

# General Purpose & Special Purpose **Financial Statements**

for the Year Ended 30 June 2021





# Camden Council

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

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## Executive Summary – 2020/21 Annual Financial Statements

Camden continues to be one of the fastest growing areas in New South Wales with more than 120 new residents per week. This growth places substantial pressure on Council's finances and resources. The cost of planning for growth is an upfront cost that is required before additional rate income is realised through growth.

The magnitude of infrastructure that Council is constructing or dedicated by developers is significant and is resulting in substantial increases in depreciation expense which is significantly impacting Council's Operating Performance Ratio.

The financial year was also impacted by COVID-19 with the closure of facilities and additional cost to implement prudent risk measures to protect staff and our community. 2020/21 also saw Council endorse its Community Support Packages to assist its community through the COVID-19 pandemic. Further information on these initiatives is provided below.

There was one new accounting standard that became applicable for this reporting period, AASB 1059 Service Concession Arrangements. Council does not currently have any service arrangements where the contractor has control over a Council owned asset.

### Financial Performance

The following table highlights the financial performance comparison between 2020/21 and 2019/20:

Income Statement	2020/21 \$'000	2019/20 \$'000
Total Income from Continuing Operations	\$310,977	\$263,322
Total Expenses from Continuing Operations	\$134,635	\$125,557
Surplus Operating Result from Continuing Operations	\$176,342	\$137,765
Grants and Contributions provided for Capital Purposes	\$202,356	\$153,981
Net Operating Result before Grants and Contributions provided for Capital Purposes	(\$26,014)	(\$16,216)

### 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 Australian Accounting Standards and Interpretations and is required to be reported on an accruals basis, it considers non-cash transactions and the timing of the receipt or payment of money. Council's budget is done on a cash basis.

The reported surplus of \$176.3 million (after capital items) does not mean Council has additional funds of \$176.3 million to spend. Alternatively, the fact that Council's Income Statement has a reported deficit of \$26.0 million (before capital items) does not mean Council's budget is overspent or Council's liquidity position is poor.

Council continues to balance its cash budget annually and its liquidity position is strong as demonstrated by the financial indicators in Note G6-1 to the Financial Statements.

### Operating Result (after capital items)

The 2020/21 Operating Result after accounting for capital income is a surplus of \$176.3 million (\$137.8 million 2019/20). This surplus is primarily due to non-cash contributions made by developers for infrastructure such as roads, drainage, and open space. The value of the non-cash dedications for 2020/21 was \$135.2 million (\$126.7 million 2019/20). Accounting standards require the dedication of assets (non-cash) 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 \$26.0 million. This result excludes capital income of \$202.4 million. The movement from last year's result (\$16.2 million) is primarily due to an increase in Depreciation expense of \$3.9 million, an increase in Materials and Services of \$2.4 million and a one-off decrease in Annual Charges income of \$4 million as part of Council's COVID-19 Community Support Package.

From a recurrent operations perspective, the increasing depreciation expense is a significant issue for Council. The impact of depreciation expense is significant due to a unique environment of substantial growth, Council's current economies of scale and the method used to calculate depreciation expense. Council is currently constructing or receiving dedicated assets that provide for a population in the future. The straight-line method of calculating depreciation expense does not consider growth or the current population, meaning the expense is representative of a higher capacity to pay or greater economies of scale. There is also a timing issue to consider, Council must provide for infrastructure now, this cannot be done after the population arrives. There is a delicate balance between what the current population is responsible for and those who are

not yet part of our community. It is not as simple as increasing revenue tomorrow to off-set the expense.

Council's response to addressing these issues is a long-term position of maintaining strong liquidity, utilising long-term debt and prudent asset management planning that monitors and addresses the condition of community assets as required.

Council's Long-Term Financial Plan (LTFP) considers future income received through this unprecedented level of growth, the rate peg or indicative Special Rate Variations (SRV) where endorsed by Council as part of adopting the LTFP. Special Rate Variations are only considered following consultation with the community. There are currently no SRV's proposed in the LTFP. Council will reconsider this position once the recurrent impact of the State Governments new growth factor to be included in the rate peg is better understood and the Infrastructure Contributions Policy reform is finalised.

Other movements include an increase in Rates Income of \$3.3 million (growth and allowable rate peg), a net decrease in Annual Charges of \$3.1 million (primarily a result of a \$100 rebate (\$4 million) as part of Council's Community Support Package) and \$1.4 million increase in User Fees and Charges (growth). Interest on Investments decreased by \$1.1 million primarily due to declining interest rates. Other Revenue decreased by \$4 million primarily due to a one-off reimbursement of legal costs which inflated the value in 2019/20. The value of Other Revenue in 2020/21 has now normalised at \$1.3 million. Other Income increased by \$2.1 million primarily due to an increment in Investment Properties following annual valuation.

Council allowed for an additional 13 new positions to meet the demand for essential services and there was a mandatory award increase of 1.5% resulting in an increase in employee costs of \$3.0 million. Materials and Services increased by \$2.4 million (growth). Depreciation expense increased by \$3.9 million due to growth in Council's asset base.

Council continues to monitor its operating result and whilst Council's liquidity and debt 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 in the long-term through increased income associated with growth and prudent long-term financial management of expenditure budgets that consider future maintenance and the asset renewal requirements of the Council.

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 cash budget and does not spend beyond its means.

#### ✓ **Loans**

Council still has a good capacity to borrow for capital projects (one-off) upon the appropriate financial assessment being completed. Council also considers low-interest loan

programs offered by the State Government. These programs will save Council \$1.06 million in loan interest repayments.

#### ✓ **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. Council has a dedicated asset management section which continues to monitor Council's asset maintenance and renewal programs now and into the future. Council's Infrastructure Backlog Ratio is 0.76% and remains better than the industry benchmark of not more than 2%.

#### ✓ **Cash Position, Reserves, and Investing in the Future**

Council has established reserves for capital improvement, asset replacement and technology improvements. Council's Unrestricted Current Ratio is 2.86x and is better than the industry benchmark of more than 1.50x. Council's Cash Expense Cover Ratio is 23.1 months and is well above the industry benchmark of more than 3 months.

#### ✓ **Community Infrastructure Renewal Programs**

Council endorsed a \$5.1 million Community Infrastructure Renewal Program as part of its 2019/20 budget to continue a program of renewing assets. This is a 4-year program and is expected to be completed in 2022/23.

#### ✓ **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 Local Infrastructure Renewal Schemes.

#### ✓ **Organisational Improvement Plan**

Council remains committed to continuously improving its financial and non-financial performance and continuing its path to excellence and best practice. Council's five-year Organisational Strategic Plan, which commenced in July 2019, provides the roadmap to deliver measurable improvement across six key result areas: Good Governance, Financially Successful, Effective Leadership, Engaged People, Improved Processes, Knowledge and Systems, and Customer Focused.

Six transformational projects were delivered under the program in the 2020/21 financial year, with another eight currently in progress and five on track for completion in FY21/22.

## **Statement of Financial Position**

The net value of assets owned by our community is \$2.2 billion (\$2 billion in 2019/20). 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. Council also comprehensively revalued Other Structures/Open Space (decrement \$12.0 million), Land Improvements (increment \$7.4 million), Community Land (decrement \$22.1 million), Land Under Roads (increment \$2.6 million), and applied fair value indexation of \$19.7 million (increment) to those asset classes not due for a comprehensive revaluation. The net decrease in the asset base through revaluation was \$4.4 million.

Council's loan debt is \$35.6 million with an increase of \$10.9 million from 2019/20; primarily a result of a new loan for \$12.3 million to fund the re-development of the Council Works Depot at Narellan (\$8.8 million) and Roads Renewal Program (\$3.5 million) and principal and interest repayments during 2020/21.

The Debt Service Cover Ratio reduced from 2.46% to 2.31% primarily due to the \$4 million reduction in Annual Charges, the ratio remains above the benchmark of 2%.

## **Prior Year Adjustments and third Balance sheet**

In 2020/21 a comprehensive revaluation of Other Structures/Open Space, Land Improvements, Land Under Roads and Community Land was undertaken which included an inventory review. The inventory review identified newly discovered assets that should have been accounted for in previous accounting periods for Other Structures/Open Space (\$7 million) and a net increase in Community Land of \$23.5 million.

As part of the annual assessment of Land Under Roads it was identified that land under roads belonging to the NSW State Government had been historically held in Council's assets register, to correct this an adjustment of \$9.2 million is required to remove those land under roads from the register.

As part of Council's Asset Improvement Program Sportsgrounds are now componentised into formation (not depreciated) and surface (depreciated), historically this asset type was consolidated and not depreciated. The review also identified that the unit rate used to value Sportsgrounds was incorrect and a prior year adjustment of \$23.9 million is required.

In 2019/20 Council recognised a section of Footpath that was constructed but not yet in the care and control of Council therefore an adjustment of \$0.6 million is required to account for this in the correct financial year.

Council also undertook a historical review of equity and the split between accumulated surplus and the revaluation reserves. This resulted in a movement of \$9.4 million from the revaluation reserve to accumulated surplus. This movement has no impact on the Balance Sheet other than disclosing where the balances are held within equity.

The result of the adjustments is a net decrease of \$3.1 million to the opening equity balance as at 1 July 2019.

Additional information can be found in Note G4-2 to the General-Purpose Financial Statements.

Council continues to improve its asset management systems; each asset class is being comprehensively reviewed, identified, mapped, condition assessed and valued which will take time to complete. It is expected that historical discrepancies will be found and corrected throughout this process. Council has also moved to a rolling 3-year cycle for the identification, condition assessment and valuation of assets classes (excludes assets that are valued annually) to better manage and monitor the entire asset base.

## **COVID-19 Community Support Packages**

During 2020/21 Council endorsed Stages 1, 2 and 3 of its COVID-19 Community Support Package, with Stages 1 and 2 focusing on immediate financial relief and Stage 3 a comprehensive recovery package, with the total investment over four and a half years being \$130.6 million. The total package (3 stages) is estimated to raise Camden's economic output by up to \$222 million (independent report), which is a measure of the value of all sales of goods and services. Additionally, 507 full time equivalent (FTE) jobs will be supported and contribute between \$87.4 million and \$102.7 million to Camden's Gross Regional Product (GRP). Additional information on what initiatives are included in the packages can be found on Council's website.

