907	3,903	48	-	(2,741)	-	5,514	224,100	(73,469)	150,631
Other assets:													
- Library books		14,734	(12,848)	1,886	-	325	-	(187)	-	-	5,156	(3,132)	2,024
- Other		10,275	(7,206)	3,069	-	22	-	(589)	-	-	10,297	(7,795)	2,502
Total infrastructure, property, plant and equipment		2,745,838	(558,928)	2,186,910	23,557	33,654	(268)	(35,077)	-	157,779	2,949,760	(583,206)	2,366,554

(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)

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).

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

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

Revaluation Model

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

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

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:

Plant and equipment	Years	Transportation assets	Years
Office equipment	10	Road signs	20
Office furniture	10	Bridge	20 to 150
Computer equipment	3	Kerb & Gutter	80
Vehicles	5	Footpath	10 to 60
Heavy plant/road making equipment	7		
Other plant and equipment	7		
Buildings		Stormwater assets	
Electricals	40	Drains	10 to 150
Hydraulics	50		
Mechanicals	50	Other infrastructure assets	
Roof	45	Park infrastructure assets	10 to 150
Structure	100		
Fitout	50		
Floor Coverings	25		
Transportation assets		Other Assets	
Road pavements	100	Library Books	10
Road surface	15 to 30	Other Assets	10 to 150
Road Furniture	15 to 40		
Traffic Facilities	10 to 100		
Car park pavement	100		
Car park surface	20 to 30		

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008.

Land under roads acquired after 1 July 2008 is recognised in accordance with 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.

Rural Fire Service assets

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

Rural Fire Service assets under council's control are recognised in these financial statements.

C1-7 Investment properties

Owned investment property

\$ '000	2023	2022
At fair value		
Opening balance at 1 July	18,971	18,964
Net gain/(loss) from fair value adjustments	929	–
Additions	–	7
Closing balance at 30 June	19,900	18,971

Accounting policy

Investment property, principally comprising freehold industrial buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

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

C1-8 Intangible assets

\$ '000	2023	2022
Software		
Opening values at 1 July		
Gross book value	7,523	6,838
Accumulated amortisation	(6,847)	(6,838)
Net book value – opening balance	676	–
Movements for the year		
Additions	211	685
Amortisation charges	(113)	(9)
Closing values at 30 June		
Gross book value	7,734	7,523
Accumulated amortisation	(6,960)	(6,847)
Total intangible assets – net book value	774	676

Accounting policy

IT development and software

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. Software 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.

C1-9 Other

Other assets

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Prepayments	582	–	2,856	–
Other	467	–	357	–
Total other assets	1,049	–	3,213	–

C2 Leasing activities

C2-1 Council as a lessee

(i) 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.

Office, IT & Gym equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers and large pieces of gymnasium equipment. 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	Plant & Equipment	Ready to use	Total
2023			
Opening balance	860	–	860
Additions	383	–	383
Depreciation charge	(631)	–	(631)
Balance at 30 June	612	–	612
2022			
Opening balance	1,454	–	1,454
Additions	60	–	60
Depreciation charge	(654)	–	(654)
Balance at 30 June	860	–	860

(b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	326	228	377	428
Total lease liabilities	326	228	377	428

C2-1 Council as a lessee (continued)

(c) Lease Liabilities Maturity

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
2023					
Cash flows	326	228	–	554	554
2022					
Cash flows	377	428	–	805	805

(d) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	38	29
Depreciation of right of use assets	631	654
Expenses relating to short-term leases	41	38
Expenses relating to low-value leases	690	779
	1,400	1,500

(e) Statement of Cash Flows

Total cash outflow for leases	554	805
	554	805

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.

C2-1 Council as a lessee (continued)

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. These leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-7)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objectives (refer note C1-6).

\$ '000	2023	2022
---------	------	------

(i) Assets held as investment property

Investment property operating leases are commercial leases of industrial buildings.

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	1,213	1,160
Total income relating to operating leases for investment property assets	1,213	1,160

Operating lease expenses

Investment properties

Direct operating expenses that generated rental income	(48)	(57)
Total expenses relating to operating leases	(48)	(57)

(ii) Assets held as property, plant and equipment

Council provides operating leases on Council buildings for community and commercial activities. The table below relates to operating leases on assets disclosed in C1-6.

Lease income (excluding variable lease payments not dependent on an index or rate)	7,054	4,968
Total income relating to operating leases for Council assets	7,054	4,968

(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

< 1 year	8,503	7,121
1–2 years	8,750	7,328
2–3 years	9,003	7,540
3–4 years	9,264	7,759
4–5 years	9,533	7,984
> 5 years	9,810	8,215
Total undiscounted lease payments to be received	54,863	45,947

continued on next page ...

C2-2 Council as a lessor (continued)

Accounting policy

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

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

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

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	17,082	–	19,995	–
Accrued expenses:				
– Salaries and wages	2,445	–	2,136	–
– Other expenditure accruals	2,799	–	482	–
Security bonds, deposits and retentions	7,213	–	7,324	–
Other	1,010	–	993	–
Total payables	30,549	–	30,930	–

C3-1 Payables (continued)

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

\$ '000	2023	2022
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	6,673	6,152
Total payables	6,673	6,152

C3-1 Payables (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.

Payables

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

C3-2 Contract Liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets)	4,577	–	4,159	–
Total grants received in advance	4,577	–	4,159	–
User fees and charges received in advance:				
Upfront fees – leisure centre	124	–	–	–
Total user fees and charges received in advance	124	–	–	–
Total contract liabilities	4,701	–	4,159	–

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	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Loans – secured ¹	949	6,659	965	7,609
Total borrowings	949	6,659	965	7,609

(1) Loans are secured over the general rating income of Council. Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note D1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2022		Non-cash movements	2023
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	8,574	(966)	–	7,608
Lease liability (Note C2-1b)	805	(634)	383	554
Total liabilities from financing activities	9,379	(1,600)	383	8,162

\$ '000	2021		Non-cash movements	2022
	Opening Balance	Cash flows	Acquisition	Closing balance

continued on next page ...

