

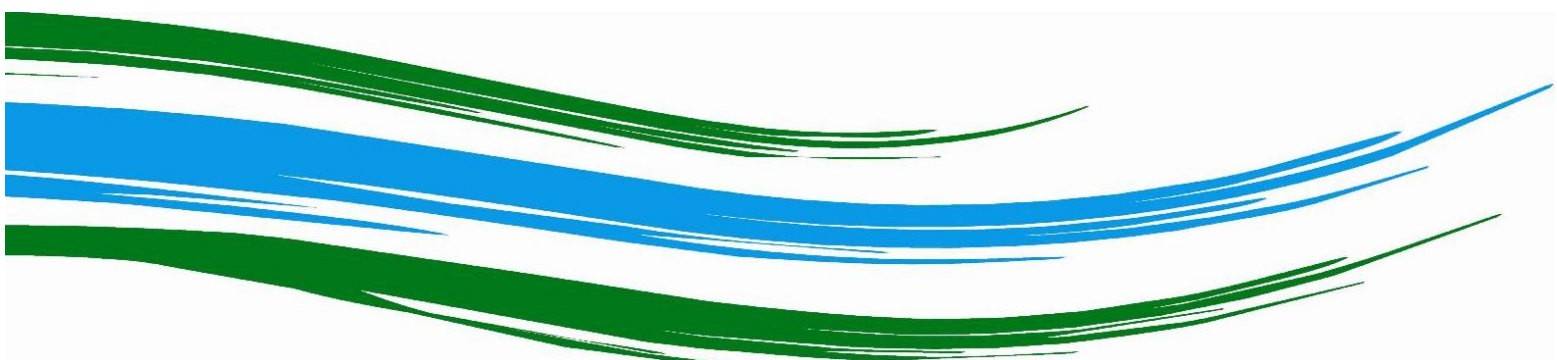


Camden Council

Attachments

Ordinary Council Meeting
27 November 2018

Camden Council
Administration Centre
70 Central Avenue
Oran Park



ORDINARY COUNCIL

ATTACHMENTS - ORDINARY COUNCIL

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General Purpose & Special Purpose Financial Statements

For the Year Ended 30 June 2018



ORD01

Attachment 1

Camden Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Camden, the Best of Both Worlds



Executive Summary – 2017/18 Annual Financial Statements

Camden continues to be one of the fastest growing areas in New South Wales with more than 150 new residents per week. This growth places substantial pressure on Council's finances and resources. The cost of planning for growth is an up front cost that is required before additional rate income is realised through growth.

Council works closely with all levels of Government and the community to ensure there is a balance between providing for existing residents and those we welcome to Camden in the future.

The information below provides a snap shot of Council's financial performance over the past 12 months, more detailed information is provided within the Financial Statements.

Financial Performance

The following table highlights the 'financial performance' comparison between 2017/18 and 2016/17:

Income Statement	2017/18 \$'000	2016/17 \$'000
Total Income from Continuing Operations	\$275,285	\$188,734
Total Expenses from Continuing Operations	\$109,689	\$92,030
Surplus Operating Result from Continuing Operations	\$165,596	\$96,704
Grants and Contributions provided for Capital Purposes	\$175,225	\$98,372
Net Operating Result before Grants and Contributions provided for Capital Purposes (deficit)	(\$9,629)	(\$1,668)

Local Government Accounting - Operating Result

It is important to note that the operating result shown in the Income Statement is not Council's budget or cash position. The Income statement complies with the International Financial Reporting Standards and is required to be reported on an accruals basis, it considers non-cash entries and the timing of the receipt or payment of money. Council's budget is done on cash basis. The reported surplus of \$165.59 million (after capital items) does not mean Council has additional funds of \$165.59 million to spend. Alternatively the fact that Council's Income Statement has a reported deficit of \$9.63 million (before capital items) does not mean Council's budget is over spent or Council's liquidity position is poor.

Council continues to balance its budget annually and its liquidity position is strong as demonstrated by the financial indicators in Note 23 to the Financial Statements.

Operating Result (after capital items)

The 2017/18 Operating Result after accounting for capital income is a surplus of \$165.59 million (\$96.70 million 2016/17). This surplus is primarily due to non-cash contributions made by developers for infrastructure such as roads, drainage and open space. The value of these non-cash dedications for 2017/18 was \$142.75 million (\$76.16 million 2016/17). Accounting standards require the dedication of assets to be brought to account as income which inflates the surplus reported.

Operating Result (before capital items)

Council's operating result before capital items is a deficit of \$9.63 million. This result excludes capital income of \$175.23 million. In comparing this result to the previous financial year, the deficit has increased from \$1.67 million to \$9.63 million. This is predominately due to the disposal of Infrastructure assets (non-cash) and an increase in depreciation expense (non-cash). The disposal of infrastructure assets included the write-off of roads upon renewal (\$2.55 million), the write-off of assets transferred to the RMS (\$2.48 million) and operational land (\$1.08 million). The increase in depreciation was a result of the removal of residual values on road surface assets (\$1.03 million) and an extraordinary increase in Council's asset base where major construction works were completed including the new administration building and Oran Park library which increase the amount of depreciation expense recognised.

Other significant movements in income include Rates and Annual Charges increasing by \$5.97 million, and Fees and Charges by \$978K predominately in building services and town planning associated with growth. To maintain existing service levels Council has employed additional staff during 2017/18 which increased employee costs by \$3.19 million. Materials and Contracts also increased by \$3.20 million representing additional works and services undertaken to meet service demand.

Council continues to monitor its operating result and whilst Council's liquidity position is strong, Council recognises that longer term, operating deficits are not sustainable and that sustained reported deficits will ultimately reduce Council's ability to maintain or replace its asset base over time.

Council expects that this position will improve over time through increased income associated with growth and prudent long-term financial management of expenditure budgets that consider the timing of future income. Council's disposals (per note 5) were unusually high this financial year which resulted in a one-off expense in Council's income statement to recognise a decrease in equity.

Measures that Council has adopted to improve and ensure that its long term financial position remains sustainable include:

✓ **Balanced Budget**

Council annually adopts and maintains a balanced budget position and does not spend beyond its means.

✓ **Loans and Loan Reduction Program**

Historically Council has part funded its annual road reconstruction program through loans. In 2013/14 Council adopted a loan reduction program to gradually reduce Council's reliance on re-current loan borrowings. Council has completed this program 2 years ahead of schedule. Council did not borrow for its annual road reconstruction program during 2017/18 and has no future re-current loan borrowings in its long-term financial plan (10 years).

Council still has capacity to borrow for capital projects (one-off) upon the appropriate financial assessment being completed.

✓ **Long-Term Financial Planning (LTFP)**

Council has a 10 year LTFP which is updated quarterly. The LTFP is critical to Council's planning and monitoring of its immediate and future financial sustainability. It is central to correcting the reported operating deficit in the Income Statement by containing expenditure and allowing natural growth in Council's income base to achieve a balanced or reported operating surplus. It allows Council to make informed decisions about sustainable levels of debt and reserves (liquidity) it also forms part of a suite of resourcing plans that support Council's Integrated Planning and Reporting Package.

✓ **Asset Management Planning**

Sound asset management and the correct allocation of resources are central to Council's sustainability. As part of Council's adaptive organisational framework and Organisational Improvement Plan an asset management section was created dedicated to understanding the financing and resourcing needs of our current and future asset base. This will enhance Council's decision making and longer term forecasting.

✓ **Cash Reserves and Investing in the Future**

Council has established reserves for capital improvement, asset replacement and technology improvements.

✓ **Community Infrastructure Renewal Program (CIRP)**

In 2013, IPART approved a special rate variation for a \$6 million (over 6 years) CIRP. The last year of this program is 2018/19. The program has been essential to Council continuing to address its renewal backlog. As part of the 2019/20 budget process Council will assess the need to continue this program. A continuation of this program requires consultation with the community before any application can be made to IPART for its continuation.

✓ **Building Partnerships**

Council continues to actively pursue both State and Federal funding opportunities to fund infrastructure and service

requirements when made available. Examples include accessing the low interest loans under the Local Infrastructure Renewal Schemes. This scheme will again be available for the 2019/20 financial year with applications closing in May 2019.

✓ **Organisational Improvement Plan**

As part of demonstrating Council is "fit for the future" an organisational business improvement plan (BIP) was implemented, this plan is now complete with all 57 Priority Action projects completed.

To ensure future organisational improvement efforts are structured in a similar, systematic manner and that Camden continues in its efforts to be a benchmark local government organisation, Council is currently developing an Organisational Strategic Plan ('OSP'). The OSP will act as the new 'BIP' and a mechanism to prioritise and guide the selection of future organisational strategic improvement priorities.

Statement of Financial Position

The net value of assets owned by our community is \$1.537 billion (\$1.321 billion in 2016/17). The majority of this equity relates to the ownership of land and infrastructure assets such as roads, stormwater drainage, footpaths and bridges. Council's increase in equity is predominately due to infrastructure assets being dedicated to Council as part of new release areas being developed and the reclassification of four property assets to investment properties.

In 2017/18 Council converted four of its buildings to investment properties by leasing them to the private sector. An independent valuation of these four properties (including land) has also resulted in a fair value increment of \$6.053 million, which has been transferred to Council's revaluation reserve. The value of Council's investment properties as at 30 June 2018 is \$27.3 million.

Council revalued operational land and buildings as at 30 June 2018. The increase in value has been transferred to Council's revaluation reserve (\$54.00 million).

Council's loan debt is now \$31.62 million with a net decrease of \$3.38 million from 2016/17; primarily a result of principal repayments during 2017/18 and no new loans being taken up in 2017/18.

Financial Health Indicators

The financial health indicators for the 2017/18 financial year can be found in Note 23(a) (pages 74-77) and Special Schedule 7 (pages 12-13). These sections of the financial statements provide a detailed explanation of each indicator and any unique considerations which need to be taken into account when assessing Council's financial performance. Overall, the indicators provide a positive outlook for Council's continued financial sustainability.

It should also be noted that Camden Council was 1 of only 7 metropolitan Council's to be deemed fit for future as part of IPART's review into the financial sustainability of NSW Council's.

Responsible Accounting Officer

Camden Council

General Purpose Financial Statements

for the year ended 30 June 2018

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Overview

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

70 Central Avenue
Oran Park NSW 2570

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

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

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

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

Camden Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's financial statements

Introduction

Each year, individual local governments across New South Wales are required to present a set of audited financial statements to their council and community.

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, Property, Plant and Equipment.

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

Council's annual financial statements are required to be audited by the NSW Audit Office. In NSW the auditor provides 2 audit reports:

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

Who uses the financial statements?

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

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

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

Camden Council

General Purpose Financial Statements
for the year ended 30 June 2018

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

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

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

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

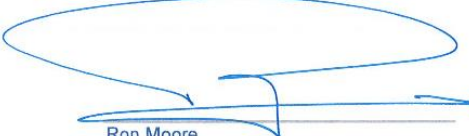
- present fairly the Council's operating result and financial position for the year,
- accord with Council's accounting and other records.


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

Signed in accordance with a resolution of Council made on 30 October 2018.


 Councillor Peter Sidgreaves
 Mayor
 30 October 2018


 Councillor Theresa Fedeli
 Deputy Mayor
 30 October 2018


 Ron Moore
 General Manager
 30 October 2018


 Paul Rofe
 Responsible Accounting Officer
 30 October 2018

Camden Council

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Income from continuing operations				
<i>Revenue:</i>				
62,348	Rates and annual charges	3a	63,882	57,907
17,273	User charges and fees	3b	18,322	17,344
2,620	Interest and investment revenue	3c	3,782	3,403
2,098	Other revenues	3d	5,868	2,501
6,597	Grants and contributions provided for operating purposes	3e,f	8,085	9,178
175,580	Grants and contributions provided for capital purposes	3e,f	175,225	98,372
<i>Other income:</i>				
–	Net share of interests in joint ventures and associates using the equity method	15	121	29
266,516	Total income from continuing operations		275,285	188,734
Expenses from continuing operations				
44,440	Employee benefits and on-costs	4a	42,027	38,831
1,386	Borrowing costs	4b	1,808	1,960
24,350	Materials and contracts	4c	28,990	25,792
16,071	Depreciation and amortisation	4d	22,370	16,389
10,019	Other expenses	4e	8,393	7,334
–	Net losses from the disposal of assets	5	6,086	1,724
–	Fair value decrement on investment property	10	15	–
96,266	Total expenses from continuing operations		109,689	92,030
170,250	Operating result from continuing operations		165,596	96,704
170,250	Net operating result for the year		165,596	96,704
170,250	Net operating result attributable to Council		165,596	96,704
	Net operating result attributable to non-controlling interests		–	–
(5,330)	Net operating result for the year before grants and contributions provided for capital purposes		(9,629)	(1,668)

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

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Camden Council

Statement of Comprehensive Income
for the year ended 30 June 2018

\$ '000	2018	2017
Net operating result for the year (as per Income Statement)	165,596	96,704
Other comprehensive income:		
Amounts that will not be reclassified subsequently to the operating result		
Gain (loss) on revaluation of land and building	54,031	8,791
Gain (loss) on revaluation of land under roads	(3,874)	42,457
Total items which will not be reclassified subsequently to the operating result	50,157	51,248
Total other comprehensive income for the year	50,157	51,248
Total comprehensive income for the year	215,753	147,952
Total comprehensive income attributable to Council	215,753	147,952

Camden Council

Statement of Financial Position

as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	8,637	7,519
Investments	6b	84,200	68,200
Receivables	7	6,407	5,852
Inventories	8	347	427
Other	8	135	200
Total current assets		99,726	82,198
Non-current assets			
Investments	6b	29,500	32,200
Receivables	7	3,326	1,627
Infrastructure, property, plant and equipment	9	1,452,177	1,271,992
Investment property	10	27,300	12,350
Investments accounted for using the equity method	15	194	73
Total non-current assets		1,512,497	1,318,242
TOTAL ASSETS		1,612,223	1,400,440
LIABILITIES			
Current liabilities			
Payables	11	21,439	21,807
Income received in advance	11	246	258
Borrowings	11	3,665	3,797
Provisions	12	10,129	10,254
Total current liabilities		35,479	36,116
Non-current liabilities			
Payables	11	11,107	11,159
Borrowings	11	27,957	31,205
Provisions	12	626	659
Total non-current liabilities		39,690	43,023
TOTAL LIABILITIES		75,169	79,139
Net assets		1,537,054	1,321,301
EQUITY			
Accumulated surplus		1,046,682	881,086
Revaluation reserves	13	490,372	440,215
Council equity interest		1,537,054	1,321,301
Total equity		1,537,054	1,321,301

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

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Financial Statements 2018

Camden Council

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

\$'000	Notes	2018		2017		Total equity
		Accumulated surplus	IPP&E revaluation reserve	Accumulated surplus	IPP&E revaluation reserve	
Opening balance		881,086	440,215	784,382	388,967	1,173,349
Net operating result for the year		165,596	–	96,704	–	96,704
Other comprehensive income						
– Gain (loss) on revaluation of land and buildings	9a	–	54,031	–	8,791	8,791
– Gain (loss) on revaluation of land under roads	9a	–	(3,874)	–	42,457	42,457
Other comprehensive income		–	50,157	–	51,248	51,248
Total comprehensive income		165,596	50,157	96,704	51,248	147,952
Equity – balance at end of the reporting period		1,046,682	490,372	881,086	440,215	1,321,301

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

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Camden Council

Statement of Cash Flows
for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Cash flows from operating activities				
Receipts:				
62,348			63,888	57,858
17,273			19,761	18,450
2,620			3,706	3,339
21,334			56,946	31,394
–			8,201	9,493
5,464			8,279	9,420
Payments:				
(43,107)			(41,902)	(37,616)
(24,349)			(37,663)	(33,889)
(1,386)			(1,399)	(1,513)
–			(6,265)	(1,656)
(13,575)			(8,352)	(8,287)
<u>26,622</u>		14b	<u>65,200</u>	<u>46,993</u>
Cash flows from investing activities				
Receipts:				
–			136,200	123,900
535			345	611
Payments:				
–			(149,500)	(131,900)
(24,601)			(47,332)	(37,044)
<u>(24,066)</u>			<u>(60,287)</u>	<u>(44,433)</u>
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
(3,795)			(3,795)	(3,732)
<u>(3,795)</u>			<u>(3,795)</u>	<u>(3,732)</u>
(1,239)			1,118	(1,172)
7,519	Plus: cash and cash equivalents – beginning of year	14a	7,519	8,691
<u>6,280</u>	Cash and cash equivalents – end of the year	14a	<u>8,637</u>	<u>7,519</u>

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

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Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

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Camden Council

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

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 30 October 2018.

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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Camden Council is a not-for-profit entity for the purpose of preparing these financial statements.

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

Full dollars have been used in Note 21 Related party disclosures in relation to the disclosure of specific related party transactions.

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

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

- Income statement
- Statement of cash flows
- Note 19 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

There have been no new (or amended) accounting standards adopted by Council in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of investment properties –refer Note 10,
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 9,
- (iii) employee benefit provisions – refer Note 12.

Significant judgements in applying the Council's accounting policies

- (iv) Impairment of receivables

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

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Camden Town Farm Committee
- Camden Seniors Programs Committee
- Camden International Friendship Association
- Camden Bicentennial Equestrian Park Committee

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council have been excluded from 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.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

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

New accounting standards and interpretations issued not yet effective

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

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

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

- AASB 9 *Financial Instruments (and associated amending standards)*

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities. Effective date for reporting periods beginning on or after 1 January 2018.

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

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

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

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

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

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

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

- AASB 16 *Leases*

AASB16 will result in most of the operating leases of an entity being brought onto the Statement of Financial Position. There are limited exceptions relating to short term leases and low-value assets which may remain off the balance sheet.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

A corresponding right to use assets will be recognised which will be amortised over the term of the lease.

Rent expense will no longer be shown. The profit and loss impact of the leases will be through amortisation and interest charges. Council is currently a party to leases that are not recognised in the Statement of Financial Position.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2019; i.e. councils financial statements for year ended 30 June 2020.

- AASB 1058 Income for Not for Profit Entities

AASB 1058 supersedes all the income recognition requirements relating to Councils, previously in AASB 1004 Contribution. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 applies when a council receives volunteer services or enters into other transactions where the consideration to acquire an asset is significantly less than the fair value of the asset and where Council's objective is principally to enable the asset to further Council's objectives.

Upon initial recognition of the asset, this Standard requires Council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with applicable Accounting Standard, such as:

- (a) contributions by owners;
- (b) revenue, or contract liability arising from a contract with a customer;
- (c) a lease liability;
- (d) a financial instrument; or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council (i.e. an in-substance acquisition of a non-financial asset), Council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised.

Council will recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable Council to acquire or construct a recognisable non-financial asset to be controlled by Council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

Annual reporting periods beginning on or after 1 January 2019; i.e. Council's financial statements for year ended 30 June 2020.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures. Each revenue stream, including grant agreements, will be reviewed to determine the impact of ASSB 1058.

Financial Statements 2018

Camden Council

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

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Governance	26	25	1,809	1,882	(1,783)	(1,857)	-	-	-	3,702
Managing Camden's Growth	56,718	8,695	10,374	6,710	46,344	1,985	-	-	6	66,308
Urban and Natural Environments	64,507	35,855	27,969	14,804	36,538	21,051	301	430	1,522	273,758
Prosperous Economy	21	38	1,066	509	(1,045)	(471)	-	5	9	19,935
Sustainable Transport	80,830	57,447	19,804	14,819	61,026	42,628	1,794	1,367	1,007,985	658,311
Enriched and Connected Community	9,228	27,226	13,051	24,387	(3,823)	2,839	1,726	1,826	67,589	352,565
Strong Local Leadership (Governance)	63,955	59,448	35,616	28,919	28,339	30,529	4,421	5,843	535,212	25,861
Total functions and activities	275,285	188,734	109,689	92,030	165,596	96,704	8,242	9,471	1,612,223	1,400,440

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

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

Governance

Managing Camden's Growth

Managing growth determined under the State Government's Metropolitan Strategy while retaining Camden's rural setting, country town feel and the lifestyle of the community.

Costs relating to the delivery of this strategic outcome include: Development Control, Heritage Protection and Urban and Rural Planning.

Urban and Natural Environments

A Camden in which its unique natural systems have been protected and enhanced and are enjoyed and valued by the community.

Costs relating to the delivery of this strategic outcome include: Regulating the Use of Public Areas, Public Health, Protecting Natural Environment, Parks and Playgrounds, Environmental Activities, Enforcement of Legislation and Policies and Appearance of Public Areas.

Prosperous Economy

A Camden which is characterised by vibrant town and commercial centres, thriving local businesses, stable and diverse employment opportunities, skilled local residents and a thriving tourist/visitor market.

Costs relating to the delivery of this strategic outcome include: Economic Development, Tourism and The Management of Significant Places.

Sustainable Transport

A Camden that provides an affordable, convenient and integrated public transport system for equitable access to services, facilities and places for all members of the community.

Costs relating to the delivery of this strategic outcome include: Transport Options, Road Safety, Local Traffic Management, Construction and Maintenance of Local Roads, Footpath and Kerbing.

Enriched and Connected Community

A Camden which has achieved a broad range of opportunities for a prosperous and complete lifestyle.

Costs relating to the delivery of this strategic outcome include: Recreational Services and Facilities, Community and Cultural Development & Planning, Community Support Facilities and Services, Community Safety, Community Events and Library Services.

Strong Local Leadership (Governance)

A Camden which has strong leadership who are responsible to the community and who are working together to achieve the community's vision for the future.

Costs relating to the delivery of this strategic outcome include: Strong Local Democracy, Stewardship of Community Resources, Community Engagement, Community Information, Management of Emergency Events, and Support Services.

Camden Council

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

Note 3. Income from continuing operations

\$ '000	2018	2017
(a) Rates and annual charges		
Ordinary rates		
Residential	42,273	38,049
Farmland	547	500
Business	8,156	7,999
Total ordinary rates	50,976	46,548
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	12,323	10,822
Section 611 charges	52	48
Stormwater management levy	531	489
Total annual charges	12,906	11,359
TOTAL RATES AND ANNUAL CHARGES	63,882	57,907

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

Accounting policy for rates and annual charges

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Domestic waste management services (additional services)	38	30
On site sewerage inspection	34	45
Commercial waste management	625	565
On site sewerage annual charges	181	176
Total specific user charges	878	816
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building services – other	4,451	4,144
Private works – section 67	111	24
Section 149 certificates (EPA Act)	460	467
Section 603 certificates	248	259
Town planning	3,892	4,224
Total fees and charges – statutory/regulatory	9,162	9,118
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	414	355
Child care (family day care services)	461	492
Fire and emergency services levy (FESL) implementation	–	275
Leaseback fees – Council vehicles	902	830
Library services	39	47
Parks and leisure centres	5,185	4,005
Public halls	1,144	1,298
Other	137	108
Total fees and charges – other	8,282	7,410
TOTAL USER CHARGES AND FEES	18,322	17,344

Accounting policy for user charges and fees

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

Camden Council

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

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(c) Interest and investment revenue (including losses)		
Interest		
– Overdue rates and annual charges (incl. special purpose rates)	182	174
– Restricted funds	1,953	1,731
– General funds	1,647	1,498
TOTAL INTEREST AND INVESTMENT REVENUE	3,782	3,403
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	182	174
General Council cash and investments	1,649	1,498
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	1,394	1,239
– Section 64	197	173
Domestic waste management operations	260	211
Department of Planning Interest Free Loan	100	108
Total interest and investment revenue recognised	3,782	3,403

Accounting policy for interest and investment revenue

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018	2017
(d) Other revenues			
Rental income – investment properties	10	383	42
Fines		205	440
Legal fees recovery – rates and charges (extra charges)		124	140
Legal fees recovery – other		424	10
Bushfire services		–	6
Commissions and agency fees		205	112
Domestic waste management		–	19
Easement compensation		119	1
Employee relations		116	178
Insurance claim recoveries		164	430
Rental income – council properties		87	33
Risk mgmt. performance incentive rebates		201	188
Sales – general		55	33
Contributions to long service leave – other councils		179	430
Energy Savings Rebate		184	–
Recognition of Air Bridge Lease		2,950	–
Other		472	439
TOTAL OTHER REVENUE		5,868	2,501

Accounting policy for other revenue

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

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

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

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

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

Council has recognised the fair value of income generated from the air bridge over Camden Valley Way using a discounted cash flow which is to be amortised over the life of the lease (99 years).

Camden Council

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

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	2,502	3,542	–	–
Financial assistance – local roads component	1,341	1,742	–	–
Pensioners' rates subsidies – general component	316	316	–	–
Total general purpose	4,159	5,600	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Domestic waste management	91	89	–	–
Aged care	3	–	–	–
Better waste and recycling fund	110	60	–	–
Bushfire and emergency services	163	–	–	–
Child care (family day care)	1,353	1,386	–	–
Community services	151	171	–	–
Economic development	–	5	–	–
Environment education	–	112	–	–
Floodplain management	–	–	31	140
Library	203	193	–	–
LIRS subsidy	99	110	–	–
Noxious weeds	29	29	–	–
NSW rural fire services	–	243	–	–
Recreation and culture	39	6	–	–
Recreational services	17	25	–	45
Street lighting	128	128	–	–
Transport (other roads and bridges funding)	–	–	1,666	1,129
Total specific purpose	2,386	2,557	1,697	1,314
Total grants	6,545	8,157	1,697	1,314
Grant revenue is attributable to:				
– Commonwealth funding	5,189	7,114	1,666	1,298
– State funding	1,356	1,043	31	16
	6,545	8,157	1,697	1,314

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
VPA – other cash revenue		331	368	1,816	1,875
Other section 7.11 developer contributions		513	444	210	51
Open space		–	–	7,882	5,690
Traffic facilities		–	–	261	93
Drainage		–	–	4,172	2,386
Roadworks		–	–	3,961	3,082
Community facilities		–	–	7,953	6,289
Other developer contributions		–	–	–	37
Total developer contributions – cash		844	812	26,255	19,503
Non-cash contributions					
VPA – dedicated drainage		–	–	1,671	1,394
VPA – dedicated open space		–	–	2,188	–
VPA – dedicated roads		–	–	2,011	617
VPA - dedicated community facilities		–	–	12,875	2,547
VPA - dedicated land		–	–	16,292	4,148
Roadworks (in kind)		–	–	–	235
Drainage (in kind)		–	–	–	157
Total developer contributions – non-cash		–	–	35,037	9,098
Total developer contributions	22	844	812	61,292	28,601
Other contributions:					
Cash contributions					
Community services		–	1	–	91
Heritage/cultural		14	–	–	–
Other councils – joint works/services		12	80	–	–
Paving		–	–	–	102
Planning studies		151	–	–	–
Recreation and culture		5	2	50	53
Roads and bridges		–	–	172	95
RMS contributions (regional roads, block grant)		122	106	4,297	1,093
Housing acceleration fund		392	13	–	–
Other		–	7	–	1
Total other contributions – cash		696	209	4,519	1,435
Non-cash contributions					
Bushfire services		–	–	690	–
Dedicated Community Land		–	–	2,103	–
Dedicated land under roads		–	–	10,865	4,814
Dedicated subdivision roads		–	–	60,340	38,138
Dedicated Bridges		–	–	–	3,608
Dedicated drainage		–	–	23,145	18,411
Dedications – subdivisions (other than by s7.11)		–	–	–	30
Dedicated operational land		–	–	10,420	2,021
Dedicated open space assets		–	–	154	–
Total other contributions – non-cash		–	–	107,717	67,022
Total other contributions		696	209	112,236	68,457
Total contributions		1,540	1,021	173,528	97,058
TOTAL GRANTS AND CONTRIBUTIONS		8,085	9,178	175,225	98,372

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

Accounting policy for contributions

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

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, (i) it is probable that the economic benefit comprising the contribution will flow to the Council and (ii) the amount of contribution can be measured reliably.

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

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

\$ '000	2018	2017
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	253	248
Add: operating grants recognised in the current period but not yet spent	147	153
Add: operating grants received for the provision of goods and services in a future period	1,927	17
Less: operating grants recognised in a previous reporting period now spent	(140)	(165)
Unexpended and held as restricted assets (operating grants)	<u>2,187</u>	<u>253</u>
Capital grants		
Unexpended at the close of the previous reporting period	648	787
Add: capital grants recognised in the current period but not yet spent	188	348
Add: capital grants received for the provision of goods and services in a future period	699	100
Less: capital grants recognised in a previous reporting period now spent	(552)	(587)
Unexpended and held as restricted assets (capital grants)	<u>983</u>	<u>648</u>
Contributions		
Unexpended at the close of the previous reporting period	43,847	53,902
Add: contributions recognised in the current period but not yet spent	19,971	5,081
Less: contributions recognised in a previous reporting period now spent	(2,182)	(15,136)
Unexpended and held as restricted assets (contributions)	<u>61,636</u>	<u>43,847</u>

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Financial Statements 2018

Camden Council

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

Note 4. Expenses from continuing operations

\$ '000	2018	2017
(a) Employee benefits and on-costs		
Salaries and wages	33,266	29,035
Travel expenses	2,133	2,019
Employee leave entitlements (ELE)	2,641	4,034
Superannuation	4,223	3,339
Workers' compensation insurance	490	737
Fringe benefit tax (FBT)	218	201
Training costs (other than salaries and wages)	289	359
Other	233	169
Total employee costs	43,493	39,893
Less: capitalised costs	(1,466)	(1,062)
TOTAL EMPLOYEE COSTS EXPENSED	42,027	38,831

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

- a. Funding arrangements and methods used to determine the entity's rate of contribution and any minimum funding requirements.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme.

Pooled Employers are required to pay standard employer contributions and additional lump sum contribution to the Fund.

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

- Division B 1.9 times employee contribution
- Division C 2.5% salaries
- Division D 1.64 times employee contribution

The additional lump sum contribution for each pooled employer is a share of the total additional contributions of \$40m per annum from 1 July 2017 for four years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2017.

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

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Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

(a) Employee benefits and on-costs (continued)

- b. Extent to which the entity can be liable to the plan for other entities' obligations under the terms and condition of the multi - employer plan.