As part of the 2020/21 COVID-19 initiatives Council provided a \$100 rebate to each property owner. This initiative resulted in a one-off \$4 million decrease in Annual Charges income. While there is no mechanism in the Local Government Act to reduce Rates, Council can set its own Domestic Waste Charge based on cost recovery. A review of the long-term financial position of Domestic Waste reserves identified that Council could either reduce the Domestic Waste Charge over time or provide a one-off reduction with the shortfall in income funded from the already established Waste Reserves. In the current climate of uncertainty around COVID-19 and how it was impacting the community the \$100 reduction was applied for 2020/21. Annual Charges income levels will return to normal in 2021/22.

## **COVID-19 Financial Impact 2020/21**

Council's financial performance to the 30 June 2021 has not been materially impacted by COVID-19. Council continues to monitor its cash flow/budget closely and financial health indicators. Council does not have Leisure Centres/ Pools resourced by Council staff or Childcare Centres. While there has been some impact to Leisure Centre/Pool budgets it has been prudently managed by Council and its operator to reduce expenditure when the centres have been closed.

There has been an increase in the rates outstanding ratio from 4.94% to 6.34% (benchmark less than 5%) primarily due to Council's COVID-19 initiative of not taking legal action against property owners for outstanding rate accounts over the past 12 months. It should be noted that Council has a standing policy of not taking legal action against pensioners. The increase in the ratio has not had a material impact on Council's cash flow or ability to meet its financial commitments.

There is a small increase in Council's leave liability for annual leave which is representative of both growth in staff and staff not taking leave. Council monitors leave balances

to ensure no more than 40 days annual leave is held per employee.

To 30 June 2021 Council has spent approximately \$1.2 million on additional cleaning of public facilities/offices and operational costs associated with a second works depot to ensure strategically Council could provide essential services should one depot be closed due to COVID-19. Council has also invested in technology to ensure a seamless service experience for the customer while staff are working from home during lockdown.

### **Financial Health Indicators**

Additional financial health indicators for the 2020/21 financial year can be found in Note G6-1 and Special Schedule – Report on Infrastructure Assets. This section of the financial statements provides a detailed explanation of each indicator and any unique considerations which need to be considered when assessing Council's financial performance.

**Chief Financial Officer**  
**25 October 2021**

# Camden Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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# Camden Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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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 B1-2.

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



# Camden Council

## General Purpose Financial Statements

for the year ended 30 June 2021

### Understanding Council's Financial Statements

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#### Introduction

Each year individual local governments are required to present 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 2021.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

##### 2. The Statement of Comprehensive Income

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

##### 3. The Statement of Financial Position

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

##### 4. The Statement of Changes in Equity

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

# Camden Council

## General Purpose Financial Statements

for the year ended 30 June 2021

### Statement by Councillors and Management

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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 professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

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

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

Signed in accordance with a resolution of Council made on 12/10/2021



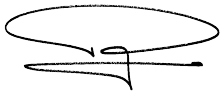
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Therese Fedeli  
Mayor  
12/10/2021



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Rob Mills  
Deputy Mayor  
12/10/2021



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Ron Moore  
General Manager  
12/10/2021



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Paul Rofe  
Responsible Accounting Officer  
12/10/2021

# Camden Council

## Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021 \$ '000		Notes	Actual 2021 \$ '000	Actual 2020 \$ '000
	<b>Income from continuing operations</b>			
75,275	Rates and annual charges	B2-1	74,816	74,558
18,865	User charges and fees	B2-2	16,532	15,113
1,364	Other revenue	B2-3	1,317	5,301
8,585	Grants and contributions provided for operating purposes	B2-4	9,198	8,557
148,887	Grants and contributions provided for capital purposes	B2-4	202,356	153,981
2,300	Interest and investment income	B2-5	2,027	3,132
2,098	Other income	B2-6	4,731	2,680
257,374	<b>Total income from continuing operations</b>		<b>310,977</b>	263,322
	<b>Expenses from continuing operations</b>			
51,612	Employee benefits and on-costs	B3-1	54,920	51,882
41,867	Materials and services	B3-2	42,108	39,733
1,105	Borrowing costs	B3-3	1,180	1,397
23,000	Depreciation, amortisation and impairment for non-financial assets	B3-4	33,082	29,201
1,182	Other expenses	B3-5	1,621	1,903
–	Net losses from the disposal of assets	B4-1	1,724	1,441
118,766	<b>Total expenses from continuing operations</b>		<b>134,635</b>	125,557
138,608	<b>Operating result from continuing operations</b>		<b>176,342</b>	137,765
138,608	<b>Net operating result for the year attributable to Council</b>		<b>176,342</b>	137,765
(10,279)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(26,014)</b>	(16,216)

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

## Camden Council

### Statement of Comprehensive Income

for the year ended 30 June 2021

	Notes	Actual 2021 \$ '000	Actual 2020 \$ '000
<b>Net operating result for the year – from Income Statement</b>		<b>176,342</b>	<b>137,765</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>(4,386)</u>	<u>206,749</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>(4,386)</b>	<b>206,749</b>
<b>Total other comprehensive income for the year</b>		<b>(4,386)</b>	<b>206,749</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b><u>171,956</u></b>	<b><u>344,514</u></b>

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



## Camden Council

## Statement of Financial Position

as at 30 June 2021

	Notes	Actual 2021 \$ '000	Restated Actual 2020 \$ '000	Restated Actual 1 July 2019 \$ '000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	C1-1	15,767	12,135	8,607
Investments	C1-2	165,008	112,508	96,856
Receivables	C1-4	13,693	9,526	7,104
Inventories	C1-5	490	427	351
Other	C1-9	1,126	102	283
<b>Total current assets</b>		<b>196,084</b>	<b>134,698</b>	<b>113,201</b>
<b>Non-current assets</b>				
Investments	C1-2	29,301	29,700	32,700
Receivables	C1-4	3,878	3,327	3,297
Infrastructure, property, plant and equipment	C1-6	2,019,277	1,883,637	1,555,080
Investment property	C1-7	34,480	31,890	31,095
Intangible Assets	C1-8	815	1,015	999
Right of use assets	C2-1	1,848	2,111	–
Investments accounted for using the equity method	D1-1	–	91	128
<b>Total non-current assets</b>		<b>2,089,599</b>	<b>1,951,771</b>	<b>1,623,299</b>
<b>Total assets</b>		<b>2,285,683</b>	<b>2,086,469</b>	<b>1,736,500</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	C3-1	27,930	24,209	19,304
Contract liabilities	C3-2	12,244	4,660	620
Lease liabilities	C2-1	1,310	1,354	–
Borrowings	C3-3	2,346	1,372	3,721
Employee benefit provisions	C3-4	15,193	14,624	13,000
<b>Total current liabilities</b>		<b>59,023</b>	<b>46,219</b>	<b>36,645</b>
<b>Non-current liabilities</b>				
Payables	C3-1	15,243	10,564	11,283
Lease liabilities	C2-1	615	808	–
Borrowings	C3-3	33,270	23,316	24,528
Employee benefit provisions	C3-4	312	298	275
<b>Total non-current liabilities</b>		<b>49,440</b>	<b>34,986</b>	<b>36,086</b>
<b>Total liabilities</b>		<b>108,463</b>	<b>81,205</b>	<b>72,731</b>
<b>Net assets</b>		<b>2,177,220</b>	<b>2,005,264</b>	<b>1,663,769</b>
<b>EQUITY</b>				
Accumulated surplus		1,492,872	1,316,530	1,181,728
IPPE revaluation reserve	C4-1	684,348	688,734	482,041
<b>Council equity interest</b>		<b>2,177,220</b>	<b>2,005,264</b>	<b>1,663,769</b>
<b>Total equity</b>		<b>2,177,220</b>	<b>2,005,264</b>	<b>1,663,769</b>

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

## Camden Council

## Statement of Changes in Equity

for the year ended 30 June 2021

	Notes	as at 30/06/21				as at 30/06/20			
		Accumulated surplus	IPPE revaluation reserve	Other reserves	Total equity	Accumulated surplus	IPPE revaluation reserve	Other reserves	Total equity
		\$ '000	\$ '000	\$ '000	\$ '000	Restated \$ '000	Restated \$ '000	\$ '000	Restated \$ '000
Opening balance at 1 July		1,310,226	698,164	–	2,008,390	1,175,424	491,415	56	1,666,895
Correction of prior period errors	G4-2	6,304	(9,430)	–	(3,126)	6,304	(9,430)	–	(3,126)
Changes due to AASB 1058 and AASB 15 adoption		–	–	–	–	(3,030)	–	–	(3,030)
Changes due to AASB 16 adoption		–	–	–	–	11	–	–	11
<b>Restated opening balance</b>		<b>1,316,530</b>	<b>688,734</b>	<b>–</b>	<b>2,005,264</b>	<b>1,178,709</b>	<b>481,985</b>	<b>56</b>	<b>1,660,750</b>
Net operating result for the year		176,342	–	–	176,342	137,765	–	–	137,765
<b>Net operating result for the period</b>		<b>176,342</b>	<b>–</b>	<b>–</b>	<b>176,342</b>	<b>137,765</b>	<b>–</b>	<b>–</b>	<b>137,765</b>
<b>Other comprehensive income</b>									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	(4,386)	–	(4,386)	–	206,749	–	206,749
<b>Other comprehensive income</b>		<b>–</b>	<b>(4,386)</b>	<b>–</b>	<b>(4,386)</b>	<b>–</b>	<b>206,749</b>	<b>–</b>	<b>206,749</b>
<b>Total comprehensive income</b>		<b>176,342</b>	<b>(4,386)</b>	<b>–</b>	<b>171,956</b>	<b>137,765</b>	<b>206,749</b>	<b>–</b>	<b>344,514</b>
Transfers between equity items		–	–	–	–	56	–	(56)	–
<b>Closing balance at 30 June</b>		<b>1,492,872</b>	<b>684,348</b>	<b>–</b>	<b>2,177,220</b>	<b>1,316,530</b>	<b>688,734</b>	<b>–</b>	<b>2,005,264</b>