C3-3 Borrowings (continued)

\$ '000	2021		Non-cash	2022
	Opening Balance	Cash flows	movements Acquisition	Closing balance
Loans – secured	9,527	(953)	–	8,574
Lease liability (Note C2-1b)	1,403	(657)	59	805
Total liabilities from financing activities	10,930	(1,610)	59	9,379

(b) Financing arrangements

\$ '000	2023	2022
Total facilities		
Total financing facilities available to Council at the reporting date are:		
Bank overdraft facilities ^{1,2}	1,500	1,500
Credit cards/purchase cards	500	500
Total financing arrangements	2,000	2,000
Drawn facilities		
Financing facilities drawn down at the reporting date are:		
– Bank overdraft facilities	–	–
– Credit cards/purchase cards	–	–
Total drawn financing arrangements	–	–
Undrawn facilities		
– Bank overdraft facilities	1,500	1,500
– Credit cards/purchase cards	500	500
Total undrawn financing arrangements	2,000	2,000

Breaches and defaults

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

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. The loans are secured over the general rating income of council. Lease liabilities are secured by the underlying leased assets.

(2) Security over loans - The loans are secured over the general rating income of council. Lease liabilities are secured by the underlying leased assets

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	2023		2022	
	Current	Non-current	Current	Non-current
Annual leave	7,028	–	6,896	–
Sick leave	228	–	334	–
Long service leave	10,071	1,049	10,396	506
Total employee benefit provisions	17,327	1,049	17,626	506

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

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	10,246	11,033
	10,246	11,033

C3-4 Employee benefit provisions (continued)

Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Sick leave	Long service leave	
2023				
At beginning of year	6,896	334	10,902	18,132
Additional provisions	5,315	5	3,254	8,574
Amounts used (payments)	(4,886)	(101)	(2,568)	(7,555)
Remeasurement effects	(297)	(10)	(468)	(775)
Total ELE provisions at end of year	7,028	228	11,120	18,376
2022				
At beginning of year	7,132	442	11,118	18,692
Additional provisions	4,750	8	1,952	6,710
Amounts used (payments)	(4,814)	(108)	(1,893)	(6,815)
Remeasurement effects	(172)	(8)	(275)	(455)
Total ELE provisions at end of year	6,896	334	10,902	18,132

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	2023	2023	2022	2022
	Current	Non-Current	Current	Non-Current
Other provisions				
Self insurance – workers compensation	790	2,256	772	2,195
Self insurance – public liability	90	450	271	300
Sub-total – other provisions	880	2,706	1,043	2,495
Total provisions	880	2,706	1,043	2,495

C3-5 Provisions (continued)

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

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

Description of and movements in provisions

\$ '000	Other provisions	
	Self insurance	Total
2023		
At beginning of year	3,538	3,538
Adjustment to provision	48	48
Total other provisions at end of year	3,586	3,586
2022		
At beginning of year	3,144	3,144
Adjustment to provision	394	394
Total other provisions at end of year	3,538	3,538

Nature and purpose of provisions

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.

Self-insurance

Council has decided to self-insure for various risks, including public liability, workers compensation and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE 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 Risks and accounting uncertainties

D1-1 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 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 the finance team under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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 measure at amortised cost 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) **at fair value through other comprehensive income** – 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.

The finance team manage the cash and investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with S625 of the *Local Government Act 1993* and the ministerial investment order. This policy is regularly reviewed by Council 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:

- **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.

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

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

\$ '000	2023	2022
<p>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.</p>		
<p>Impact of a 1% movement in interest rates</p>		
– Equity / Income Statement	1,498	1,595
<p>Impact of a 10% movement in price of investments</p>		
– Equity / Income Statement	23	23

D1-1 Risks relating to financial instruments held (continued)

(b) Credit risk

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

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

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

There are no significant concentrations of credit risk, 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 quarterly 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.

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to 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 rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2023				
Gross carrying amount	–	4,937	982	5,919
2022				
Gross carrying amount	–	5,161	883	6,044

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	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 90 days overdue	
2023						
Gross carrying amount	–	8,276	225	54	516	9,071
Expected loss rate (%)	0.00%	0.05%	2.25%	9.25%	71.90%	4.25%
ECL provision	–	4	5	5	371	385
2022						
Gross carrying amount	–	4,766	785	201	326	6,078
Expected loss rate (%)	0.00%	0.00%	0.00%	10.50%	87.50%	5.04%
ECL provision	–	–	–	21	285	306

D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are 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	≤ 1 Year	payable in:		Total cash outflows	carrying values
				1 - 5 Years	> 5 Years		
2023							
Payables	0.00%	7,213	23,336	–	–	30,549	30,549
Borrowings	1.75%	–	949	3,985	2,674	7,608	7,608
Lease liabilities	2.76%	–	326	228	–	554	554
Total financial liabilities		7,213	24,611	4,213	2,674	38,711	38,711
2022							
Payables	0.00%	7,324	23,606	–	–	30,930	30,930
Borrowings	1.03%	–	965	3,975	3,634	8,574	8,574
Lease liabilities	2.46%	–	377	428	–	805	805
Total financial liabilities		7,324	24,948	4,403	3,634	40,309	40,309

D2-1 Fair value measurement

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

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

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

Fair value hierarchy

All assets and liabilities measured at fair value are 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 council can access at the measurement date.

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

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

The table below shows the assigned level for each asset and liability held at fair value by council:

		Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
\$ '000	Notes	2023	2022	2023	2022	2023	2022
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss		230	226	–	–	230	226
Total financial assets		230	226	–	–	230	226
Investment property							
167 Meadows Road, Mount Pritchard NSW 2170	C1-7	5,400	5,075	–	–	5,400	5,075
9 Walker Place, Wetherill Park NSW 2164		5,900	5,638	–	–	5,900	5,638
396 Victoria Street, Wetherill Park, NSW 2164		8,600	8,259	–	–	8,600	8,259
Total investment property		19,900	18,972	–	–	19,900	18,972
Infrastructure, property, plant and equipment							
Plant and equipment	C1-6	–	–	14,918	15,357	14,918	15,357
Office equipment		–	–	749	1,148	749	1,148
Furniture and fittings		–	–	62	85	62	85
Operational land		364,599	324,707	39,852	–	404,451	324,707
Community land		–	–	558,230	535,422	558,230	535,422
Buildings Non Specialised		808	–	295,643	323,260	296,451	323,260
Park infrastructure		–	–	70,095	68,917	70,095	68,917
Roads		–	–	467,060	430,666	467,060	430,666
Bridges		–	–	41,157	40,967	41,157	40,967
Footpaths		–	–	118,273	107,459	118,273	107,459
Stormwater drainage		–	–	325,682	291,188	325,682	291,188
Kerb and gutter		–	–	158,816	150,631	158,816	150,631
Library books		–	–	2,111	2,024	2,111	2,024
Other assets Park Recreation & CCTV		–	–	2,017	2,502	2,017	2,502
Land under Roads		–	–	2,222	2,222	2,222	2,222
Bulk Earthworks		–	–	34,884	34,885	34,884	34,885

continued on next page ...