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

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

- c. Description of any agreed allocation of a deficit or surplus on:

- (i) wind - up of the plan

There are no specific provisions under the Funds trust deed dealing with deficit or surplus on wind- up.

- (ii) the entity's withdrawal from the plan

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

- d. Further information relating to reasons for accounting for the pooled employer fund as a defined contribution plan:

- (i) The fact that the plan is a defined benefit plan; we confirm the plan is a defined benefit plan;

- (ii) The reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan;

We believe that the pooled employers sub group can be considered a defined benefit multi employer plan. As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

- (iii) The expected contributions to the plan for the next annual reporting period is \$569,023

- (iv) Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity

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

- (v) Indication of the level of participation of the entity in the plan compared with other participating entities.

Council's participation in the scheme compared with other entities is about 0.62% based on Council's current level of additional contributions of \$750,000 against total contributions of \$40m each year from 1 July 2017 to 30 June 2021. The amount of employer contributions to the defined benefits section of the Fund and recognised as an expense for the year ending 30 June 2018 was \$621,586.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans	1,393	1,437
Total interest bearing liability costs expensed	1,393	1,437
(ii) Other borrowing costs		
Amortisation of discounts and premiums - interest free loan	415	523
Total other borrowing costs	415	523
TOTAL BORROWING COSTS EXPENSED	1,808	1,960
Accounting policy for borrowing costs		
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.		
(c) Materials and contracts		
Raw materials and consumables	9,230	8,923
Contractor and consultancy costs		
– Leisure centre and pools	4,202	3,369
– Waste management	4,670	4,245
– Parks and garden maintenance	4,196	3,578
– Information technology	2,082	1,856
– Community support programs	2,952	2,711
– Agency agreements	393	378
Auditors remuneration ⁽²⁾	94	71
Legal expenses:		
– Legal expenses: planning and development	352	124
– Legal expenses: debt recovery	78	141
– Legal expenses: other	666	396
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	75	–
TOTAL MATERIALS AND CONTRACTS	28,990	25,792

Camden Council

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

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
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(c) Materials and contracts (continued)

Operating leases

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

1. Operating lease payments are attributable to:

Other	75	-
	75	-

2. Auditor remuneration

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

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

Audit and review of financial statements	94	71
Remuneration for audit and other assurance services	94	71
Total Auditor-General remuneration	94	71

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(d) Depreciation, amortisation and impairment		
Depreciation and amortisation		
Plant and equipment	1,770	1,168
Office equipment	644	570
Furniture and fittings	366	135
Land improvements (depreciable)	667	432
Infrastructure:		
– Buildings – non-specialised	4,098	2,373
– Buildings – specialised	10	10
– Other structures	1,544	1,193
– Roads	9,567	7,430
– Bridges	544	485
– Footpaths	795	688
– Stormwater drainage	2,535	2,126
Other assets:		
– Library books	183	176
– Other	336	271
Total gross depreciation and amortisation costs	23,059	17,057
Less: capitalised costs	(689)	(668)
Total depreciation and amortisation costs	22,370	16,389
Impairment / revaluation decrement of IPP&E		
Nil		
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED	22,370	16,389

Accounting policy for depreciation, amortisation and impairment expenses**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets.

Residual values for infrastructure assets are not used as infrastructure assets do not have an open market for the purpose of buying and selling.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(e) Other expenses		
Advertising	284	168
Bad and doubtful debts	350	142
Bank charges	183	187
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	709	700
Councillor expenses – mayoral fee	35	34
Councillor expenses – councillors' fees	144	137
Councillors' expenses (incl. mayor) – other (excluding fees above)	67	91
Development operating expenses	196	188
Donations, contributions and assistance to other organisations (Section 356)	263	266
Election expenses	–	334
Electricity and heating	680	471
Emergency services	29	52
Information technology expenses	256	193
Insurance	588	632
Postage	242	213
Printing and stationery	138	155
Rates collection charges	249	195
Sec 7.11 administration – operating expenses	276	169
Street lighting	2,009	1,657
Telephone and communications	215	275
Write-down of inventories held for sale or distribution	53	–
Water charges	468	270
Reversal of housing acceleration fund debtor	–	300
Other	959	505
TOTAL OTHER EXPENSES	8,393	7,334

Accounting policy for other expenses

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

Council changed its internal accounting policy for treatment of loose tools items and now expenses those items to jobs upon purchase. Previously these items were kept as inventory within Councils balance sheet.

Camden Council

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

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	2017
Property (excl. investment property)			
Proceeds from disposal – property	9	–	519
Less: carrying amount of property assets sold/written off		(1,075)	(84)
Net gain/(loss) on disposal		(1,075)	435
Plant and equipment			
Proceeds from disposal – plant and equipment	9	345	92
Less: carrying amount of plant and equipment assets sold/written off		(242)	–
Net gain/(loss) on disposal		103	92
Infrastructure			
Proceeds from disposal – infrastructure	9	–	–
Less: carrying amount of infrastructure assets written off		(5,114)	(2,251)
Net gain/(loss) on disposal		(5,114)	(2,251)
Financial assets			
Proceeds from disposal/redemptions/maturities – financial assets	6	136,200	123,900
Less: carrying amount of financial assets sold/redeemed/matured		(136,200)	(123,900)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(6,086)	(1,724)

Accounting policy for disposal of assets

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

Note 6(a). Cash and cash equivalent assets

\$ '000	2018	2017
Cash and cash equivalents		
Cash on hand and at bank	3,637	2,519
Cash-equivalent assets		
– Deposits at call	5,000	5,000
Total cash and cash equivalents	8,637	7,519

Accounting policy for cash and cash equivalents

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6(b). Investments

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Investments				
'Held to maturity'	84,200	29,500	68,200	32,200
Total investments	84,200	29,500	68,200	32,200
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	92,837	29,500	75,719	32,200
Held to maturity investments				
Term deposits	84,200	29,500	68,200	32,200
Total	84,200	29,500	68,200	32,200

Accounting policy for investments**Classification**

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

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

(b) Held to maturity investments

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

(c) Loans and receivables

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

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

Recognition and de-recognition

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	92,837	29,500	75,719	32,200
attributable to:				
External restrictions (refer below)	48,654	29,500	24,000	32,200
Internal restrictions (refer below)	43,684	–	49,396	–
Unrestricted	499	–	2,323	–
	92,837	29,500	75,719	32,200

\$ '000	2018	2017
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended loans – general	3,508	3,408
Section 7.11 – works in kinds (refundable)	304	278
External restrictions – included in liabilities	3,812	3,686

External restrictions – other

Developer contributions – general	61,320	43,567
Specific purpose unexpended grants	3,170	873
Domestic waste management	9,714	7,974
Stormwater management levy	119	81
Other	19	19
External restrictions – other	74,342	52,514
Total external restrictions	78,154	56,200

Camden Council

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

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

\$ '000	2018	2017
Internal restrictions		
Plant and vehicle replacement	1,711	2,245
Employees leave entitlement	2,663	2,576
Deposits, retentions and bonds	16,881	14,930
Revote/carry forward reserve	5,825	6,061
Asset renewal reserve	494	1,901
Camden parking reserve	121	121
Camden town centre reserve	–	110
Capital works reserve	5,754	8,957
Cemetery improvements	452	98
Commercial waste services	363	334
Community infrastructure program (2014-19)	963	1,607
DOP loan repayment reserve	4,200	6,200
Elections reserve	101	–
Engineering services deposits	197	205
Family day care trust	55	43
Information technology reserve	680	588
Public appeals reserve	36	36
Risk management reserve	319	370
Sec 355 committee reserve	708	686
Stormwater management (general fund)	171	255
Water savings action plan reserve	96	128
Working funds reserve	1,733	1,859
Other	161	86
Total internal restrictions	43,684	49,396
TOTAL RESTRICTIONS	121,838	105,596

Financial Statements 2018

Camden Council

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

Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	1,424	305	1,434	301
Interest and extra charges	164	137	157	136
Restoration and private works	63	–	5	–
Accrued revenues				
– Interest on investments	1,181	–	1,113	–
City Deal projects	3	–	11	–
Commercial waste	22	–	11	–
Community and recreational facilities	268	–	259	–
Easement compensation	14	–	–	–
Employee accounts	20	–	40	–
Gas main rating charge	51	–	48	–
Government grants and subsidies	695	–	793	–
Health and environment inspections	63	–	64	–
Land compensation	1,190	–	625	1,190
Legal cost recovery	822	–	502	–
Leisure centre contracts	166	–	255	–
Net GST receivable	749	–	815	–
Section 7.11 contributions	12	–	12	–
Insurance recoveries	–	–	140	–
Contribution to Mount Annan leisure centre	–	–	110	–
Energy Efficiency	185	–	–	–
Air Bridge Lease Receivable	66	2,884	–	–
Other debtors	152	–	46	–
Total	7,310	3,326	6,440	1,627
Less: provision for impairment				
Other debtors	(903)	–	(588)	–
Total provision for impairment – receivables	(903)	–	(588)	–
TOTAL NET RECEIVABLES	6,407	3,326	5,852	1,627
Externally restricted receivables				
Domestic waste management	518	72	461	70
Stormwater management	19	1	17	1
Section 7.11 contributions	12	–	12	–
Government Grants	695	–	793	–
Total external restrictions	1,244	73	1,283	71
Internally restricted receivables				
Commercial waste reserve	22	–	11	–
Internally restricted receivables	22	–	11	–
Unrestricted receivables	5,141	3,253	4,558	1,556
TOTAL NET RECEIVABLES	6,407	3,326	5,852	1,627
Movement in provision for impairment of receivables			2018	2017
Balance at the beginning of the year			588	446
+ new provisions recognised during the year			315	142
Balance at the end of the year			903	588

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ORD01

Attachment 1

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (Note 7) in the Statement of Financial Position.

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

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

Impairment

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

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

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

Finance leases

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

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

Camden Council

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

Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	311	–	393	–
Trading stock	24	–	22	–
Stores and materials – domestic waste	12	–	12	–
Total inventories at cost	347	–	427	–
TOTAL INVENTORIES	347	–	427	–
(b) Other assets				
Prepayments	71	–	117	–
Information technology holding account	62	–	81	–
Other	2	–	2	–
TOTAL OTHER ASSETS	135	–	200	–
Externally restricted assets				
Domestic waste management				
Stores and materials	12	–	12	–
Total domestic waste management	12	–	12	–
Total externally restricted assets	12	–	12	–
Total unrestricted assets	470	–	615	–
TOTAL INVENTORIES AND OTHER ASSETS	482	–	627	–

Accounting policy**Raw materials and stores, work in progress and finished goods**

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

Inventory held for distribution

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

Camden Council

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

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

Asset class	as at 30/6/2017			Asset movements during the reporting period								as at 30/6/2018				
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	TfS from (to) investment property	Revaluation increments to equity (ARR)	Revaluation decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	
\$ '000																
Capital work in progress	44,598	-	44,598	-	11,380	-	-	(42,535)	-	-	-	-	13,443	-	13,443	
Plant and equipment	16,295	10,847	5,448	-	4,475	(242)	(1,770)	-	-	-	-	-	18,654	10,744	7,910	
Office equipment	6,173	4,428	1,745	-	1,023	-	(644)	-	-	-	-	-	7,194	5,071	2,123	
Furniture and fittings	3,180	1,452	1,728	-	939	-	(366)	-	-	-	-	-	4,118	1,819	2,299	
Land:																
- Operational land	91,063	-	91,063	-	22,400	(1,075)	-	6,034	(4,298)	(8,245)	-	-	132,505	-	132,505	
- Community land	112,884	-	112,884	-	2,474	-	-	-	101	-	-	-	115,459	-	115,459	
- Crown Land	-	-	-	-	2,103	-	-	-	-	-	-	-	2,103	-	2,103	
- Land under roads (post 30/6/08)	102,821	-	102,821	-	10,865	-	-	-	4,197	-	(3,874)	-	114,009	-	114,009	
Land improvements - non-depreciable	29,732	-	29,732	-	-	-	-	-	-	-	-	-	29,732	-	29,732	
Land improvements - depreciable	8,418	3,977	4,441	-	1,079	-	(667)	1,706	-	-	-	-	11,202	4,643	6,559	
Infrastructure:																
- Buildings - non-specialised	111,721	44,248	67,473	100	16,903	-	(4,098)	15,009	-	(6,720)	-	-	156,658	40,974	115,684	
- Buildings - specialised	2,101	1,179	922	-	-	-	(10)	-	-	-	-	-	2,583	1,313	1,270	
- Other structures	31,989	14,446	17,543	69	2,276	(14)	(1,544)	1,930	-	-	-	-	36,243	15,518	20,725	
- Roads	572,820	123,153	449,667	1,205	49,458	(5,031)	(9,567)	15,502	-	-	-	-	633,141	131,903	501,238	
- Bridges	42,972	13,479	29,493	1,114	4,407	-	(544)	-	-	-	-	-	48,493	14,023	34,470	
- Footpaths	44,810	10,564	34,246	265	4,942	(3)	(795)	-	-	-	-	-	50,006	11,373	38,633	
- Bulk earthworks (non-depreciable)	15,952	-	15,952	-	7,689	-	-	-	-	-	-	-	23,641	-	23,641	
- Stormwater drainage	293,219	36,790	256,429	-	26,235	(66)	(2,535)	2,364	-	-	-	-	321,735	39,318	282,417	
- Other open space/recreational assets	6,371	2,779	3,592	-	1,725	-	-	-	-	-	-	-	8,085	3,234	4,851	
Other assets:																
- Library books	3,713	2,654	1,059	-	844	-	(183)	-	-	-	-	-	4,557	2,837	1,720	
- Other	5,642	4,466	1,176	-	544	-	(336)	-	-	-	-	-	6,186	4,800	1,386	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	1,546,474	274,482	1,271,992	2,753	171,761	(6,431)	(23,059)	-	-	(14,965)	(3,874)	54,000	1,739,747	287,570	1,452,177	

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

Camden Council

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

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

Accounting policy for infrastructure, property, plant and equipment

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

Externally valued:

Operational Land
Community Land
Land Improvements
Buildings - specialised/non specialised
Other open space/recreational assets
Other Infrastructure/structures
Other assets

Internally valued:

Roads assets including roads, bridges and footpaths
Bulk earthworks
Stormwater drainage
Other non infrastructure assets

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	15
Office furniture	7 to 10	Benches, seats etc.	20 to 30
Computer equipment	4 to 5	Library books	10
Vehicles	5 to 7		
Heavy plant/road making equipment	5 to 7		
Other plant and equipment	5 to 7		
Buildings		Stormwater assets	
Structure	40 to 60	Drains	50 to 150
Roof membrane and air conditioning	20	Culverts	100
Lift and escalators	25	Flood control structures	50 to 150
Fire services	30		
Floor coverings	10		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 50	Bulk earthworks	Infinite
Sealed roads: structure	40 to 100		
Bridge: concrete	40 to 80		
Footpaths	10 to 60		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). 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 recognised land under roads acquired before 1 July 2008 in accordance with AASB 1051.

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

Crown reserves

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

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

Rural Fire Service assets

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

Council recognises all Rural Fire Service assets, including land, building, plant and vehicles.

Note 9(b). Externally restricted infrastructure, property, plant and equipment

\$ '000 Class of asset	2018			2017		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Domestic waste management						
Plant and equipment	12,253	7,349	4,904	10,875	7,321	3,554
Land						
– Operational land	1,865	–	1,865	1,657	–	1,657
Buildings	1,151	623	528	1,179	746	433
Total DWM	15,269	7,972	7,297	13,711	8,067	5,644
TOTAL RESTRICTED IPP&E	15,269	7,972	7,297	13,711	8,067	5,644

Camden Council
Notes to the Financial Statements
for the year ended 30 June 2018
Note 10. Investment property

\$ '000	2018	2017
(a) Investment property at fair value		
<u>Investment property on hand</u>	<u>27,300</u>	<u>12,350</u>
Reconciliation of annual movement:		
Opening balance	12,350	-
- Net gain/(loss) from fair value adjustments	(15)	-
- Transfers from/(to) owner occupied (Note 9)	14,965	12,350
CLOSING BALANCE – INVESTMENT PROPERTY	<u>27,300</u>	<u>12,350</u>

(b) Valuation basis

The basis of valuation of investment property is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2018 revaluations were based on independent assessments made by:
Scott Fullarton FAPI CPP, Certified Practicing Valuer -Scott Fullarton Valuations Pty Ltd - ABN 40 003 683 878

(c) Leasing arrangements – Council as lessor

The investment property are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	1,024	83
Later than 1 year but less than 5 years	4,681	166
Total minimum lease payments receivable	<u>5,705</u>	<u>249</u>

(d) Investment property income and expenditure – summary

Rental income from investment property:		
- Minimum lease payments	383	42
Net revenue contribution from investment property	383	42
plus:		
Fair value movement for year	(15)	-
Total income attributable to investment property	<u>368</u>	<u>42</u>

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the income statement as part of other income.

Properties that are under construction for future use as investment property 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.

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Camden Council

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

Note 11. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	3,094	–	5,703	–
Accrued expenses:				
– Borrowings	518	–	524	–
– Salaries and wages	942	–	659	–
Security bonds, deposits and retentions	16,579	–	14,643	–
Section 7.11 – works in kind agreements	304	11,107	278	11,159
Other	2	–	–	–
Total payables	21,439	11,107	21,807	11,159
Income received in advance				
Payments received in advance	246	–	258	–
Total income received in advance	246	–	258	–
Borrowings				
Loans – secured ¹	3,665	27,957	3,797	31,205
Total borrowings	3,665	27,957	3,797	31,205
TOTAL PAYABLES AND BORROWINGS	25,350	39,064	25,862	42,364

(a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Domestic waste management	–	–	6	–
Section 7.11 – Works in kind agreements	304	11,107	278	11,159
Payables and borrowings relating to externally restricted assets	304	11,107	284	11,159
Total payables and borrowings relating to restricted assets	304	11,107	284	11,159
Total payables and borrowings relating to unrestricted assets	25,046	27,957	25,578	31,205
TOTAL PAYABLES AND BORROWINGS	25,350	39,064	25,862	42,364

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 18.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

\$ '000	2018	2017
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(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	8,289	7,253
	<u>8,289</u>	<u>7,253</u>

(c) Changes in liabilities arising from financing activities

Class of borrowings	2017		Non-cash changes			2018
	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	35,002	(3,380)	–	–	–	31,622
TOTAL	<u>35,002</u>	<u>(3,380)</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>31,622</u>

\$ '000	2018	2017
---------	------	------

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

Bank overdraft facilities ⁽¹⁾	150	150
Credit cards/purchase cards	450	450
Total financing arrangements	<u>600</u>	<u>600</u>

Undrawn facilities as at balance date:

– Bank overdraft facilities	150	150
– Credit cards/purchase cards	450	450
Total undrawn financing arrangements	<u>600</u>	<u>600</u>

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

Accounting policy for payables and borrowings

Payables

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

Borrowings

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

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

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

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

Note 12. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	3,583	–	3,360	–
Long service leave	6,546	626	6,894	659
TOTAL PROVISIONS	10,129	626	10,254	659
(a) Provisions relating to restricted assets				
There are restricted assets (internal) applicable to the above provisions				
Internally restricted assets				
Employee Leave Entitlement	2,663	–	2,576	–
Provisions relating to internally restricted assets	2,663	–	2,576	–
Total provisions relating to restricted assets	2,663	–	2,576	–
Total provisions relating to unrestricted assets	7,466	626	7,678	659
TOTAL PROVISIONS	10,129	626	10,254	659

\$ '000	2018	2017
(b) Current provisions not anticipated to be settled within the next twelve months		
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	6,522	7,174
	6,522	7,174

(c) Description of and movements in provisions

2018	ELE provisions		Total
	Annual leave	Long service leave	
At beginning of year	3,360	7,553	10,913
Additional provisions	263	252	515
Amounts used (payments)	(79)	(729)	(808)
Remeasurement effects	39	96	135
Total ELE provisions at end of year	3,583	7,172	10,755
2017			
At beginning of year	2,966	6,309	9,275
Additional provisions	394	1,244	1,638
Total ELE provisions at end of year	3,360	7,553	10,913

Camden Council
Notes to the Financial Statements
 for the year ended 30 June 2018
Note 12. Provisions (continued)

Accounting policy for provisions

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

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

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

Employee benefits
Short-term obligations

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

Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. On 1 July 2014, Camden Council became a member of Civic Risk Mutual formerly known as Westpool and United Independent Pools.

Civic Risk Mutual is a co-operative Local Government self insurance scheme. Civic Risk Mutual was established to help stabilise insurance premium costs and achieve significant cost saving and long term benefit for member Councils through effective risk management.

Note 13. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Camden Council

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

Note 14. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	8,637	7,519
Balance as per the Statement of Cash Flows		8,637	7,519
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		165,596	96,704
Adjust for non-cash items:			
Depreciation and amortisation		22,370	16,389
Net losses/(gains) on disposal of assets		6,086	1,724
Non-cash capital grants and contributions		(126,462)	(76,157)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– investment property		15	–
Amortisation of premiums, discounts and prior period fair valuations			
– Interest exp. on interest-free loans received by Council (previously fair valued)		415	523
Share of net (profits) or losses of associates/joint ventures		(121)	(29)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(2,569)	452
Increase/(decrease) in provision for doubtful debts		315	142
Decrease/(increase) in inventories		80	25
Decrease/(increase) in other assets		65	(37)
Increase/(decrease) in payables		(2,609)	(956)
Increase/(decrease) in accrued interest payable		(6)	(76)
Increase/(decrease) in other accrued expenses payable		283	175
Increase/(decrease) in other liabilities		1,900	7,001
Increase/(decrease) in employee leave entitlements		(158)	1,113
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		65,200	46,993
(c) Non-cash investing and financing activities			
Developer contributions 'in kind'		–	392
Other dedications		126,462	75,765
Total non-cash investing and financing activities		126,462	76,157

Camden Council

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

Note 15. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2018	2017	2018	2017
Joint ventures	121	29	194	73
Total	121	29	194	73

(a) Joint arrangements

(i) Joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2018	2017
Civic Risk West	Joint venture	Equity	57	20
Civic Risk Mutual	Joint venture	Equity	137	53
Total carrying amounts – material joint ventures			194	73

(b) Details

Name of entity	Principal activity	Place of business
Civic Risk West	Liability insurance and risk management	Penrith
Civic Risk Mutual	General insurance and risk management	Penrith

(c) Relevant interests and fair values

Name of entity	Interest in outputs		Interest in ownership		Proportion of voting power	
	2018	2017	2018	2017	2018	2017
Civic Risk West	0.1%	0.1%	0.1%	0.1%	10.0%	10.0%
Civic Risk Mutual	1.6%	0.8%	1.6%	0.8%	6.3%	5.9%

(d) Summarised financial information for joint ventures

Statement of financial position	Civic Risk West		Civic Risk Mutual	
	2018	2017	2018	2017
Current assets				
Cash and cash equivalents	3,022	2,935	1,158	506
Other current assets	19,442	13,732	5,759	6,239
Non-current assets	41,740	47,434	5,989	5,889
Less Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	6,111	5,008	2,691	2,891
Other current liabilities	720	688	299	423
Less Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	15,612	20,429	1,448	2,830
Net assets	41,761	37,976	8,468	6,490

Camden Council

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

Note 15. Interests in other entities (continued)

\$ '000

(d) Summarised financial information for joint ventures (continued)

	Civic Risk West		Civic Risk Mutual	
	2018	2017	2018	2017
Reconciliation of the carrying amount				
Opening net assets (1 July)	37,976	32,195	6,490	7,287
Profit/(loss) for the period	5,913	7,465	1,978	(797)
Dividends paid	(2,128)	(1,684)	–	–
Closing net assets	41,761	37,976	8,468	6,490
Council's share of net assets (%)	0.137%	0.052%	1.622%	0.810%
Council's share of net assets (\$)	57	20	137	53
Statement of comprehensive income				
Income	9,337	7,066	9,673	8,301
Interest income	3,261	3,757	419	584
Interest expense	(17)	(17)	–	–
Other expenses	(6,668)	(3,341)	(8,114)	(9,682)
Profit/(loss) from continuing operations	5,913	7,465	1,978	(797)
Profit/(loss) for period	5,913	7,465	1,978	(797)
Total comprehensive income	5,913	7,465	1,978	(797)
Share of income – Council (%)	0.626%	0.640%	4.240%	2.340%
Profit/(loss) – Council (\$)	37	48	84	(19)
Total comprehensive income – Council (\$)	37	48	84	(19)
Summarised Statement of cash flows				
Cash flows from operating activities	113	3,219	903	(1,115)
Cash flows from investing activities	1,510	(2,396)	(250)	(1)
Cash flows from financing activities	(1,537)	(847)	–	–
Net increase (decrease) in cash and cash equivalents	86	(24)	653	(1,116)

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Interests in other entities (continued)

(b) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2018 Net profit	2018 Net assets
Macarthur Regional Organisation of Councils (MACROC)	Australia	33%	33%

Reasons for non-recognition

The Macarthur Regional Organisation of Councils (MACROC) is an advisory body for the Macarthur region's three local government authorities:

Camden Council
Campbelltown City Council
Wollondilly Shire Council

Formed in 1986, MACROC's mission is to work at a regional level to advocate, lobby, promote regional cooperation and to leverage additional funding for a wide range of projects of regional significance.

MACROC works collaboratively with other organizations to achieve positive outcomes for the region.

MACROC is established under Section 355 of the Local Government Act 1993. Decisions of MACROC will not limit the individual integrity of the operation of each member of Council, nor affect the right of an individual Council acting in its own right on matters.

Member Councils are committed to MACROC being self funding. Member Council's shall contribute to an equal agreed sum as its financial contribution towards the operating cost of MACROC. Such funds are held and managed by Campbelltown City Council as are financial reporting obligations. Each member Council will contribute equally to the cost of managing the financial affairs of MACROC.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Commitments for expenditure

\$ '000	2018	2017
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	985	1,619
Plant and equipment	1,656	2,836
Infrastructure assets	9,003	6,564
Other	317	626
Total commitments	11,961	11,645
These expenditures are payable as follows:		
Within the next year	11,961	11,645
Total payable	11,961	11,645
Sources for funding of capital commitments:		
Unrestricted general funds	11,961	11,645
Total sources of funding	11,961	11,645
(b) Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	1,611	1,040
Later than one year and not later than 5 years	1,142	777
Later than 5 years	1	-
Total non-cancellable operating lease commitments	2,754	1,817

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

Motor Vehicles, Photocopiers and Other Equipment. These leases range from 1 to 5 years in length. Contingent rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

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

Note 17. Contingencies and other liabilities/assets not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

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

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Council has been advised that an additional contribution of \$750,000 is estimated to be required until 30 June 2021. The amount of employer contribution to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2018 was \$621,586. The last valuation of the Fund was performed by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ending 30 June 2017.

(ii) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

(iii) Land Credits

Council is currently negotiating the settlement of outstanding 'work in kind' credits with a major developer going back four decades. The negotiation is ongoing and is expected to be settled within the 2018-19 financial year. The outcome of this negotiation may result in Council needing to recognise a liability in the Statement of Financial Position.

Camden Council

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

Note 18. Financial risk management

\$ '000

Risk management

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

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

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

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

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

	Carrying value		Fair value	
	2018	2017	2018	2017
Financial assets				
Cash and cash equivalents	8,637	7,519	8,637	7,519
Investments				
– 'Held to maturity'	113,700	100,400	113,700	100,400
Receivables	9,733	7,479	9,733	7,479
Total financial assets	132,070	115,398	132,070	115,398
Financial liabilities				
Payables	32,546	32,966	32,546	32,966
Loans/advances	31,622	35,002	31,622	35,002
Total financial liabilities	64,168	67,968	64,168	67,968

Fair value is determined as follows:

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management (continued)

\$ '000

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

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

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

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 1% movement in interest rates	1,223	1,223	(1,223)	(1,223)
2017				
Possible impact of a 1% movement in interest rates	1,079	1,079	(1,079)	(1,079)

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

Note 18. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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

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

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

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

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	85%	0%	85%
Overdue	100%	15%	100%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

(ii) Ageing of receivables – value

Rates and annual charges

	2018	2017
Current	1,287	1,298
> 5 years overdue	442	437
	<u>1,729</u>	<u>1,735</u>

Other receivables

	2018	2017
Current	1,372	3,456
0 – 30 days overdue	2,124	624
31 – 60 days overdue	1,181	1,113
61 – 90 days overdue	695	502
> 91 days overdue	3,535	637
	<u>8,907</u>	<u>6,332</u>

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by diversification of borrowing types, maturities and interest rate structure.

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
2018							
Trade/other payables		16,579	15,967	–	–	32,546	32,546
Loans and advances		–	3,665	7,571	20,386	31,622	31,622
Total financial liabilities		16,579	19,632	7,571	20,386	64,168	64,168
2017							
Trade/other payables		25,802	7,164	–	–	32,966	32,966
Loans and advances		–	3,796	9,965	22,107	35,868	35,868
Total financial liabilities		25,802	10,960	9,965	22,107	68,834	68,834

Camden Council

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

Note 19. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 27 June 2017 and is not required to be audited.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
REVENUES					
Interest and investment revenue	2,620	3,782	1,162	44%	F
Interest and investment revenue has exceeded budget expectation by \$1.162M (F). This was mainly due to Council's investment portfolio being higher than first anticipated at the time of preparing the budget. Furthermore, an increase in Section 93F developer contributions cash receipts resulted in obtaining higher interest and investment revenue.					
Other revenues	2,098	5,868	3,770	180%	F
Other revenues has exceeded the original budget by \$3.77M (F). This increase is mainly due to Council recognising Fair Value of rental income of \$2.90M (F) for a long term lease. Further, Council received \$400K (F) in legal recovery fees, \$184K Energy Saving Rebate, \$380K (F) in rental income from investment properties.					
Operating grants and contributions	6,597	8,085	1,488	23%	F
Operating grants and contributions exceeded original budget by \$1,488K (F). This increase is mainly due to the Contribution for family day care \$349K(F), Contribution of \$549K for Section 7.11. Contribution for planning studies for \$151K, contribution for Housing Acceleration funding of \$392K(F).					