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

## Camden Council

## Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021 \$ '000		Notes	Actual 2021 \$ '000	Actual 2020 \$ '000
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
75,275	Rates and annual charges		74,279	74,416
20,963	User charges and fees		17,712	14,967
2,300	Investment and interest revenue received		2,265	3,705
46,697	Grants and contributions		83,089	38,223
–	Bonds, deposits and retention amounts received		5,354	5,813
4,731	Other		7,295	10,182
<i>Payments:</i>				
(51,612)	Employee benefits and on-costs		(55,146)	(49,235)
(45,434)	Materials and services		(44,292)	(48,371)
(1,105)	Borrowing costs		(1,159)	(1,399)
–	Bonds, deposits and retention amounts refunded		(3,697)	(2,026)
(1,217)	Other		(1,638)	(870)
50,598	<b>Net cash flows from operating activities</b>	G1-1a	<b>84,062</b>	45,405
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of investment securities		138,500	167,786
430	Sale of infrastructure, property, plant and equipment		442	1,161
<i>Payments:</i>				
–	Purchase of investment securities		(190,500)	(179,708)
(77,396)	Purchase of infrastructure, property, plant and equipment		(37,874)	(25,778)
–	Purchase of intangible assets		(145)	(304)
(76,966)	<b>Net cash flows from investing activities</b>		<b>(89,577)</b>	(36,843)
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
5,600	Proceeds from borrowings		12,300	–
<i>Payments:</i>				
(1,372)	Repayment of borrowings		(1,372)	(3,561)
–	Principal component of lease payments		(1,781)	(1,473)
4,228	<b>Net cash flows from financing activities</b>		<b>9,147</b>	(5,034)
(22,140)	<b>Net change in cash and cash equivalents</b>		<b>3,632</b>	3,528
29,647	Cash and cash equivalents at beginning of year		12,135	8,607
7,507	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>15,767</b>	12,135
76,318	plus: Investments on hand at end of year	C1-2	194,309	142,208
83,825	<b>Total cash, cash equivalents and investments</b>		<b>210,076</b>	154,343

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

# Camden Council

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# Camden Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 12/10/2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the Office of Local Government directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

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 and are clearly marked:

- Income statement
- Statement of cash flows
- Note B5-1 Material budget variations

#### Historical cost convention

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

#### Significant accounting estimates and judgements

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note C1-7
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6 and Note E2-1
- (iii) employee benefit provisions – refer Note C3-4

#### Significant judgements in applying the Council's accounting policies

(i) Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4

(ii) Council has made a significant judgement about the determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 Revenue from Contracts with Customers and / or AASB 1058 Income of Not-for-Profit Entities – refer to Notes B2-2 – B2-4.

(iii) Council has made a significant judgement about the determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

## A1-1 Basis of preparation (continued)

### (iv) Camden Region Economic Taskforce

On 23/06/2021 the Camden Region Economic Taskforce (CRET) was liquidated as a result of going into voluntary receivership. Due to Council being the only member of the Company, assets in the amount of \$51,933.40 were made available as a members distribution to Council as part of the wind up.

Under the constitution it is a requirement that any surplus assets must be paid or distributed to an organisation which has objectives or purposes similar to those of the Company. The funds have been restricted for this purpose and are held in an internal cash reserve disclosed at C1-3.

### Monies and other assets received by Council

#### The Consolidated Fund

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

The Consolidated Fund has been included in the financial statements of the Council.

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

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

Financial Information from Camden International Friendship Association and Camden Seniors Programs Committee, was not received by the time the Financial Statements were prepared, and therefore these committees have not been included as part of the Consolidated Fund for FY 2020/2021. Both of these Committees are deemed immaterial in nature.

#### The Trust Fund

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

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

Council does not hold any monies or property that are not under control of the Council.

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Council dependence on Volunteer workers is not significant and these services have not been recognised in the financial statements.

Volunteers are engaged in Council's services and programs who undertake such activities of their own free will and without monetary reward. The activities undertaken are of benefit to Camden Council and the local community and complement, but do not replace the services and programs provided by paid staff.

Volunteers will work no more than 18 hours each week except for one off event based activities.

Although volunteer opportunities are open to people of all ages, there are different insurance provisions, based on age, as well as other additional checks that may be required as a volunteer.

All children under 18 years of age must have parental care permission to participate in the activity. All activities must be low risk and be included in the volunteers management system or be insured through the participating organisation.

## A1-1 Basis of preparation (continued)

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Council has categorised their volunteers into 5 groups:

1. Regular Volunteers
2. Casual Volunteers
3. Social Volunteers
4. 355 Committee Volunteers
5. Advisory Committee Volunteers

### **New accounting standards and interpretations issued not yet effective**

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

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

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

### **New accounting standards adopted during the year**

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

AASB1059 Service concession arrangements has not affected Council for 2020-21 as Council does not contract out any service arrangements where the contractor has control over those assets.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed in Note G4-1.



## B Financial Performance

### B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	Restated \$ '000
<b>Functions or activities</b>										
Managing Camden's Growth	100,097	75,261	14,193	11,836	85,904	63,425	35,527	52,029	121,999	111,650
Urban and Natural Environments	15,960	19,114	20,821	18,036	(4,861)	1,078	319	290	1,876	2,384
Prosperous Economy	354	798	4,412	5,153	(4,058)	(4,355)	284	324	34,512	32,067
Sustainable Transport	140,419	87,855	31,588	25,391	108,831	62,464	138,185	87,748	1,506,434	1,436,415
Enriched and Connected Community	13,099	11,485	23,730	27,191	(10,631)	(15,706)	3,663	2,586	56,467	49,123
Strong Local Leadership (Governance)	41,048	68,809	39,891	37,950	1,157	30,859	33,576	19,561	564,395	454,830
<b>Total functions and activities</b>	<b>310,977</b>	<b>263,322</b>	<b>134,635</b>	<b>125,557</b>	<b>176,342</b>	<b>137,765</b>	<b>211,554</b>	<b>162,538</b>	<b>2,285,683</b>	<b>2,086,469</b>

## B1-2 Components of functions or activities

---

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

### 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.**

Resources 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.**

Resources 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.**

Resources 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.**

Resources 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.**

Resources 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.**

Resources 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.

## B2 Sources of income

### B2-1 Rates and annual charges

	Timing	2021 Actual \$ '000	2020 Actual \$ '000
<b>Ordinary rates</b>			
Residential	1058 (1)	51,575	49,608
Farmland	1058 (1)	688	598
Business	1058 (1)	9,547	8,278
Less: pensioner rebates (mandatory)	1058 (1)	(624)	(627)
<b>Rates levied to ratepayers</b>		<b>61,186</b>	<b>57,857</b>
Pensioner rate subsidies received	1058 (1)	335	345
<b>Total ordinary rates</b>		<b>61,521</b>	<b>58,202</b>
<b>Annual charges</b>			
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>			
Domestic waste management services <sup>1</sup>	1058 (1)	12,407	15,539
Section 611 charges	1058 (1)	69	68
Less: pensioner rebates (mandatory)	1058 (1)	(269)	(260)
Stormwater management levy	1058 (1)	926	863
<b>Annual charges levied</b>		<b>13,133</b>	<b>16,210</b>
Pensioner subsidies received:			
– Domestic waste management	1058 (1)	162	146
<b>Total annual charges</b>		<b>13,295</b>	<b>16,356</b>
<b>Total rates and annual charges</b>		<b>74,816</b>	<b>74,558</b>

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

- 15(1) income recognised under AASB15 “at a point in time”
- 15(2) income recognised under AASB15 “over time”
- 1058 (1) income recognised under AASB1058 “at a point in time”
- 1058 (2) income recognised under AASB1058 “over time”

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

#### Accounting policy

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

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

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

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

(1) Decrease in income is associated with Council's one off \$100 rates and charges rebate, which was part of Council's COVID-19 community support package in 2020/2021.

## B2-2 User charges and fees

	Timing	2021 Actual \$ '000	2020 Actual \$ '000
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services (additional services)	15 (1)	29	25
On site sewerage inspection	15 (1)	34	31
Commercial waste management	15 (1)	734	750
On site sewerage annual charges	15 (1)	189	190
<b>Total specific user charges</b>		<b>986</b>	<b>996</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Building services – other	15 (1)	3,500	3,075
Private works – section 67	15 (1)	1,705	518
Section 10.7 certificates (EP&A Act)	15 (1)	486	384
Section 603 certificates	15 (1)	327	252
Town planning	15 (1)	2,851	2,634
Other	15 (1)	–	14
<b>Total fees and charges – statutory/regulatory</b>		<b>8,869</b>	<b>6,877</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Cemeteries	15 (1)	482	420
Child care	15 (1)	440	395
Recycling income (non-domestic)	15 (1)	–	314
Parks and leisure centres	15 (2)	4,836	4,935
Public halls	15 (1)	546	821
Other	1058 (1)	373	355
<b>Total fees and charges – other</b>		<b>6,677</b>	<b>7,240</b>
<b>Total user charges and fees</b>		<b>16,532</b>	<b>15,113</b>
<b>Timing of revenue recognition for user charges and fees</b>			
15(1) income recognised under AASB15 “at a point in time”		11,323	9,823
15(2) income recognised under AASB15 “over time”		4,836	4,935
1058 (1) income recognised under AASB1058 “at a point in time”		373	355
<b>Total user charges and fees</b>		<b>16,532</b>	<b>15,113</b>

### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

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

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

## B2-3 Other revenue

	Timing	2021 Actual \$ '000	2020 Actual \$ '000
Fines	1058 (1)	135	124
Fines – parking	1058 (1)	40	95
Legal fees recovery – rates and charges (extra charges)	1058 (1)	–	85
Legal fees recovery – other <sup>1</sup>	1058 (1)	102	3,833
Commissions and agency fees	15 (1)	111	99
Diesel rebate	15 (1)	61	81
Insurance claims recoveries	1058 (1)	–	7
Sales – general	15 (1)	28	156
Employee relations	1058 (1)	125	143
Rental income – council properties	15 (1)	57	166
Risk mgmt. performance incentive rebates	1058 (1)	130	235
Other	1058 (1)	412	136
Contributions to long service leave – other councils	15 (1)	116	141
<b>Total other revenue</b>		<b>1,317</b>	<b>5,301</b>

### Timing of revenue recognition for other revenue

15(1) income recognised under AASB15 “at a point in time”	373	643
15(2) income recognised under AASB15 “over time”	–	–
1058 (1) income recognised under AASB1058 “at a point in time”	944	4,658
<b>Total other revenue</b>	<b>1,317</b>	<b>5,301</b>

### Accounting policy for other revenue

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

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

(1) in 2019/2020, Council received reimbursement for a long standing court case associated with Camden War Memorial Pool. This was a one off payment.