D2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2023	2022
		2023	2022	2023	2022	2023	2022
Total infrastructure, property, plant and equipment		365,407	324,707	2,131,771	2,006,733	2,497,178	2,331,440

Transfers between level 1 and level 2 fair value hierarchies

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

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).

At the end of each reporting period a fair value assessment is made on any movements since the last revaluation, and a determination as to whether any adjustments need to be made. These adjustments are made by way of application of indices.

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

Investment property

Council engages external, independent and qualified valuers to determine the fair value of its investment properties every three years. As at 30 June 2023 the valuation of the investment property portfolio was performed by Curtis Valuation AAPI CPV.

All investment property valuations are included in level 2 of the hierarchy. The value of investment property was determined using either the capitalisation of rental income method or with reference to value of similar properties within the area. The key unobservable input to the valuation is the rent or price per square metre.

Infrastructure, property, plant and equipment (IPPE)

Operational Land and Buildings

Council engages external, independent and qualified valuers to determine the fair value of the Council's operational land and buildings. The last revaluation of the operational land and buildings were undertaken by APV Valuers & Asset Management as at 30 June 2023.

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 key unobservable input being the rate per square metre has been benchmarked to construction costs of similar properties across the industry.

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.

Community Land and Land under Roads

The fair value for community land in level 3 has been determined from the Valuer General's Valuation performed for rating space purposes. Land under roads has been determined using a unit rate per square metre.

Given the nature of Community land and Land under roads, comparable sales data is generally not available. As the Valuer General's valuation considers land in all zoning, average unit derived from Valuer's General's valuation is considered the most practicable approach to valuing Community Land and Land under roads.

The last revaluation of the community land based on Valuer General's valuation was performed at 30 June 2023.

D2-1 Fair value measurement (continued)

Infrastructure Assets

Valuations for infrastructure assets in level 3, other than specialised buildings, are performed internally by the Council. The gross value of the infrastructure assets are determined by unit rate to total volume which is normally square internal engineering meters, cubic metres or lineal metres.

The unit rate, which is a key unobservable input, is determined using rates stipulated in contracts with third party suppliers.

D2-1 Fair value measurement (continued)

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

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

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Capital work in progress	Cost approach used to approximate fair value	Gross replacement cost
Plant and equipment	Cost approach used to approximate fair value	Gross replacement cost
Office equipment	Cost approach used to approximate fair value	Gross replacement cost
Furniture and fittings	Cost approach used to approximate fair value	Gross replacement cost
Operational land	Market based direct comparison	Land value, land area
Community land	NSW Valuer General land valuation and acquisition cost for properties acquired during 2022/23	Land value, land area
Buildings Specialised	Cost approach used to approximate fair value	Gross replacement cost
Buildings Non Specialised	Market based direct comparison	Gross replacement cost
Park infrastructure	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Roads	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Bridges	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Footpaths	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Stormwater drainage	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Kerb and gutter	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value
Library books	Cost approach used to approximate fair value	Gross replacement cost
Other assets	Cost approach used to approximate fair value	Gross replacement cost
Land under Roads	NSW Valuer General land valuation	Land value, land area
Bulk Earthworks	Unit rate per sqr meter or length	Asset condition, remaining lives, residual value

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

\$ '000	IPP&E	
	2023	2022
Opening balance	2,006,733	1,849,840
Total gains or losses for the period		
Other movements		
Purchases (GBV)	69,022	76,812
Disposals (WDV)	(634)	(268)
Depreciation and impairment	(37,278)	(35,077)
Other movement	54,886	115,426
Reclassification from Category 2	39,042	–
Closing balance	2,131,771	2,006,733

D2-1 Fair value measurement (continued)

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2022. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities. The share of any funding surplus or deficit that can be attributed to council is 1.90%. It is estimated that there are \$379,398.48 past service contributions remaining.

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 past service 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.

D3-1 Contingencies (continued)

The amount of employer contributions to the defined benefit section of the fund and recognised as an expense for the year ending 30 June 2023 was \$753,101.72. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2022.

Council's expected contribution to the plan for the next annual reporting period is \$696,857.16

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

* excluding other accumulation accounts and reserves in both assets and liabilities.

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

Investment return	6.0% per annum
Salary inflation	3.5% per annum
Increase in CPI 2022/ 2023 Financial Year	6.0% per annum
Increase in CPI thereafter	2.5% per annum

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) Workers Compensation Self Insurance Bank Guarantee

Council is a Self Insurer for Workers Compensation and a condition of its Self Insurance Licence requires either a Term Deposit or Bank Guarantee to be held based on Actuarial Assessment. In June 1997 council decided to take out a Bank Guarantee to comply with the conditions of its Self Insurance Licence.

State Insurance Regulatory Authority has reviewed Council's workers compensation claims liability based on actuarial report dated 30 June 2022 and advised the bank guarantee remains as \$2.839 million.

(iii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30 June 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 provided no other guarantees other than those listed above.

D3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

OTHER ASSETS & LIABILITIES NOT RECOGNISED:

(i) Regional Illegal Dumping Squads (RIDS)

RID Squads are regionally based teams that specialise in dealing with illegal dumping and illegal landfilling. The squads are funded by the NSW Environment protection Authority (EPA) and the member local councils who opt to work together and contribute resources to tackle illegal dumping.

The objective of the project is to identify, investigate and prosecute illegal waste dumping offences and trial a range of enforcement strategies.

Each Council has equal interest in the operation and has an undertaking to annually contribute. (\$85,000 for 2022/23)

The RIDS accounts are to be prepared by Resources NSW and were not available at the time of preparing these statements in order to determine the value of Council's interest.

Council's share of the asset, liabilities, income and expenses for this Joint Venture is not considered material.

Others

Council has a contingent liability limit of \$3,674,000 with CBA of which \$835,000 is unused.

E People and relationships

E1 Related party disclosures

E1-1 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:

	2023	2022
Compensation:		
Short-term benefits	3,518	2,967
Total	3,518	2,967

Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of KMP using Council services (e.g access to Council's swimming pool) will not be disclosed.

There are no transactions with close family members of Council's KMP during financial year 2022/23.