Financial Statements 2018

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----	
EXPENSES				
Borrowing costs	1,386	1,808	(422)	(30%) U
Actual borrowing costs were higher than the original budget by \$422K (U). This is primarily due to the amortisation of an interest free loan in order to represent fair value. This is a non-cash entry and therefore is not included in the original budget figures.				
Materials and contracts	24,350	28,990	(4,640)	(19%) U
The Materials and Contract expenses exceeded the budget by \$4.64M (U). This is mainly due to an increase in service demand due to growth and a focus on asset maintenance and service delivery to the community.				
Depreciation and amortisation	16,071	22,370	(6,299)	(39%) U
The depreciation expense has exceeded the budget by \$6,299K (U). Council's asset base is growing at an extraordinary rate. This has a flow on effect by increasing depreciation expense as new high value assets are depreciated. Council has removed residual values associated with road surface assets and this impacted depreciation by \$1.03M.				
Other expenses	10,019	8,393	1,626	16% F
Other expenses were lower than the original budget by \$1,626K (F). This is predominately due to saving in street lighting charges \$195K, workers compensation and insurance saving for \$485K, general electricity saving for \$240K and fleet saving of \$705K.				
Net losses from disposal of assets	–	6,086	(6,086)	0% U
The net loss from the disposal of assets resulted in a variation to budget of \$6,086M (U). This is primary due to disposal of road infrastructure assets of \$5.031M(U) and disposal of two parcel of operational land of \$1.075M (U).				
Budget variations relating to Council's Cash Flow Statement include:				
Cash flows from operating activities	26,622	65,200	38,578	144.9% F
The favourable variance of \$22,286K was a result of increased in Grants and Contribution income by \$19.11M (F), an increase in income received for rates, user charges and fees by \$2.07M (F) and \$1.1M(F) increase in investment income. These items were unknown at the time of preparing the original budget.				
Cash flows from investing activities	(24,066)	(60,287)	(36,221)	150.5% U
The cash flow from investing activities increased by \$19.93M (U) predominately due to an increase in the purchase of investments and growth in the portfolio.				

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Camden Council

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

Note 20. Fair value measurement

\$ '000

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

- Infrastructure, property, plant and equipment
- Investment property

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

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

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

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

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

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

2018	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment property					
Land	30/06/18	–	20,195	–	20,195
Building	30/06/18	–	7,105	–	7,105
Total investment property		–	27,300	–	27,300
Infrastructure, property, plant and equipment					
Operational Land	30/06/18	–	132,505	–	132,505
Community Land	30/06/16	–	–	115,459	115,459
Crown Land	30/06/16	–	–	2,103	2,103
Land under Roads	30/06/17	–	–	114,009	114,009
Land Improvements	30/06/16	–	–	36,291	36,291
Buildings (Specialised & Non Specialised)	30/06/18	–	116,954	–	116,954
Other Structures	30/06/16	–	–	20,725	20,725
Roads	30/06/15	–	–	501,238	501,238
Bridges	30/06/15	–	–	34,470	34,470
Footpaths	30/06/15	–	–	38,633	38,633
Bulk Earthworks	30/06/15	–	–	23,641	23,641
Stormwater Drainage	30/06/15	–	–	282,417	282,417
Other Open Space / Recreational Assets	30/06/16	–	–	4,851	4,851
Other Assets	30/06/15	–	–	1,386	1,386
Total infrastructure, property, plant and equipment		–	249,459	1,175,223	1,424,682

Camden Council

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

Note 20. Fair value measurement (continued)

\$ '000

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

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1	Level 2	Level 3	
Recurring fair value measurements		Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Investment property					
Land	30/06/17	–	11,950	–	11,950
Building	30/06/17	–	400	–	400
Total investment property		–	12,350	–	12,350
Infrastructure, property, plant and equipment					
Operational Land	30/06/13	–	91,063	–	91,063
Community Land	30/06/16	–	–	112,884	112,884
Land under Roads	30/06/17	–	–	102,821	102,821
Land Improvements	30/06/16	–	–	34,173	34,173
Buildings (Specialised & Non Specialised)	30/06/13	–	68,395	–	68,395
Other Structures	30/06/16	–	–	17,543	17,543
Roads	30/06/15	–	–	449,667	449,667
Bridges	30/06/15	–	–	29,493	29,493
Footpaths	30/06/15	–	–	34,225	34,225
Bulk Earthworks	30/06/15	–	–	15,952	15,952
Stormwater Drainage	30/06/15	–	–	256,429	256,429
Other Open Space / Recreational Assets	30/06/16	–	–	3,592	3,592
Other Assets		–	–	1,177	1,177
Total infrastructure, property, plant and equipment		–	159,458	1,057,956	1,217,414

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

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

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

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

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

Investments properties

Investment properties are valued based on the market approach.

Level two valuation inputs were used to value land held in freehold title as well as land used for special purposes which is restricted in use under current zoning rules. Sales proceeds of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

These were valued by Scott Fullarton FAPI CPP, Certified Practising Valuer -Scott Fullarton Valuations Pty Ltd and the last comprehensive valuation was done at 30/06/2017.

In FY 17-18 Council has converted four properties to investment properties and their accounting treatment has been reflected in note 9a.

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

Operational Land

This asset class contains land defined as operational land in accordance with the NSW Local Government Act 1993. Council valued operational land at fair value as at 30 June 2018. Operational land values were provided by an external valuer (Scott Fullarton Valuations Pty Ltd).

Operational land was valued for financial reporting purposes in accordance with Australian Accounting Standards - AASB 13 Fair Value Measurement and AASB 116 Property, Plant and Equipment. Operational Land was valued as per market approach.

Generally fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that agency management would rationally pay to acquire the asset if it did not hold it, taking into account; quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset and cash flows from the future use and disposal.

There has been no change to the valuation process for this asset class during this reporting period. Council Operational land is being utilised for its highest and best use.

Camden Council
Notes to the Financial Statements
 for the year ended 30 June 2018
Note 20. Fair value measurement (continued)

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

Community Land

This asset class contains land defined as community land in accordance with the NSW Local Government Act 1993. Community land is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. Therefore there are a number of restrictions on community land including that; it cannot be sold, cannot be leased for more than 21 years, and must have a plan of management.

Councils are permitted to use the NSW Valuer General's valuations to represent fair valuation for the revaluation of community land. Camden Council has adopted this approach for the valuation of its community land assets. Community land was valued as at 30 June 2016 using the NSW Valuer General's valuations.

There has been no change to the valuation process for this asset class during this reporting period. Council Community Land is being utilised for its highest and best use. In 2017-18 Council added \$2.1 million Crown land onto its books for which council has control. The valuation method used to value these parcels of crown land were based on the NSW Valuer

Land under Roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council initially recognised land under roads in 2011. All land under roads has been recognised on an Englobo valuation basis, based upon a municipal rate. The Englobo basis of valuation is based on the concept of developing a raw land value for land under roads.

Land under roads were revalued as at 30 June 2017 financial year, the value being calculated according to the revised municipal rate. Council uses the Englobo basis for valuation and as per the methodology a discount rate of 90% is applied for Land under roads. The next revaluation will be conducted as at 30 June 2019. There has been no change to the valuation process for this asset class during this reporting period.

Land Improvements

This asset class contains all works carried out on land to improve its utility, service potential or make it ready for an identified use. It includes items such as but not limited to playing courts and fields, irrigation and landscaping. In 2015-16, valuations were undertaken for this Asset Category and were completed by Council staff using the depreciable replacement cost. This was completed with the assistance of specialist staff such as Landscape Architects within the Council and developer/contractor component breakdown. To estimate the replacement cost rates for this Asset Category, the following sources were accessed:

- Cordell Commercial Building Cost Guide 2016,
- Rawlinson's – 2016 – Australian Construction Handbook and/or
- Actual supplied project cost rates for unique items.

The inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which has had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period. However, item valuation

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

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

Buildings (Specialised & Non Specialised)

Council's buildings (specialised and non-specialised) were valued by an external valuer in June 2018. The valuations were provided by Scott Fullarton Pty Ltd. Non Specialised buildings were valued as per market approach and specialised buildings were valued at cost approach. Buildings were last comprehensively revalued as at 30 June 2013.

The gross value of each building was obtained by applying a unit rate to a structure, or a square metre rate to a building, based on its current replacement costs, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. Whilst each building was physically inspected, the inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which has had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period. New Buildings received from developers in FY18 have been initially brought into the asset register based on at construction cost and then subsequently revalued by external valuer - Scott Fullarton Pty Ltd to reflect current fair value and movements to revaluation reserve.

Other Structures

This asset class contains all other structures not included in the category of buildings that are controlled by Council and have been constructed for a variety of purposes. It includes park furniture, park signage, play equipment, fencing and retaining walls. For FY18, the Other Structures Asset Category has been further componentised into:

- Other Structures - In 2015-16, valuations were undertaken for this Asset Category and were completed by Council staff using the depreciable replacement cost. This was completed with the assistance of specialist staff such as Landscape Architects within the Council and developer/contractor component breakdown. To estimate the replacement cost rates for this Asset Category, the following sources were accessed:

- Cordell Commercial Building Cost Guide 2016,
- Rawlinson's – 2016 – Australian Construction Handbook and/or
- Actual supplied project cost rates for unique items.

Other Structures (Artworks, Sculptures, Murals) – In 2015-16, valuations were undertaken for this category and were completed by McWilliams & Associated Pty Ltd where the Valuer nominated Market Value was utilised as the Current Replacement Cost of an Asset.

- Other Structures (Paintings) - In 2015-16, valuations were undertaken for this category and were completed by McWilliams & Associated Pty Ltd where the Valuer nominated Market Value was utilised as the Current Replacement Cost of an Asset.

- Other Structures (Cemetery) - In 2016-17, Camden Cemetery Stage 1 works were completed. The Assets constructed in-house in FY17 have been brought into account based on at construction cost.

The inputs used to value these assets, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which has had a significant impact on the final determination of fair value.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

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

Roads

This asset class comprises of the road structure (carriageway), kerb and gutter, traffic signs, road structures (such as roundabouts and medians) and road furniture (such as bus shelters and guardrails). The valuation of roads and road structures was undertaken internally as at 30 June 2015 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2014 Rawlinson's – Australian Construction Handbook standard rates.

The condition assessment for all Asset Classes under Roads Asset category was conducted using several methodologies:

1. External Data Collection by Pavement Management Services
2. Internal Asset Data collection by Camden Council – LGA wide sample testing.

The level of componentisation adopted by Council is in accordance with AASB116, OLG Circular 09-09 and the Institute of Public Works Engineers International Infrastructure Management Manual (IIMM).

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils. During the year council has removed residual values from the road pavements and car park pavements. This removal of residuals has resulted in an increased depreciation charge for roads assets class for the FY 17-18.

Bridges

This asset class comprises of the road structure (carriageway), kerb and gutter, traffic signs, road structures (such as roundabouts and medians) and road furniture (such as bus shelters and guardrails). The valuation of bridges was undertaken internally as at 30 June 2015 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2014 Rawlinson's – Australian Construction Handbook standard rates.

The condition assessment for all Asset Classes under Roads Asset category was conducted using several methodologies:

1. External Data Collection by Pavement Management Services
2. Internal Asset Data collection by Camden Council – LGA wide sample testing.

The level of componentisation adopted by Council is in accordance with AASB116, OLG Circular 09-09 and the Institute of Public Works Engineers International Infrastructure Management Manual (IIMM).

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

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

Footpaths and Cycleways

This asset class comprises footpaths and cycle ways. The valuation of footpaths was done internally at 30 June 2015 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2014 Rawlinson's – Australian Construction Handbook standard rates.

The condition assessment for all Asset Classes under Footpath asset class was conducted by internal Asset Data collection by Camden Council – LGA wide sample data collection in 2014-15. The internal data collection was undertaken to provide comprehensive condition assessment for footpath and cycleway assets.

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation and consumption pattern within Camden or in comparison with other Councils.

Stormwater Drainage

Council has grouped its stormwater assets into four main types which are pits, pipes, headwalls and stormwater quality improvement devices. The valuation of stormwater drainage was done internally at 30 June 2015 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2014 Rawlinson's – Australian Construction Handbook standard rates.

The inputs used to value these assets, including estimates of pattern of consumption; asset condition and useful life have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation pattern in the Council and comparing the information with other Councils.

Condition assessments were conducted through in-house sample data collection by conducting visual inspections including collecting photographic evidence of sample assets. The assessment was conducted by internal Council staff in 2014-15.

The written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116. The component standard useful lives have been identified using suggested lives in IPWEA IIMM or as part of professional judgement after noting the asset depreciation within Camden or in comparison with other Councils.

Camden Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

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

Open Space / Recreational Assets & Other Assets

This asset class includes all of the Council's Playgrounds and associated Playground Components such as fitness equipment, play equipment, playground Softfall and edging assets.

Valuations were undertaken in 2015-16 and were completed by Playfix Pty Ltd using the depreciable replacement cost for all Playground Equipment. The inputs used to value the Playground Assets, including estimates of residual value, patterns of consumption required extensive professional judgement which was externally sourced. The external valuer also performed detailed condition and defect assessments and assessed the total and remaining useful lives of each playground equipment component.

In 2015-16, valuations were undertaken for the Playground Softfall and Softfall Edging assets and were completed by Council staff using the depreciable replacement cost. This was completed with the assistance of specialist staff such as Landscape Architects within the Council and developer/contractor component breakdown. To estimate the replacement cost rates for this Asset Category, the following sources were accessed:

- Cordell Commercial Building Cost Guide 2016,
- Rawlinson's – 2016 – Australian Construction Handbook and/or
- Actual supplied project cost rates for unique items.

The inputs used to value the assets in this Asset Category, including estimates of residual value, patterns of consumption, asset condition and useful life required extensive professional judgement which has had a significant impact on the final determination of fair value.

There has been no change to the valuation process for this asset class during this reporting period and the written down value of each asset was determined based on asset remaining useful life and asset depreciation was calculated using straight-line depreciation methodology as described in AASB116.

(4). Highest and best use

Local Government has a responsibility to provide many assets for community purpose and therefore not all assets are held at highest and best use.

(5). Reconciliation of movements

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

	2018 (\$'000)	2017 (\$'000)
Balance at 1 July	\$1,057,956	\$946,344
Total Gain or Losses for the period		
Carrying amount recognised in profit or loss - realised (Note 5)	(\$5,114)	(\$2,251)
Recognised in other comprehensive income revaluation surplus	(\$3,871)	\$42,489
Other movements		
Purchases	\$137,942	\$83,995
Sales	-	-
Transfer into Level 3	\$4,298	-
Transfer out of Level 3	-	-
Other movements	-	-
Depreciation	(\$15,988)	(\$12,621)
Balance as at 30 June	\$1,175,223	\$1,057,956

Camden Council

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

Note 21. Related party transactions

\$ '000

a. Key management personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly comprising Mayor, Councillors, Chief Executive Officer and Directors.

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

	2018	2017
Compensation:		
Short-term benefits	1,972	1,530
Post-employment benefits	169	145
Other long-term benefits	52	40
Total	2,193	1,715

Camden Council

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

Note 21. Related party transactions (continued)

b. Other transactions with KMP and their related parties (continued)

Nature of the transaction	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
	Actual \$	Actual \$		Actual \$	Actual \$
2017 Traineeship Program ¹	708,906		30 day term on invoices	—	—

b. Other transactions with KMP and their related parties (continued)

¹ Camden Council uses a training company to source trainees that are offered apprenticeships and traineeships at Camden Council. The funding for this program is endorsed by the Council upon adopting the budget each year which includes a public exhibition period of 28 days. A KMP of the training company is a close family member of a KMP of Camden Council. The KMP of Camden Council has no influence or control over the transactions between the two entities. AASB 124 Related Party Disclosures does not allow the exclusion of transactions between related parties for reporting purposes even if deemed at arm's length.

Camden Council

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

Note 22. Statement of developer contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	9,931	4,172	-	541	(219)	-	14,425	6,000
Roads	6,864	3,962	-	(422)	(993)	(2,813)	6,598	(20,638)
Traffic facilities	197	261	-	3	(578)	278	161	(499)
Parking	-	-	-	(74)	(2,356)	2,430	-	(3,463)
Open space	9,531	7,887	-	1,036	(311)	(125)	18,018	21,803
Community facilities	10,179	7,945	-	290	(5,645)	230	12,999	(2,507)
Other	1,159	725	-	16	(297)	-	1,603	(696)
\$7.11 contributions – under a plan	37,861	24,952	-	1,390	(10,399)	-	53,804	-
Total \$7.11 and \$7.12 revenue under plans	37,861	24,952	-	1,390	(10,399)	-	53,804	-
\$7.11 not under plans	126	-	-	4	-	-	130	-
\$7.4 planning agreements	5,870	2,147	18,745	197	(19,257)	-	7,702	-
Total contributions	43,857	27,099	18,745	1,591	(29,656)	-	61,636	-

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Camden Council

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

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN
CONTRIBUTION PLAN - MANAGEMENT & PROVISION OF INFRASTRUCTURE IN LGA

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	1,208	3,788	-	276	(46)		5,226	6,000
Roads	235	3,755	-	(620)	(557)	(2,813)	-	(20,676)
Traffic facilities	41	261	-	(2)	(578)	278	-	(278)
Parking	-	-	-	(74)	(2,356)	2,430	-	(3,463)
Open space	2,094	4,624	-	766	(303)	(125)	7,056	21,582
Community facilities	-	4,746	-	(58)	(4,918)	230	-	(2,507)
Other	-	430	-	(18)	-	-	412	(658)
Total	3,578	17,604	-	270	(8,758)	-	12,694	-

CONTRIBUTION PLAN NO 3 - UPPER NARELLAN CREEK (TRUNK DRAINAGE & WATER QUALITY FACILITIES)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	4,635	78	-	138	(170)	-	4,681	-
Total	4,635	78	-	138	(170)	-	4,681	-

CONTRIBUTION PLAN NO 5 - TRUNK DRAINAGE CATHERINE FIELD

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	128	16	-	4	-	-	148	-
Total	128	16	-	4	-	-	148	-

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Camden Council

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

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN
CONTRIBUTION PLAN NO 7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	422	-	-	12	(24)	-	410	-
Total	422	-	-	12	(24)	-	410	-

CONTRIBUTION PLAN NO 11 - SMEATON GRANGE ROADWORKS

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	2,185	-	-	65	-	11	2,261	-
Total	2,185	-	-	65	-	11	2,261	-

CONTRIBUTION PLAN NUMBER 16 - ELLIS LANE / GRASMERE DEVELOPMENT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	688	33	-	22	-	-	743	38
Traffic facilities	156	-	-	5	-	-	161	-
Community facilities	117	0	-	3	-	-	120	-
Other	-	8	-	(1)	-	-	7	(38)
Total	961	41	-	29	-	-	1,031	-

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

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN
CONTRIBUTION PLAN NO 17 - NARELLAN TOWN CENTRE

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	-	-	-	-	-	-	-	(221)
Open space	1,090	-	-	32	-	-	1,122	221
Other	741	51	-	22	(35)	-	779	-
Total	1,831	51	-	54	(35)	-	1,901	-

CONTRIBUTION PLAN NO 18 - HARRINGTON PARK RELEASE AREA (COMMUNITY & RECREATION FACILITIES)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	741	-	-	22	-	-	763	-
Community facilities	15	-	-	0	-	-	15	-
Total	756	-	-	22	-	-	778	-

Camden Council

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

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN
CONTRIBUTION PLAN - ORAN PARK AND TURNER ROAD PRECINCTS

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	3,960	2	-	117	-	(3)	4,076	3
Roads	3,288	69	-	97	(303)	(121)	3,030	121
Open space	5,278	2,624	-	196	(8)	-	8,090	-
Community facilities	9,587	2,464	-	318	(727)	-	11,642	-
Other	398	112	-	11	(107)	(119)	295	119
Total	22,511	5,271	-	739	(1,145)	(243)	27,133	243

CONTRIBUTION PLAN NUMBER - CATHERINE FIELD (PART) PRECINCT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	-	288	-	6	-	-	294	-
Roads	46	105	-	3	-	-	154	-
Open space	328	622	-	20	-	-	970	-
Community facilities	460	735	-	27	-	-	1,222	-
Other	20	111	-	3	(34)	-	100	-
Total	854	1,861	-	59	(34)	-	2,740	-

Financial Statements 2018

Camden Council

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

Note 22. Statement of developer contributions (continued)

\$ '000

**S7.11 CONTRIBUTIONS – UNDER A PLAN
CONTRIBUTION PLAN NUMBER - LEPPINGTON NORTH PRECINCT**

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	-	-	-	-	(3)	3	-	(3)
Roads	-	-	-	(1)	(109)	110	-	(121)
Other	-	-	-	(1)	(118)	119	-	(119)
Total	-	-	-	(2)	(230)	232	-	(243)

CONTRIBUTION PLAN NUMBER - LEPPINGTON PRECINCT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	-	17	-	-	-	-	17	-
Other	-	13	-	-	(3)	-	10	-
Total	-	30	-	-	(3)	-	27	-

Camden Council

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

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	22	-	-	1	-	-	23	-
Open space	60	-	-	2	-	-	62	-
Community facilities	44	-	-	1	-	-	45	-
Total	126	-	-	4	-	-	130	-

S7.4 planning agreements

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	-	-	1,671	-	(1,671)	-	-	-
Roads	-	-	2,037	-	(2,037)	-	-	-
Open space	869	568	276	23	(276)	-	1,460	-
Community facilities	3,784	1,377	14,387	131	(14,420)	-	5,259	-
Other	1,217	202	374	43	(863)	-	983	-
Total	5,870	2,147	18,745	197	(19,257)	-	7,702	-

Camden Council

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

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

\$ '000	Amounts 2018	Indicator 2018	Prior periods 2017	2016	Benchmark
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>(3,649)</u>	-3.65%	0.03%	-2.15%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	99,939				
2a. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>91,854</u>	33.38%	43.01%	33.58%	> 60.00%
Total continuing operating revenue ⁽¹⁾	275,164				
2b. Own source operating revenue ratio (less non-cash capital dedications)					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>91,854</u>	61.77%	72.11%	70.91%	
Total continuing operating revenue ⁽¹⁾ excluding non-cash capital dedications	148,702				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	<u>49,816</u>	2.45x	2.66x	2.51x	> 1.5x
Current liabilities less specific purpose liabilities ^(3,4)	20,364				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>20,529</u>	3.66x	3.23x	3.02x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	5,603				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	<u>2,030</u>	3.07%	3.37%	3.67%	< 5% metro
Rates, annual and extra charges collectible	66,216				
5b. Rates, annual charges, interest and extra charges Outstanding Percentage (excluding pensioners)					
Rates, annual and extra charges outstanding (excluding pensioners)	<u>1,683</u>	2.54%	2.69%	2.86%	
Rates, annual and extra charges collectible	66,216				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>122,337</u>	14.77 mths	14.9 mths	16.7 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	8,281				

Camden Council**Notes to the Financial Statements**
for the year ended 30 June 2018**Note 23(a). Statement of performance measures – consolidated results** (continued)

Notes on the ratios from the previous page

- ⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.
- ⁽²⁾ Refer Notes 6-8 inclusive.
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.
- ⁽³⁾ Refer to Notes 11 and 12.
- ⁽⁴⁾ Refer to Note 11(b) and 11(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

End of audited financial statements

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

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

<p>1. Operating performance ratio</p> <p>Benchmark: — Minimum $\geq 0.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio -3.65%</p> <p>The benchmark for this ratio is better than 0.00% or \$0.00. Council's ratio of -3.65% is below the benchmark and is lower than last year's ratio of 0.03%. This is due to the disposal of infrastructure assets (non- cash) and an increase in depreciation expense (non- cash). The disposal of infrastructure assets include the write-off of roads upon renewal (\$2.55 million), the write-off of assets transferred to RMS (\$2.48 million) and operational land (\$1.03 million). The increase in depreciation was a result of the removal of residual values on road surface assets (\$1.03 million) and extraordinary growth in Council's asset base over the past two years.</p> <p>■ Ratio achieves benchmark ■ Ratio is outside benchmark</p>
<p>2a. Own source operating revenue ratio</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 33.38%</p> <p>The benchmark for this ratio is greater than 60%. The ratio as at 30 June 2018 was 33.0%. This ratio is lower than 2017 ratio of 43.0%. This indicator is impacted by the high level of non cash income Council receives through dedication of non cash assets which distorts the ratio. An additional ratio has been provided below (2b) which clearly demonstrates that Council meets this benchmark upon removal of non cash income relating to the dedication of assets.</p> <p>■ Ratio achieves benchmark ■ Ratio is outside benchmark</p>
<p>2b. Own source operating revenue ratio excluding non cash income</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of own source operating revenue ratio excluding non cash income</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 61.77%</p> <p>The benchmark for this ratio is greater than 60%. Upon the removal of non cash income (\$143.0M) relating to the dedication of assets the ratio significantly improves from 33.0% to 69.0%. This additional ratio has been provided to ensure there is a fair comparison against benchmark as not all Councils in NSW experience high level of growth that results in an extraordinary level of non cash income.</p> <p>■ Ratio achieves benchmark ■ Ratio is outside benchmark</p>
<p>3. Unrestricted current ratio</p> <p>Benchmark: — Minimum ≥ 1.50 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of unrestricted current ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 2.45x</p> <p>The benchmark for this ratio is better than 1.50:1. This ratio is well above the benchmark at 2.4:1 which indicates that for every \$1 of liability council has \$2.4 of assets to pay for that liability. This ratio continues to be above the benchmark due to Council's strong liquidity position and controls around Council's level of debt.</p> <p>■ Ratio achieves benchmark ■ Ratio is outside benchmark</p>

Camden Council

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

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

<p>4. Debt service cover ratio</p> <p>Benchmark: Minimum ≥ 2.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of debt service cover ratio</p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 3.66x</p> <p>The benchmark for this ratio is better than 2.0x. This ratio is above the benchmark at 3.7x. The ratio has improved from last year due to the repayment of debt, increasing income due to growth.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
<p>5. Rates, annual charges, interest and extra charges outstanding percentage</p> <p>Benchmark: Maximum $< 5.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of rates and annual charges outstanding ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 3.07%</p> <p>The benchmark for this ratio is less than 5%. The 2018 ratio is better than the benchmark at 3.07%. The ratio has decreased from last year's ratio of 3.37% which can be attributed to Council growing rate base and reflects a continuous improvement in Council's debt recovery processes. Furthermore, Council has a policy of not taking legal action against pensioners. An additional ratio has been provided below to show the impact on this ratio.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
<p>5b. Rates, annual charges, interest and extra charges Outstanding Percentage (excluding pensioners)</p> <p>Benchmark: Maximum $< 5.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of rates and annual charges outstanding ratio (excluding pensioners)</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 2.5%</p> <p>As indicated above the removing of pensioners from the ratio reduces the result for 2017/18 to 2.5%.</p> <p>Ratio is within Benchmark Ratio is outside Benchmark</p>
<p>6. Cash expense cover ratio</p> <p>Benchmark: Minimum ≥ 3.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of cash expense cover ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 14.77 mths</p> <p>The benchmark for this ratio is more than 3 months. The ratio is well above the benchmark at 15 months. This can be predominately attributed to Council's strong cash position and budgetary controls.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial report
Camden Council

To the Councillors of the Camden Council

Opinion

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

In my opinion,

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 19 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis
Director, Financial Audit Services

31 October 2018
SYDNEY



Clr Peter Sidgreaves
 Mayor
 Camden Council
 70 Central Ave
 ORAN PARK NSW 2570

Contact: Caroline Karakatsanis
 Phone no: 02 9275 7143
 Our ref: D1827006/1705

31 October 2018

Dear Mayor

**Report on the Conduct of the Audit
 for the year ended 30 June 2018
 Camden Council**

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

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

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

INCOME STATEMENT

Operating result

	2018 \$m	2017 \$m	Variance %
Rates and annual charges revenue	63.9	57.9	↑ 10.4
Grants and contributions revenue	183.3	107.6	↑ 70.3
Operating result for the year	165.6	96.7	↑ 71.3
Net operating result before capital amounts	(9.6)	(1.7)	↓ 464.7

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Our insights inform and challenge government to improve outcomes for citizens

Council’s operating result (\$165.6 million) is higher than 2016-17 result due to the significant increase in asset dedications to the Council. This is largely attributable to the fast growth experienced by the Council. There was also a reduction in state funding and developer contributions in the 2017-18 financial year.

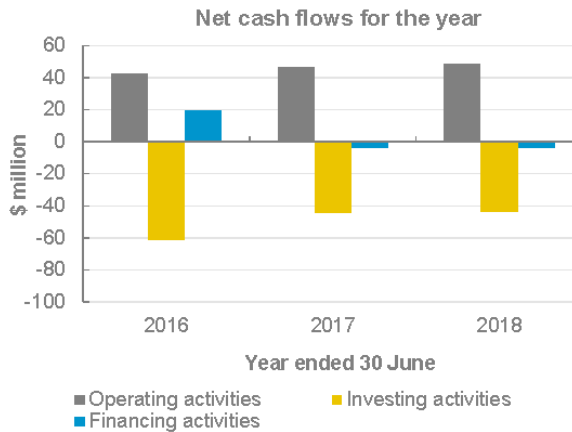
The net operating result before capital grants and contributions (-\$9.6 million) was \$8.0 million lower than the 2016-17 result. This was mainly due to the increase in expenses as a result of growth and a disposal of some items of Infrastructure, Property, Plant and Equipment with a carrying value of \$6 million. Depreciation expense also increased due to the increase in the assets held by the Council.

Rates and annual charges revenue (\$63.9 million) increased by \$6 million (10.3 per cent) in 2017–2018. This was mainly due to the increase in the number of assessments due to growth.

Grants and contributions revenue (\$183.3 million) increased by \$75.7 million (70.3 per cent) in 2017–2018 due to a significant increase in asset dedications to the Council in the current year.