## B2-4 Grants and contributions

		<b>Operating 2021 Actual \$ '000</b>	Operating 2020 Actual \$ '000	<b>Capital 2021 Actual \$ '000</b>	Capital 2020 Actual \$ '000
	Timing				
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1058 (1)	<b>1,166</b>	1,189	–	–
Financial assistance – local roads component	1058 (1)	<b>768</b>	772	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1058 (1)	<b>1,242</b>	1,259	–	–
Financial assistance – local roads component	1058 (1)	<b>831</b>	820	–	–
<b>Amount recognised as income during current year</b>					
		<b>4,007</b>	4,040	–	–
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Better waste and recycling fund	1058 (1)	<b>120</b>	116	–	–
Bushfire and emergency services	1058 (1)	<b>172</b>	172	–	–
Child care (family day care)	1058 (1)	<b>138</b>	150	–	–
Community care	15 (2)	<b>4</b>	–	–	–
Community centres	1058 (2)	–	–	<b>157</b>	–
Community services	15 (2)	<b>151</b>	115	–	–
Economic development	15 (1)	<b>2</b>	–	–	512
Floodplain management	15 (2)	<b>33</b>	89	–	–
Library – per capita	1058 (1)	<b>259</b>	232	–	–
Local Infrastructure Renewal Scheme subsidy	1058 (1)	<b>63</b>	75	–	–
Noxious weeds	15 (2)	<b>75</b>	38	–	–
Library – special projects	1058 (1)	–	58	<b>66</b>	38
NSW rural fire services	1058 (2)	–	–	<b>42</b>	–
Planning Studies	15 (2)	<b>970</b>	1,009	–	–
Recreation and culture	1058 (2)	<b>60</b>	17	<b>15,553</b>	2,019
Street lighting	1058 (1)	<b>134</b>	134	–	–
Transport (other roads and bridges funding)	1058 (2)	<b>398</b>	163	<b>2,508</b>	1,510
Transport (roads to recovery)	1058 (1)	<b>848</b>	875	–	–
Other specific grants	1058 (1)	<b>44</b>	50	–	14
<b>Previously contributions:</b>					
Other councils – joint works/services	1058 (1)	<b>30</b>	73	–	–
Paving	1058 (1)	<b>15</b>	4	–	–
Recreation and culture	1058 (1)	–	–	–	127
Roads and bridges	1058 (1)	–	–	–	2
Transport for NSW contributions (regional roads, block grant)	1058 (1)	<b>316</b>	316	–	–
Other contributions	1058 (1)	<b>382</b>	11	–	16
<b>Total special purpose grants and non-developer contributions – cash</b>					
		<b>4,214</b>	3,697	<b>18,326</b>	4,238



**B2-4 Grants and contributions (continued)**

	Timing	<b>Operating 2021 Actual \$ '000</b>	Operating 2020 Actual \$ '000	<b>Capital 2021 Actual \$ '000</b>	Capital 2020 Actual \$ '000
<b>Non-cash contributions</b>					
Bushfire services	1058 (1)	–	–	<b>240</b>	–
Dedicated land under roads	1058 (1)	–	–	<b>4,190</b>	2,670
Dedicated subdivision roads	1058 (1)	–	–	–	25,169
Dedicated drainage	1058 (1)	–	–	<b>15,804</b>	56,679
Dedicated open space assets	1058 (1)	–	–	<b>2,623</b>	46
Dedicated Roads	1058 (1)	–	–	<b>34,131</b>	–
Dedications - RMS	1058 (1)	–	–	<b>11,432</b>	–
Other	1058 (1)	–	14	<b>1,344</b>	–
<b>Total other contributions – non-cash</b>		<b>–</b>	<b>14</b>	<b>69,764</b>	<b>84,564</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>4,214</b>	<b>3,711</b>	<b>88,090</b>	<b>88,802</b>
<b>Total grants and non-developer contributions</b>		<b>8,221</b>	<b>7,751</b>	<b>88,090</b>	<b>88,802</b>
<b>Comprising:</b>					
– Commonwealth funding		<b>5,017</b>	4,813	<b>15,481</b>	1,878
– State funding		<b>2,777</b>	2,520	<b>14,277</b>	2,215
– Other funding		<b>427</b>	418	<b>58,332</b>	84,709
		<b>8,221</b>	<b>7,751</b>	<b>88,090</b>	<b>88,802</b>

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

- 15(1) income recognised under AASB15 “at a point in time”
- 15(2) income recognised under AASB15 “over time”
- 1058 (1) income recognised under AASB1058 “at a point in time”
- 1058 (2) income recognised under AASB1058 “over time”

## B2-4 Grants and contributions (continued)

### Developer contributions

	Notes	Timing	Operating 2021 Actual \$ '000	Operating 2020 Actual \$ '000	Capital 2021 Actual \$ '000	Capital 2020 Actual \$ '000
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act):</b>	G5					
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		1058 (1)	5	7	–	–
Other section 7.11 developer contributions		1058 (1)	949	790	–	–
Open space		1058 (1)	–	–	23,955	9,332
Traffic facilities		1058 (1)	12	9	351	213
Drainage		1058 (1)	–	–	7,530	4,726
Roadworks		1058 (1)	–	–	6,152	3,714
Community facilities		1058 (1)	–	–	9,013	5,067
Local Infrastructure Growth Scheme		1058 (1)	11	–	1,781	–
<b>Total developer contributions – cash</b>			<b>977</b>	<b>806</b>	<b>48,782</b>	<b>23,052</b>
<b>Non-cash contributions</b>						
VPA – dedicated drainage		1058 (1)	–	–	28,131	–
VPA – dedicated open space		1058 (1)	–	–	–	39,395
VPA – dedicated roads		1058 (1)	–	–	19,084	–
VPA – dedicated land		1058 (1)	–	–	4,480	–
VPA - dedicated buildings		1058 (1)	–	–	4,163	–
VPA - Open Space		1058 (1)	–	–	7,949	–
WIKA - Roadworks		1058 (1)	–	–	78	2,732
WIKA - Drainage		1058 (1)	–	–	1,360	–
WIKA - Land		1058 (1)	–	–	239	–
<b>Total developer contributions non-cash</b>			<b>–</b>	<b>–</b>	<b>65,484</b>	<b>42,127</b>
<b>Total developer contributions</b>			<b>977</b>	<b>806</b>	<b>114,266</b>	<b>65,179</b>
<b>Total contributions</b>			<b>977</b>	<b>806</b>	<b>114,266</b>	<b>65,179</b>
<b>Total grants and contributions</b>			<b>9,198</b>	<b>8,557</b>	<b>202,356</b>	<b>153,981</b>
<b>Timing of revenue recognition for grants and contributions</b>						
15(1) income recognised under AASB15 “at a point in time”			2	–	–	512
15(2) income recognised under AASB15 “over time”			1,233	1,251	–	–
1058 (1) income recognised under AASB1058 “at a point in time”			7,505	7,126	184,096	149,940
1058 (2) income recognised under AASB1058 “over time”			458	180	18,260	3,529
<b>Total grants and contributions</b>			<b>9,198</b>	<b>8,557</b>	<b>202,356</b>	<b>153,981</b>

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

15(1) income recognised under AASB15 “at a point in time”  
 15(2) income recognised under AASB15 “over time”  
 1058 (1) income recognised under AASB1058 “at a point in time”  
 1058 (2) income recognised under AASB1058 “over time”

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

	<b>Operating 2021 Actual \$ '000</b>	Operating 2020 Actual \$ '000	<b>Capital 2021 Actual \$ '000</b>	Capital 2020 Actual \$ '000
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	751	2,398	3,754	2,736
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	-	-
<b>Add:</b> Funds received and not recognised as revenue in the current year	866	711	8,788	2,921
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	-	(2,103)	-	-
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(731)	(255)	(1,497)	(1,903)
<b>Unspent funds at 30 June</b>	<b>886</b>	<b>751</b>	<b>11,045</b>	<b>3,754</b>

### Unexpended and held as externally restricted assets (operating grants)

\$866K of operating grants were not expended as of 30 June 2021 being mainly the Leppington Town Centre grant received at the end of the FY 2020/21 plus some smaller operating grants for example Building Camden's Canopy grant and the Elderslie Banksia Scrub Restoration grant. \$731K was spent in 2020/21 being mainly the LEP and Leppington Town Centre grants received in FY 2019/20.

### Unexpended and held as externally restricted assets (capital grants)

\$8,788K of capital grants were not expended as of 30 June 2021, these include the Raby Rd Varroville Upgrade grant, Housing Acceleration Funding for Road Upgrade Design works in Leppington, Narellan Sports Hub Stage 2 from City Deal grant, the Design Springfield Road, Catherine Field and Dickson Road, Leppington Road grants received in FY 2020/21. \$1,497K was spent during 2020/21 being mainly the completion of the Synthetic Field Conversion project and work completed on the Raby Rd Varroville Upgrade.

### Developer contributions

Unspent funds at 1 July	-	-	99,632	86,093
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	48,035	16,527
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	(14,226)	(2,988)
<b>Unspent contributions at 30 June</b>	<b>-</b>	<b>-</b>	<b>133,441</b>	<b>99,632</b>

### Unexpended and held as externally restricted assets (developer contributions)

This section includes the section 7.11 funds received towards the provision, extension or augmentation of local infrastructure only where development is likely to require the provision of or increase the demand for local infrastructure in new release areas; and the recoupment of the cost of providing existing local infrastructure. Refer to note G5 Developer Contributions for more details.

## B2-4 Grants and contributions (continued)

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### Accounting policy

#### Grant income under AASB 15

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

The performance obligations are varied based on the agreement but include the provision of concept design, strategic business case, detailed design and final business case and delivery of events. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Grant income Under AASB 1058

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

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

#### Capital grants

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

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

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

#### Contributions

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

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

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

## B2-5 Interest and investment income

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates) <sup>1</sup>	–	219
– Restricted funds	<b>1,507</b>	2,200
– General funds	<b>510</b>	696
Dividend income relating to investments held at fair value through other comprehensive income	–	17
<b>Fair value adjustments</b>		
– Movements in investments at fair value through profit and loss (CivicRisk)	<b>10</b>	–
<b>Total interest and investment income (losses)</b>	<b>2,027</b>	<b>3,132</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	–	219
General Council cash and investments	<b>520</b>	713
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	<b>939</b>	1,348
– Other Developer Contributions	<b>425</b>	545
Domestic waste management operations	<b>143</b>	307
<b>Total interest and investment income</b>	<b>2,027</b>	<b>3,132</b>

### Accounting policy

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

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

(1) As part of Council's response to COVID-19, no interest on overdue charges were applied to outstanding rates accounts.