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
---------	------	------

The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	98	87
Councillors' fees	454	379
Other Councillors' expenses (including Mayor)	67	74
Total	619	540

E2 Other relationships

E2-1 Audit fees

\$ '000	2023	2022
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	233	197
Remuneration for audit and other assurance services	233	197
Total Auditor-General remuneration	233	197
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Other audit and assurance services	35	18
Remuneration for audit and other assurance services	35	18
Total remuneration of non NSW Auditor-General audit firms	35	18
Total audit fees	268	215

F Other matters

F1-1 Statement of Cash Flows information

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

\$ '000	2023	2022
Net operating result from Income Statement	40,813	33,580
Add / (less) non-cash items:		
Depreciation and amortisation	38,022	35,740
(Gain) / loss on disposal of assets	(1,912)	(407)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(1,363)	–
– Investment property	(929)	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(2,868)	2,004
Increase / (decrease) in provision for impairment of receivables	126	56
(Increase) / decrease of inventories	157	(232)
(Increase) / decrease of other current assets	2,164	6,376
Increase / (decrease) in payables	(2,913)	1,941
Increase / (decrease) in other accrued expenses payable	2,626	288
Increase / (decrease) in other liabilities	(94)	72
Increase / (decrease) in contract liabilities	542	2,977
Increase / (decrease) in employee benefit provision	244	(560)
Increase / (decrease) in other provisions	48	394
Net cash flows from operating activities	74,663	82,229

(b) Non-cash investing and financing activities

Bank Guarantees

State Insurance Regulatory Authority - Workers Compensation \$2,839,000.00

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	2,033	451
Road infrastructure	14,562	5,514
Plant and equipment	4,750	3,269
Drainage	–	2,759
Other Infrastructure	2,218	3,067
Total commitments	23,563	15,060
These expenditures are payable as follows:		
Within the next year	23,563	15,060
Total payable	23,563	15,060
Sources for funding of capital commitments:		
Unrestricted general funds	4,631	5,211
Unexpended grants	14,211	6,790
Externally restricted reserves	4,080	2,790
Internally restricted reserves	112	176
Developer Contributions	529	93
Total sources of funding	23,563	15,060

F3-1 Events occurring after reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

F4 Statement of developer contributions as at 30 June 2023

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Open space	16,308	4,264	-	-	783	(14,824)	-	6,531	-
Community facilities	-	920	-	-	195	(24)	-	1,091	-
Concrete Path Paving	-	-	-	-	-	-	-	-	-
Administration	889	128	-	-	26	(41)	-	1,002	-
City Wide	-	60	-	-	13	(3)	-	70	-
S7.11 contributions – under a plan	17,197	5,372	-	-	1,017	(14,892)	-	8,694	-
S7.12 levies – under a plan	5,863	2,292	-	-	211	(274)	-	8,092	-
Total S7.11 and S7.12 revenue under plans	23,060	7,664	-	-	1,228	(15,166)	-	16,786	-
S7.4 planning agreements	918	-	-	-	4	(88)	-	834	-
Total contributions	23,978	7,664	-	-	1,232	(15,254)	-	17,620	-

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.

F4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
CONTRIBUTION PLAN - 1999 Roads adjacent to Open Space									
	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
CONTRIBUTION PLAN 2011 Community Facilities District									
	-	20	-	-	5	(24)	-	1	-
	-	152	-	-	35	-	-	187	-
Total	-	172	-	-	40	(24)	-	188	-
CONTRIBUTION PLAN 2011 Community Facilities Local									
	-	81	-	-	23	-	-	104	-
	-	188	-	-	33	-	-	221	-
	-	74	-	-	22	-	-	96	-
	-	194	-	-	19	-	-	213	-
	-	140	-	-	25	-	-	165	-
	-	71	-	-	33	-	-	104	-
Total	-	748	-	-	155	-	-	903	-

F4-2 Developer contributions by plan (continued)

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land					
CONTRIBUTION PLAN 2011								
Land Acquisition								
- Cabramatta	6,425	1,349	-	170	(6,786)	-	1,158	-
- Fairfield	623	1,512	-	229	(1,872)	-	492	-
- Western LGA	6,063	371	-	215	(5,080)	-	1,559	-
- Willawood	3,207	433	-	88	(1,230)	-	2,498	-
Total	16,308	3,665	-	702	(14,968)	-	5,707	-
CONTRIBUTION PLAN 2011								
Open Space Embellishment								
- Cabramatta	-	207	-	26	-	-	233	-
- Fairfield	-	171	-	36	148	-	355	-
- Willawood	-	54	-	4	14	-	72	-
- Western LGA	-	167	-	15	(18)	-	164	-
Total	-	599	-	81	144	-	824	-
CONTRIBUTION PLAN 2011 Administration								
- Administration	889	128	-	26	(41)	-	1,002	-
Total	889	128	-	26	(41)	-	1,002	-
CONTRIBUTION PLAN 2011 - City Wide								
- City Wide	-	60	-	13	(3)	-	70	-
Total	-	60	-	13	(3)	-	70	-

continued on next page ...

F4-2 Developer contributions by plan (continued)

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
	5,863	2,292	-	-	211	(274)	-	8,092	-
Total	5,863	2,292	-	-	211	(274)	-	8,092	-

CONTRIBUTION PLAN NUMBER 2011

- Section 94A Levy Contributions

F4-3 S7.4 planning agreements

Bonnyrigg Living Community Communities

- Bonnyrigg Living Community

	918	-	-	-	4	(88)	-	834	-
Total	918	-	-	-	4	(88)	-	834	-

F5 Statement of performance measures

F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	2022	Indicators 2021	2020	Benchmark
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	10,653	5.32%	7.26%	3.30%	3.31%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	200,304					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions ¹	174,302	77.13%	78.04%	80.17%	77.25%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions ¹	225,991					
3. Unrestricted current ratio						
Current assets less all external restrictions	76,323	2.30x	2.01x	1.92x	1.91x	> 1.50x
Current liabilities less specific purpose liabilities	33,236					
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	48,855	27.45x	28.30x	29.08x	50.98x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,780					
5. Rates and annual charges outstanding percentage						
Rates and annual charges outstanding	5,495	4.21%	4.48%	3.98%	3.93%	< 5.00%
Rates and annual charges collectable	130,575					
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	54,778	4.35 months	6.47 months	4.50 months	5.06 months	> 3.00 months
Payments from cash flow of operating and financing activities	12,583					

(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

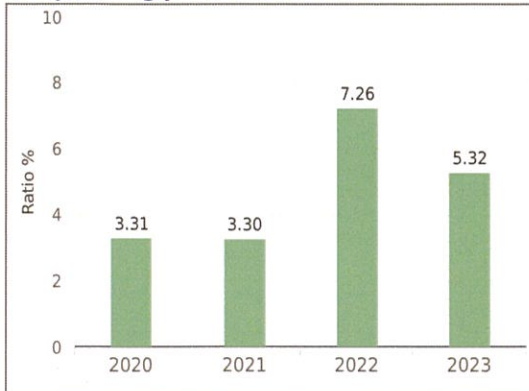
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result

2022/23 ratio 5.32%

The current years' Operating Performance Ratio reflects the impact of increased revenue and expenses as Council's services and operations returned to normal post COVID levels. The ratio has exceeded the benchmark of 0.0% prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23 since its inception 8 years ago.