STATEMENT OF CASH FLOWS

- Increase in cash receipts from operating activities due to increasing rate and annual charges income.
- Slightly reduced capital expenditure in the current financial year.
- Financing outflows relate to the repayment of borrowings.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	78.2	56.2	• Externally restricted cash mainly relating to developer contributions, specific purpose unexpended grants and domestic waste funds. Increase due to significant developer contributions received during the year.
Internal restrictions	43.7	49.4	
Unrestricted	0.5	2.3	
Cash and investments	122.4	107.9	<ul style="list-style-type: none"> • Internally restricted cash reduction due to the utilisation of the capital works reserve. • Internal restrictions mainly for capital works, loan payments and deposits, retentions and bonds.

Debt

Total debt during 2017-18 decreased to \$31.7 million (2016-17: \$35.0 million). This is in line with the existing loan amortisation schedules.



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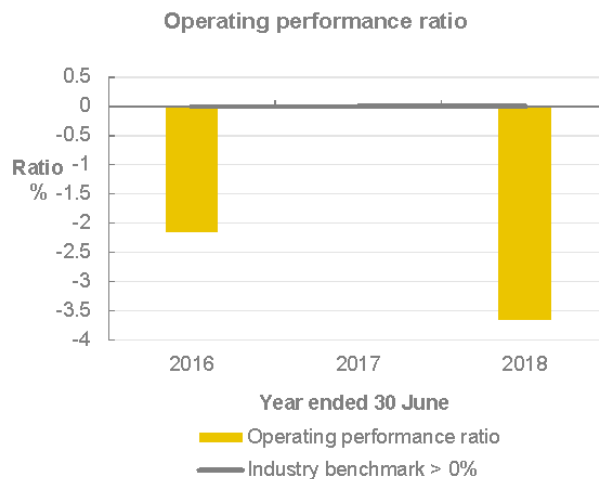
PERFORMANCE RATIOS

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

Operating performance ratio

- Council did not meet the benchmark due to the non-cash disposal of infrastructure assets and increase in depreciation expense.

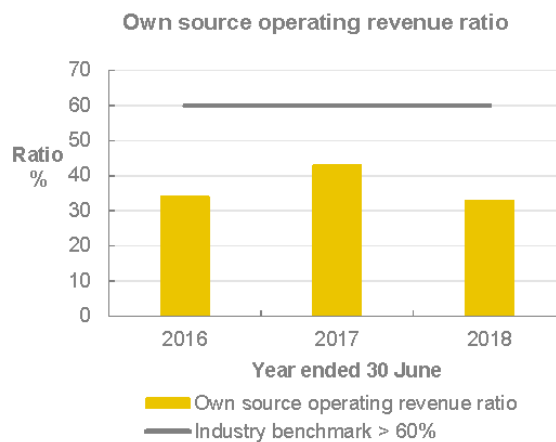
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than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



Own source operating revenue ratio

- Ratio below the benchmark due to significant levels of non-cash contributions received by the Council in response to rapid growth.

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.



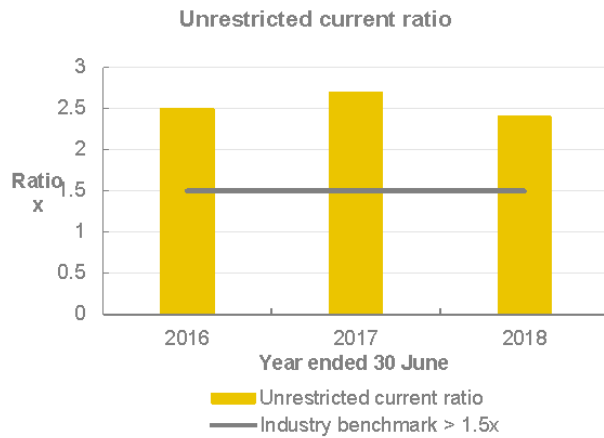


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Unrestricted current ratio

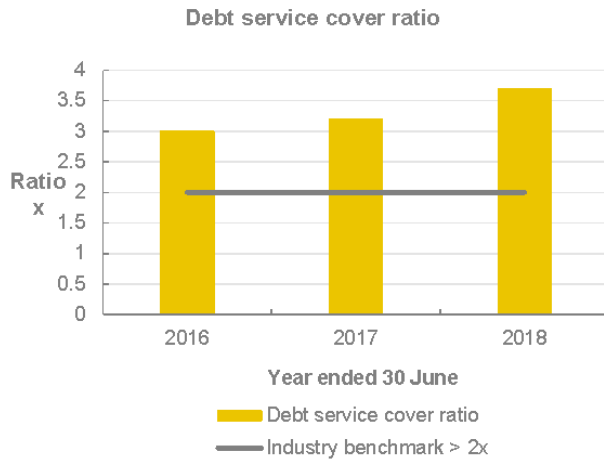
- Council continues to exceed benchmark due to significant cash balances.
- Decrease due to utilisation of restricted cash on specified expenditure.

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

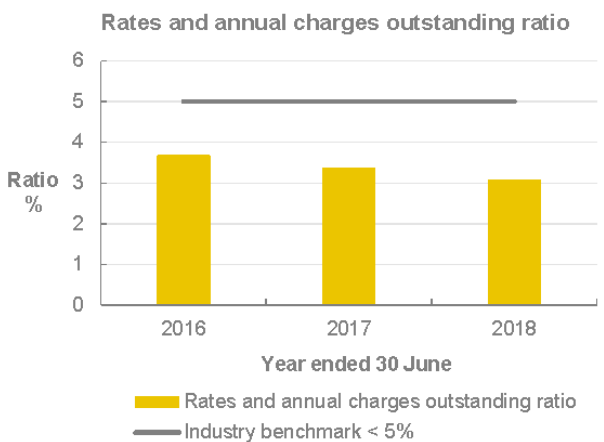
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio is greater than the industry benchmark of greater than 2 times.
- The ratio indicates that Council has 3.7 times in operating cash available to service its debts, essentially indicating that Council generates sufficient cash from its operations to fund its debt obligations.



Rates and annual charges outstanding ratio

- Council manages to collect debts to exceed the benchmark

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



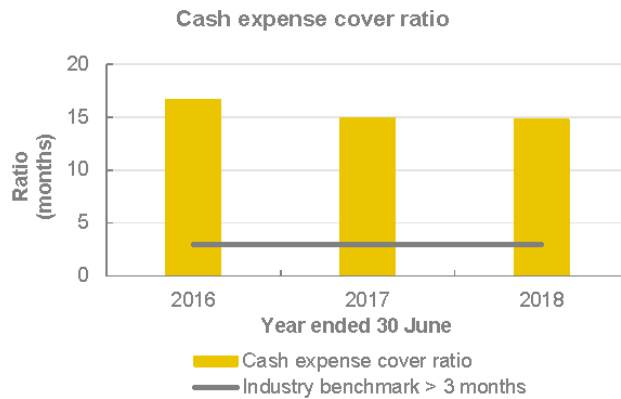
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Cash expense cover ratio

- The cash expense cover ratio of 15 months exceeded the benchmark of greater than 3 months.

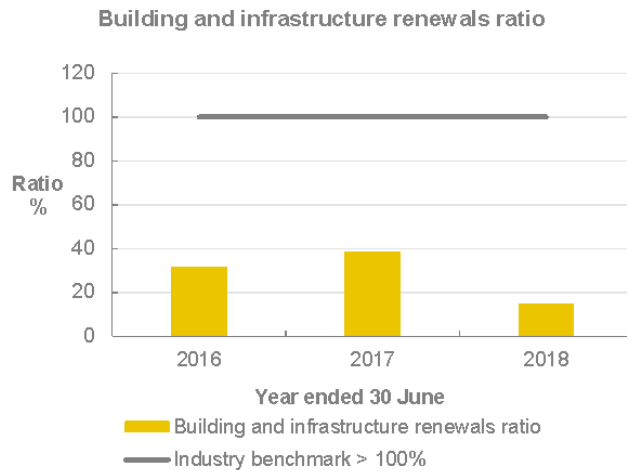
This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Building and infrastructure renewals ratio (unaudited)

- Council did not meet the benchmark as spending on assets is lower than depreciation as a large proportion of the Council's assets are still new.
- The ratio decreased from 2017 due to the increase in depreciation.

The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent. This ratio is sourced from council's Special Schedule 7, which has not been audited.



OTHER MATTERS

New accounting standards implemented

AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'	
Effective for annual reporting periods beginning on or after 1 January 2017	<p>This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.</p> <p>Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 11 (c).</p>

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Legislative compliance

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

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

A handwritten signature in black ink, appearing to read "C. Karakatsanis".

Caroline Karakatsanis
Director, Financial Audit Services

cc: Ron Moore, General Manager
Camden Council
70 Central Ave
ORAN PARK NSW 2570

Tim Hurst, Acting Chief Executive of the Office of Local Government
Locked Bag 3015, NOWRA NSW 2541

Camden Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

Camden, the Best of Both Worlds



Camden Council

Special Purpose Financial Statements for the year ended 30 June 2018

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4. Auditor's Report	SP9

Background

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

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
 - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
 - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

SPFS 2018

Camden Council

Special Purpose Financial Statements for the year ended 30 June 2018

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

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

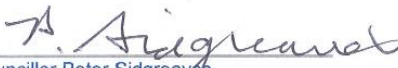
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 30 October 2018.


Councillor Peter Sidgreaves
Mayor
30 October 2018


Councillor Theresa Fedeli
Councillor
30 October 2018


Ron Moore
General Manager
30 October 2018


Paul Rofe
Responsible Accounting Officer
30 October 2018

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SPFS 2018

Camden Council

Income Statement of Council's Other Business Activities
for the year ended 30 June 2018

\$ '000	Commercial Waste*	
	Category 2	
	2018	2017
Income from continuing operations		
User charges	993	878
Total income from continuing operations	993	878
Expenses from continuing operations		
Employee benefits and on-costs	238	229
Materials and contracts	220	220
Depreciation, amortisation and impairment	51	46
Other expenses	162	163
Total expenses from continuing operations	671	658
Surplus (deficit) from continuing operations before capital amounts	322	220
Surplus (deficit) from continuing operations after capital amounts	322	220
Surplus (deficit) from all operations before tax	322	220
Less: corporate taxation equivalent (30%) [based on result before capital]	(97)	(66)
SURPLUS (DEFICIT) AFTER TAX	225	154
Plus opening retained profits	491	1,243
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	97	66
Less:		
– Dividend paid	(130)	(972)
Closing retained profits	683	491
Return on capital %	107.0%	150.7%

*Commercial Waste - Category 2: Where gross operating turnover is less than \$2 million.

SPFS 2018

Camden Council

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2018

\$ '000	Commercial Waste*	
	Category 2	
	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	363	334
Receivables	22	11
Total Current Assets	385	345
Non-current assets		
Infrastructure, property, plant and equipment	301	146
Total non-current assets	301	146
TOTAL ASSETS	686	491
LIABILITIES		
Current liabilities		
Payables	3	–
Total current liabilities	3	–
TOTAL LIABILITIES	3	–
NET ASSETS	683	491
EQUITY		
Accumulated surplus	683	491
Council equity interest	683	491
TOTAL EQUITY	683	491

*Commercial Waste - Category 2: Where gross operating turnover is less than \$2 million.

ORD01

Attachment 1

Camden Council

Special Purpose Financial Statements for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	SP6

Camden Council

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

Note 1. Significant accounting policies

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

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

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

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

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

National Competition Policy

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

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

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

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

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

Camden Commercial Waste Activity

Provide a diversified range of waste removal services to business operations in the Camden local government area.

Camden Council

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

Note 1. Significant accounting policies (continued)

Monetary amounts

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

(i) Taxation-equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – The first \$629,000 of combined land values attracts 0%. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

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

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

The rate applied of 30% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Camden Council

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

Note 1. Significant accounting policies (continued)

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

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

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

The rate of return is calculated as follows:

$$\frac{\text{Operating result before capital income + interest expense}}{\text{Written down value of I,PP\&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10year bond rate which is 2.63% at 30/6/18.

(iv) Dividends

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial report
Camden Council

To the Councillors of the Camden Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of Camden Council's (the Council) Declared Business Activity, which comprise the Income Statement of the Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of the Declared Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activity declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Commercial Waste.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial report
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis
Director, Financial Audit Services

31 October 2018
SYDNEY

Camden Council

SPECIAL SCHEDULES
for the year ended 30 June 2018

Camden, the Best of Both Worlds



Camden Council

Special Schedules

for the year ended 30 June 2018

Contents

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Special Schedules ¹

Special Schedule 1	Net Cost of Services	2
Special Schedule 2	Permissible income for general rates	4
Special Schedule 2	Independent Auditors Report	5
Special Schedule 7	Report on Infrastructure Assets	8

¹ Special Schedules are not audited (with the exception of Special Schedule 2).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Camden Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2018

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,809	26	–	(1,783)
Administration	37,778	2,796	2,103	(32,879)
Public order and safety				
Fire service levy, fire protection, emergency services	1,133	165	690	(278)
Beach control	–	–	–	–
Enforcement of local government regulations	11	–	–	(11)
Animal control	892	132	–	(760)
Other	12	–	–	(12)
Total public order and safety	2,048	297	690	(1,061)
Health	1,005	153	–	(852)
Environment				
Noxious plants and insect/vermin control	129	32	–	(97)
Other environmental protection	12	186	–	174
Solid waste management	9,967	13,794	–	3,827
Street cleaning	–	–	–	–
Drainage	–	–	–	–
Stormwater management	3,336	546	45,490	42,700
Total environment	13,444	14,558	45,490	46,604
Community services and education				
Administration and education	237	22	–	(215)
Social protection (welfare)	724	160	–	(564)
Aged persons and disabled	47	4	–	(43)
Youth Services	167	–	–	(167)
Children's services	1,975	1,823	–	(152)
Other Community Services	21	2	–	(19)
Total community services and education	3,171	2,011	–	(1,160)
Housing and community amenities				
Public cemeteries	52	414	–	362
Public conveniences	176	–	–	(176)
Street lighting	2,078	–	–	(2,078)
Town planning	3,763	5,952	22	2,211
Other community amenities	37	–	–	(37)
Total housing and community amenities	6,106	6,366	22	282

Camden Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2018

\$'000				
Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	2,852	244	–	(2,608)
Museums	–	–	–	–
Art galleries	96	–	–	(96)
Community centres and halls	1,555	1,398	25,692	25,535
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	–	–	–	–
Sporting grounds and venues	562	17	50	(495)
Swimming pools	4,815	5,470	–	655
Parks and gardens (lakes)	10,800	257	19,023	8,480
Other sport and recreation	380	46	4	(330)
Total recreation and culture	21,060	7,432	44,769	31,141
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	6,760	8,212	–	1,452
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	6,760	8,212	–	1,452
Transport and communication				
Urban roads (UR) – local	13,656	397	81,493	68,234
Urban roads – regional	–	17	–	17
Sealed rural roads (SRR) – local	–	–	–	–
Sealed rural roads (SRR) – regional	–	–	–	–
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	1,394	–	–	(1,394)
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	13	–	–	(13)
Footpaths	41	–	13	(28)
Aerodromes	–	–	–	–
Other transport and communication	324	311	645	632
Total transport and communication	15,428	725	82,151	67,448
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	1,080	397	–	(683)
Total economic affairs	1,080	397	–	(683)
Totals – functions	109,689	42,973	175,225	108,509
General purpose revenues ⁽¹⁾		56,966		56,966
Share of interests – joint ventures and associates using the equity method	–	121		121
NET OPERATING RESULT ⁽²⁾	109,689	100,060	175,225	165,596

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Camden Council

Special Schedule 2 – Permissible income for general rates

for the year ended 30 June 2019

\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	49,249	45,348
Plus or minus adjustments ⁽²⁾	b	3,368	3,173
Notional general income	c = (a + b)	52,617	48,521
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.30%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	1,210	728
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	53,827	49,249
Plus (or minus) last year's carry forward total	l	60	60
Less valuation objections claimed in the previous year	m	–	–
Sub-total	n = (l + m)	60	60
Total permissible income	o = k + n	53,887	49,309
Less notional general income yield	p	53,860	49,249
Catch-up or (excess) result	q = o – p	27	60
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	34	–
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	61	60

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Camden Council

To the Councillors of Camden Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Camden Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Caroline Karakatsanis
Director, Financial Audit Services

31 October 2018
SYDNEY

Special Schedules 2018

Camden Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
								1	2	3	4	5	
Buildings	Council Offices / Administration Centres	–	–	334	150	30,514	33,405	100%	0%	0%	0%	0%	0%
	Council Works Depot	86	86	36	79	1,761	3,588	6%	3%	79%	12%	0%	0%
	Council Public Halls	489	489	102	160	6,822	10,188	26%	0%	50%	24%	0%	0%
	Libraries	–	–	299	104	25,979	29,856	47%	40%	13%	0%	0%	0%
	Cultural Facilities	–	–	31	–	2,242	3,094	0%	0%	100%	0%	0%	0%
	Council Other Buildings – Civic Centre	–	–	56	27	2,817	5,629	0%	0%	100%	0%	0%	0%
	Council Other Buildings – Bushfire & SES Buildings	20	20	18	44	1,048	1,784	20%	6%	72%	2%	0%	0%
	Council Other Buildings – Toilet Blocks & Amenities	1,630	1,630	314	79	18,878	31,353	28%	4%	42%	26%	0%	0%
	Council Other Buildings – Leased Properties	41	41	19	348	806	1,887	0%	0%	89%	11%	0%	0%
	Council Other Buildings – Other Including Swimming Pool	–	–	36	48	1,824	3,600	0%	53%	47%	0%	0%	0%
	Other	836	836	174	53	24,263	34,857	18%	53%	17%	12%	0%	0%
	Sub-total	3,102	3,102	1,418	1,092	116,954	159,241	41.3%	21.2%	27.8%	9.7%	0.0%	0.0%
Other structures	Other structures	724	724	181	–	20,725	36,243	18%	40%	37%	4%	1%	1%
	Land Improvements – Depreciable	224	224	112	–	6,559	11,202	46%	25%	24%	4%	1%	1%
	Sub-total	948	948	293	–	27,284	47,445	24.6%	36.5%	33.9%	4.0%	1.0%	1.0%

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Special Schedules 2018

Camden Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Roads	Sealed Roads Surface	2,032	2,032	1,296	1,957	86,405	127,011	52%	32%	12%	4%	0%
	Sealed Roads Structures & Formation	1,050	1,050	525	-	222,116	262,538	58%	30%	11%	1%	0%
	Road Formation (Non Depreciables)	-	-	-	-	49,634	49,634	0%	0%	0%	0%	100%
	Bridges and Culverts	97	97	97	54	34,470	48,493	8%	32%	59%	1%	0%
	Footpaths	1,024	1,024	211	630	22,666	30,118	32%	35%	16%	14%	3%
	Cycle Ways	320	320	139	-	15,963	19,889	65%	24%	5%	4%	2%
	Kerb and Gutter	1,134	1,134	378	299	145,204	189,072	30%	28%	39%	2%	1%
	Other Road Assets – Road Furniture	35	35	103	233	2,748	5,141	41%	53%	4%	1%	1%
	Other Road Assets – Road Structures	40	40	164	-	13,407	16,414	26%	65%	6%	3%	0%
	Carparks	116	116	116	-	4,085	5,808	31%	15%	49%	4%	1%
	Carpark Formation (non depreciables)	-	-	-	-	1,284	1,163	0%	0%	0%	0%	100%
	Sub-total	5,848	5,848	3,029	3,173	597,982	755,281	41.0%	28.8%	20.7%	2.4%	7.2%

Special Schedules 2018

Camden Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Retarding Basins	–	–	11	230	7,881	10,666	40%	51%	9%	0%	0%
	Depreciables – Earthworks)	–	–	–	–	5,750	5,750	0%	0%	0%	0%	100%
	Stormwater Conduits	792	792	–	23	178,639	198,228	81%	16%	2%	1%	0%
	Inlet and Junctions Pits	306	306	383	346	63,081	76,625	64%	31%	4%	1%	0%
	Head Walls	101	101	25	–	2,045	2,533	56%	39%	4%	1%	0%
	Outfall Structures	102	102	26	–	2,558	2,602	86%	11%	2%	1%	0%
	Stormwater Converters	–	–	17	–	15,180	16,961	73%	22%	5%	0%	0%
	Other – Channels	17	17	8	–	7,283	8,370	14%	78%	7%	1%	0%
	Sub-total	1,318	1,318	470	599	282,417	321,735	71.8%	22.5%	3.0%	0.9%	1.8%
	Open space/recreational assets											
	Open Space Recreational Assets – Parks and Reserve	291	291	485	363	4,851	8,085	48%	19%	24%	9%	0%
	Sub-total	291	291	485	363	4,851	8,085	48.0%	19.0%	24.0%	9.0%	0.0%

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Special Schedules 2018

Camden Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard ^a	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
	TOTAL – ALL ASSETS	11,507	11,507	5,695	5,227	1,029,488	1,291,787	48.2%	26.5%	17.7%	3.0%	4.7%

*Council's 'cost to bring assets to an agreed service level' is the same as Council's cost to bring assets to a satisfactory standard as they are both calculated using a condition 2 (good) rating.

Notes:

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Camden Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Infrastructure asset performance indicators * consolidated					
1. Buildings and infrastructure renewals ratio ⁽¹⁾					
Asset renewals ⁽²⁾	<u>2,753</u>	14.42%	38.24%	31.61%	>= 100%
Depreciation, amortisation and impairment	<u>19,093</u>				
2. Infrastructure backlog ratio ⁽¹⁾					
Estimated cost to bring assets to a satisfactory standard	<u>11,507</u>	1.12%	1.23%	1.27%	< 2.00%
Net carrying amount of infrastructure assets	<u>1,029,488</u>				
3. Asset maintenance ratio					
Actual asset maintenance	<u>5,227</u>	91.78%	100.02%	88.56%	> 100%
Required asset maintenance	<u>5,695</u>				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>11,507</u>	0.89%	0.95%	0.98%	
Gross replacement cost	<u>1,291,787</u>				

Notes

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

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Camden Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

<p>1. Buildings and infrastructure renewals ratio</p> <p>Benchmark: ——— Minimum >=100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 14.42%</p> <p>The benchmark for this ratio is better than 100%. Although Council has put in place a number of renewal programs the ratio compared to last financial year has decreased as a result of increasing depreciation expense through growth in the asset base. It is difficult to justify a high ratio for Camden Council when Council has a higher proportion of new assets that at this point in their life cycle do not require renewal.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: ——— Maximum <2.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 1.12%</p> <p>Council's current infrastructure backlog is 1.12% which is within the industry benchmark of less than 2.00%. Council's backlog is manageable and an indication that with a continuation of current renewal programs that the backlog is not increasing.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: ——— Minimum >100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 0.92x</p> <p>The benchmark for this ratio is greater than 1.00. Council's ratio of 0.92 is marginally lower than last financial years ratio of 1.00. Council completed 92% of the maintenance program for the financial year 2017-18.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>
<p>4. Cost to bring assets to agreed service level</p> <p>Benchmark: ——— Minimum >100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of agreed service level ratio</p> <p>This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 0.89%</p> <p>Council's "cost to bring assets to an agreed service level" is the same as Council's cost to bring assets to a satisfactory standard as they are both calculated using a condition 2 (good) rating. Council continues to implement renewal programs to further improve this ratio over time.</p> <p>Ratio achieves benchmark Ratio is outside benchmark</p>

Appendix: Summary of Budget Review Variations Greater Than \$15,000 June Review of the 2017/18 Budget

1) Proposed Budget Variations		Change In Vote		Totals	Description	Comments
Item	Expense \$	Income \$	Totals \$			
Proposed variations to the 2017/18 Budget based on income received and expenditure payments to date are as follows:						
	(469,700)	927,869	458,169	Surplus / (Deficit) - Proposed Budget Variations September 2017/18 Review		
	(738,500)	837,980	99,480	Surplus / (Deficit) Proposed Budget Variations December 2017/18 Review		
	(19,500)	215,600	196,100	Surplus / (Deficit) Proposed Budget Variations March 2017/18 Review		
1		308,299	308,299	Corporate Management Rates Income		Supplementary rate income is received upon the re-zoning or subdivision of land. It is additional rate income to the amount levied at the beginning of the financial year. The increase in rate income realised during the fourth quarter of 2017/18 is primarily due to new lots created through subdivisions in the Spring Farm, Oran Park, Gregory Hills and Leppington land release areas.
2		210,280	210,280	Pools Income		Additional income has been realised within the Mount Annan Leisure Centre primarily as a result of an increase in the utilisation of the expanded facility.
3		159,189	159,189	Development - Fees & Charges Income		Development income has exceeded budget expectations for the fourth quarter of 2017/18. Council has received a number of Development Applications of high value this quarter predominantly a result of development activity in the Leppington release area. The level of income received from development activity is primarily dependent on the receipt of applications from developers, and as such is somewhat difficult to project given the unprecedented growth Council is experiencing.
4		90,801	90,801	Interest on Investments Income		The performance of Council's investment portfolio has exceeded budget expectations. The primary reason for this is Council's investment portfolio being higher than originally budgeted.
5		66,646	66,646	Commercial Waste Income		Actual income for Council's commercial three bin service and commercial garbage service (1100 litre bin) for 2017/18 has been in higher demand than anticipated predominantly relating to growth in the sector.
6		57,742	57,742	Capital Works Staffing - Transfer from Section 7.11 Contributions Reserve		This is the reimbursement of council's costs (general fund) for project managing capital works that are fully funded from the Section 7.11 reserve.
7		37,665	37,665	Regulatory Compliance		Additional income has been recognised through the commission Council receives from the Office of Local Government for pet registrations. This primarily is driven by the number of pets registered. Council has in place a number of programs to encourage responsible pet ownership.
8	(500,000)		(500,000)	Transfer to Working Funds Reserve		As part of the adoption of the 2017/18 - 2020/21 Delivery Program Council resolved to use future funding from quarterly budget reviews as a funding source for the major projects to be delivered in the 2017/18 - 2020/21 Delivery Program. It was estimated that \$500,000 could be funded from each quarterly budget review from September 2017 to March 2021. This would provide up to \$7.5 million in funding. The funding required from quarterly budget reviews over the next four years is a conservative \$5.7 million, which provides a contingency should a budget review not realise \$500,000 over the nominated period. The total amount transferred to reserve including this payment is \$2 million, which is equal to the amount required at this stage of the adopted repayment program.
9	(261,960)		(261,960)	Legal Expenses		This over expenditure predominantly relates to the Camden Pool legal case. What costs Council recovers will depend on the outcome of the legal proceedings.
10	(137,742)		(137,742)	Communications and Events Expense		This expenditure relates to several major project opening events such as the Alan Baker Art Gallery and Oran Park Library. In addition, the size of some of the major Council events grew significantly requiring an increase in logistics and staffing costs.
11	(100,840)		(100,840)	Parks & Reserves Maintenance Expense		Council's open space maintenance budget was approximately \$7.4 million in 2017/2018. A minor variation of 1.35% to budget for maintenance costs were realised this year. The variation related to an increase in the transfer of projected maintenance because of new subdivisions in areas such as Gregory Hills and Gledswood Hills. The additional expenditure related to mowing and landscape maintenance requirements.

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Appendix: Summary of Budget Review Variations Greater Than \$15,000 June Review of the 2017/18 Budget

Item	Change In Vote		Description	Comments
	Expense \$	Income \$		
12	(42,932)		Street Sweeping Program	Street Sweeping Operations for Council has exceeded budget projections. This increase is primarily a result of additional work required to improve appearances in key sites including CBD areas and car parks, as well as additional sweeping required around high traffic locations.
13	435,857		Planning & Environment	Savings have been realised within Strategic Planning area during 2017/18. These savings are primarily a result of a reduction in expected expenditure spent on external consultants and studies. The majority of studies required have been funded by the Department of Planning during 2017/18.
14	364,754		Workers Compensation Premium Expense	Council's decreasing premium is predominately a result of proactive claims management.
15	195,965		Street Lighting Charges	The street lighting charges allocation relates to the maintenance and electricity cost of public lighting throughout the LGA. Savings against budget were realised as a result of the timing of installation of new lights in growth areas, decisions of the Australian Energy Regulator to cap maintenance costs increases, the increasing use of energy efficient lighting, and improved outcomes through competitive sourcing of electricity supply.
16	152,255		Fleet Management Expense	The operating costs for Council's fleet were below budget expectations for 2017/18. This is primarily a result of staff vacancies during the year for positions with leaseback vehicles.
17	119,297		Risk Management - Insurance Premiums	Savings in the public liability and property insurance premiums for the year were realised through enhanced claims management throughout the year.
18	67,915		Information Technology Capital Expenditure	Capital expenditure relating to Council's Computer hardware was less than expected during the 2017/18 financial year, resulting in savings when compared to the total budget.
19	67,125		Emergency Services Operations	The savings consists of the reimbursement of operational costs from the SES for building and fleet maintenance costs as payable under the agreement. In addition, savings were realised with plant and vehicles now being the responsibility of the SES. Savings have also been realised within the Rural Fire Services budget primarily a result of less than expected vehicle maintenance during 2017/18, even with all scheduled maintenance being completed for the RFS.
20	58,756		Road and Street Furniture Maintenance Expense	Savings are primarily due to a reduction in graffiti and vandalism cost for bus shelters. The removal of Perspex and installation of metal mesh has reduced the incidences of graffiti.
21	44,104		Library Capital Expenditure	A saving in Council's Capital expenditure budget for the Library Services function was realised during the 2017/18 financial year, this amount is a general saving that is immaterial when compared to Council's total Library budget.
22	26,608		Design & Transport Operational Expense	This budget is to assist the asset management section with resourcing, to ensure Council meets its statutory reporting responsibilities for year-end. Council was able to complete some of this work in-house which realised savings.
23	25,986		Property Capital Expenditure	Not all of the budget provision for Strategic Land Acquisitions was required in 2017/18.
24	7,282	85,409	Variations under \$15,000	
	522,430	1,016,031	Surplus / (Deficit) - Proposed Budget Variations	June 2017/18 Review
	(705,270)	2,997,480	Surplus / (Deficit) - Net Impact of Variations 2017/18	

* It should be noted where net increases or reductions have been shown within the main Council Report the income and expenditure column will not reconcile, as the two are separated within this attachment.