**B2-6 Other income**

	Notes	<b>2021 Actual \$ '000</b>	2020 Actual \$ '000
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		<u>2,590</u>	795
<b>Total fair value increment on investment properties</b>	C1-7	<u><b>2,590</b></u>	<u>795</u>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		<u>1,019</u>	853
<b>Total Investment properties</b>		<u><b>1,019</b></u>	<u>853</u>
<b>Other lease income</b>			
Leaseback fees - council vehicles		<u>1,122</u>	1,032
<b>Total Other lease income</b>		<u><b>1,122</b></u>	<u>1,032</u>
<b>Total rental income</b>	C2-2	<u><b>2,141</b></u>	<u>1,885</u>
<b>Total other income</b>		<u><b>4,731</b></u>	<u>2,680</u>



## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

	2021 Actual \$ '000	2020 Actual \$ '000
Salaries and wages	42,714	40,477
Travel expenses	2,411	2,648
Employee leave entitlements (ELE)	5,107	5,192
Superannuation	4,504	4,010
Workers' compensation insurance	1,299	799
Fringe benefit tax (FBT)	366	278
Training costs (other than salaries and wages)	443	383
Protective clothing	53	24
Other	114	115
<b>Total employee costs</b>	<b>57,011</b>	<b>53,926</b>
Less: capitalised costs	(2,091)	(2,044)
<b>Total employee costs expensed</b>	<b>54,920</b>	<b>51,882</b>

#### Accounting policy

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

#### *Retirement benefit obligations*

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

#### *Superannuation plans*

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

## B3-2 Materials and services

	Notes	2021 Actual \$ '000	2020 Actual \$ '000
Advertising		108	152
Advertising – recruitment related		46	23
Agency agreements		711	527
Audit Fees	F2-1	192	181
Bank charges		169	161
Building maintenance		1,496	1,231
Community support programs		612	289
Companion animal control		56	84
Contractor and consultancy costs		700	488
Councillor and Mayoral fees and associated expenses	F1-2	257	257
Development operating expenses		–	93
Emergency services		30	18
Electricity and heating		691	684
Information technology		2,169	2,626
Infrastructure maintenance and repairs		2,684	2,095
Insurance		948	840
Leisure centre and pools		5,293	4,615
Noxious weeds control		90	69
Other expenses		926	549
Parks and garden maintenance		3,825	2,578
Postage		256	305
Printing and stationery		394	280
Rates collection charges		6	38
Raw materials and consumables		7,129	9,436
Sec 7.11 administration – operating expenses		33	418
Street lighting		2,404	2,244
Subscriptions and publications		316	208
Telephone and communications		879	500
Tourism expenses (excluding employee costs)		2	11
Town Planning		643	627
Valuation fees		255	209
Waste management		8,283	6,422
Water charges		280	323
<b>Legal expenses:</b>			
– Legal expenses: planning and development		415	275
– Legal expenses: debt recovery		–	103
– Legal expenses: other		276	1,165
<b>Total materials and services</b>		<b>42,574</b>	<b>40,124</b>
Less: capitalised costs		(466)	(391)
<b>Total materials and services</b>		<b>42,108</b>	<b>39,733</b>

### Accounting policy

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

**B3-3 Borrowing costs**

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000
<b>(i) Interest bearing liability costs</b>		
Interest on leases	54	60
Interest on loans	1,126	1,337
<b>Total interest bearing liability costs expensed</b>	<b>1,180</b>	<b>1,397</b>
<b>Total borrowing costs expensed</b>	<b>1,180</b>	<b>1,397</b>

**Accounting policy**

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

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

	Notes	2021 \$ '000	2020 \$ '000
<b>Depreciation and amortisation</b>			
Plant and equipment		1,263	1,034
Office equipment		310	309
Furniture and fittings		377	402
Land improvements (depreciable)		1,301	769
<b>Infrastructure:</b>			
	C1-6		
– Buildings and other structures		6,914	6,158
– Roads		10,908	11,461
– Bridges		718	700
– Footpaths		3,884	1,772
– Stormwater drainage		3,740	3,098
– Other open space/recreational assets		794	863
<b>Other assets:</b>			
– Library books		228	293
– Other		493	519
Intangible assets	C1-8	345	288
Right of use assets	C2-1	1,807	1,535
<b>Total depreciation and amortisation costs</b>		<b>33,082</b>	<b>29,201</b>
<b>Total depreciation and amortisation costs</b>		<b>33,082</b>	<b>29,201</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>33,082</b>	<b>29,201</b>

### 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 C1-6 for IPPE assets and Note C1-8 for intangible assets and Note C2-1 for Right of Use Assets.

### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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

## B3-5 Other expenses

	Notes	2021 Actual \$ '000	2020 Actual \$ '000
<b>Impairment of receivables</b>			
Other		19	83
<b>Total impairment of receivables</b>	C1-4	<b>19</b>	<b>83</b>
<b>Net share of interests in joint ventures and associates using the equity method</b>			
Joint ventures Civic Risk West and Civic Risk Mutual <sup>1</sup>		–	37
<b>Total net share of interests in joint ventures and associates using the equity method</b>	D1-1	<b>–</b>	<b>37</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Department of planning levy		44	44
– Emergency services levy (includes FRNSW, SES, and RFS levies)		829	760
Donations, contributions and assistance to other organisations (Section 356)		725	979
Write-down of inventories held for sale or distribution		4	–
<b>Total other</b>		<b>1,602</b>	<b>1,783</b>
<b>Total other expenses</b>		<b>1,621</b>	<b>1,903</b>

### Accounting policy

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

Impairment expenses are recognised when identified.

(1) Up until 1 July 2020, Council was a member of CivicRisk West and CivicRisk Mutual which were joint ventures operating to provide members protection which includes mutual self-insurance, group insurance arrangements and risk management support for Public Liability, Professional Indemnity, Property, Motor Vehicle and other general lines of cover (excluding workers compensation). On 1 July 2020 The members decided to novate assets, liabilities and members equity of the joint ventures into CivicRisk Mutual Ltd for compliance and efficiency reasons. The members designed the Constitution and Membership Rules of CRM Ltd which ensures members are provided with a right to the surplus or deficit in protection years in which they were members. Members will also still be able to report their share of these funds years in their financial statements subject to a fair valuation methodology being applied. In the years prior to 1 July 2020, Council's interest in the CivicRisk joint ventures was accounted for using the equity method and reported at Note D1. From 1 July 2020, Council's interest in CivicRisk Mutual Ltd is now shown at Note C1-2 and reported under AASB9. The valuation of CRM Ltd investment was undertaken by David Minty FIAA from Finity Consulting.

## B4 Gains or losses

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

	Notes	2021 Actual \$ '000	2020 Actual \$ '000
<b>Gain (or loss) on disposal of property (excl. investment property)</b>	C1-6		
Proceeds from disposal – property		193	456
Less: carrying amount of property assets sold/written off		(214)	(67)
<b>Gain (or loss) on disposal</b>		<b>(21)</b>	<b>389</b>
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		249	705
Less: carrying amount of plant and equipment assets sold/written off		(92)	(474)
<b>Gain (or loss) on disposal</b>		<b>157</b>	<b>231</b>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets written off		(1,860)	(2,791)
<b>Gain (or loss) on disposal</b>		<b>(1,860)</b>	<b>(2,791)</b>
<b>Gain (or loss) on disposal of investments</b>	C1-2		
Proceeds from disposal/redemptions/maturities – investments		138,500	167,786
Less: carrying amount of investments sold/redeemed/matured		(138,500)	(167,056)
<b>Gain (or loss) on disposal</b>		<b>–</b>	<b>730</b>
<b>Net gain (or loss) on disposal of assets</b>		<b>(1,724)</b>	<b>(1,441)</b>

#### Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.



## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 23/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include the COVID-19 pandemic, state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	75,275	74,816	(459)	(1)%	<b>U</b>
<b>User charges and fees</b>	18,865	16,532	(2,333)	(12)%	<b>U</b>
The unfavourable result is due to a decrease in revenue for DA fees of approximately \$1.4m and lower than expected income from Council's Aquatic facilities due to the closure during COVID-19 of \$1.3m.					
<b>Other revenues</b>	1,364	1,317	(47)	(3)%	<b>U</b>
<b>Operating grants and contributions</b>	8,585	9,198	613	7%	<b>F</b>
<b>Capital grants and contributions</b>	148,887	202,356	53,469	36%	<b>F</b>
The favourable result is mainly due to an increase in the level of Section 7.11 cash contributions and VPA dedications received during 2020/21.					
<b>Interest and investment revenue</b>	2,300	2,027	(273)	(12)%	<b>U</b>
The unfavourable result is due to a lower than anticipated interest returns on Council's investments during 2020/21.					
<b>Other income</b>	2,098	4,731	2,633	126%	<b>F</b>
The favourable result is due to a movement in fair value for Council's investment properties of \$2.6m. This movement was not included in Council's annual estimate as it is a non-cash entry.					
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	51,612	54,920	(3,308)	(6)%	<b>U</b>
<b>Materials and services</b>	41,867	42,108	(241)	(1)%	<b>U</b>
<b>Borrowing costs</b>	1,105	1,180	(75)	(7)%	<b>U</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	23,000	33,082	(10,082)	(44)%	<b>U</b>
This is the direct result of Council constructing and receiving dedicated assets with the effect of increased depreciation once commissioned.					
<b>Other expenses</b>	1,182	1,621	(439)	(37)%	<b>U</b>
Council provided small business support packages and community response grants to support the community during COVID-19.					
<b>Net losses from disposal of assets</b>	-	1,724	(1,724)	∞	<b>U</b>
Loss on disposal of infrastructure assets were not included in the original budget estimates as they are non-cash items.					

**B5-1 Material budget variations (continued)**

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
<b>STATEMENT OF CASH FLOWS</b>				
<b>Cash flows from operating activities</b>	<b>50,598</b>	<b>84,062</b>	<b>33,464</b>	<b>66% F</b>
Variance relates to GST received of \$6.39m, the payment of Bond Deposits and Retentions of \$1.7m and a \$25.8m increase in S7.11 receipts that were not known at the time of preparing the budget.				
<b>Cash flows from investing activities</b>	<b>(76,966)</b>	<b>(89,577)</b>	<b>(12,611)</b>	<b>16% U</b>
The unfavourable result is due to the reduction of Purchase of Infrastructure, Property Plant and Equipment that is funded from operational activities of (\$40m) related to uncompleted works, and the growth in investment portfolio of \$52m.				
<b>Cash flows from financing activities</b>	<b>4,228</b>	<b>9,147</b>	<b>4,919</b>	<b>116% F</b>
This variance mainly relates to loan funds for Council's Depot Redevelopment, which was \$6.7m, and principal payments for leases of \$1.78m.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	7,767	5,635
Cash-equivalent assets		
Deposits at call	5,000	6,500
Term Deposit <90 Days	3,000	–
<b>Total cash and cash equivalents</b>	<b>15,767</b>	<b>12,135</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	15,767	12,135
<b>Balance as per the Statement of Cash Flows</b>	<b>15,767</b>	<b>12,135</b>

#### Accounting policy

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

## C1-2 Financial investments

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Financial assets at fair value through the profit and loss</b>				
Civic Risk	–	101	–	–
<b>Total</b>	<b>–</b>	<b>101</b>	<b>–</b>	<b>–</b>
<b>Debt securities at amortised cost</b>				
Term deposits	165,008	29,200	112,508	29,700
<b>Total</b>	<b>165,008</b>	<b>29,200</b>	<b>112,508</b>	<b>29,700</b>
<b>Total financial investments</b>	<b>165,008</b>	<b>29,301</b>	<b>112,508</b>	<b>29,700</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>180,775</b>	<b>29,301</b>	<b>124,643</b>	<b>29,700</b>

### Accounting policy

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

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

### Financial assets

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

### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

### Financial assets through profit or loss

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

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

## C1-2 Financial investments (continued)

### Interest in insurance mutuals

Council is member of CivicRisk Mutual Ltd (CRM Ltd) which is a company limited by guarantee owned and operated by its member Councils in NSW. CRM Ltd provides members protection which includes mutual self-insurance, group insurance arrangements and risk management support for general insurance lines of cover (excluding workers compensation). The member designed Constitution and Membership Rules ensures members are provided with a right to the surplus or deficit in protection years in which they were members.