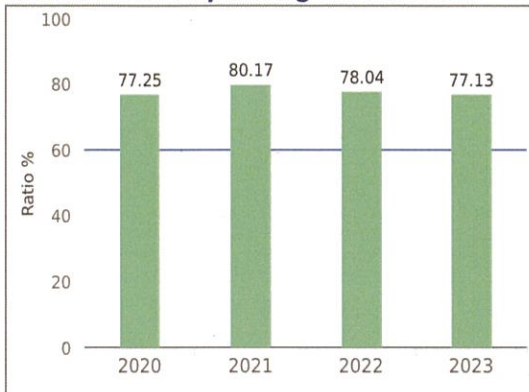
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2022/23 result

2022/23 ratio 77.13%

Council predominantly uses its own sources of funding and has consistently maintained this ratio well above the benchmark of 60.0% prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23. For the 8 years since inception this ratio has been in the region of 80%.

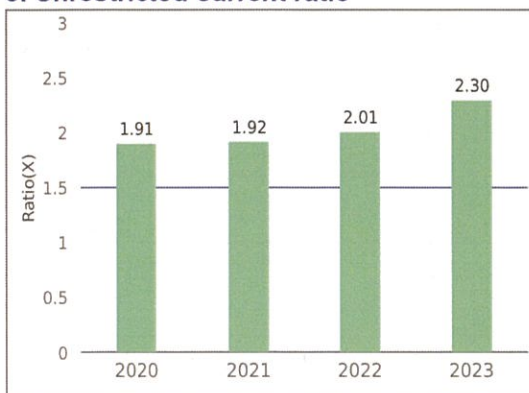
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2022/23 result

2022/23 ratio 2.30x

Council's Unrestricted Current Ratio of 2.30 exceeds the benchmark of 1.50 prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23. Council has consistently maintained this ratio above the benchmark and has sufficient liquid funds to meet its short-term financial obligations.

Benchmark: — > 1.50x

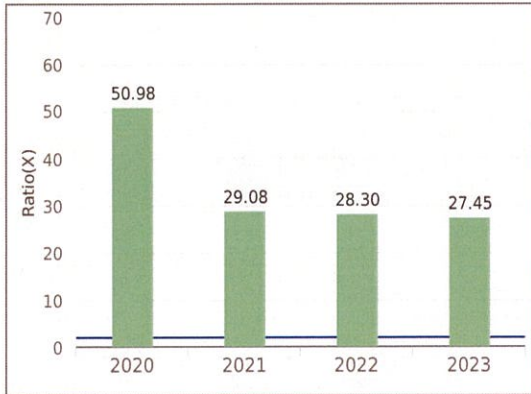
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 27.45x

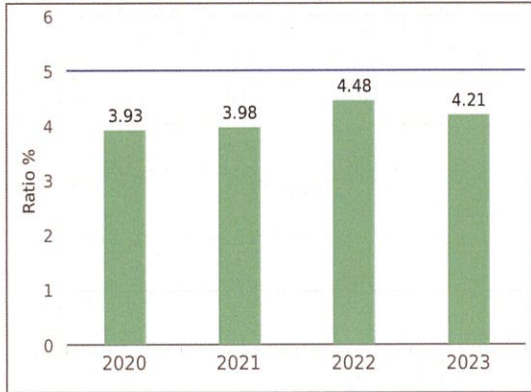
Council's Debt Service Cover Ratio is in a very strong position because it has minimal debt. The ratio has exceeded the benchmark of 2.0 prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23 since its inception.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2022/23 result

2022/23 ratio 4.21%

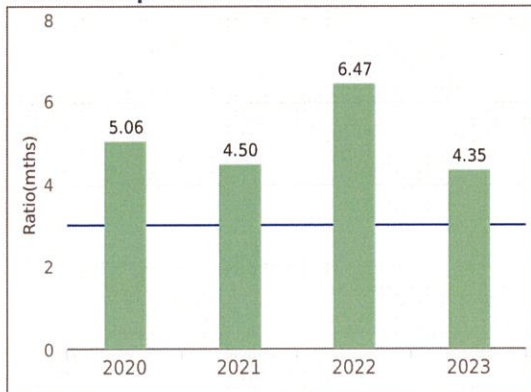
Outstanding Rates and Annual Charges are 4.21%, which is within the benchmark of 5.00% prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23. Proactive management has ensured that Council has consistently maintained the ratio within the benchmark despite the challenging economic conditions this financial year.

Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2022/23 result

2022/23 ratio 4.35 months

Council's Cash Expense Cover Ratio is above the benchmark of 3 months prescribed by the Local Government Code of Accounting Practice and Financial Reporting 2022/23. This demonstrates that Council can continue to meet its payment obligations without additional cashflow.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

- Ratio achieves benchmark
- Ratio is outside benchmark

G1-2 Council information and contact details

Principal place of business:

86 Avoca Road
WAKELEY NSW 2176

Contact details

Mailing Address:

PO Box 21
FAIRFIELD NSW 1860

Telephone: 02 9725 0222

Facsimile: 02 9725 4249

Opening hours:

8:30am - 4:30pm
Monday to Friday

Internet: www.fairfieldcity.nsw.gov.au

Email: mail@fairfieldcity.nsw.gov.au

Officers

General Manager

Bradley Cutts

Responsible Accounting Officer

Lachlan Gunn

Public Officer

Rhonda Tyne

Auditors

Audit Office of New South Wales
Level 19, Darling Park Tower 2
201 Sussex Street
Sydney, NSW 2000

Elected members

MAYOR

Frank Carbone

COUNCILLORS

Charbel Saliba
George Barcha
Reni Barkho
Milovan Karajcic
Kevin Lam
Carmen Lazar
Dai Le
Kien Ly
Michael Mijatovic
Hugo Morvillo
Andrew Rohan
Marie Saliba

Other information

ABN: 83 140 439 239



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Fairfield City Council

To the Councillors of Fairfield City Council

Opinion

I have audited the accompanying financial statements of Fairfield City Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, 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 2023, 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).

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

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 2023 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 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 B5-1 '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.



Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2023
SYDNEY



Mr Frank Carbone
 Mayor
 Fairfield City Council
 PO Box 21
 FAIRFIELD NSW 1860

Contact: Cathy Wu
 Phone no: 02 9275 7212
 Our ref: R008-16585809-46593

30 October 2023

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2023
 Fairfield City Council**





I have audited the general purpose financial statements (GPFS) of the Fairfield City Council (the Council) for the year ended 30 June 2023 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 2023 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2023 \$m	2022 \$m	Variance %
Rates and annual charges revenue	124.4	121.2	 2.6
Grants and contributions revenue	51.7	44.7	 15.8
Operating result from continuing operations	40.8	33.6	 21.5
Net operating result before capital grants and contributions	15.1	13.7	 10.8

Rates and annual charges revenue of \$124.4 million increased by \$3.2 million (2.6 per cent) in 2022–23 due to rate peg increase of 0.7 per cent, and an increase in the domestic waste levy of 6.5%.

Grants and contributions revenue of \$51.7 million increased by \$7.0 million (15.8 per cent) in 2022–23 due to:

- an increase of \$4.9 million in special purpose grants and non-developer contributions, primarily due to receipt of the Regional and Local Roads Repair Program funding
- receiving nearly 100 per cent of the financial assistance grants for 2023–24 in advance (75 per cent in advance in 2021–22), amounting to an increase of \$3.1 million.

The Council’s operating result from continuing operations of \$40.8 million (including depreciation, amortisation and impairment expense of \$38.0 million) was \$7.2 million higher than the 2021–22 result. This was mainly due to:

- an increase of \$7.0 million in grants and contributions revenue, as noted above
- other increases in total income amounting to \$19.8 million, relating to growth in user charges and fees as activity levels increased after lifting of COVID-19 restrictions, and increased investment income due to higher interest rates
- offset by an overall \$19.6 million increase in total expenses, particularly in materials and services and employee benefits and on-costs.

The net operating result before capital grants and contributions of \$15.1 million was \$1.5 million higher than the 2021–22 result. The movement was driven by the same factors as noted above, excluding a \$5.8 million increase in capital grants.

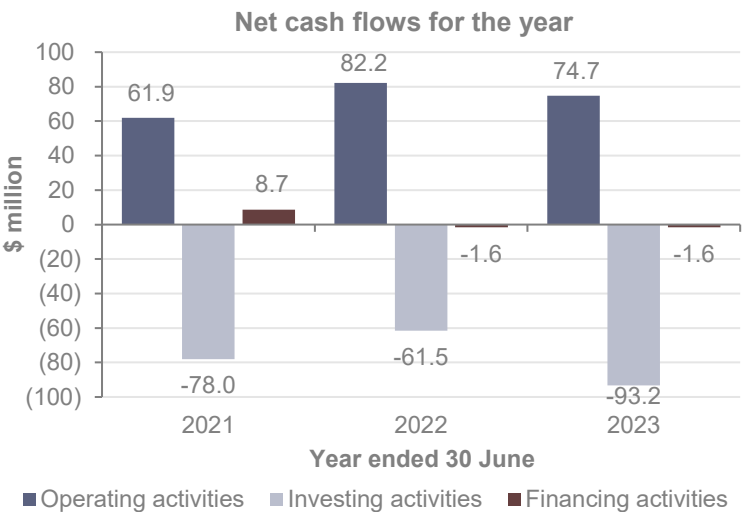
STATEMENT OF CASH FLOWS

There was a net cash outflow of \$20.1 million during the year.

Operating cash inflows decreased by \$7.6 million from last year due to increased payments to employees and suppliers for materials and services.

Cash flows from investing activities decreased by \$31.7 million due to increased purchases of investments (\$20.2 million) and infrastructure, property, plant and equipment (\$16.2 million).

Financing cash flows remained similar to last year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	166.8	161.1	Externally restricted balances comprise mainly of: <ul style="list-style-type: none"> domestic waste management (\$62.6 million) developer contributions (\$17.6 million) specific purpose unexpended grants (\$12.7 million).
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	106.4	110.4	Internal allocations are determined by council policies or decisions, which are subject to change. In 2023, these included: <ul style="list-style-type: none"> property development (\$13.2 million) insurance claim reserve (\$5.8 million) car park assets (\$5.0 million).
• Internal allocations	29.3	22.5	

Debt

The Council has not taken on any new borrowings in 2022–23.

The Council has bank overdraft facilities of \$1.5 million which remain unused as at 30 June 2023.

PERFORMANCE

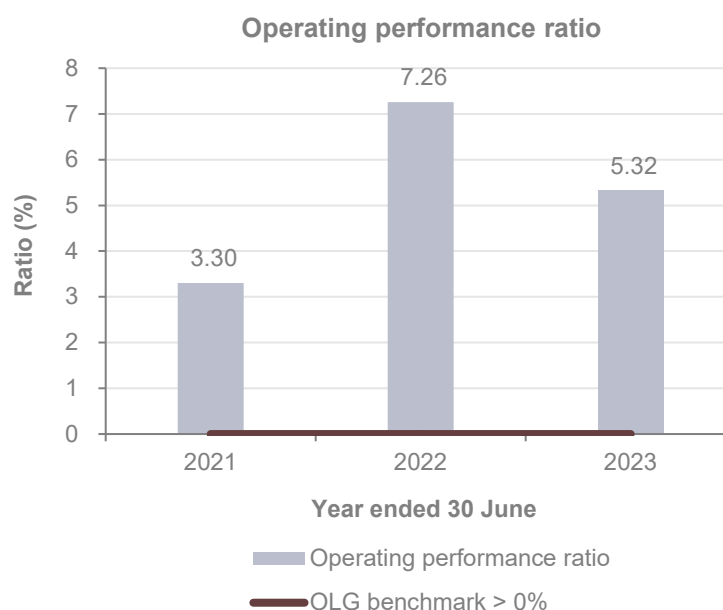
Performance measures

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 and Environment.

Operating performance ratio

The Council exceeded the benchmark for the current year. The decrease in ratio from 2022 was due to the increase in operating expenditure in 2023.

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

The Council exceeded the benchmark for the current year. The ratio has remained consistent over the past three years.

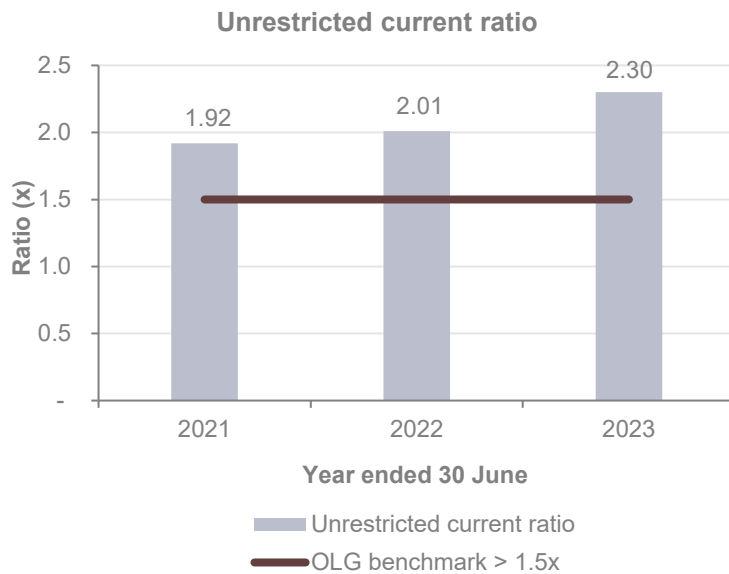
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the benchmark for the current year. The ratio has remained consistent over the past three years.