Appendix: Summary of Budget Review Variations Greater Than \$15,000 June Review of the 2017/18 Budget

Item	Change In Vote		Totals	Description	Comments
	Expense \$	Income \$			
2) Council Approved Budget Variations					
Since adopting the 2017/18 Budget, Council has authorised the following changes to the budget:					
	(695,603)	237,434	(458,169)	Surplus / (Deficit) - Council Approved Budget Variations September 2017/18 Review	
	(99,480)	-	(99,480)	Surplus / (Deficit) - Proposed Budget Variations December 2017/18 Review	
	(382,200)	186,100	(196,100)	Surplus / (Deficit) - Proposed Budget Variations March 2017/18 Review	
	(258,500)			Narellan Urban Forest Upgrade	
		155,100		Grant Funding	Council Resolution - 102/18, 12/6/2018
		103,400		Transfer from Capital Works Reserve	
	(23,190)			Liveable Communities Grant Program - Café Connect Camden	Council Resolution - 103/18, 12/6/2018
	(195,000)			Review of Upper South Creek Flood Study	
		130,000		Grant Funding	Council Resolution - 115/18, 26/6/2018
		65,000		Transfer from Capital Works Reserve	
	(2,500,000)			Accelerated LEP Review Program	Council Resolution - 116/18, 26/6/2018
		2,500,000		Grant Funding	
	(14,096)			Restorative Maintenance and Improvements to the RSL Memorials in Cawdor Rd, Camden	Council Resolution - 186/18, 25/9/2018
	(3,275,000)			Grant Funding	
		14,096		Purchase of Land	
		2,161,500	(1,113,500)	Section 7.11 Developer Contributions - Transfer from Reserve	Council Resolution - 189/18, 25/9/2018
	(6,265,766)	5,162,286	(1,113,500)	Surplus / (Deficit) - Proposed Budget Variations June 2017/18 Review	
	(7,443,069)	5,575,820	(1,867,249)	Surplus / (Deficit) - Net Impact of Council Approved Variations 2017/18	

Appendix: Summary of Budget Review Variations Greater Than \$15,000 June Review of the 2017/18 Budget

Item	Change In Vote			Description	Comments
	Expense \$	Income \$	Totals \$		
3) Contra Adjustments					
Contra adjustments that have a NIL impact on Council's Budget.					
	(9,313,480)	9,313,480	-	September 2017/18 Contra Adjustments	
	418,200	(418,200)	-	December 2017/18 Contra Adjustments	
	(8,671,540)	8,671,540	-	March 2017/18 Contra Adjustments	
		424,022		Section 94 Contributions - Operating & Capital Income	Section 94 developer contributions income continued to be above budget expectations for the second half of 2017/18. This is a result of cash payments received for a number of large developments during the second half of the financial year. The income is restricted to reserve for the purpose of funding future infrastructure costs within new release areas.
	(424,022)			Section 94 Developer Contributions - Transfer to Reserve	
		619,987		Voluntary Planning Agreements - Operating & Capital Income	Voluntary Planning Agreement income continued to be above budget expectations for 2017/18. This is a result of cash payments from developers who have entered into voluntary planning agreements. The income will be restricted to reserve for the purpose of providing infrastructure which is not covered under the planning agreements.
	(619,987)			Voluntary Planning Agreements - Transfer to Reserve	
	(1,443)			Stormwater Levy Reserve - Transfer to/from Reserve	Savings have been achieved in stormwater asset maintenance for 2017/18. These projects have been funded through Council's ongoing commitment to stormwater management. The total saving is \$92,301 that includes this transfer to the Stormwater Management Levy Reserve.
	(46,245)			General Fund Stormwater Reserve - Transfer to/from Reserve	
		47,688		Stormwater Levy Program - Program Expenditure	
	(1,091,697)	1,091,697	-	June 2017/18 Contra Adjustments	
	(17,566,820)	17,566,820	0	Total Contra Variations 2017/18	

Appendix: Summary of Budget Review Variations Greater Than \$15,000 June Review of the 2017/18 Budget

Item	Change In Vote		Totals	Description	Comments
	Expense \$	Income \$			
Reconciliation to June Review of the 2017/18 Budget'					
2016/17 Carried Forward Working Funds Balance			1,000,000		
2017/18 Adopted Budget Surplus		0			
Available Working Funds 01/07/17			1,000,000		
Less:					
Minimum Desired Level			(1,000,000)		
Total Funds Available		0		Total Available Working Funds as at 01/07/2017	
September Review			458,169	Major Budget Variations	
			(458,169)	Council Approved Variations	
			0	Budget Contra Variations	
			0	Sub Total - September Review Variations	
December Review			0	Total Available Working Funds as at 30/09/2017	
			99,480	Major Budget Variations	
			(99,480)	Council Approved Variations	
			0	Budget Contra Variations	
			0	Sub Total - December Review Variations	
March Review			0	Total Available Working Funds as at 31/12/2017	
			196,100	Major Budget Variations	
			(196,100)	Council Approved Variations	
			0	Budget Contra Variations	
			0	Sub Total - March Review Variations	
June Review			0	Total Available Working Funds as at 31/03/2018	
			1,538,461	Major Budget Variations	
			(1,113,500)	Council Approved Variations	
			0	Budget Contra Variations	
			424,961	Sub Total - June Review Variations	
			424,961	Total Available Working Funds as at 30/06/2018	

EXPENDITURE REVOTES CARRIED FORWARD FROM THE 2017/18 BUDGET TO 2018/19

Works Not Commenced - Revote

Item No.	Description	Funding Sources		General Revenue	Proposed Revote	2018/19 Budget	Expected Completion	Comments
		Sect. 7.11 Reserves						
	COMMUNITY ASSETS							
	Assets, Design & Traffic Services							
1	John & Mitchell Street Design	-	\$70,200	-	\$70,200	-	Dec - 2018	Options and school consultation undertaken. Final design has now been completed.
	Total - Assets, Design & Traffic Services	\$0	\$70,200	\$0	\$70,200			
	Major Projects							
1	Camden - Sportsground Fergusons Land	\$1,697,030	-	-	\$1,697,030	\$200,000	Jun - 2020	Funding for this project is staged with the final allocation in 2019/20 Budget.
2	Kirkham Park Skate facility improvements	\$335,800	-	-	\$335,800	-	Jun - 2020	Council resolution deferred works. Review to be undertaken at the completion Curry Reserve Water Park.
3	Kirkham Reserve Playing Fields	\$665,905	-	-	\$665,905	-	Jun - 2020	Land acquisition is required to enable the works to proceed.
4	Kirkham Recreation BMX facility	\$1,100,000	-	-	\$1,100,000	\$574,000	Dec - 2019	Funding for this project is staged over 2017/18 and 2018/19
	Total - Major Projects	\$3,998,735	\$0	\$0	\$3,998,735			
	Civil Construction & Maintenance							
5	Depot Redevelopment Stage 1	-	\$1,026,565	-	\$1,026,565	\$500,000	Jun - 2020	Staged project with final funding to be allocated in the 2019/20 budget. Project total \$3.0m.
6	Kerrigan Higgins & Gardiner - Footpath	-	-	\$79,000	\$79,000	-	Oct - 2018	Bonded works associated with developer insolvency - additional design works required.
	Total - Construction & Civil Maintenance	\$0	\$1,026,565	79,000	\$1,105,565			
	Total - Community Asset	\$3,998,735	\$1,096,765	79,000	\$5,174,500			
	SPORT, COMMUNITY & RECREATION							
	Sport, Recreation & Sustainability							
7	Curran Hill - Dog Off Leash Area	-	\$100,000	-	\$100,000	-	Jun - 2019	Two community consultation processes undertaken and both have been finalised with negative comments from residents about the proposed location.
	Total - Sport, Recreation & Sustainability	\$0	\$100,000	\$0	\$100,000			
	Total - Sport, Community & Recreation	\$ -	\$ 100,000	\$ -	\$ 100,000			
	Total Revotes Program	\$3,998,735	\$1,196,765	\$79,000	\$5,274,500			

APPENDIX:

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

**SUMMARY OF BUDGET REVIEW VARIATIONS GREATER THAN \$15,000
BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

Expense \$		Change In Vote Income \$		Totals \$	Description	Comments
1) Proposed Budget Variations						
Proposed variations to the 2018/19 Budget based on income received and expenditure payments to date are as follows:						
	1,061,800		1,061,800		Land Compensation - Liz Kernohan Debtor	Payment received from Department of Planning as compensation for the use of Council owned land (open space) for construction and road widening of Liz Kernohan Drive. Under the agreement the land remains in Council's ownership as Land Under Roads. The compensation represents Council's loss of open space.
	500,000	500,000		500,000	Transfer from ELE Reserve	Each quarter Council reviews how much money should be held in reserve for the payment of leave entitlements to staff upon termination or leave. This amount fluctuates from year to year depending on the average age, number of staff and leave entitlements held by staff. When the reserve has more in one year than what is required the difference can be transferred to general fund and where the leave reserve needs additional funds it is topped up at the next available budget review. Following a review of the reserve as at 30 September 2018, \$500,000 can be transferred from the reserve
		50,000		50,000	\$10.7 Certificate Fee Income	Additional income has been realised for Section 10.7 Certificates in 2018/19. This is primarily a result of growth through development.
(500,000)				(500,000)	Transfer to Working Funds Reserve	As part of the adoption of the 2017/18 – 2020/21 Delivery Program Council resolved to use future funding from quarterly budget reviews as a funding source for the major projects to be delivered in the 2017/18 – 2020/21 Delivery Program. It was estimated that \$500,000 could be funded from each quarterly budget review from September 2017 to March 2021. This would provide up to \$7.5 million in funding. The funding required from quarterly budget reviews over the next four years is a conservative \$5.7 million, which provides a contingency should a budget review not realise \$500,000 over the nominated period. It is proposed to transfer \$500,000 from the September 2018 Quarterly Budget Review surplus to the Working Funds Reserve for this purpose. The total amount transferred to reserve including this payment is \$2.5 million, which is equal to the amount required at this stage of the adopted repayment program.
(100,000)				(100,000)	Legal Expenses	Additional funding is required for legal expenses due to higher than normal appeals to the Land and Environment Court, this is primarily a result of extraordinary growth.
(50,000)				(50,000)	Smart cities initiatives	Funding for Council's contribution towards a project under Round 2 of the Smart Cities and Suburbs Program for the delivery of a data sensing and monitoring network. All eight City Deal Councils are participating in the project and are seeking matching grant funding from the Federal Government. A Councillor briefing was held on 26 June 2018.
(45,000)				(45,000)	Waterplay/Youth Spaces Opening Events	The Waterplay and Youth play spaces at Harrington Park, Sedgewick Reserve and Curry Reserve are major projects with significant appeal for the greater community. There have been individual opening events proposed for these facilities due to their potential for attracting large crowds. Additional funding is required to support these projects.
(30,000)				(30,000)	Catherine Field Reserve - Baseball Net	Funding for the baseball net is required to address customer complaints from baseballs going over the fence.
(25,000)				(25,000)	White Ribbon	Additional funding for Council's continued support of White Ribbon initiatives.

APPENDIX:

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

**SUMMARY OF BUDGET REVIEW VARIATIONS GREATER THAN \$15,000
BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

Change in Vote		Totals	Description	Comments
Expense \$	Income \$	\$		
(26,800)	(3,500)	(30,300)	Variations under \$15,000	
(776,800)	1,628,300	851,500	Surplus / (Deficit) Proposed Budget Variations 2018/19	
(776,800)	1,628,300	851,500	Surplus / (Deficit) - Net Impact of Variations 2018/19	
* It should be noted where net increases or reductions have been shown within the main Council Report the income and expenditure column will not reconcile, as the two are separated within this attachment.				
2) Council Approved Budget Variations				
Since adopting the 2018/19 Budget, Council has authorised the following changes to the budget:				
(100,000)		(50,000)	Funding for a payment of a one-off \$500 donation to properties who qualify for farmland rating.	Council Resolution -204/18, 23/10/2018
50,000			Funding from Councillor Ward Funds	
(3,715,000)			Acquisition of land required for Section 7.11 Infrastructure.	Council Resolution -212/18, 23/10/2018
	3,715,000		Section 7.11 Developer Contributions - Transfer from Reserve	
(3,765,000)	3,715,000	(50,000)	Surplus / (Deficit) - Proposed Budget Variations September 2018/19 Review	
(3,765,000)	3,715,000	(50,000)	Surplus / (Deficit) - Council Approved Variations 2018/19	

Legend:
Expense Reduction - Positive figures, Expense Increase (Negative Figure)
Income Increase - Positive figures, Income Reduction (Negative figure)

APPENDIX:

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

**SUMMARY OF BUDGET REVIEW VARIATIONS GREATER THAN \$15,000
BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

Expense \$	Change In Vote Income \$	Totals \$	Description	Comments
3) Contra Adjustments				
Contra adjustments that have a NIL impact on Council's Budget:				
(670,504)			Camden Valley Way / Macarthur Road Intersection Upgrade Budget	
	610,927	-	Grants - Transfer from Reserve	Additional grant payment and Indexation of Section 7.11 contributions allocated towards the Camden Valley Way / Macarthur Road Intersection Upgrade project.
	59,577		Section 7.11 Developer Contributions - Transfer from Reserve	
	55,052		Special Rate Levy Income	The balance of Community Infrastructure Renewal Reserve has increased as a result of higher than anticipated Rates Income.
(55,052)			Community Infrastructure Renewal Reserve - Transfer to Reserve	
(55,052)			Footpath/Renewal Replacement	
	55,052	-	Community Infrastructure Renewal Reserve - Transfer from Reserve	Allocation of additional Special Rate income towards Council's Footpath Renewal Program
(200,000)			Leppington Precinct Roads Design	
	200,000	-	Section 7.11 Developer Contributions - Transfer from Reserve	Funding required for Leppington Precinct Roads Design works.
(150,000)			Leppington Precinct Drainage Design	
	150,000	-	Section 7.11 Developer Contributions - Transfer from Reserve	Funding required for Leppington Precinct Drainage Design works.
(50,000)			Leppington Precinct Open Space Design	
	50,000	-	Section 7.11 Developer Contributions - Transfer from Reserve	Funding required for Leppington Precinct Open Space Design works.
(1,000,000)			Kirkham Playing Fields	
	1,000,000		Section 7.11 Developer Contributions - Transfer from Reserve	Savings generated from the purchase of land for the Playing Fields.
(63,000)			Duncombe Ave - Playground	
	63,000		Section 7.11 Developer Contributions - Transfer from Reserve	Indexation of Section 7.11 funding required for Duncombe Avenue Playground.

APPENDIX:

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

**SUMMARY OF BUDGET REVIEW VARIATIONS GREATER THAN \$15,000
BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

Expense \$	Change in Vote		Totals \$	Description	Comments
	Income \$				
23,500				Grant - Safer Communities Fund Round 2	Approved Grant funding for Marellan Forest Upgrade project was lower than what was applied for by Council.
	(23,500)			Grants - Transfer from Reserve	
	900,000			Section 7.11 Developer Contributions - Interest on Investments	The balance of Council's Section 7.11 reserves has increased as a result of additional interest on investments.
(900,000)				Section 7.11 Developer Contributions - Transfer to Reserve	
	70,000			Domestic Waste - Interest on Investments	The balance of Council's waste reserve has increased as a result of additional interest on investments.
(70,000)				Domestic Waste - Transfer to Reserve	
(200,000)	10,000			Camden Regional Economic Taskforce (CRET) Budget	Reallocation of Economic Development Budget to CRET. This results in a net budget of \$440k for the CRET.
200,000	(10,000)			Economic Development Budget	
(9,190,108)	9,190,108			September 2018/19 Contra Adjustments	
(9,190,108)				Total Contra Variations 2018/19	
Reconciliation to 'September Review of the 2018/19 Budget'					
2017/18 Carried Forward Working Funds Balance			1,000,000		
2018/19 Adopted Budget Surplus			0		
Available Working Funds 01/07/18			1,000,000		
Less:					
Minimum Desired Level			(1,000,000)		
Total Funds Available			0	Total Available Working Funds as at 01/07/2018	
September Review			851,500	Significant Budget Variations	
			(50,000)	Council Approved Variations	
			0	Budget Contra Variations	
			801,500	Sub Total - September Review Variations	
			801,500	Total Available Working Funds as at 30/09/2018	



Camden Council

Quarterly Budget Review Statement

For the period ending 30 September 2018

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2. Capital Budget Review Statement
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4. Contracts Budget Review Statement
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6. Key Performance Indicators Budget Review Statement
7. Annual Code of Conduct Report

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18**INCOME & EXPENSE (BY ACTIVITY)****BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

(\$000s)	Original Budget	Approved Changes				Revised Budget	Proposed Variations this Qtr	Notes	Projected Year End Result	Actual YTD
		Revotes	Other than by QBRs	Sep QBRs	Dec QBRs					
Income										
Actively Managing Camden's Growth	10,448	-	-	-	-	10,448	50	1	10,498	2,451
Healthy Urban and Natural Environment	16,233	-	15	-	-	16,248	106	2	16,354	14,675
A Prosperous Economy	3	-	-	-	-	3	-	-	3	1
Effective and Sustainable Transport	6,722	-	14	-	-	6,736	-	-	6,736	580
An Enriched and Connected Community	7,698	-	-	-	(3)	7,695	(3)	-	7,695	2,323
Strong Local Leadership	66,899	-	-	-	-	66,899	970	3	67,869	56,360
Total Income from Continuing Operations	108,003	-	29	-	-	108,032	1,123		109,155	76,390
Expenses										
Actively Managing Camden's Growth	13,415	-	-	-	-	13,415	-	-	13,415	2,405
Healthy Urban and Natural Environment	27,764	-	15	-	-	27,779	106	4	27,885	4,847
A Prosperous Economy	871	-	-	-	-	871	-	-	871	110
Effective and Sustainable Transport	23,897	-	14	-	-	23,911	-	-	23,911	2,565
An Enriched and Connected Community	13,833	-	-	-	-	13,833	64	6	13,897	3,472
Strong Local Leadership	29,894	302	-	-	-	30,196	233	7	30,429	7,211
Total Expenses from Continuing Operations	109,674	302	29	-	-	110,005	403		110,408	20,610
Net Operating Result from Continuing Operations	(1,671)	(302)	-	-	-	(1,973)	720		(1,253)	55,780
Add:										
Capital Income	165,040	7,345	612	-	-	172,997	1,669	-	174,666	7,716
Non Cash Funded Depreciation	13,827	-	-	-	-	13,827	-	-	13,827	-
Funds from the Sale of Assets	516	-	-	-	-	516	-	-	516	208
Loan Borrowings	-	-	-	-	-	-	-	-	-	-
Transfer from Restricted Assets	24,521	18,715	398	-	-	43,634	2,078	-	45,712	10,827
	203,904	26,060	1,010	-	-	230,974	3,747		234,721	18,751
Less:										
Capital Purchases & Acquisitions	178,130	25,758	1,010	-	-	204,898	2,195	-	207,093	10,825
Borrowing Expense (Principal)	3,664	-	-	-	-	3,664	-	-	3,664	204
Transfer to Restricted Assets	20,439	-	-	-	-	20,439	1,470	-	21,909	10,448
	202,233	25,758	1,010	-	-	229,001	3,665		232,666	21,477
NET BUDGET POSITION SURPLUS/(DEFICIT)	-	-	-	-	-	-	802		802	53,054

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

ORD03

INCOME & EXPENSE (BY ACTIVITY)

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	Actively Managing Camden's Growth - Increase in Income Additional income has been realised for Section 10.7 Planning Certificates.
2	Healthy Urban and Natural Environment - Increase in Income Grant funding for Upper South Creek approved by Council in June 2018 and removal of contingency for Safer Communities Fund Round 2 grant income.
3	A Prosperous Economy - Increase in Income Council has received additional interest income on investments.
4	Healthy Urban and Natural Environment - Increase in Expense Expenditure for Upper South Creek flood study approved by Council in June 2018.
5	Effective and Sustainable Transport - Decrease in Expense Council's expenditure provision for the RMS block grant program is to be used for capital works at the Murray and Broughton St intersection.
6	An Enriched and Connected Community - Increase in Expense Additional funding required to support opening events for Waterplay/Youth Spaces.
7	Strong Local Leadership - Increase in Expense Council approved funding of the Farmland Financial Assistance Package on 30 October 2018. Additional funding is also required for legal expenses, and smart cities and white ribbon initiatives.

Attachment 2

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18**CAPITAL BUDGET****BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

(\$'000's)	Original Budget	Approved Changes			Revised Budget	Proposed Variations this Qtr	Notes	Projected Year End Result	Actual YTD
		Revotes	Other than by QBRS	Sep QBRS					
Capital Expenditure									
New Assets									
- Transport & Road Infrastructure	4,063	3,156	-	-	7,219	926	1	8,145	1,152
- Stormwater & Drainage	100	-	460	-	560	150	2	710	31
- Parks & Playgrounds	3,974	3,352	200	-	7,526	1,143	3	8,669	2,275
- Recreation & Community Facilities	18,294	990	-	-	19,284	-	-	19,284	228
- Plant & Equipment	245	291	-	-	536	-	-	536	1,762
- Council Properties	500	1,298	-	-	1,798	-	-	1,798	122
- Other	-	-	-	-	-	-	-	-	-
New Assets (Works in Kind)									
- Transport & Road Infrastructure	55,736	-	-	-	55,736	-	-	55,736	-
- Stormwater & Drainage	35,626	-	-	-	35,626	-	-	35,626	-
- Parks & Playgrounds	28,283	-	-	-	28,283	-	-	28,283	-
- Recreation & Community Facilities	17,143	-	-	-	17,143	-	-	17,143	-
Renewal Assets (Replacement)									
- Transport & Road Infrastructure	8,044	9,273	350	-	17,667	-	-	17,667	4,771
- Stormwater & Drainage	55	25	-	-	80	-	-	80	24
- Parks & Playgrounds	904	4,273	-	-	5,177	(24)	4	5,153	160
- Recreation & Community Facilities	631	386	-	-	1,017	-	-	1,017	217
- Plant & Equipment	3,387	-	-	-	3,387	-	-	3,387	-
- Council Properties	680	1,131	-	-	1,811	-	-	1,811	14
- Information Technology Upgrades	465	1,583	-	-	2,048	-	-	2,048	69
- Other	-	-	-	-	-	-	-	-	-
Loan Repayments (Principal)	3,664	-	-	-	3,664	-	-	3,664	204
Total Capital Expenditure	181,794	25,758	1,010	-	208,562	2,195	-	210,757	11,029

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18**CAPITAL BUDGET****BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018**

(\$,000's)	Original Budget	Approved Changes				Revised Budget	Proposed Variations this Qtr	Notes	Projected Year End Result	Actual YTD
		Revotes	Other than by QBRS	Sep QBRS	Dec QBRS					
Capital Funding	10,803	-	-	-	-	10,803	30		10,833	3,826
Rates & Other Untied Funding	5,012	7,345	612	-	-	12,969	587		13,556	1,425
Capital Grants & Contributions										
Reserves:										
- External Restrictions	10,670	11,002	398	-	-	22,070	1,523		23,593	2,826
- Internal Restrictions	6,824	7,411	-	-	-	14,235	55		14,290	2,744
New Loans	-	-	-	-	-	-	-		-	-
Receipts from Sale of Assets										
- Plant & Equipment	516	-	-	-	-	516	-		516	208
- Land & Buildings	-	-	-	-	-	-	-		-	-
S7.11 Works in Kind Income (Non Cash)	80,669	-	-	-	-	80,669	-		80,669	-
Infrastructure Dedicated under s80A	67,300	-	-	-	-	67,300	-		67,300	-
Total Capital Funding	181,794	25,758	1,010	-	-	208,562	2,195		210,757	11,029
NET CAPITAL FUNDING - SURPLUS/(DEFICIT)	-	-	-	-	-	-	-		-	-

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

CAPITAL BUDGET

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details
1	<p>Transport & Road Infrastructure (New Assets) - Increase in Expense Additional funding for major road projects with grant funding received for Camden Valley Way / Macarthur Road intersection, Leppington precinct road design to be funded from S7.11 reserves, savings in R2R program, and general fund component supplementing Turner Road reconstruction.</p>
2	<p>Stormwater & Drainage (New Assets) - Increase in Expense Leppington precinct drainage design to be funded from S7.11 reserves.</p>
3	<p>Parks & Playgrounds (New Assets) - Increase in Expense Funding required for Catherine Field Baseball net. Kirkham reserve playing fields funded from land savings, playgrounds and Leppington precinct open space design funded from S7.11 reserves.</p>
4	<p>Parks & Playgrounds (Asset Renewal) - Decrease in Expense Playground renewal works are completed at Lawson Reserve and savings are able to be transferred to new waterplay facility construction projects.</p>

Camden Council

CASH & INVESTMENTS

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

(\$'000's)	Opening Balance	Revotes	Approved Changes			Revised Budget	Proposed Variations this Qtr	Projected Year End Result	Actual YTD
			Other than by QBRS	Sep QBRS	Dec QBRS				
Externally Restricted⁽¹⁾									
Section 7.11 Developer Contributions	61,624	(8,228)	(1,604)	-	-	51,792	(6,510)	45,282	65,259
Infrastructure Loan (Lodges Road)	3,508	-	100	-	-	3,608	-	3,608	3,534
Domestic Waste Management	9,714	(2,392)	1,940	-	-	9,262	70	9,332	10,115
Specific Purpose Grants	3,170	(383)	(226)	-	-	2,561	(24)	2,537	3,513
Stormwater Management Levy	119	-	(119)	-	-	-	-	-	442
Other Restricted Contributions	19	-	-	-	-	19	-	19	19
Total Externally Restricted	78,154	(11,003)	91			67,242	(6,464)	60,778	82,882
(1) Funds that must be spent for a specific purpose									
Internally Restricted⁽²⁾									
2014-2019 CIP Reserve	963	(289)	(619)	-	-	55	-	55	796
Asset Renewal Reserve	494	(229)	(100)	-	-	165	-	165	316
Camden Carparking	121	-	-	-	-	121	-	121	121
Camden Town Centre Improvements	-	-	-	-	-	-	-	-	-
Capital Works Reserve*	5,650	(1,145)	(3,659)	-	-	846	1,161	2,007	2,883
Cemetery Improvements	452	-	206	-	-	658	-	658	574
Central / Administration Building	115	-	106	-	-	221	-	221	221
Commercial Waste Management	363	-	(258)	-	-	105	-	105	409
Council Elections	101	-	120	-	-	221	-	221	221
Deposits, retentions and bonds	16,881	-	-	-	-	16,881	-	16,881	20,342
Employee Leave Entitlements	2,663	-	94	-	-	2,757	(500)	2,257	2,855
Engineering Deposits	197	-	4	-	-	201	-	201	194
Expenditure Revotes	5,825	(3,584)	(2,241)	-	-	42	-	42	4,078
Family Day Care Reserve	55	-	(13)	-	-	42	-	42	55
Infrastructure Loan - Repayment Fund	4,200	-	(2,000)	-	-	2,200	-	2,200	4,200
Plant Replacement Reserve	1,711	-	(420)	-	-	1,291	-	1,291	1,920
Public Appeals Reserve	35	-	-	-	-	35	-	35	35
Risk Management	319	-	(8)	-	-	311	-	311	319
Section 355 Management Committees	708	-	-	-	-	708	-	708	708
Stormwater Works (General Fund)	171	-	(98)	-	-	73	-	73	171
Technology Improvements Reserve	680	(561)	283	-	-	402	-	402	958
Water Savings Action Plan	96	-	7	-	-	103	-	103	117
Working Funds Surplus	1,733	(1,905)	(2,328)	-	-	(2,500)	500	(2,000)	1,158
Other	151	-	(63)	-	-	88	-	88	34
Total Internally Restricted	43,684	(7,713)	(10,987)			24,984	1,161	26,145	42,685
(2) Funds that Council has earmarked for a specific purpose									

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

CASH & INVESTMENTS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(\$'000's)	Opening Balance	Revotes			Approved Changes			Revised Budget	Proposed Variations this Qtr	Projected Year End Result	Actual YTD
		Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS						
Unrestricted (ie. available after the above Restrictions)	499	-	-	-	-	-	499	(1,226)	(727)	4,896	
Total Cash & Investments	122,337	(18,716)	(10,806)	-	-	92,725	(6,529)	86,196	130,463		

† The uncommitted balance of the Capital Works Reserve will be \$1,572,425 if Council adopt the recommendation of this report
 ‡ The uncommitted balance of the Asset Renewal Reserve will be \$160,000 if Council adopt the recommendation of this report.

Cash & Investments Statement

Investments have been invested in accordance with Council's Investment Policy.
 The Cash at Bank amount for this period has been reconciled to Council's physical Bank Statements. The date of completion of this bank reconciliation is 30/09/18

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

KEY PERFORMANCE INDICATORS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(\$'000's)	Current Projection		Original Budget	Actuals	
	Amounts	Indicator		Prior Periods	
	18/19	18/19	18/19	17/18	16/17

Graphs

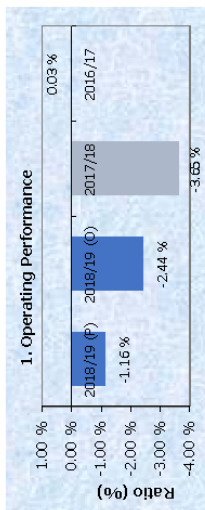
NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl. Capital) - Operating Expenses	-1264	-1.16%	-2.44%	-3.65%	0.03%
Operating Revenue (excl. Capital Grants & Contributions)	109154				

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

Benchmark: > 0.00%

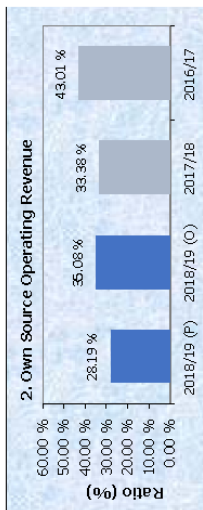


2. Own Source Operating Revenue

Operating Revenue (excl. ALL Grants & Contributions)	70618	28.19%	35.08%	33.38%	43.01%
Total Operating Revenue (incl. Capital Grants & Cont)	250484				

This measures the degree of reliance on external funding sources such as operating grants & contributions

Benchmark: > 60.00%

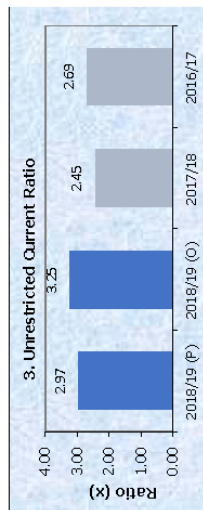


3. Unrestricted Current Ratio

Current Assets less all External Restrictions	28113	2.97	3.25	2.45	2.69
Current Liabilities less Specific Purpose Liabilities	9459				

The ability to meet short term financial obligations such as loans, payroll and leave entitlements.