Up until 1 July 2020, Council was a member of CivicRisk West and CivicRisk Mutual which were joint ventures operating for the same purpose as CRM Ltd since the late 1980's (Refer Note D1). The members decided to novate assets, liabilities and members equity of the joint ventures into CRM Ltd for compliance and efficiency reasons.

The interest in CRM Ltd is accounted for as a financial asset in accordance with AASB 9 and held at fair value. Council's interest in its share of the surplus is calculated by CRM Ltd's Actuary, and changes in fair value recognized, as an increase or decrease through its income statement at each reporting period. Fair value is calculated using the income approach whereby expected future cash flows are discounted to present value. Expected cash flows include investment income.

	<b>2020/2021</b>
	<b>\$'000</b>
<b>Reconciliation</b>	
Opening Balance (face value)	91
Write down to fair value 1 July 2020	(17)
Fair Value at 1 July 2020	<b>74</b>
Fair Value of CRM Ltd operations in 2020/21	27
<b>Fair Value at end of year</b>	<b>101</b>

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

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
Total cash, cash equivalents and investments	<b>180,775</b>	<b>29,301</b>	124,643	29,700
<b>attributable to:</b>				
External restrictions	120,187	29,301	84,669	29,700
Internal restrictions	58,261	–	36,900	–
Unrestricted	2,327	–	3,074	–
	<b>180,775</b>	<b>29,301</b>	124,643	29,700

	2021 Actual \$ '000	2020 Actual \$ '000
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### Details of restrictions

#### External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	9,095	4,505
<b>External restrictions – included in liabilities</b>	<b>9,095</b>	<b>4,505</b>

#### External restrictions – other

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

Developer contributions – general	130,324	96,620
Domestic waste management	9,713	13,012
Stormwater management levy	214	213
Other	142	19
<b>External restrictions – other</b>	<b>140,393</b>	<b>109,864</b>
<b>Total external restrictions</b>	<b>149,488</b>	<b>114,369</b>



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

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000
<b>Internal restrictions</b>		
Plant and vehicle replacement	1,588	796
Employees leave entitlement	3,319	2,763
Deposits, retentions and bonds	19,385	17,613
Revote/carry forward reserve	4,062	2,060
Asset renewal reserve	632	594
Camden parking reserve	121	121
Capital works reserve	1,475	1,470
Cemetery improvements	1,530	1,084
Camden Regional Economic Taskforce	52	176
Commercial waste services	1,089	726
Information technology reserve	325	–
Elections reserve	468	345
Engineering services deposits	218	202
Family day care trust	235	116
Technology improvement reserve	718	682
Public appeals reserve	14	14
Risk management reserve	282	315
Sec 355 committee reserve	742	742
Stormwater management (general fund)	387	243
Water savings action plan reserve	137	123
Working funds reserve	2,433	395
Other	306	615
Unexpended grants reserve	5,251	3,704
Unexpended loans reserve	13,492	2,001
<b>Total internal restrictions</b>	<b>58,261</b>	<b>36,900</b>
<b>Total restrictions</b>	<b>207,749</b>	<b>151,269</b>

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

## C1-4 Receivables

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Purpose</b>				
Rates and annual charges	3,805	1,012	3,216	429
Interest and extra charges	–	174	89	143
User charges and fees	84	–	280	–
Restoration and private works	23	–	167	–
Accrued revenues				
– Interest on investments	591	–	781	–
– Other income accruals	222	–	109	–
- Grant income accruals	1,418	–	–	–
Net investment in finance lease	–	–	–	–
Employee accounts	10	–	14	–
Government grants and subsidies	1,579	–	196	–
Health and environment inspections	30	–	29	–
Leisure centre contracts	1,221	–	232	–
Net GST receivable	1,010	–	874	–
Section 7.11 contributions	3,117	–	3,012	–
Air Bridge Lease Receivable	63	2,692	64	2,755
Other debtors	635	–	572	–
<b>Total</b>	<b>13,808</b>	<b>3,878</b>	<b>9,635</b>	<b>3,327</b>
<b>Less: provision of impairment</b>				
Other debtors	(115)	–	(109)	–
<b>Total provision for impairment – receivables</b>	<b>(115)</b>	<b>–</b>	<b>(109)</b>	<b>–</b>
<b>Total net receivables</b>	<b>13,693</b>	<b>3,878</b>	<b>9,526</b>	<b>3,327</b>
<b>Externally restricted receivables</b>				
Domestic waste management	860	214	690	91
Stormwater management	41	7	32	2
Other				
Section 7.11 contributions	3,117	–	3,012	–
Government Grants	2,836	–	196	–
<b>Total external restrictions</b>	<b>6,854</b>	<b>221</b>	<b>3,930</b>	<b>93</b>
<b>Internally restricted receivables</b>				
Commercial Waste Reserve	12	–	17	–
Capital Works Reserve	–	–	1,655	–
Revote Reserve	3,805	–	3,305	–
<b>Internally restricted receivables</b>	<b>3,817</b>	<b>–</b>	<b>4,977</b>	<b>–</b>
<b>Unrestricted receivables</b>	<b>3,022</b>	<b>3,657</b>	<b>619</b>	<b>3,234</b>
<b>Total net receivables</b>	<b>13,693</b>	<b>3,878</b>	<b>9,526</b>	<b>3,327</b>

## C1-4 Receivables (continued)

	<b>2021</b> <b>Actual</b> <b>\$ '000</b>	2020 Actual \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	<b>109</b>	1,274
+ new provisions recognised during the year	<b>19</b>	83
– amounts already provided for and written off this year	<b>(13)</b>	–
– amounts provided for but recovered during the year	<b>–</b>	(1,248)
<b>Balance at the end of the year</b>	<b>115</b>	<b>109</b>

### Accounting policy

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

### Impairment

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

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

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

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

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

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

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

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

Council has taken into consideration the possible impacts on COVID-19 on the potential for defaults in paying trade debts when they become due and as such have provided for an increase in the provision based on 10% of outstanding balances as at 30/06/2021

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>(i) Inventories at cost</b>				
Stores and materials	449	–	386	–
Trading stock	29	–	29	–
Stores and materials – domestic waste	12	–	12	–
<b>Total inventories at cost</b>	<b>490</b>	<b>–</b>	<b>427</b>	<b>–</b>
<b>Total inventories</b>	<b>490</b>	<b>–</b>	<b>427</b>	<b>–</b>

### Externally restricted assets

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Domestic waste management</b>				
Stores and materials	12	–	12	–
<b>Total domestic waste management</b>	<b>12</b>	<b>–</b>	<b>12</b>	<b>–</b>
<b>Total externally restricted assets</b>	<b>12</b>	<b>–</b>	<b>12</b>	<b>–</b>
<b>Total unrestricted assets</b>	<b>478</b>	<b>–</b>	<b>415</b>	<b>–</b>
<b>Total inventories</b>	<b>490</b>	<b>–</b>	<b>427</b>	<b>–</b>

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

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

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation-decrements to equity (ARR)	Revaluation-increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
	Restated \$ '000	Restated \$ '000	Restated \$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Capital work in progress	10,330	–	10,330	624	41,314	–	–	(2,655)	(180)	–	–	49,433	–	49,433
Plant and equipment	21,445	(10,048)	11,397	–	1,359	(92)	(1,263)	–	324	–	–	22,754	(11,030)	11,724
Office equipment	5,668	(4,755)	913	–	5	–	(310)	–	(74)	–	–	5,673	(5,140)	533
Furniture and fittings	4,230	(2,518)	1,712	–	29	–	(377)	–	(4)	–	–	4,259	(2,899)	1,360
<b>Land:</b>														
– Land	277,396	–	277,396	–	6,121	(214)	–	–	–	(22,120)	9,016	270,199	–	270,199
– Land under roads	158,499	–	158,499	143	4,680	–	–	–	–	–	2,623	165,945	–	165,945
Land improvements – non-depreciable	4,436	–	4,436	22	743	–	–	–	–	–	222	5,423	–	5,423
Land improvements – depreciable	25,224	(13,095)	12,129	–	380	–	(1,301)	650	–	–	7,207	26,417	(7,353)	19,064
<b>Infrastructure:</b>														
– Buildings and other structures	246,717	(71,659)	175,058	1,600	14,559	(375)	(6,914)	784	–	(11,854)	4,550	257,475	(80,067)	177,408
– Roads	760,908	(178,609)	582,299	2,613	39,818	(508)	(10,908)	692	–	–	2,898	806,954	(190,052)	616,902
– Bridges	57,616	(16,319)	41,297	249	6,889	(96)	(718)	9	–	–	206	64,927	(17,090)	47,837
– Footpaths	165,246	(35,221)	130,025	707	10,610	(117)	(3,884)	–	–	–	641	177,134	(39,151)	137,983
– Bulk earthworks (non-depreciable)	51,471	–	51,471	48	6,704	(67)	–	–	–	–	261	58,417	–	58,417
– Stormwater drainage	465,446	(51,204)	414,242	110	31,386	(697)	(3,740)	–	–	–	2,084	498,568	(55,183)	443,385
– Other open space/recreational assets	13,030	(3,851)	9,179	29	1,824	–	(794)	520	–	(120)	–	14,168	(3,530)	10,638
<b>Other assets:</b>														
– Library books	4,400	(3,125)	1,275	–	227	–	(228)	–	150	–	–	4,703	(3,279)	1,424
– Other	7,473	(5,494)	1,979	–	510	–	(493)	–	(395)	–	–	7,581	(5,979)	1,602
<b>Total infrastructure, property, plant and equipment</b>	<b>2,279,535</b>	<b>(395,898)</b>	<b>1,883,637</b>	<b>6,145</b>	<b>167,158</b>	<b>(2,166)</b>	<b>(30,930)</b>	<b>–</b>	<b>(179)</b>	<b>(34,094)</b>	<b>29,708</b>	<b>2,440,030</b>	<b>(420,753)</b>	<b>2,019,277</b>