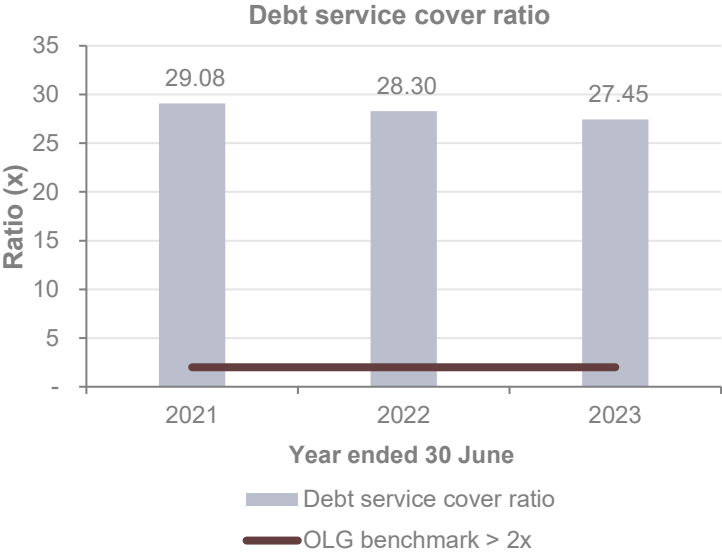
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

The Council exceeded the benchmark for the current year. The ratio has remained consistent over the past three years.

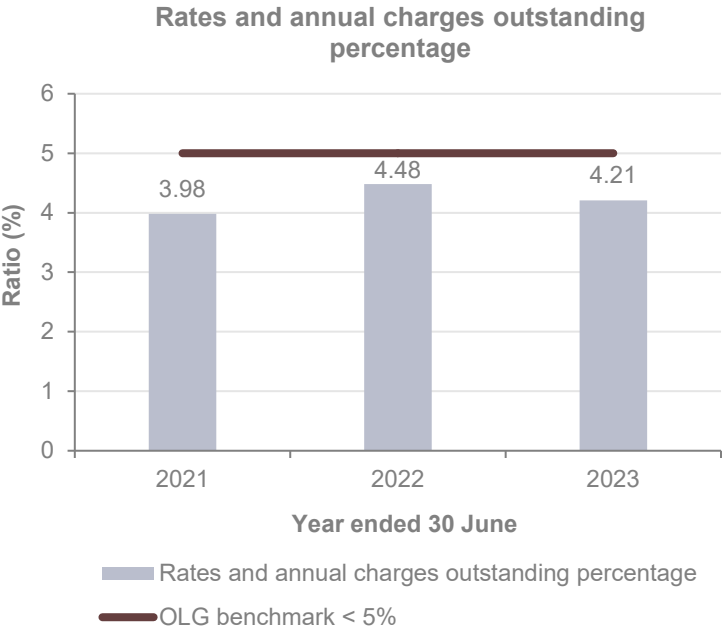
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council met the benchmark for the current year. The ratio has remained consistent over the past three years.

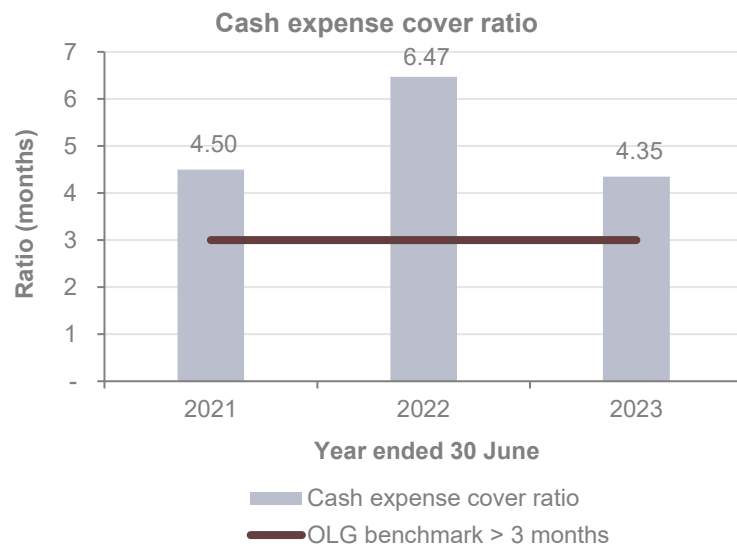
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



Cash expense cover ratio

The Council met the benchmark for the current year. The ratio decreased in 2023 due to increased expenditure as a result of general inflation.

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 renewed \$33.2 million of infrastructure, property, plant and equipment during the 2022–23 financial year (\$23.6 million in 2021–22). This was mainly spent on roads, repairing assets damaged by natural disasters. A further \$40.2 million was spent on new assets, including buildings and acquisition of community land.

OTHER MATTERS

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.

Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

Fairfield City Council

SPECIAL SCHEDULES
for the year ended 30 June 2023

"...a thriving, safe and friendly place with people who support and respect each other. A community where people can be proud to live, invest and prosper."



Fairfield City Council

Special Schedules

for the year ended 30 June 2023

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Independent Audit Report	4
Report on infrastructure assets as at 30 June 2023	6

Fairfield City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	90	90,541
Plus or minus adjustments ²	b	89,822	62
Notional general income	c = a + b	89,912	90,603
Permissible income calculation			
Or rate peg percentage	e	0.70%	3.70%
Or plus rate peg amount	i = e x (c + g)	629	3,352
Sub-total	k = (c + g + h + i + j)	90,541	93,955
Total permissible income	o = k + n	90,541	93,955
Less notional general income yield	p	90,541	93,958
Catch-up or (excess) result	q = o - p	-	(2)
Carry forward to next year ⁶	t = q + r + s	-	(2)

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 (NSW)*.
- (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 Act. 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

Fairfield City Council

To the Councillors of Fairfield City Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Fairfield City Council (the Council) for the year ending 30 June 2024.

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 2022–23 (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).