Benchmark: > 1.5x



Camden Council

Quarterly Budget Review Statement for the period 01/07/18 to 30/09/18

KEY PERFORMANCE INDICATORS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(\$000's)	Current Projection		Original Budget	Actuals Prior Periods
	Amounts	Indicator		

NSW Local Government Industry Key Performance Indicators (OLG):

4. Debt Service Cover Ratio

Operating Result before Interest & Dep. exp (EBITDA)	13127	4.47	3.05	3.66	3.23
Principal Repayments + Borrowing Interest Costs	2938				

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

Benchmark: > 2x

5. Rates, Annual Charges, Interest & Extra Charges Outstanding

Rates, Annual & Extra Charges Outstanding	2067	3.76 %	3.76 %	3.07 %	3.37 %
Rates, Annual & Extra Charges Collectible	54970				

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

Benchmark: < 5% metro

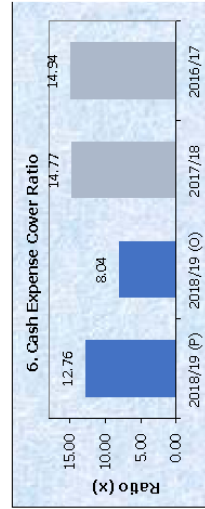
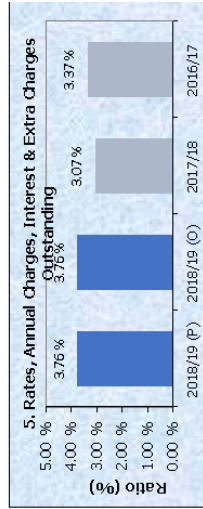
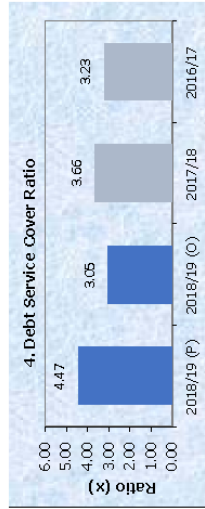
6. Cash Expense Cover Ratio

Current Year's Cash & Cash Equivalents (incl. Term Deposits)	99932	12.76	8.04	14.77	14.94
Operating & financing activities Cash Flow payments	93950				

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

Benchmark: > 3 mths

Graphs



Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

KEY PERFORMANCE INDICATORS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(\$000's)	Current Projection		Original Budget	Actuals Prior Periods	Graphs
	Amounts	Indicator			

NSW Local Government Infrastructure Asset Performance Indicators (OLG):

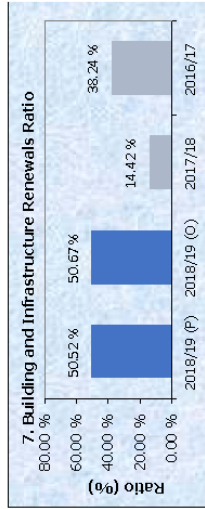
7. Building and Infrastructure Renewals Ratio

Asset Renewals (Building, Infrastructure & Other Structures)	8195	50.52 %	50.67 %	14.42 %	38.24 %
Depreciation, Amortisation & Impairment	16220				

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

Note: Depreciation is under review

Benchmark: >= 100.00%

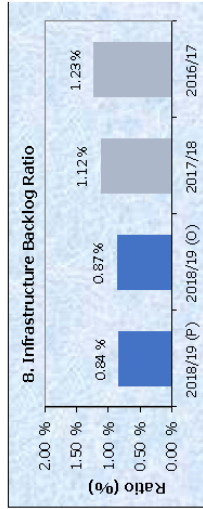


8. Infrastructure Backlog Ratio

Estimated cost to bring Assets to a satisfactory condition	9315	0.84 %	0.87 %	1.12 %	1.23 %
Total value of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	1105292				

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

Benchmark: < 2.00%

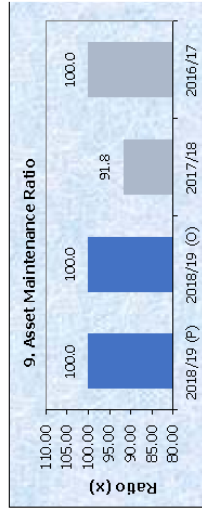


9. Asset Maintenance Ratio

Actual Asset Maintenance	4913	100.00	100.00	91.78	100.02
Required Asset Maintenance	4913				

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

Benchmark: > 100%



Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

KEY PERFORMANCE INDICATORS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

(\$000's)	Current Projection		Original Budget	Actuals Prior Periods	Graphs
	Amounts	Indicator			

NSW Local Government Infrastructure Asset Performance Indicators (OLG):

10. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	9315	0.72 %	0.89 %	0.89 %	0.95 %
Gross replacement cost	1291787				

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.

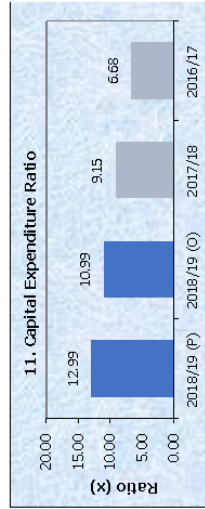
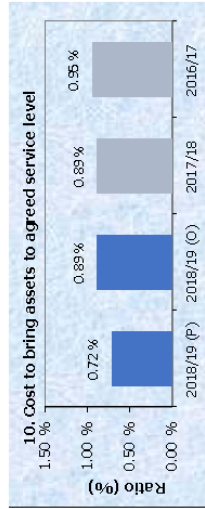
Benchmark has not been set

11. Capital Expenditure Ratio					
Annual Capital Expenditure	210731	12.99	10.99	9.15	6.68
Annual Depreciation	16220				

To assess the extent to which a Council is expanding its asset base through capital expenditure on both new assets and the replacement and renewal of existing assets.

Note: Depreciation is under review

Benchmark: > 1



Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

CONTRACTS

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted Y/N
Menai Civil Contractors Pty Ltd	Intersection Upgrade at Camden Valley Way, Richard Road and Grahams Hill Road	3,060,796	Jul-18	6 months	Y
Kellyville Building Pty Ltd	Construction of Amenities Building at Curry Reserve	739,265	Jul-18	5 months	Y
Statewide Civil Pty Ltd	Argyle Street Streetscape Improvements, Camden Stage 4	2,237,911	Aug-18	11 months	Y

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

Camden Council

Quarterly Budget Review Statement
for the period 01/07/18 to 30/09/18

CONSULTANCY & LEGAL EXPENSES

BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2018

Expense	YTD Expenditure	Budgeted Y/N
Consultancies	165,071	Y
Legal Fees	417,604	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Comments

Expenditure included in the above YTD figure but not budgeted includes:

Details

NIL

Camden Council

Quarterly Budget Review Statement

ORD03

Annual Code of Conduct Report

Camden Council's Code of Conduct provides a framework for minimum standards of conduct by all council officials, and is in line with the Office of Local Government's Model Code of Conduct. The current Code of Conduct incorporates provisions relating to complaint handling procedures and reporting requirements of the General Manager.

The Council is to provide the Division with a report containing the statistics referred to in (below) within 3 months of the end of September each year.

The complaints coordinator must arrange for the following statistics to be reported to the Council within 3 months of the end of September of each year setting out the following statistics:

- (a) the total number of code of conduct complaints made about Councillors and the General Manager under the code
- (b) the number of code of conduct complaints referred to a conduct reviewer;
- (c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage and
- (d) the number of code of conduct complaints investigated by a conduct reviewer;
- (e) the number of code of conduct complaints investigated by a conduct review committee;
- (f) without identifying particular matters, the outcome of code of conduct complaints investigated by a conduct
- (g) the number of matters reviewed by the Office of Local Government and, without identifying particular matters, the
- (h) the total cost of dealing with code of conduct complaints made about Councillors and the General Manager in the

This information is set out in the table below:

No of Councillor/GM complaints	No of complaints referred to conduct reviewer	No of complaints finalised by conduct reviewer at preliminary stage and the outcome	No of complaints investigated by conduct reviewer
Nil	Nil	Nil	Nil

No of complaints investigated by conduct review committee	Outcome of complaints investigated by conduct reviewer or review committee	No of matters reviewed by the OLG and the outcome	Total cost of dealing with Councillor/GM complaints to September
Nil	N/A	Nil	Nil

Attachment 2



**Investment Summary Report
October 2018**

Camden Council
Executive Summary - October 2018



Investment Holdings

	Amount (\$)	Current Yield (%)
Cash	7,000,000.00	1.60
Term Deposit	113,700,000.00	3.09
	120,700,000.00	

Detailed Maturity Profile

	Amount (\$)	
00. Cash + Managed Funds	7,000,000	6%
01. Less Than 30 Days	18,000,000	15%
02. Between 30 Days and 60 Days	12,500,000	10%
03. Between 60 Days and 90 Days	12,000,000	10%
04. Between 90 Days and 180 Days	33,700,000	28%
05. Between 180 Days and 365 Days	8,000,000	7%
06. Between 365 Days and 3 Years	16,000,000	13%
07. Between 3 Years and 5 Years	13,500,000	11%
	120,700,000	

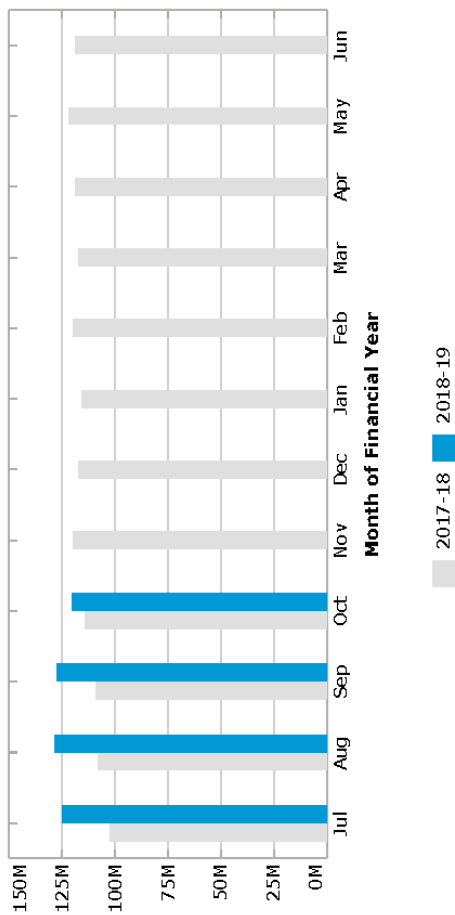
Percentages in this report may not add up to 100% due to rounding

Sources of Funds

	Amount (\$)
Section 7.11 Developer Contributions	67,117,343
Restricted Grant Income	1,558,378
Externally Restricted Reserves	14,104,920
Internally Restricted Reserves	23,328,142
Camden Regional Economic Taskforce	290,000
General Fund	14,301,217
Total Funds Invested	120,700,000

Council's investment portfolio has decreased by \$7.0m since the September reporting period, the decrease primarily relates to the payments for operational expenditure and capital works.

Investment Portfolio Balance



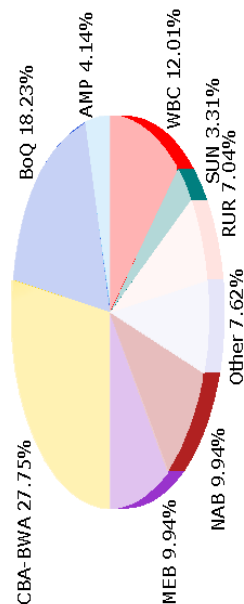
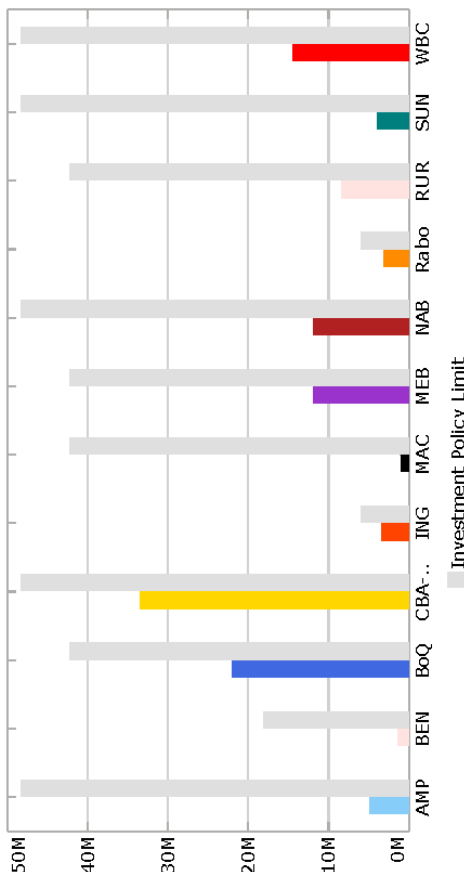


Camden Council
Individual Institutional Exposures Report - October 2018

Individual Institutional Exposures

Parent Group	Exposure (\$M)	Credit Rating	Policy Limit	Actual	Capacity
AMP Bank	5.00M	A-1, A	40.00%	4.14%	43.28M
Bank of Queensland	22.00M	A-2, BBB+	35.00%	18.23%	20.25M
Bendigo and Adelaide Bank	1.50M	A-2, BBB+	15.00%	1.24%	16.61M
Commonwealth Bank of Australia	33.50M	A-1+, AA-	40.00%	27.75%	14.78M
ING Group (Foreign Sub)	3.50M	A-1*, A-*	5.00%	2.90%	2.54M
Macquarie Group	1.00M	A-1, A	35.00%	.83%	41.24M
Members Equity Bank	12.00M	A-2, BBB	35.00%	9.94%	30.25M
National Australia Bank	12.00M	A-1+, AA-	40.00%	9.94%	36.28M
Rabobank Aus (Foreign Sub)	3.20M	A-1*, A+*	5.00%	2.65%	2.83M
Rural Bank	8.50M	A-2, BBB+	35.00%	7.04%	33.74M
Suncorp Bank	4.00M	A-1, A+	40.00%	3.31%	44.28M
Westpac Group	14.50M	A-1+, AA-	40.00%	12.01%	33.78M
	120.70M				

Individual Institutional Exposure Charts



*Council's investment policy limits investments in foreign subsidiary banks which are monitored by APRA to a maximum 5% of the total portfolio in any single entity

Council's portfolio is within its individual institutional investment policy limits.
Council's portfolio is within its term to maturity investment policy limits.
Council's portfolio complies with the NSW Ministerial Investment Order.



Camden Council
Performance Summary - October 2018

Interest Summary

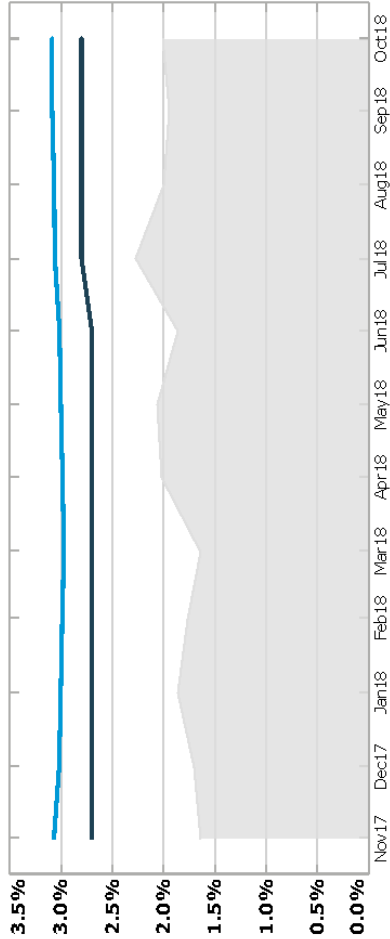
Interest Summary as of October 2018	
Number of Investments	85
Average Days to Maturity	319
Weighted Portfolio Yield	3.09%
CBA Call Account	1.60%
Highest Rate	5.10%
Lowest Rate	2.35%
Budget Rate	2.80%
Average BBSW (30 Day)	1.85%
Average BBSW (90 Day)	1.93%
Average BBSW (180 Day)	2.09%
Official Cash Rate	1.50%
AusBond Bank Bill Index	2.00%

Interest Received During the 2018/2019 Financial Year

	October	Cumulative	Original Budget	* Revised Budget
General Fund	\$88,037	\$489,022	\$1,450,000	\$1,450,000
Restricted	\$214,074	\$762,672	\$1,230,000	\$2,200,000
Total	\$302,111	\$1,251,694	\$2,680,000	\$3,650,000

*The Revised Budget is reviewed on a quarterly basis as part of the Budget Process

Investment Performance



■ Portfolio ■ Budget ■ AusBond BB Index

Historical Performance Summary

	Portfolio	AusBond BB Index	Outperformance
Oct 2018	3.09%	2.00%	1.09%
Last 3 Months	3.08%	1.98%	1.11%
Last 6 Months	3.05%	2.02%	1.04%
Financial Year to Date	3.08%	2.05%	1.03%
Last 12 months	3.03%	1.89%	1.14%

Investment Performance

Council's portfolio returned 3.09%pa on a weighted average yield basis during October. This compares favourably with the Ausbond Bank Bill Index's return of 2.00%pa for the month.



Camden Council
Investment Holdings Report - October 2018

Cash Accounts						
Amount (\$)	Current Yield	Institution	Credit Rating	Amount (\$)	Deal No.	Reference
7,000,000.00	1.60%	Commonwealth Bank of Australia	A-1+	7,000,000.00	535548	
7,000,000.00				7,000,000.00		

Term Deposits										
Maturity Date	Amount (\$)	Rate	Institution	Credit Rating	Purchase Date	Amount plus Accrued Int (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
1-Nov-18	2,500,000.00	5.00%	Bank of Queensland	A-2	4-Nov-13	2,623,287.67	535476	123,287.67	Annually	2653
5-Nov-18	1,500,000.00	2.76%	Rural Bank	A-2	30-May-18	1,517,580.82	536670	17,580.82	At Maturity	3102
7-Nov-18	1,000,000.00	2.80%	Rural Bank	A-2	10-May-18	1,013,424.66	536628	13,424.66	At Maturity	3094
12-Nov-18	1,000,000.00	2.73%	Bank of Queensland	A-2	1-Jun-18	1,011,443.56	536689	11,443.56	At Maturity	3104
12-Nov-18	500,000.00	2.75%	Rural Bank	A-2	5-Jun-18	505,613.01	536705	5,613.01	At Maturity	3106
14-Nov-18	1,000,000.00	2.60%	Bank of Queensland	A-2	16-Feb-18	1,018,378.08	536241	18,378.08	At Maturity	3068
19-Nov-18	500,000.00	2.75%	Rural Bank	A-2	5-Jun-18	505,613.01	536706	5,613.01	At Maturity	3107
21-Nov-18	1,000,000.00	2.60%	Bank of Queensland	A-2	22-Feb-18	1,017,950.68	536261	17,950.68	At Maturity	3070
22-Nov-18	1,000,000.00	5.10%	Bank of Queensland	A-2	25-Nov-13	1,047,367.12	535477	47,367.12	Annually	2661
23-Nov-18	5,000,000.00	2.35%	Bankwest	A-1+	11-Oct-18	5,006,760.27	537209	6,760.27	At Maturity	3147
26-Nov-18	1,500,000.00	2.75%	National Australia Bank	A-1+	12-Jun-18	1,516,047.95	536740	16,047.95	At Maturity	3108
28-Nov-18	1,500,000.00	2.80%	Suncorp Bank	A-1	13-Jun-18	1,516,224.66	536743	16,224.66	At Maturity	3109
3-Dec-18	1,000,000.00	2.80%	Suncorp Bank	A-1	18-Jun-18	1,010,432.88	536754	10,432.88	At Maturity	3110
5-Dec-18	1,000,000.00	2.80%	National Australia Bank	A-1+	25-Jun-18	1,009,895.89	536785	9,895.89	At Maturity	3113
10-Dec-18	2,000,000.00	2.80%	National Australia Bank	A-1+	27-Jun-18	2,019,484.93	536801	19,484.93	At Maturity	3114
12-Dec-18	1,500,000.00	2.60%	Bank of Queensland	A-2	13-Dec-17	1,534,512.33	536086	34,512.33	At Maturity	3047
12-Dec-18	1,000,000.00	2.80%	National Australia Bank	A-1+	2-Jul-18	1,009,358.90	536807	9,358.90	At Maturity	3115
12-Dec-18	1,000,000.00	2.80%	Bankwest	A-1+	2-Jul-18	1,009,358.90	536808	9,358.90	At Maturity	3116
17-Dec-18	3,000,000.00	2.80%	Bankwest	A-1+	2-Jul-18	3,028,076.71	536810	28,076.71	At Maturity	3117
17-Dec-18	1,000,000.00	2.79%	National Australia Bank	A-1+	4-Jul-18	1,009,172.60	536825	9,172.60	At Maturity	3118



Camden Council Investment Holdings Report - October 2018

Term Deposits											
Maturity Date	Amount (\$)	Rate	Institution	Credit Rating	Purchase Date	Amount plus Accrued Int (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference	
20-Dec-18	1,000,000.00	2.60%	Commonwealth Bank of Australia	A-1+	28-Feb-18	1,017,523.29	536317	17,523.29	At Maturity	3073	
2-Jan-19	2,000,000.00	2.62%	Commonwealth Bank of Australia	A-1+	3-Jan-18	2,043,355.62	536117	43,355.62	At Maturity	3053	
2-Jan-19	1,000,000.00	2.60%	Commonwealth Bank of Australia	A-1+	7-Mar-18	1,017,024.66	536366	17,024.66	At Maturity	3076	
9-Jan-19	1,500,000.00	2.65%	Rural Bank	A-2	9-Jan-18	1,532,235.62	536128	32,235.62	At Maturity	3055	
10-Jan-19	1,500,000.00	2.80%	National Australia Bank	A-1+	9-Jul-18	1,513,232.88	536832	13,232.88	At Maturity	3119	
14-Jan-19	1,500,000.00	2.80%	Bankwest	A-1+	11-Jul-18	1,513,002.74	536839	13,002.74	At Maturity	3120	
16-Jan-19	1,500,000.00	2.85%	ME Bank	A-2	13-Jul-18	1,513,000.68	536844	13,000.68	At Maturity	3121	
21-Jan-19	2,000,000.00	2.85%	AMP Bank	A-1	21-Jun-18	2,020,769.86	536764	20,769.86	At Maturity	3111	
23-Jan-19	1,000,000.00	2.85%	AMP Bank	A-1	25-Jun-18	1,010,072.60	536784	10,072.60	At Maturity	3112	
29-Jan-19	1,500,000.00	2.85%	ME Bank	A-2	16-Jul-18	1,512,649.32	536850	12,649.32	At Maturity	3122	
30-Jan-19	1,000,000.00	2.60%	Commonwealth Bank of Australia	A-1+	5-Mar-18	1,017,167.12	536346	17,167.12	At Maturity	3075	
4-Feb-19	1,500,000.00	2.85%	ME Bank	A-2	23-Jul-18	1,511,829.45	536863	11,829.45	At Maturity	3123	
6-Feb-19	2,000,000.00	2.85%	ME Bank	A-2	24-Jul-18	2,015,616.44	536865	15,616.44	At Maturity	3124	
11-Feb-19	1,500,000.00	2.85%	ME Bank	A-2	26-Jul-18	1,511,478.08	536876	11,478.08	At Maturity	3125	
13-Feb-19	1,500,000.00	2.85%	ME Bank	A-2	27-Jul-18	1,511,360.96	536878	11,360.96	At Maturity	3126	
18-Feb-19	1,000,000.00	2.75%	Bank of Queensland	A-2	1-Aug-18	1,006,931.51	536908	6,931.51	At Maturity	3128	
20-Feb-19	1,500,000.00	2.76%	Bankwest	A-1+	8-Aug-18	1,509,641.10	536927	9,641.10	At Maturity	3129	
26-Feb-19	1,000,000.00	2.80%	AMP Bank	A-1	30-Jul-18	1,007,210.96	536884	7,210.96	At Maturity	3127	
28-Feb-19	1,000,000.00	5.00%	RaboDirect	A-1*	28-Feb-14	1,033,698.63	535516	33,698.63	Annually	2702	
6-Mar-19	1,200,000.00	5.00%	RaboDirect	A-1*	3-Mar-14	1,239,616.44	535517	39,616.44	Annually	2703	
6-Mar-19	1,000,000.00	2.80%	ME Bank	A-2	8-Aug-18	1,006,520.55	536928	6,520.55	At Maturity	3130	
12-Mar-19	1,500,000.00	2.80%	ME Bank	A-2	8-Aug-18	1,509,780.82	536929	9,780.82	At Maturity	3131	
13-Mar-19	1,500,000.00	2.80%	Bankwest	A-1+	13-Aug-18	1,509,205.48	536948	9,205.48	At Maturity	3132	
18-Mar-19	1,000,000.00	2.77%	Bankwest	A-1+	15-Aug-18	1,005,919.45	536963	5,919.45	At Maturity	3133	
20-Mar-19	1,500,000.00	2.77%	Bankwest	A-1+	20-Aug-18	1,508,310.00	536982	8,310.00	At Maturity	3134	
25-Mar-19	1,500,000.00	2.75%	Bank of Queensland	A-2	27-Aug-18	1,507,458.90	537011	7,458.90	At Maturity	3135	

Page 6 of 8.



Camden Council
Investment Holdings Report - October 2018

Term Deposits										
Maturity Date	Amount (\$)	Rate	Institution	Credit Rating	Purchase Date	Amount plus Accrued Int (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
27-Mar-19	1,500,000.00	2.75%	Bank of Queensland	A-2	29-Aug-18	1,507,232.88	537023	7,232.88	At Maturity	3137
1-Apr-19	1,500,000.00	2.75%	Bank of Queensland	A-2	29-Aug-18	1,507,232.88	537024	7,232.88	At Maturity	3138
3-Apr-19	1,000,000.00	2.80%	AMP Bank	A-1	31-Aug-18	1,004,756.16	537046	4,756.16	At Maturity	3139
8-Apr-19	1,500,000.00	2.75%	Bank of Queensland	A-2	3-Sep-18	1,506,667.81	537047	6,667.81	At Maturity	3140
10-Apr-19	1,500,000.00	2.70%	Bankwest	A-1+	24-Sep-18	1,504,216.44	537160	4,216.44	At Maturity	3141
15-Apr-19	1,000,000.00	2.70%	National Australia Bank	A-1+	25-Sep-18	1,002,736.99	537161	2,736.99	At Maturity	3142
17-Apr-19	1,500,000.00	2.70%	Suncorp Bank	A-1	2-Oct-18	1,503,328.77	537170	3,328.77	At Maturity	3143
23-Apr-19	1,500,000.00	2.70%	National Australia Bank	A-1+	3-Oct-18	1,503,217.81	537173	3,217.81	At Maturity	3144
29-Apr-19	1,000,000.00	2.70%	Bank of Queensland	A-2	10-Oct-18	1,001,627.40	537203	1,627.40	At Maturity	3146
15-May-19	1,500,000.00	4.55%	Westpac Group	A-1+	15-May-14	1,531,787.67	535497	31,787.67	Annually	2717
20-May-19	1,500,000.00	2.75%	Bankwest	A-1+	28-Aug-18	1,507,345.89	537016	7,345.89	At Maturity	3136
22-May-19	1,500,000.00	4.55%	Westpac Group	A-1+	21-May-14	1,530,665.75	535536	30,665.75	Annually	2718
24-Jun-19	1,500,000.00	2.70%	Commonwealth Bank of Australia	A-1+	24-Oct-18	1,500,887.67	537262	887.67	At Maturity	3148
8-Jul-19	1,000,000.00	2.70%	Bankwest	A-1+	8-Oct-18	1,001,775.34	537200	1,775.34	At Maturity	3145
25-Nov-19	1,000,000.00	2.90%	ING Bank (Australia)	A*	23-Nov-17	1,027,252.05	535985	27,252.05	Annually	3032
27-Nov-19	1,000,000.00	4.10%	RaboDirect	A*	27-Nov-14	1,038,079.45	535518	38,079.45	Annually	2760
27-Nov-19	2,000,000.00	2.88%	Rural Bank	BBB+	23-Nov-17	2,054,128.22	535987	54,128.22	Annually	3033
2-Dec-19	1,500,000.00	2.90%	ING Bank (Australia)	A*	27-Nov-17	1,540,401.37	535996	40,401.37	Annually	3035
2-Dec-19	1,500,000.00	2.83%	Rural Bank	BBB+	1-Dec-17	1,538,960.96	536020	38,960.96	Annually	3037
4-Dec-19	1,500,000.00	4.25%	Bendigo and Adelaide Bank	BBB+	28-Nov-14	1,559,034.25	535488	59,034.25	Annually	2762
11-Dec-19	1,500,000.00	4.00%	National Australia Bank	AA-	16-Dec-14	1,552,273.97	535504	52,273.97	Annually	2766
19-Dec-19	1,000,000.00	3.85%	Macquarie Bank	A	19-Dec-14	1,149,042.47	535503	149,042.47	At Maturity	2767
2-Feb-20	1,000,000.00	3.90%	Westpac Group	AA-	2-Feb-15	1,029,063.01	535537	29,063.01	Annually	2772
10-Feb-20	1,000,000.00	2.90%	ING Bank (Australia)	A*	8-Feb-18	1,021,134.25	536215	21,134.25	Annually	3065
15-Mar-21	1,000,000.00	3.60%	Bank of Queensland	BBB+	15-Mar-17	1,022,783.56	535484	22,783.56	Annually	2958
7-Apr-21	1,000,000.00	3.50%	Bank of Queensland	BBB+	3-Apr-17	1,020,328.77	535486	20,328.77	Annually	2963



Camden Council Investment Holdings Report - October 2018

Term Deposits										
Maturity Date	Amount (\$)	Rate	Institution	Credit Rating	Purchase Date	Amount plus Accrued Int (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
17-May-21	1,000,000.00	3.10%	Westpac Group	AA-	16-May-17	1,006,539.73	535544	6,539.73	Quarterly	2975
1-Feb-22	1,000,000.00	3.60%	Westpac Group	AA-	1-Feb-17	1,009,073.97	535588	9,073.97	Quarterly	2936
2-Feb-22	1,500,000.00	3.57%	Westpac Group	AA-	2-Feb-17	1,513,350.82	535539	13,350.82	Quarterly	2937
10-Feb-22	1,000,000.00	3.56%	Westpac Group	AA-	10-Feb-17	1,008,095.34	535540	8,095.34	Quarterly	2938
15-Feb-22	1,500,000.00	3.75%	Bank of Queensland	BBB+	15-Feb-17	1,539,914.38	535547	39,914.38	Annually	2939
22-Feb-22	2,000,000.00	3.64%	Westpac Group	AA-	22-Feb-17	2,014,161.10	535541	14,161.10	Quarterly	2940
28-Feb-22	1,000,000.00	3.75%	Bank of Queensland	BBB+	27-Feb-17	1,025,376.71	535483	25,376.71	Annually	2946
28-Feb-22	1,000,000.00	3.55%	Westpac Group	AA-	28-Feb-17	1,006,321.92	535542	6,321.92	Quarterly	2950
1-Mar-22	1,000,000.00	3.58%	Westpac Group	AA-	1-Mar-17	1,005,786.85	535543	5,786.85	Quarterly	2952
3-Mar-22	1,000,000.00	3.60%	Westpac Group	AA-	3-Mar-17	1,005,819.18	535545	5,819.18	Quarterly	2954
9-Mar-22	1,000,000.00	3.61%	Westpac Group	AA-	9-Mar-17	1,005,143.01	535546	5,143.01	Quarterly	2956
23-Mar-22	500,000.00	3.80%	Bank of Queensland	BBB+	23-Mar-17	511,608.22	535485	11,608.22	Annually	2960
4-May-22	1,000,000.00	3.60%	Bank of Queensland	BBB+	8-May-17	1,017,457.53	535487	17,457.53	Annually	2971
	113,700,000.00					115,369,208.34		1,669,208.34		

CAMDEN COUNCIL RURAL LANDS STRATEGY

November 2018 (draft)



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Executive Summary

The Camden Local Government Area (LGA) has historically been known as a highly productive rural region with current agricultural land use accounting for 50% of the LGA. The eventual development of land within the South West **Priority** Growth Area (SWGA) will reduce the total area of rural land to one third of the Camden LGA.