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

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

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period								At 30 June 2020		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation-decrements to equity (ARR)	Revaluation-increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
	Restated \$ '000	Restated \$ '000	Restated \$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	Restated \$ '000	Restated \$ '000	Restated \$ '000
Capital work in progress	9,947	–	9,947	1,883	4,921	–	–	(5,745)	(676)	–	–	10,330	–	10,330
Plant and equipment	20,048	(10,566)	9,482	–	3,669	(474)	(1,034)	(246)	–	–	–	21,445	(10,048)	11,397
Office equipment	5,328	(4,350)	978	–	–	–	(309)	246	(2)	–	–	5,668	(4,755)	913
Furniture and fittings	4,199	(2,137)	2,062	–	–	–	(402)	–	52	–	–	4,230	(2,518)	1,712
<b>Land:</b>														
– Land	274,010	–	274,010	–	3,453	(67)	–	–	–	–	–	277,396	–	277,396
– Land under roads	121,786	–	121,786	–	2,817	–	–	–	–	–	33,895	158,499	–	158,499
Land improvements – non-depreciable	751	–	751	–	3,090	–	–	–	595	–	–	4,436	–	4,436
Land improvements – depreciable	23,163	(12,360)	10,803	–	2,239	(5)	(769)	–	(139)	–	–	25,224	(13,095)	12,129
<b>Infrastructure:</b>														
– Buildings and other structures	214,968	(64,418)	150,550	1,397	28,791	(1,389)	(6,158)	1,034	832	–	1	246,717	(71,659)	175,058
– Roads	663,921	(142,416)	521,505	2,350	21,898	(950)	(11,461)	1,277	(484)	–	48,163	760,908	(178,609)	582,299
– Bridges	50,059	(14,535)	35,524	41	2,742	(110)	(700)	42	–	–	3,758	57,616	(16,319)	41,297
– Footpaths	75,217	(14,224)	60,993	2,698	2,583	(215)	(1,772)	2,366	(33)	–	63,405	165,246	(35,221)	130,025
– Bulk earthworks (non-depreciable)	62,665	–	62,665	–	3,600	–	–	–	–	(14,794)	–	51,471	–	51,471
– Stormwater drainage	322,372	(39,352)	283,020	33	61,951	–	(3,098)	15	–	–	72,321	465,446	(51,204)	414,242
– Other open space/recreational assets	11,099	(3,491)	7,608	123	1,515	(121)	(863)	1,011	(93)	–	–	13,030	(3,851)	9,179
<b>Other assets:</b>														
– Library books	4,905	(3,080)	1,825	–	250	–	(293)	–	(507)	–	–	4,400	(3,125)	1,275
– Other	6,744	(5,173)	1,571	–	472	(114)	(519)	–	570	–	–	7,473	(5,494)	1,979
<b>Total infrastructure, property, plant and equipment</b>	<b>1,871,182</b>	<b>(316,102)</b>	<b>1,555,080</b>	<b>8,525</b>	<b>143,991</b>	<b>(3,445)</b>	<b>(27,378)</b>	<b>–</b>	<b>115</b>	<b>(14,794)</b>	<b>221,543</b>	<b>2,279,535</b>	<b>(395,898)</b>	<b>1,883,637</b>

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

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

### Accounting policy

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

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

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	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		
Vehicles	10 to 15	<b>Buildings</b>	
Heavy plant/road making equipment	10 to 15	Structure	45 to 150
Other plant and equipment	10 to 15	Internal Finishes	25
		Lift & escalators	25
		Fire services	40
		<b>Stormwater assets</b>	
		Drains	70 to 150
		Culverts	80 to 100
		Flood control structures	50 to 150
<b>Library Books</b>	10		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20 to 50	Bulk earthworks	Infinite
Sealed roads: structure	40 to 100	Depreciable land Improvements	10 to 50
Unsealed roads: structure	40 to 100	Other open space/recreational assets	15 to 30
Bridges	30 to 100	Other infrastructure	5 to 100
Kerb, gutter and footpaths	10 to 80		

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

### Land under roads

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

Council has elected to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

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

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

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### **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 firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.



## Externally restricted infrastructure, property, plant and equipment

	as at 30/06/21			as at 30/06/20		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount Restated	Accumulated depn. and impairment	Net carrying amount Restated
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
<b>Domestic waste management</b>						
Plant and equipment	11,155	5,192	5,963	10,701	4,456	6,245
Land						
– Operational land	1,987	–	1,987	1,865	–	1,865
Buildings	1,269	798	471	1,216	729	487
<b>Total domestic waste management</b>	<b>14,411</b>	<b>5,990</b>	<b>8,421</b>	<b>13,782</b>	<b>5,185</b>	<b>8,597</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>14,411</b>	<b>5,990</b>	<b>8,421</b>	<b>13,782</b>	<b>5,185</b>	<b>8,597</b>

## C1-7 Investment properties

	2021 \$ '000	2020 \$ '000
<b>Owned investment property</b>		
Investment property on hand at fair value	34,480	31,890
<b>Total owned investment property</b>	<b>34,480</b>	<b>31,890</b>

### Owned investment property

#### At fair value

Opening balance at 1 July	31,890	31,095
Net gain/(loss) from fair value adjustments	2,590	795
<b>Closing balance at 30 June</b>	<b>34,480</b>	<b>31,890</b>

#### Accounting policy

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.

#### Valuation Basis

The basis of valuation of investment properties 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 2021 revaluations were based on independent assessments made by Civiciand Property Consultants and Valuers Pty Ltd - ACN 630 673 853 in June 2021.

## C1-8 Intangible assets

Intangible assets are as follows:

	2021 Actual \$ '000	2020 Actual \$ '000
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	2,147	1,843
Accumulated amortisation	(1,132)	(844)
<b>Net book value – opening balance</b>	<b>1,015</b>	<b>999</b>
<b>Movements for the year</b>		
Purchases	145	304
Amortisation charges	(345)	(288)
<b>Closing values at 30 June</b>		
Gross book value	2,291	2,147
Accumulated amortisation	(1,476)	(1,132)
<b>Total software – net book value</b>	<b>815</b>	<b>1,015</b>
<b>Total intangible assets – net book value</b>	<b>815</b>	<b>1,015</b>

### Accounting policy

#### IT development and software

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

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

## C1-9 Other

### Other assets

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
Prepayments	567	-	87	-
Information technology holding account	24	-	15	-
Refundable Bonds	535	-	-	-
<b>Total other assets</b>	<b>1,126</b>	<b>-</b>	<b>102</b>	<b>-</b>

### Current other assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
Total externally restricted assets	-	-	-	-
Total internally restricted assets	-	-	-	-
Total unrestricted assets	1,126	-	102	-
<b>Total other assets</b>	<b>1,126</b>	<b>-</b>	<b>102</b>	<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Vehicles

Council leases vehicles and equipment with lease terms varying from 1 to 4 years; the lease payments are fixed during the lease term and there is generally no renewal option exercised.

Each car has a separate lease and can vary in terms based on estimated distance travelled each year.

Some running costs are part of the costs charged from the leasing company but are treated as a separate cost to leasing and are expensed as materials in the year incurred.

#### Office and IT equipment

Leases for office and IT equipment are generally items such as photocopiers. The leases are for approximately 5 years with no renewal option, the payments are fixed, however some of the leases include payments based on usage, which are included as expenses in Materials and Services Note B3-2.

#### Extension options

Council's lease for vehicles have an extension option but normally do not exercise this provision, however there have been times where this option has been taken up due to hail damage.

There has been no inclusion for extension options for the future other than known extensions which have been included in the current lease liability.

#### (a) Right of use assets

	Plant & Equipment Actual \$ '000	Office Equipment Actual \$ '000	Total Actual \$ '000
<b>2021</b>			
Opening balance at 1 July	1,721	390	2,111
Additions to right-of-use assets	1,365	179	1,544
Depreciation of right-of-use assets	(1,614)	(193)	(1,807)
<b>Balance at 30 June</b>	<b>1,472</b>	<b>376</b>	<b>1,848</b>
<b>2020</b>			
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	1,654	654	2,308
Additions to right-of-use assets	1,338	–	1,338
Depreciation of right-of-use assets	(1,271)	(264)	(1,535)
<b>Balance at 30 June</b>	<b>1,721</b>	<b>390</b>	<b>2,111</b>

#### (b) Lease liabilities

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
Lease liabilities	1,310	615	1,354	808
<b>Total lease liabilities</b>	<b>1,310</b>	<b>615</b>	<b>1,354</b>	<b>808</b>

## C2-1 Council as a lessee (continued)

### (c) (i) The maturity analysis

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

	< 1 year Actual \$ '000	1 – 5 years Actual \$ '000	> 5 years Actual \$ '000	Total Actual \$ '000	Total per Statement of Financial Position Actual \$ '000
<b>2021</b>					
Cash flows	1,310	615	–	1,925	1,925
<b>2020</b>					
Cash flows	1,354	808	–	2,162	2,162

### (ii) Lease liabilities relating to restricted assets

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Total lease liabilities relating to unrestricted assets</b>	1,310	615	1,354	808
<b>Total lease liabilities</b>	<b>1,310</b>	<b>615</b>	<b>1,354</b>	<b>808</b>

### (d) Income Statement

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

	2021 Actual \$ '000	2020 Actual \$ '000
Interest on lease liabilities	54	60
Depreciation of right of use assets	1,807	1,535
Expenses relating to short-term leases	39	474
Lease Modifications (ordinary leases)	(10)	–
	<b>1,890</b>	<b>2,069</b>

### (e) Statement of Cash Flows

Interest Payments	57	73
Short term lease	39	474
Lease Payments	1,781	1,473
<b>Total Cash outflow for Leases</b>	<b>1,877</b>	<b>2,020</b>

## C2-1 Council as a lessee (continued)

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

Council has a number of leases at significantly below market for office equipment which are used for general office operations.