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

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 2023 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 2023'.

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.



Cathy Wu
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2023
SYDNEY

Fairfield City Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost			2022/23 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring to the to satisfactory standard \$ '000	Estimated cost to bring assets agreed level of service set by Council \$ '000	2022/23 Required maintenance ^a \$ '000				1	2	3	4	5
Buildings	Buildings	8,931	8,931	10,109	7,393	296,451	429,357	18.0%	44.0%	34.0%	4.0%	0.0%
	Sub-total	8,931	8,931	10,109	7,393	296,451	429,357	18.0%	44.0%	34.0%	4.0%	0.0%
Other structures	Park & Recreation	1,441	1,441	3,203	3,570	70,095	85,757	52.0%	24.0%	23.0%	1.0%	0.0%
	Sub-total	1,441	1,441	3,203	3,570	70,095	85,757	52.0%	24.0%	23.0%	1.0%	0.0%
Roads	Sealed roads	8,980	8,980	18,317	21,069	467,060	600,660	40.0%	44.0%	14.0%	2.0%	0.0%
	Bridges	296	296	506	823	41,157	50,627	48.0%	47.0%	5.0%	0.0%	0.0%
	Footpaths	2,226	2,226	3,370	4,149	118,273	146,699	34.0%	46.0%	18.0%	1.0%	1.0%
	Bulk earthworks	—	—	—	—	34,884	34,884	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and gutter	3,757	3,757	4,640	4,853	158,816	223,279	19.0%	52.0%	27.0%	2.0%	0.0%
	Sub-total	15,259	15,259	26,833	30,894	820,190	1,056,149	37.1%	44.7%	16.4%	1.7%	0.1%
Stormwater drainage	Stormwater drainage	611	611	2,079	1,011	325,682	359,667	20.0%	62.0%	18.0%	0.0%	0.0%
	Sub-total	611	611	2,079	1,011	325,682	359,667	20.0%	62.0%	18.0%	0.0%	0.0%
Total – all assets		26,242	26,242	42,224	42,868	1,512,418	1,930,930	30.3%	46.8%	20.9%	1.9%	0.1%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
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

Fairfield City Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	2022	Indicators 2021	2020	Benchmark
Buildings and infrastructure renewals ratio						
Asset renewals ¹	33,192					
Depreciation, amortisation and impairment	32,369	102.54%	77.78%	130.52%	119.75%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	26,242					
Net carrying amount of infrastructure assets	1,323,001	1.98%	1.73%	1.84%	1.85%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	42,868					
Required asset maintenance	42,224	101.53%	79.51%	103.57%	109.50%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	26,242	1.36%	1.36%	1.38%	1.36%	
Gross replacement cost	1,930,930					

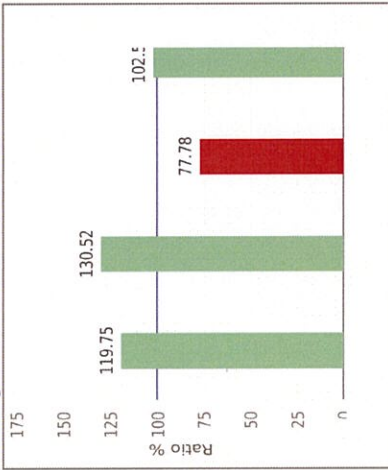
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Fairfield City Council

Report on infrastructure assets as at 30 June 2023

Buildings and infrastructure renewals ratio



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

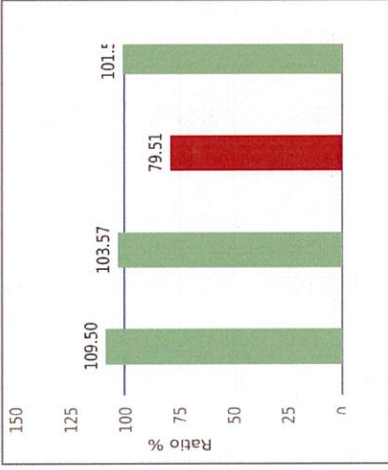
Commentary on result
22/23 ratio 102.54%

Council has exceeded the ratio for the current year, and on a cumulative basis over the 8 years since inception. This demonstrates that Council is investing in the renewal of its infrastructure assets in order to preserve intergenerational equity for a sustained period of time. The benchmark was not achieved in the prior year due to the COVID-19 lockdown and the large number of days lost to wet weather. This was an isolated anomaly in the prior year.

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

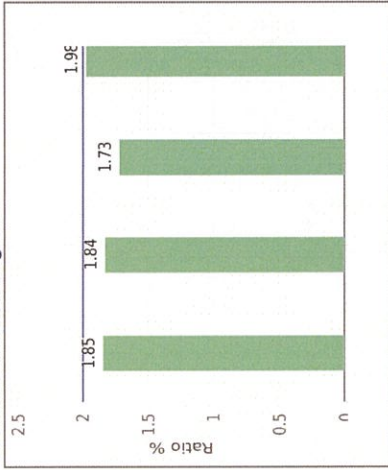
Commentary on result
22/23 ratio 101.53%

Council has exceeded the ratio for the current year, and on a cumulative basis over the 8 years since inception. The benchmark was not achieved in the prior year due to the COVID-19 lockdown, the large number of days lost to wet weather, and reduced maintenance requirements due to reduced asset utilisation during the lockdown. The prior years below benchmark result was an isolated anomaly.

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

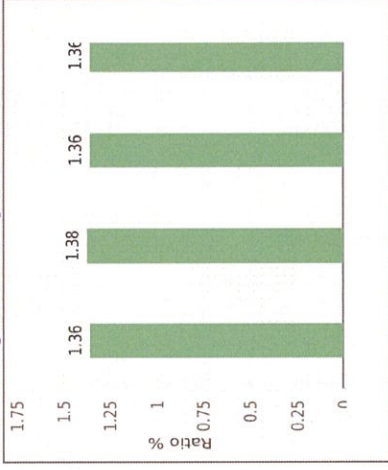
Commentary on result
22/23 ratio 1.98%

Council's infrastructure backlog ratio of 1.98% is below the benchmark of 2.0% set by the Local Government Code of Accounting Practice and Financial Reporting 2022/23. This means that Council does not have a major backlog of infrastructure works. Council's ability to maintain this ratio at low levels for the past 8 years indicates that the service capacity of assets is being effectively maintained.

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result
22/23 ratio 1.36%

The cost to bring assets to agreed service level ratio of 1.36% for the 12 months ended 30 June 2023 is in line with the low levels Council has maintained this ratio at in prior years. This means that Council is investing adequate funding to maintain the assets to the required level for them to service the community.