Council’s Community Strategic Plan outlines the challenges and opportunities expressed by the community including maximising the opportunities from growth and retaining the valued aspects of Camden’s rural and country heritage and landscape. The Plan identifies the need for Camden’s growth to be managed carefully and effectively to ensure the retention of the places, landscapes and characteristics of Camden’s rural and country heritage and backdrop.

As Camden develops there are a number of emerging pressures that have the potential to have significant impact on Camden’s rural lands including the Western Sydney Airport, South West Rail Link extension and the M9 Orbital. In response to these pressures, Council engaged the expertise of Booth Associates to prepare a Rural Lands Study (2016) which provides the evidence base for this Strategy.

This Strategy includes key planning principles and a corresponding set of actions.

The key planning principles are:

1. Protect Camden’s remaining rural lands;
2. Retain Camden’s valued scenic and cultural landscapes;



Figure 1– Kirkham (looking west)



Figure 2 – Rural Road, Cobbitty



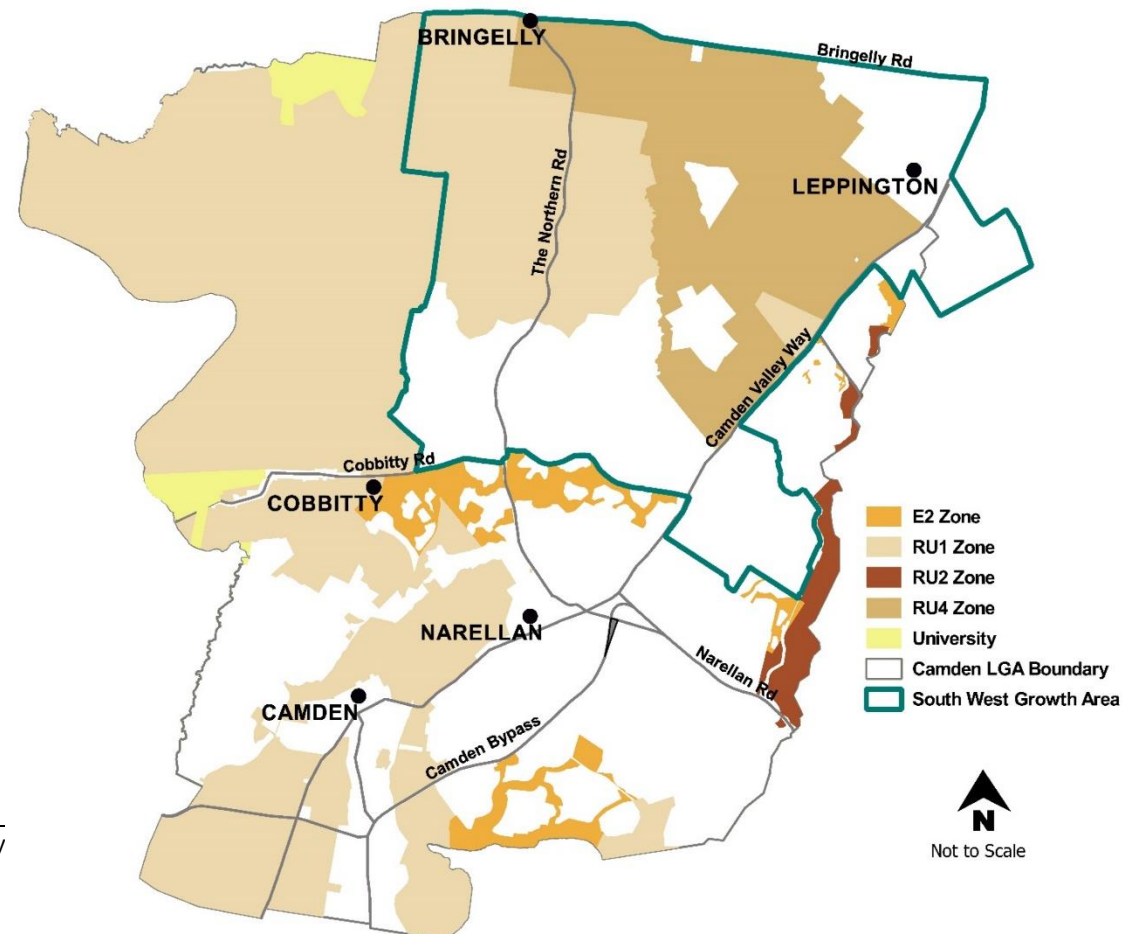
3. Provide certainty and avoid rural land fragmentation;
4. Minimise and manage rural land use conflict;
5. Enhance Camden's Rural Economy;
6. Minimise unplanned non-agricultural development; and
7. Maximise opportunities for relocation of rural enterprises.

This Strategy will help guide decision making on land use planning on and adjacent to rural zoned land.

The Rural Lands Strategy does not apply to land within the South West Priority Growth Area (with the exception of the action to investigate the potential introduction of appropriate zones within the SWGA to provide a buffer between rural land uses and urban development).

Background

The Camden LGA is located on the fringes of the Sydney Metropolitan Area and is within the Macarthur region. The area's rich farming heritage can be traced back to 1795 when Governor Hunter went in search of stray cattle and found them settled by the Nepean River, a place he named 'Cowpastures' – a name that still exists today. Much of Camden's proud farming history stems from the influence of the Macarthur family. This began in 1803 when Lord Camden granted John Macarthur more than 5,000 acres allowing him to import the first pure merino rams and ewes to Australia. Grape growing was introduced in the early 1800s through experienced European winemakers with the Macarthurs at Camden Park establishing



the first commercial vineyard. Local wines were soon winning gold medals in England, resulting in Camden vines being used to establish vineyards in the United Kingdom.

The Camden LGA is currently experiencing significant expansion of urban development. The LGA has historically been known as a highly productive rural region with current agricultural land use accounting for 50% of the LGA. The South West **Priority** Growth Area will reduce the total area of rural land to one-third of the Camden LGA.

Strategic Context

Greater Sydney Region Plan & Western City District Plan

The Greater Sydney Region Plan highlights the need for scenic and cultural landscapes to be protected and for environmental, social and economic values in rural areas to be protected and enhanced. Importantly, the Plan includes strategies to identify and protect scenic and cultural landscapes (Strategy 28.1) and to limit urban development to within the urban area (Strategy 29.2).

The Western City District Plan highlights the environmental, social and economic values of the Metropolitan Rural Area and the Plan includes priorities to protect and enhance scenic and cultural landscapes (W16) and to better manage rural areas (W17).

The District Plan notes that the rural hills and ridgelines of Camden create a distinct setting for neighbouring urban communities. The Plan also notes that Western Sydney Airport will be a catalyst for agricultural export from the region.

NSW Government Right to Farm Policy

The NSW Government has adopted a *Right to Farm Policy*. The main intent of the policy relates to a desire by farmers to undertake lawful agricultural practices without conflict or interference arising from complaints from neighbours and other land users. The *Right to Farm Policy* contains a number of actions which aim to:

- Strengthen land use planning;
- Improve education and awareness;

Figure 4 – Camden's Rural Land & South West **Priority** Growth Area



Figure 5 – Cattle loading ramp



- Ensure current reviews of environmental planning instruments (such as State Environmental Planning Policies and the Standard Instrument Local Environmental Plan) include consideration of options to ensure best land use outcomes and to minimise conflicts; and
- Establish a baseline and ongoing monitoring and evaluation for complaints related to farming.

This Strategy broadly aligns to the Government's *Right to Farm Policy*.

Community Strategic Plan

This Strategy aligns with the Community Strategic Plan which includes the following objectives:

- Urban development is managed effectively; and
- Rural land is adequately administered.

The actions identified in this Strategy will provide a framework to achieve these objectives.

Camden Economic Development Strategy 2013

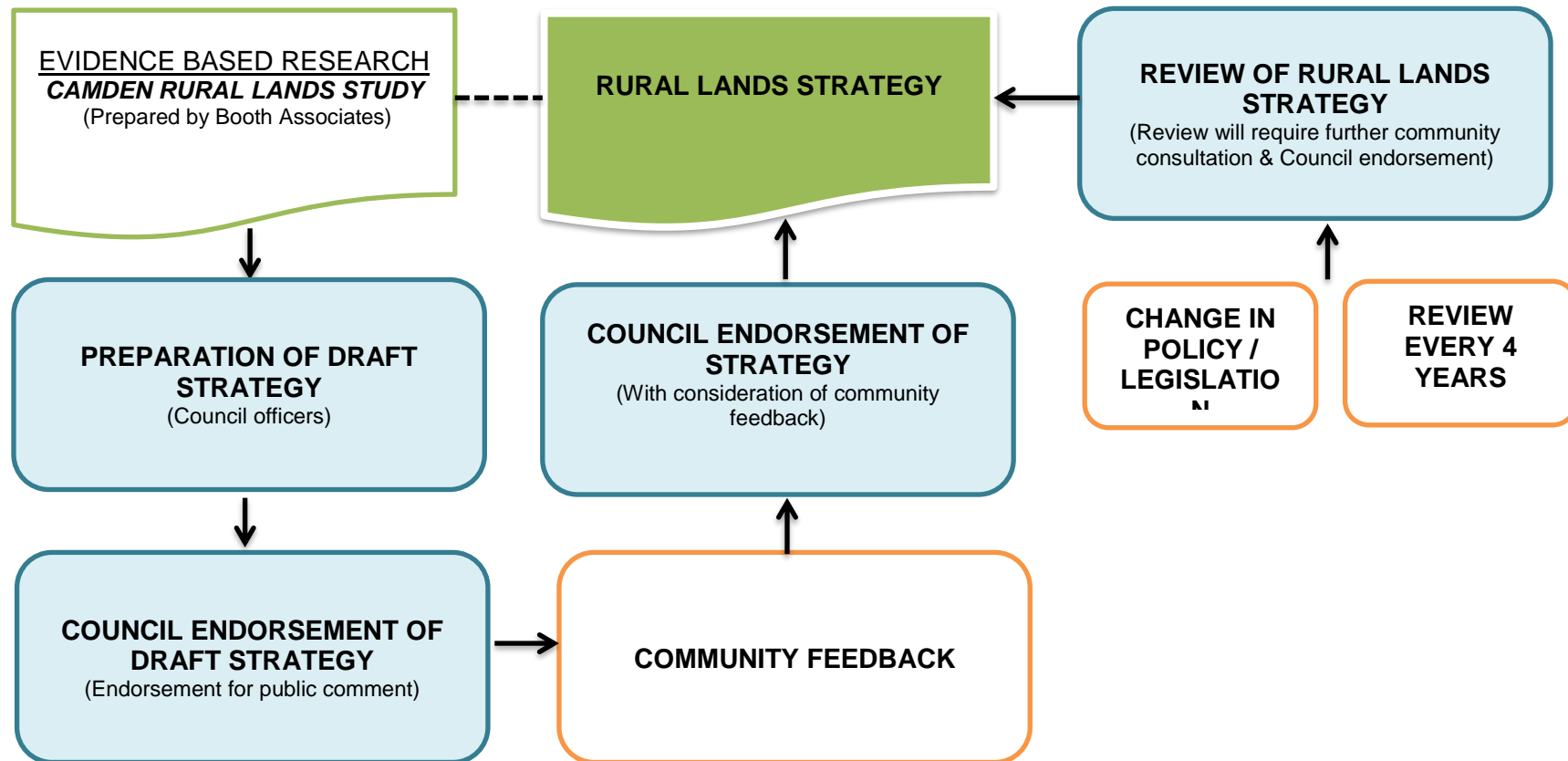
The Economic Development Strategy provides a plan of action to guide economic development activities. A number of 'Target Sectors' are identified which guide the areas on which Council will focus over a four year period. With particular reference to the Agricultural Target Sector, the SWOT Analysis identified the strength of this Sector, on the need to develop and build on existing agriculture knowledge, markets and explore opportunities with agricultural research and innovation. Another major opportunity identified by the Strategy in this Sector is to provide and support opportunities for fresh food production in order to offset the impact of the loss of agricultural land through the development of the South West **Priority** Growth Area.



Figure 7 - Cobbitty

Policy Preparation & Review Process

Figure 8 – Preparation and Review Process



Development and planning considerations

Infrastructure and Growth

There are a number of emerging pressures that have the potential to have significant impact on Camden's rural lands including the Western Sydney Airport and the Outer Sydney Orbital (OSO).

The OSO needs particular consideration. Transport for NSW has recently consulted with the community on a recommended corridor of land for the OSO for a possible future motorway and freight rail line. Council objected to the at-grade alignment of the OSO on various grounds, including the likely adverse impact on Camden's agricultural lands and agricultural economy.

Council's submission is available to view at <https://www.camden.nsw.gov.au/council/plans-and-strategies/submissions-and-position-papers/>

Following the consultation of the proposed OSO alignment, Transport for NSW have released new information about the OSO including the provision of a future 10 kilometre tunnel from north of Cobbitty Road, Cobbitty to south-east of Cawdor Road, Cawdor.

Land Use & Conflict

The Camden LGA is a productive agricultural area, and a large proportion of this activity is associated with intensive agriculture land uses. These intensive land uses occupy a relatively small proportion of land in the LGA, and consist mainly of poultry, pigs, vegetables, nurseries, cut flowers and cultivated turf.

The Camden LGA has a long tradition of agricultural pursuits and this has assisted to control land use conflict as residents who work in agriculture are generally more understanding of the impacts associated with this industry. As more urban development occurs and residential populations grow where employment in agriculture is not as high, land use conflict increases.

Left unresolved, land use conflict has the potential to result in the displacement of rural industries. While Council has a role in facilitating orderly planning and development, good industry management is key for achieving positive outcomes.

Camden's Rural Economy

Camden's rural land is important, not only because of its role in providing Sydney with fresh food, but because of other benefits which arise through protection of the land such as tourism and cultural and landscape values.

Agricultural production in the Camden Local Government Area is significant. Camden is a significant producer of grapes for wine, cauliflowers, lettuce, cultivated turf, sheep and lambs, dairy cattle, beef cattle and crops and pastures for hay. Further, tourism in the Camden Council area is important financially to the rural sector, with strong growth potential.

Scenic and Cultural Landscape

The main components of Camden's landscape are hills and ridges, flood plains and remnant native vegetation. These are prominent in the visual gateways and routes in the area and deserve special consideration and protection.

The rural heartland of Camden is composed of landscapes which clearly demonstrate historic settlement patterns and associations. There are many historic properties of state significance due to their rarity, integrity and ability to demonstrate historic associations and processes.

There are important views into and out of Camden Town and Cobbitty Village. There is also need to maintain scenic quality, a range of scenic character types, visual access to the landscape and to landmark features, the historic meaning of landscape and the ability to interpret, conserve and manage visual and cultural heritage impacts.

The Camden Rural Lands Study (Booth Associates, 2016) found that protection of the scenic amenity and rural character of the LGA is warranted.

Constraints

There are a number of key land development constraints that must be recognised when considering current land use, land capability, and development potential. These include flooding, native vegetation and bushfire risk. Notably, the Nepean River which runs north along the western side of the Camden LGA includes a significant floodplain. Flood plains act as a natural buffer for urban encroachment and should be protected.

Floodplain soils such as those on the Nepean River can be very productive as they tend to be highly fertile. These areas also have access to water which can be used for irrigation. The risk and impact of flooding however, is significant and can be a disincentive to development including intensive horticulture and intensive animal production.

Figure 9– Vineyard, Camden



Sydney Metropolitan Rural Area

A Plan for Growing Sydney adopted the term 'Metropolitan Rural Area' (MRA) to describe the non-urban areas at the periphery of Greater Sydney.

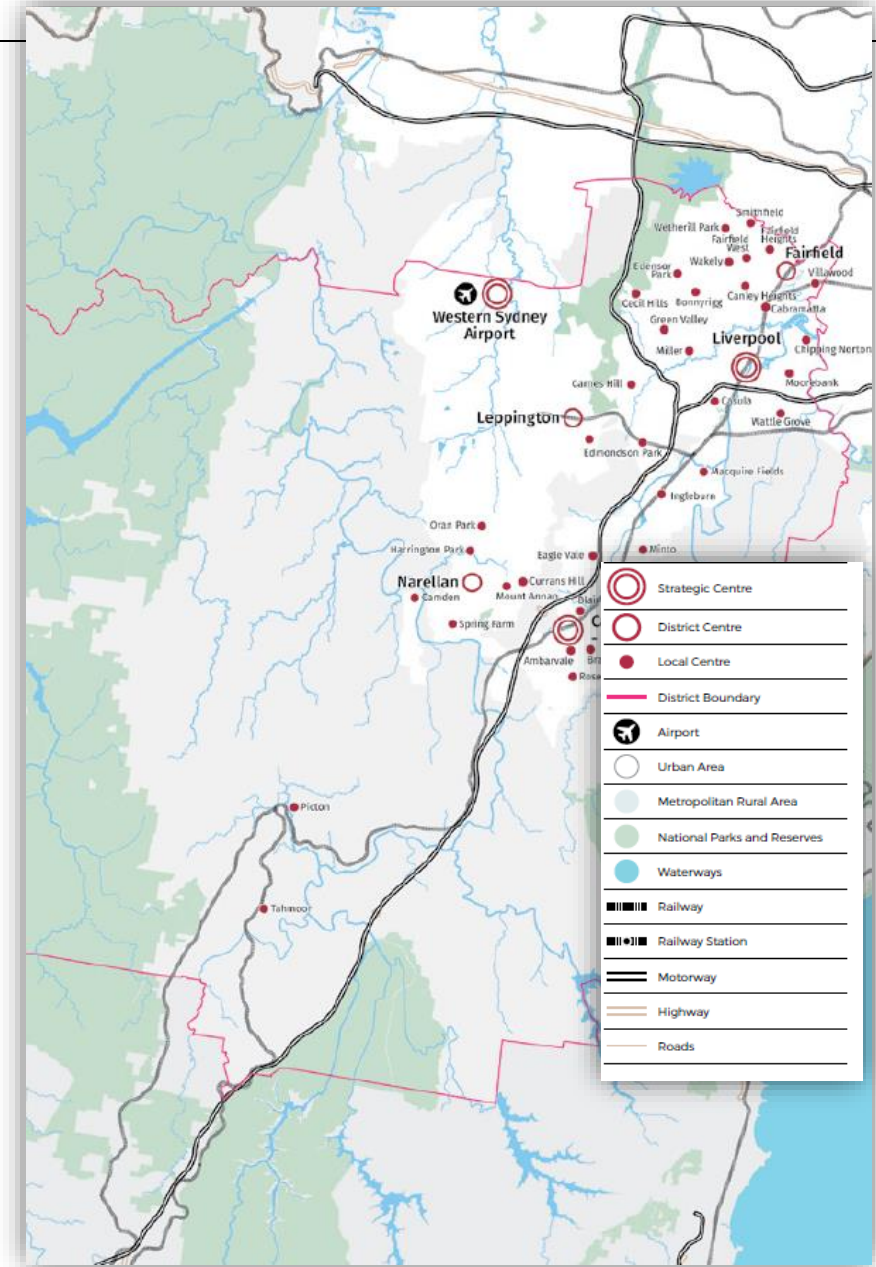
The Western City District Plan provides a more detailed vision for the MRA and explains that the MRA includes primary production and resource extraction, tourism and recreational assets, towns and villages.

The District Plan promotes a design-led, place-based planning approach in the MRA to help manage environmental, social and economic values, maximise the productive use of rural areas, and to incentivise biodiversity protection for remnant bushland vegetation. The District Plan notes that increased demand for biodiversity offset sites and limiting urban development in the Metropolitan Rural Area will help make it more attractive for landowners to protect biodiversity on private land.

Key Planning Principles

Table 1 (below) outlines the seven key planning principles that will inform land use planning decision making for Camden.

Table 1 – Key Principles – Rural Planning



• Principle	• Background
<ul style="list-style-type: none"> • P1. Protect Camden's remaining rural lands 	<ul style="list-style-type: none"> • Camden's rural land is important, not only because of its role in providing Sydney with fresh food, but because of other benefits which arise through protection of rural land. These benefits include tourism and scenic and cultural landscape values which provide a positive contribution to Camden's identity and social fabric. • • Agriculture is a significant industry for the Camden LGA with the value of production in 2010 being \$43.5M. Beyond its economic contribution, Camden's rural lands provide much valued scenic amenity and rural character for which Camden is known for. • • There are a number of emerging pressures that have the potential to have a significant impact on Camden's rural lands including the M9 Orbital, Western Sydney Airport, and the review of the South West Priority Growth Area (SWGA). • • There is a need to address rural character and land use conflict at the interface of the SW PGA and surrounding rural zoned land.
<ul style="list-style-type: none"> • P2. Retain Camden's valued scenic and cultural landscapes • 	<ul style="list-style-type: none"> • The main components of Camden's landscape are hills and ridges, flood plains and remnant native vegetation. These are prominent in the visual gateways and routes in the area and deserve special consideration and protection. • • The rural heartland of Camden is composed of landscapes which clearly demonstrate historic settlement patterns and associations. There are many historic homesteads which have views to one another and there are important visual views into and out of Camden Town and Cobbitty Village. • • This principle is in line with the Greater Sydney Region Plan which includes strategies to identify and protect scenic and cultural landscapes (Strategy 28.1) and to limit urban development to within the urban area (Strategy 29.2).
<ul style="list-style-type: none"> • P3. Provide certainty and avoid rural land fragmentation • 	<ul style="list-style-type: none"> • Agricultural productivity relies upon land use planning controls such as zoning and minimum lot sizes to protect land from speculation, inappropriate development and increased land prices. • • The existing minimum lot sizes are an effective tool to avoid further land fragmentation and minimise and manage land use conflict.
<ul style="list-style-type: none"> • P4. Minimise and manage rural land use conflict • 	<ul style="list-style-type: none"> • Land use conflicts between rural producers and residents surrounding them can be an impediment to agricultural production. • • The Camden LGA is a productive agricultural area, and a large proportion of this activity is

• Principle	• Background
	<p>associated with intensive agriculture land uses. These intensive land uses occupy a relatively small proportion of land in the LGA, and consists mainly of poultry, pigs, vegetables, nurseries, cut flowers and cultivated turf.</p> <ul style="list-style-type: none"> • Rural-urban conflicts typically arise where there is insufficient separation between incompatible land uses, where rural activity is poorly managed or where new residents do not understand the type of activities prevalent in their new location.
<ul style="list-style-type: none"> • P5. Enhance Camden’s Rural Economy • 	<ul style="list-style-type: none"> • There is a need to enhance Camden’s rural economy by identifying potential activities through which Camden Council can support and promote viable and sustainable agriculture. • • There are a number of agricultural opportunities that may result from the development of the Western Sydney airport. This includes closer proximity to domestic and international markets using air freight that could support and grow certain agricultural sectors such as fresh cut flowers. • • The University of Sydney (Camden Campus) is Australia’s leading tertiary education provider in Agriculture and Veterinary Science. The Camden Campus is an important asset that should be protected from urban encroachment. Council will work with the University to investigate innovative opportunities for the Camden Campus. •
<ul style="list-style-type: none"> • P6. Minimise unplanned non-agricultural development 	<ul style="list-style-type: none"> • This principle is in line with the Greater Sydney Region Plan which includes strategies to identify and protect scenic and cultural landscapes (Strategy 28.1) and to limit urban development to within the urban area (Strategy 29.2).
<ul style="list-style-type: none"> • P7. Maximise opportunities for relocation of rural enterprises. 	<ul style="list-style-type: none"> • There is a need to maximise the opportunities for the relocation of rural enterprises displaced by the SWPGA. All existing RU4 small lot primary production land is located within the SWPGA. As a result of the progressive conversion of this land for urban purposes there will no longer be any RU4 land in Camden LGA. In addition, RU1 primary production zoned land will be reduced significantly. •

Strategy Actions

Table 2 – Strategy Actions

• Principle	• Action	• Measurement	• Timeframe	• Relevant other plans/strategies
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• Principle	• Action	• Measurement	• Timeframe	• Relevant other plans/strategies
<p>1. Protect Camden’s remaining rural lands</p> <ul style="list-style-type: none"> • • • • 	<ul style="list-style-type: none"> • Provide an advocacy role that the preferred M9 corridor option minimises impact on rural zoned land. • • • • 	<ul style="list-style-type: none"> • Adopted Strategy is forwarded to Transport for NSW. • • Council has ongoing dialogue with Transport for NSW and the Greater Sydney Commission and adjoining Councils regarding the protection of Camden’s Rural Lands. • 	<ul style="list-style-type: none"> • On adoption of Strategy. • • • • Ongoing 	<ul style="list-style-type: none"> - A Plan for Growing Sydney • - Western City District Plan • - Camden Community Strategic Plan • • • •
	<ul style="list-style-type: none"> • Investigate the potential introduction of appropriate zones within the South West Priority Growth Area to provide a buffer between rural land uses and urban development. • 	<ul style="list-style-type: none"> • Undertaken during precinct planning. 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> - Camden Local Environmental Plan 2010 • - Camden Development Control Plan 2011 • - Sydney Region Growth Centres State Environmental Planning Policy. •
	<ul style="list-style-type: none"> • Work with Wollondilly Council to explore options to protect agricultural land and encourage food production. • 	<ul style="list-style-type: none"> • Council has ongoing dialogue with Wollondilly Council to explore options to protect agricultural land and encourage food production. 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> - Camden Community Strategic Plan • - Camden Economic Development Strategy 2013 •
<p>2. Retain Camden’s</p>	<ul style="list-style-type: none"> • Undertake a detailed visual study of Camden’s rural lands (excluding the 	<ul style="list-style-type: none"> • Visual Study is completed. 	<ul style="list-style-type: none"> • 2018-19 	<ul style="list-style-type: none"> - Camden Local Environmental Plan 2010

• Principle	• Action	• Measurement	• Timeframe	• Relevant other plans/strategies
valued scenic and cultural landscapes	South West Priority Growth Area) in conjunction with key stakeholders.			<ul style="list-style-type: none"> - Camden Community Strategic Plan
	<ul style="list-style-type: none"> • Investigate options to incorporate scenic protection controls in Camden Local Environmental Plan 2010. 	<ul style="list-style-type: none"> • Camden Local Environmental Plan 2010 is reviewed. 	<ul style="list-style-type: none"> • 2018-19* • *Following completion of Visual Study 	<ul style="list-style-type: none"> - Camden Local Environmental Plan 2010
	<ul style="list-style-type: none"> • Review existing development controls to provide additional guidance on scenic protection. 	<ul style="list-style-type: none"> • Camden Development Control Plan 2010 is reviewed. 	<ul style="list-style-type: none"> • 2018-19* • *Following completion of Visual Study. 	<ul style="list-style-type: none"> - Camden Development Control Plan 2010
3. Provide certainty and avoid rural land fragmentation	<ul style="list-style-type: none"> • Retain the existing 40ha minimum lot size (Camden LEP 2010) for rural land to avoid further land ownership fragmentation. 	<ul style="list-style-type: none"> • 40ha minimum lot size is retained. 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> - Camden Local Environmental Plan 2010
4. Minimise and manage rural land use conflict	<ul style="list-style-type: none"> • Review existing development controls to provide additional guidance on land use conflict. 	<ul style="list-style-type: none"> • Camden Development Control Plan 2010 is reviewed. 	<ul style="list-style-type: none"> • 2017-18 	<ul style="list-style-type: none"> - Camden Development Control Plan 2010
	<ul style="list-style-type: none"> • Investigate the potential introduction of appropriate zones within the South West Priority Growth Area to provide a buffer between rural land uses and transition urban development. 	<ul style="list-style-type: none"> • Undertaken during precinct planning. 	<ul style="list-style-type: none"> • Ongoing 	<ul style="list-style-type: none"> - Camden Local Environmental Plan 2010 • Camden Development Control Plan 2011
	<ul style="list-style-type: none"> • Prepare informative / educational material for the community about farming impacts and conflicts. 	<ul style="list-style-type: none"> • Informative / education material is available to the community and is available to 	<ul style="list-style-type: none"> • 2017-18 	<ul style="list-style-type: none"> - Camden Community Strategic Plan

• Principle	• Action	• Measurement	• Timeframe	• Relevant other plans/strategies
		download on Camden Council's website.		
5. Enhance Camden's Rural Economy	• Investigate potential activities to support and promote viable and sustainable agriculture.	• Ongoing implementation of the Economic Development Strategy	• Ongoing	- Western City District Plan • Camden Economic Development Strategy 2013 •
	• Work with the University of Sydney to investigate innovative opportunities for the Camden Campus.	• Ongoing implementation of the Economic Development Strategy.	• Ongoing	- Western City District Plan • Camden Economic Development Strategy 2013
6. Minimise unplanned non-agricultural development on rural land	• Monitor the implementation of the criteria for planning proposals seeking rezonings on rural land (excluding SWPGA).	• Criteria for planning proposals is reviewed and monitored annually.	• Ongoing • •	- Camden Local Environmental Plan 2010 • • • •
7. Maximise opportunities for relocation of rural enterprises.	• Retain the 40ha minimum lot size for rural land. •	• 40ha minimum lot size is retained.	• Ongoing	- Camden Local Environmental Plan 2010

Criteria for Rezoning Proposals

The table below outlines a set of guiding criteria to assist in the assessment of planning proposals for rezonings on rural land (outside of the SWGA). The assessment criteria is intended as a guide only and proponents will be subject to the assessment processes that apply to all planning proposals under NSW planning legislation and guidelines.

Table 3 – Criteria for Rezoning Proposals

ID	Assessment Criteria	Key considerations (Pre-Gateway)
1	Proposals must be consistent with state and local strategic plans.	<ul style="list-style-type: none"> • Improvement / ongoing maintenance of biodiversity, ecological, scenic and productive values. • Agricultural land production value. • Rural economic benefit. • Net community benefit.
2	Proposals must not adversely impact on the operation of existing rural enterprises.	<ul style="list-style-type: none"> • Existing intensive agricultural land uses. • Land use conflict – utilisation of the Land Use Conflict Risk Assessment (LUCRA) tool developed by the NSW Department of Primary Industries.
3	Proposals must be a logical extension to existing urban areas.	<ul style="list-style-type: none"> • Proximity to public transport and other community services. • Essential services availability (including cost of extending services or upgrading roads and other infrastructure).
4	Proposals must not reduce the quality of scenic landscapes, vistas, ridgelines, or heritage values.	<ul style="list-style-type: none"> • Siting and design impacts. • Natural and physical constraints and opportunity of rural land, including high value vegetation, bushfire and flooding.

Conclusion

The Camden LGA is one of the fastest growing areas in Australia and there are a number of emerging pressures that have the potential to have a significant impact on Camden's rural lands namely the Western Sydney Airport and the M9 Orbital. In response to these pressures, this Strategy highlights the need to protect Camden's valuable rural lands which are an important local and district feature.

Camden's rural land is important, not only because of its role in providing Sydney with fresh food, but because of other benefits which arise through protection of the land such as tourism and cultural and landscape values which provide a positive contribution to Camden's identity and social fabric.

This Strategy is in line with the Western City District Plan which includes priorities to protect and enhance scenic and cultural landscapes (W16) and to better manage rural areas (W17).



Figure 11 – Views from Cobbitty looking south to Camden



Cheviot Drive, Cobbity (Looking West)

Rural Lands Strategy Re-exhibition – Submissions Response Table

Submissions Response Table	
Submitter	Reference
1.	1.01 – 1.04
2.	2.01 – 2.02

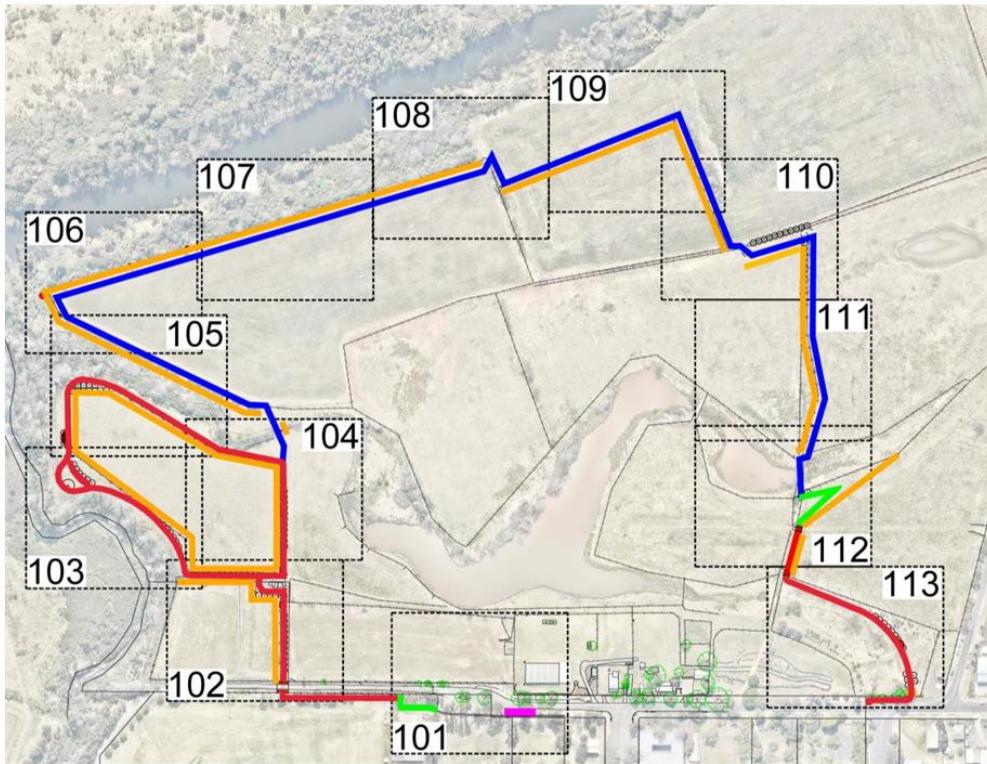
Ref No	Issue/Comment	Officer Response	Proposed Action
Submission 1			
1.01	<p><u>Impact of Outer Sydney Orbital (OSO) on rural land</u></p> <p>Request additional wording to Key Planning Principle within Table 1 – Principle 1 - Protect Camden's remaining rural lands to include the following:</p> <p><i>'The proposed alignment of the OSO will impact on rural land, particularly where it is located above ground. It will have significant impact on the ability of rural land to make a contribution to the rural economy and careful consideration of land adversely affected must be given to its future function and land use'.</i></p>	<p>The draft Strategy already acknowledges the potential impact of the proposed OSO on rural land and includes an action advocating that the preferred OSO option minimises impact on rural land.</p> <p>Council's submission to the proposed OSO outlined it would only support the corridor if it was provided underground, and if it was unable to be undergrounded then the alignment should be reviewed.</p> <p>The NSW Government has since announced that approximately 10kms of the proposed OSO will be undergrounded and this is reflected in the draft Strategy.</p>	Proceed with the finalisation of the draft Strategy
1.02	<p><u>Request to identify land between the OSO and South West Growth Area (SWGA) as a transition zone/investigation area</u></p> <p>The submission requests an amendment to the Action column of Table 2 – Strategy Actions,</p>	<p>No further amendments to the draft Strategy are considered warranted as:</p> <ul style="list-style-type: none"> • It is not the role of the draft Strategy to define the urban boundary; • The NSW Government is yet to commit to the 	Proceed with the finalisation of the draft Strategy

Ref No	Issue/Comment	Officer Response	Proposed Action
	<p>Principle No. 4 to include the following wording:</p> <p><i>'Support for the area between the OSO and SWGC to be an investigation area to consider appropriate land uses within a transition zone'.</i></p>	<p>proposed OSO corridor alignment, its acquisition and construction; and</p> <ul style="list-style-type: none"> The review provisions of the draft Strategy enable a review to be undertaken should there be any change in NSW Government policy or legislation. 	
1.03	<p><u>Request Council commit to the OSO as the new urban boundary</u></p> <p>The information submitted at the site visit requests Council commit to the OSO as the new urban boundary.</p>	<p>No further amendments to the draft Strategy are considered warranted as:</p> <ul style="list-style-type: none"> It is not the role of the draft Strategy to define the urban boundary; The NSW Government is yet to commit to the proposed OSO corridor alignment, its acquisition and construction; and The review provisions of the draft Strategy enable a review to be undertaken should there be any change in NSW Government policy or legislation. 	<p>Proceed with the finalisation of the draft Strategy</p>
1.04	<p><u>Concern the draft Strategy reflects specific actions in the District Plan</u></p> <p>Request to remove the District Plan actions that relate to the Metropolitan Rural Area (MRA) from the draft Strategy. This issue was also raised at the public meeting.</p> <p>Therefore, request that the following wording is removed from the RLS:</p> <p><i>'The key District Plan actions associated with the Metropolitan Rural Area (MRA) include: Action 78 – Maintain or enhance the value of the</i></p>	<p>The draft Strategy is a broad strategy to guide Council decision making on rural land. All local plans and strategies need to be consistent with the District and Region Plans to offer a 'line of sight' from all levels of strategic documents. This helps ensure consistency of planning outcomes.</p> <p>The proposed amendments to the draft Strategy included reference to specific actions of the District Plan that relate to the MRA.</p> <p>The draft Strategy has been amended to reflect the District Plan more broadly, rather than focusing on specific actions. Any rezoning proposal to rezone rural</p>	<p>Amend the draft Strategy to reflect the District Plan more broadly, rather than focus on specific actions.</p>

Ref No	Issue/Comment	Officer Response	Proposed Action
	<p><i>MRA using place-based planning to deliver targeted environmental, social and economic outcomes.</i></p> <p><i>Action 79 – Limit urban development to within the Urban Area, except for the investigation areas at Horsley Park, Orchard Hills, and east of The Northern Road, Luddenham’.</i></p> <p>The concern with directly including these lands with the strategy, is that every time the District Plan is updated, Council is required to update the Strategy.</p>	<p>land would need to address the relevant actions of the District Plan that relate to the MRA.</p> <p>The draft Strategy identifies that a review will be undertaken every 4 years or in response to a change in policy or legislation such as the District and Region Plan.</p>	
Submission 2			
2.01	<p><u>Request support for an investigation area between OSO and SWGA in the future</u></p> <p>Whilst the Strategy identifies the NSW Government’s decision to deliver the M9 corridor (OSO) in a tunnel from ‘north Cobbitty Road to Cawdor’ the Strategy does not address or set a clear direction for the balance of the lands located to the east of that corridor (map shown in submission – in Supporting Document). These lands are located in a ‘pocket’ that is bound to the north by the boundary of the Western Sydney Airport Aerotropolis, to the east by the boundary of the SWGA, to the west by the M9 corridor (OSO), and to the south by Cobbitty Road.</p> <p>It is recommended that Tables 1 and 2 of the Strategy are reviewed to take these lands into account and set a strategic direction for the future</p>	<p>No further amendments to the draft Strategy are considered warranted as:</p> <ul style="list-style-type: none"> • It is not the role of the draft Strategy to define the urban boundary; • The NSW Government is yet to commit to the proposed OSO corridor alignment, its acquisition and construction; and • The review provisions of the draft Strategy enable a review to be undertaken should there be any change in NSW Government policy or legislation. 	<p>Proceed with the finalisation of the draft Strategy.</p>

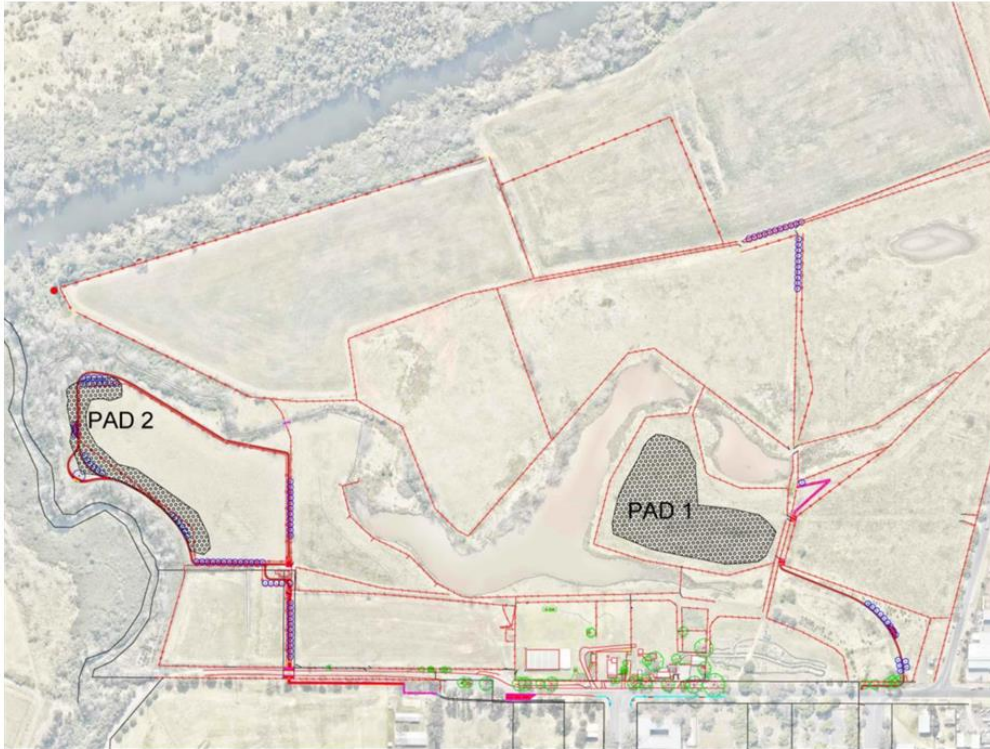
Ref No	Issue/Comment	Officer Response	Proposed Action
	<p>of these lands. The development of the adjacent growth area and the M9 corridor (OSO) will result in this isolated area being inconsistent with the RU1 zone objectives.</p> <p>Given the unique circumstances of the site's surrounds, it is requested to consider identification of these lands as an 'investigation area' in the future.</p>		
2.02	<p><u>Request an amendment to the Criteria for Rezoning Proposals</u></p> <p>Request that the Criteria for Rezoning Proposals in the Strategy be amended to give consideration to existing rural lands that may become compromised and will no longer meet the objectives of its zoning and land use.</p>	<p>The draft Strategy contains sufficient flexibility to enable assessment of planning proposals for rural land, outside of the SWGA. The assessment criteria include:</p> <ul style="list-style-type: none"> • Proposals must be consistent with state and local strategic plans; • Proposals must not adversely impact on the operation of existing rural enterprises; • Proposals must be a logical extension to existing urban areas; and • Proposals must not reduce the quality of scenic landscapes, vistas, ridgelines or heritage values. <p>The draft Strategy confirms that the assessment criteria are intended as a guide only and proposals will be subject to a merit assessment against relevant state and local planning policies.</p> <p>No further changes to the criteria for rezoning proposals is considered warranted as they contain sufficient flexibility to enable the assessment of planning proposals for rural land outside of the</p>	Proceed with the finalisation of the draft Strategy.

Ref No	Issue/Comment	Officer Response	Proposed Action
		SWGA.	

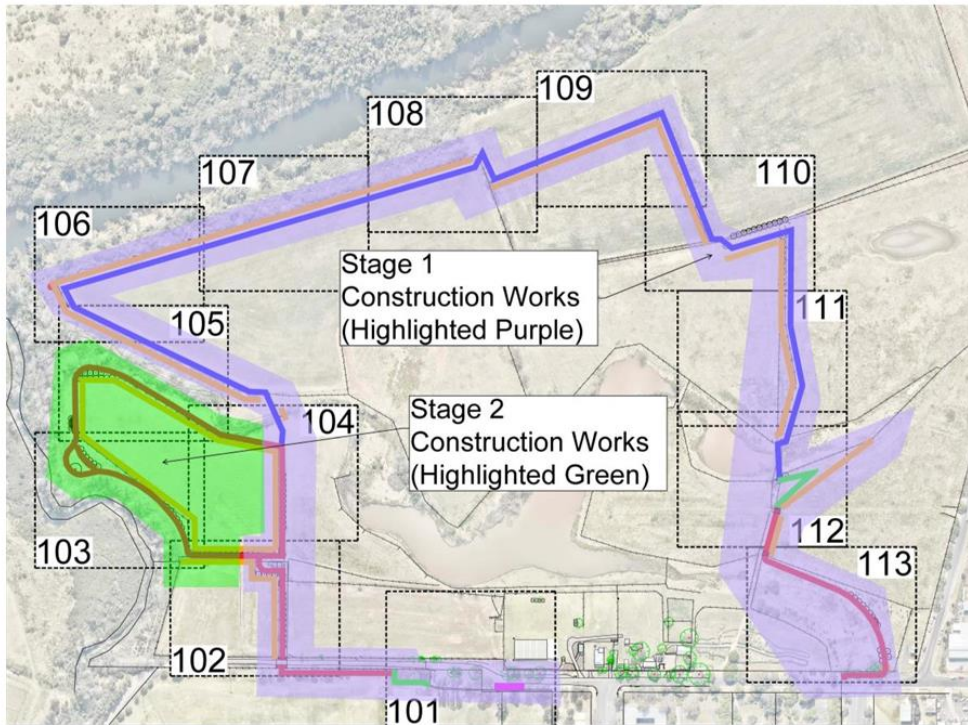


Attachment 1: The intended route for the Miss Llewella Davies Pioneers Walkway. This diagram also shows:

- Decomposed granite walkways highlighted in red;
- Concrete pathways highlighted in green;
- Grass walkways highlighted in blue;
- New fencing highlighted in orange; and
- Disabled car parking highlighted in pink



Attachment 2 – Locations of potential Aboriginal Cultural Significance where impact studies will be undertaken.



Attachment 3: Diagram showing Stage 1 and Stage 2 areas of construction.



Landscape Concept Master Plan - Ultimate Layout

Fergusons Land Premier Cricket Facility

SCALE 1:5000(K)



PROJECT DRC NO 10218-0119-00_DA-102 REV 05 DRAWN JR CHKD AL APPROVAL DATE 18.05.2018

Tract

Attachment 1



Landscape Concept Master Plan - Stage 1 Layout

Fergusons Land Premier Cricket Facility

SCALE 1:1000 (A1)

0 10 20 50

PROJECT DRG NO 0218-0119-00_LA-101 REV 05 DRAWN JR CHKD AL APPROV AL DATE 18.05.2018

Tract



Camden Council Minutes

**Business Assurance and Risk Committee
Meeting**

26 October 2018

**Executive Boardroom
Camden Council
Administration Building
70 Central Avenue
Oran Park
3.00PM**



BUSINESS ASSURANCE AND RISK COMMITTEE

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Meeting commenced at 3:00pm and at the conclusion of the meeting, the Committee met separately "in-camera" with Council's External Audit representatives from PricewaterhouseCoopers (PwC) and the Audit Office of NSW, to discuss the audit. A separate "in-camera" session with the Internal Audit Coordinator will be held at the next meeting.

Voting Members present:

John Gordon	Independent Member (Chair)
Bruce Hanrahan	Independent Member
Elizabeth Gavey	Independent Member

Attendees:

Chief Financial Officer (arrived 3:38PM)
 Internal Audit Coordinator
 General Manager (arrived 3:38PM)
 Senior Governance Officer (left at 3:38PM)
 Manager Governance & Risk

Invitees:

External Auditor – PwC (Marc Upcroft) (arrived 3:38PM)
 External Auditor – PwC (Alexio Chibika) (arrived 3:38PM)
 External Auditor – Audit Office of NSW (Caroline Karakatsanis) (arrived 3:38PM)
 Acting Director Customer and Corporate Strategy
 Director Community Assets (arrived 3:03PM)
 Acting Director Sport, Community and Recreation
 Senior Financial Accountant (arrived 3:38PM)
 Manager Corporate Performance and Customer Service (left at 3.20PM)
 Coordinator Corporate Performance (left at 3.20PM)

Apologies:

Cr Theresa Fedeli Camden Council Councillor
 Director Planning and Environment

BUS06 Presentation - Business Improvement - Customer 2.0

RECOMMENDED

That the Business Assurance and Risk Committee note the presentation provided to the Committee.

DISCUSSION

The Manager Corporate Performance and Customer Service provided a presentation on Councils' Customer Service 2.0 improvement program. The presentation included the history of Council's customer service workshops and the methodology now being used which demonstrates measurable improvements and builds capacity across the organization.

The presentation also discussed the success to date with the pilot program (cemeteries) and the workshops underway.

The Committee were impressed with the presentation and suggested an update on progress in approximately two years will be appropriate.

Ms Gavey asked if there was common themes in these reviews. The Manager Corporate Performance and Customer Service informed the Committee of the common themes.

The Director Community Assets and Acting Director Sport, Community and Recreation provided the Committee some background on Council's cemetery operations. Mr Gordon had some questions on valuation and accounting treatment that would be carried over to the financial statements agenda item.

The Committee were also informed that Council was awarded first place in the National Customer Service Excellence category at the National Local Government Customer Service Network awards. The Committee congratulated Council, the Manager Corporate Performance and Customer Service, and her team for this achievement.

DECISION

The Business Assurance and Risk Committee noted the presentation provided to the Committee.

The Manager Corporate Performance and Customer Service and the Corporate Performance Coordinator left the meeting.

BUS01 Apologies

RECOMMENDED

That leave of absence be granted to Councillor Fedeli from the Business Assurance and Risk Committee meeting.

DISCUSSION

The Committee formally noted Councillor Peter Sidreaves resignation from the Committee effective 20 September 2018 following his appointment as Mayor. The Internal Audit Coordinator outlined the process for the vacant position to be filled and the likely timeframe for that process to finalise.

The Committee thanked Councillor Sidgreaves for his service and congratulated him on his new role as Mayor.

DECISION

That leave of absence be granted to Councillor Fedeli from the Business Assurance and Risk Committee meeting.

BUS02 Declaration Of InterestRECOMMENDED

That the Business Assurance and Risk Committee declarations be noted.

DECISION

There are no Business Assurance and Risk Committee declarations to be noted

BUS03 Minutes To The 30 August 2018 Business Assurance And Risk Committee MeetingRECOMMENDED

That the Business Assurance and Risk Committee:

- i. approve the minutes to the 30 August 2018 Business Assurance and Risk Committee meeting;
- ii. note the status of actions included in the actions list.

DISCUSSION

Mr Gordon commended the minutes for the content included. The actions list was briefly discussed with the Internal Audit Coordinator advising the status on the Office of Local Government Internal Audit Discussion Paper.

DECISION

The Business Assurance and Risk Committee approve the minutes to the 30 August 2018 Business Assurance and Risk Committee meeting and note the status of actions included in the actions list.

BUS05 Gifts And Benefits Review Internal Audit ReportRECOMMENDED

That the Business Assurance and Risk Committee note the Gifts and Benefits Review Internal Audit Report.

DISCUSSION

The Internal Audit Coordinator discussed the findings from the report advising that only minor opportunities for improvement in relation to process and increasing staff awareness were identified. The Internal Audit Coordinator commended the Senior Governance Officer for her quick action in implementation.

Mr Gordon asked if we record 'near misses' and the Senior Governance Officer advised that they are now included and supplier contacted/provided Statement of Business Ethics where warranted.

DECISION

The Business Assurance and Risk Committee noted the Gifts and Benefits Review Internal Audit Report.

The Senior Governance Officer left the meeting.

BUS04 Review Of Financial Statements And External Audit Reports For The Year Ended 30 June 2018

RECOMMENDED

That the Business Assurance and Risk Committee:

- i. endorse the General Purpose Financial Statements for the year ended 30 June 2018 for submission to Council for adoption;
- ii. endorse the Special Purpose Financial Statements for the year ended 30 June 2018 for submission to Council for adoption;
- iii. endorse Special Schedules 1-8 for the year ended 30 June 2018 for submission to Council for adoption.

DISCUSSION

The Chief Financial Officer advised that the loss of two key personnel had impacted the timeliness of the completion of the financial statements. The Chief Financial Officer outlined Council's operating result and financial position and explanations for significant movements. This included increases in depreciation and disposals unique to this year. (For example roads transferred to RMS).

The Chief Financial Officer explained the key ratios for the year and how they are tracking against their benchmark.

Mr Gordon asked when Council will break even according to the Long Term Financial Plan (LTFP). The Chief Financial Officer advised it should be in approximately three years however they would be undertaking a review of depreciation over the next 12 months that may impact this. Mr Gordon suggested a presentation on the LTFP be brought to a future Committee meeting.

The Chief Financial Officer also outlined the Special Schedule Ratios. There was discussion around the unique situation for Camden with a significant percentage of new assets that should not require renewal for some time.

The Chief Financial Officer noted that he had already responded to a list of questions/suggested changes to the Statements from the Chair and would also respond to any other questions raised by BARC members.

Mr Gordon suggested a presentation on Councils Asset Management Plan be brought to a future meeting.

Mr Gordon requested the accounting treatment for the air bridge be explained. The Chief Financial Officer said it was valued based on discounted cash flows and will be amortised over its life. The external auditors advised they were satisfied with the treatment.

Mr Gordon asked about the valuation of investment properties transferred from operational buildings. It was advised that the buildings had been revalued before being transferred.

Mr Gordon also asked for the land credits contingency to be explained. The Chief Financial Officer outlined the history and advised the process currently underway to resolve.

Mr Gordon questioned the cemetery accounting treatment. The Chief Financial Officer advised the plots are recorded as operational land with the income going to a reserve to be used for maintenance.

Ms Gavey asked why credit cards in Note 11 were completely undrawn at year end. It was advised that this is the result of the payment run being conducted on the last day of the year. Ms Gavey also asked about Note 18b credit risk percentages being the same as the previous year. The Senior Financial Accountant advised that they are unlikely to be exactly the same but may round to the same percentage.

Ms Gavey also advised she had some cosmetic adjustments she would send through to Council post meeting.

Mr Upcroft addressed the Committee on the results of the external audit. Mr Upcroft advised that the Client Service Report is not yet ready to distribute but is very close to complete. Mr Upcroft advised that there are a number of financial reporting issues across the local government sector this year, however none have material significance at Camden.

Mr Upcroft praised the Executive Summary included in the financial statements advising it provides great context to the statements and is not something other Councils are doing. Mr Upcroft suggested the uniqueness of Camden's situation regarding the age of its assets and impact on depreciation may be worth explaining in the Executive Summary in future years.

Mr Upcroft advised that there will be a management letter issued this year with some 'improvement' opportunities included. He advised there are no uncorrected errors in the statements and nothing significant to report in respect of procurement and accounts payable.

Mr Chibika advised Council Management approached the external auditors early to discuss some of the more technical disclosures in the statements which was appreciated and aided the fast completion of the audit.

Ms Karakatsanis took the opportunity to thank PwC for their partnership over the past two years and advised the Audit Office is taking on 20 new Councils in-house from next year, including Camden Council.

Ms Karakatsanis outlined the Audit Office performance audit program for the next two years. It was advised that Camden is not part of the waste services performance audit but is part of the Development Application pre-lodgement and lodgement performance audit. A planning meeting has already commenced for this. The following year there will be performance audits in the local government sector on asset management, and rural water and sewerage fees and charges. The Performance Audit branch of the Audit Office is available to present to the Committee on findings from performance audits.

Ms Karakatsanis advised the report to Parliament on the Local Government sector financial audits and Information Technology controls is expected to be released in January/February 2019.

Mr Gordon asked if the Special Purpose financial statements will not be required in

future years. Ms Karakatsanis advised that nothing is confirmed on this but it is being discussed.

The Chief Financial Officer thanked PwC, the Audit Office and the Committee for their flexibility in completing the financial statements and external audit on time. He also commended the Senior Financial Accountant for the extensive time put into preparing the statements. Mr Gordon asked the Chief Financial Officer to circulate any further changes to the statements via email.

The Committee thanked the external auditors and the finance team for their efforts in the success of the year end Financial Statement process.

DECISION

That the Business Assurance and Risk Committee, subject to minor amendments being circulated post meeting:

- i. endorse the General Purpose Financial Statements for the year ended 30 June 2018 for submission to Council for adoption;
- ii. endorse the Special Purpose Financial Statements for the year ended 30 June 2018 for submission to Council for adoption;
- iii. endorse Special Schedules 1-7 for the year ended 30 June 2018 for submission to Council for adoption.

BUS07 General Business

RECOMMENDED

That the Business Assurance and Risk Committee note any General Business items discussed.

DISCUSSION

The Internal Audit Coordinator mentioned that the December 2018 meeting looks like it is going to be a significant agenda. To ensure adequate time is available to discuss the agenda, the Internal Audit Coordinator will circulate to the Committee a proposed agenda list and selection of items to be deferred to a later meeting.

DECISION

The Business Assurance and Risk Committee note General Business items discussed.

Next Meeting:

The next meeting of the Business Assurance and Risk Committee is scheduled for 13 December 2018 at Oran Park Executive Board Room, commencing at 5.30pm.

The meeting closed at 4.26pm followed by the 'in-camera' session with the external auditors that was completed by 4.43pm.