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

#### Accounting policy

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

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

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

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

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

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

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

#### Exceptions to lease accounting

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

#### Leases at significantly below market value / Concessionary leases

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties. These leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer Note C1-7) and property, plant and equipment (refer to Note C1-6) in the Statement of Financial Position.

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

	2021 Actual \$ '000	2020 Actual \$ '000
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#### (i) Assets held as investment property

Council has 7 Investment Properties in which 5 were leased during the 2020/2021 Financial Year.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	1,019	853
<b>Total income relating to operating leases for investment property assets</b>	<b>1,019</b>	<b>853</b>

#### Operating lease expenses

Direct operating expenses that generated rental income	96	60
Direct operating expenses that did not generate rental income	–	12
<b>Total expenses relating to operating leases</b>	<b>96</b>	<b>72</b>

#### Repairs and maintenance: investment property

Contractual obligations for future repairs and maintenance	21	21
<b>Total repairs and maintenance: investment property</b>	<b>21</b>	<b>21</b>

#### (ii) Assets held as property, plant and equipment

This comprises of Council's Employee contributions towards the leasing of its motor vehicle fleet.

Lease income (excluding variable lease payments not dependent on an index or rate)	1,122	1,032
<b>Total income relating to operating leases for Council assets</b>	<b>1,122</b>	<b>1,032</b>

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

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	1,083	791
1–2 years	1,065	798
2–3 years	1,037	784
3–4 years	1,018	761
4–5 years	1,012	761
> 5 years	3,224	2,325
<b>Total undiscounted lease payments to be received</b>	<b>8,439</b>	<b>6,220</b>



## C3 Liabilities of Council

### C3-1 Payables

	2021 Current \$ '000	2021 Non-current \$ '000	2020 Current \$ '000	2020 Non-current \$ '000
<b>Payables</b>				
Government departments and agencies	94	–	166	–
Prepaid rates	1,828	–	1,193	–
Goods and services – operating expenditure	5,719	8	3,585	5
Accrued expenses:				
– Borrowings	511	–	487	–
– Salaries and wages	626	–	1,315	–
– Interest on leases	6	–	9	–
Security bonds, deposits and retentions	19,022	–	17,365	–
Section 7.11 – works in kind agreements	–	15,235	–	10,559
Other	124	–	89	–
<b>Total payables</b>	<b>27,930</b>	<b>15,243</b>	<b>24,209</b>	<b>10,564</b>
<b>Total payables</b>	<b>27,930</b>	<b>15,243</b>	<b>24,209</b>	<b>10,564</b>

#### Payables relating to restricted assets

	2021 Current \$ '000	2021 Non-current \$ '000	2020 Current \$ '000	2020 Non-current \$ '000
<b>Externally restricted assets</b>				
Section 7.11 – Works in kind agreements	–	15,235	–	10,559
Payables relating to externally restricted assets	–	15,235	–	10,559
<b>Total payables relating to restricted assets</b>	<b>–</b>	<b>15,235</b>	<b>–</b>	<b>10,559</b>
<b>Total payables relating to unrestricted assets</b>	<b>27,930</b>	<b>8</b>	<b>24,209</b>	<b>5</b>
<b>Total payables</b>	<b>27,930</b>	<b>15,243</b>	<b>24,209</b>	<b>10,564</b>

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

	2021 Actual \$ '000	2020 Actual \$ '000
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	15,322	14,365
<b>Total payables</b>	<b>15,322</b>	<b>14,365</b>

#### Accounting policy

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

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

#### Payables

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

## C3-2 Contract Liabilities

	Notes	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	11,045	–	3,754	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	886	–	751	–
<b>Total grants received in advance</b>		<b>11,931</b>	<b>–</b>	<b>4,505</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Upfront fees – leisure centre	(iii)	182	–	109	–
Other		131	–	46	–
<b>Total user fees and charges received in advance</b>		<b>313</b>	<b>–</b>	<b>155</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>12,244</b>	<b>–</b>	<b>4,660</b>	<b>–</b>

### Notes

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

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

(iii) Upfront membership fees for the leisure centre do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

### Contract liabilities relating to restricted assets

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Externally restricted assets</b>				
Unspent grants held as contract liabilities	9,095	–	4,505	–
<b>Contract liabilities relating to externally restricted assets</b>	<b>9,095</b>	<b>–</b>	<b>4,505</b>	<b>–</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>9,095</b>	<b>–</b>	<b>4,505</b>	<b>–</b>
<b>Total contract liabilities relating to unrestricted assets</b>	<b>3,149</b>	<b>–</b>	<b>155</b>	<b>–</b>
<b>Total contract liabilities</b>	<b>12,244</b>	<b>–</b>	<b>4,660</b>	<b>–</b>

## C3-2 Contract Liabilities (continued)

### Revenue recognised that was included in the contract liability balance at the beginning of the period

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	<b>1,497</b>	1,903
Operating grants (received prior to performance obligation being satisfied)	<b>731</b>	255
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>2,228</b>	2,158

### Significant changes in contract liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in contract liabilities for 2020/2021 is primarily due to additional grant funding secured in relation to new growth precincts and COVID-19 recovery related grants.

### Accounting policy

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

### C3-3 Borrowings

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
Loans – secured <sup>1</sup>	2,346	33,270	1,372	23,316
<b>Total borrowings</b>	<b>2,346</b>	<b>33,270</b>	<b>1,372</b>	<b>23,316</b>

(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 E1-1.

#### Borrowings relating to restricted assets

	2021 Current Actual \$ '000	2021 Non-current Actual \$ '000	2020 Current Actual \$ '000	2020 Non-current Actual \$ '000
<b>Total borrowings relating to restricted assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total borrowings relating to unrestricted assets</b>	<b>2,346</b>	<b>33,270</b>	<b>1,372</b>	<b>23,316</b>
<b>Total borrowings</b>	<b>2,346</b>	<b>33,270</b>	<b>1,372</b>	<b>23,316</b>

#### Current borrowings not anticipated to be settled within the next twelve months

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

<b>Total borrowings</b>	<b>–</b>	<b>–</b>
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#### (a) Changes in liabilities arising from financing activities

	2020		Non-cash movements				2021
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	24,688	10,928	–	–	–	–	35,616
Lease liability (Note C2-1b)	2,162	(1,781)	1,544	–	–	–	1,925
<b>Total liabilities from financing activities</b>	<b>26,850</b>	<b>9,147</b>	<b>1,544</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37,541</b>

	2019		Non-cash movements				2020
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	28,249	(3,561)	–	–	–	–	24,688
Lease liability (Note C2-1b)	–	(1,473)	1,328	–	2,307	–	2,162
<b>Total liabilities from financing activities</b>	<b>28,249</b>	<b>(5,034)</b>	<b>1,328</b>	<b>–</b>	<b>2,307</b>	<b>–</b>	<b>26,850</b>

### C3-3 Borrowings (continued)

#### (b) Financing arrangements

	2021 Actual \$ '000	2020 Actual \$ '000
<b>Total facilities</b>		
Bank overdraft facilities <sup>1</sup>	150	150
Credit cards/purchase cards	450	450
<b>Total financing arrangements</b>	<b>600</b>	<b>600</b>
<b>Undrawn facilities</b>		
– Bank overdraft facilities	150	150
– Credit cards/purchase cards	450	450
<b>Total undrawn financing arrangements</b>	<b>600</b>	<b>600</b>

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

#### Accounting policy

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

## C3-4 Employee benefit provisions

	<b>2021</b>	<b>2021</b>	2020	2020
	<b>Current</b>	<b>Non-current</b>	Current	Non-current
	<b>Actual</b>	<b>Actual</b>	Actual	Actual
	<b>\$ '000</b>	<b>\$ '000</b>	\$ '000	\$ '000
Annual leave	4,757	–	4,624	–
Long service leave	10,436	312	10,000	298
<b>Total employee benefit provisions</b>	<b>15,193</b>	<b>312</b>	<b>14,624</b>	<b>298</b>

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

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000

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

Provisions – employees benefits	<b>10,469</b>	10,502
	<b>10,469</b>	<b>10,502</b>

### Description of and movements in provisions

	ELE provisions		
	Annual leave	Long service leave	Total
	\$ '000	\$ '000	\$ '000
<b>2021</b>			
At beginning of year	4,624	10,298	14,922
Additional provisions	3,377	1,517	4,894
Amounts used (payments)	(3,244)	(1,067)	(4,311)
Total ELE provisions at end of year	<b>4,757</b>	<b>10,748</b>	<b>15,505</b>
<b>2020</b>			
At beginning of year	4,097	9,178	13,275
Additional provisions	3,714	2,922	6,636
Amounts used (payments)	(3,187)	(1,802)	(4,989)
Total ELE provisions at end of year	<b>4,624</b>	<b>10,298</b>	<b>14,922</b>

### Accounting policy

#### 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.

## C3-4 Employee benefit provisions (continued)

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### **On-costs**

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

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure & property revaluation reserve is used to record increments / decrements of infrastructure, property, plant and equipment due to their revaluation.



## D Council structure

### D1 Interests in other entities

	Council's share of net assets	
	2021 \$ '000	2020 \$ '000
<b>Council's share of net assets <sup>1</sup></b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint ventures Civic Risk West and Civic Risk Mutual	–	91
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>–</b>	<b>91</b>
<b>Total Council's share of net assets</b>	<b>–</b>	<b>91</b>

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

### D1-1 Interests in joint arrangements

#### Net carrying amounts – Council's share <sup>1</sup>

	Nature of relationship	Place of business	Interest in ownership		2021	2020
			2021	2020	\$ '000	\$ '000
Civic Risk Mutual	Joint Venture	Penrith	0.0%	5.3%	–	11
Civic Risk West	Joint Venture	Penrith	0.0%	2.0%	–	80
<b>Total carrying amounts – material joint ventures</b>					<b>–</b>	<b>91</b>

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

#### Details <sup>1</sup>

	Principal activity	Measurement method
Civic Risk Mutual	General Insurance and Risk Management	Equity
Civic Risk West	Liability insurance and Risk Management	Equity

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

#### Relevant interests and fair values <sup>1</sup>

	Interest in outputs		Proportion of voting power	
	2021	2020	2021	2020
Civic Risk West	0.0%	0.2%	0.0%	7.7%
Civic Risk Mutual	0.0%	0.2%	0.0%	2.0%

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

## D1-1 Interests in joint arrangements (continued)

### Summarised financial information for joint ventures <sup>1</sup>

	Civic Risk West		Civic Risk Mutual	
	2021 Actual \$ '000	2020 Actual \$ '000	2021 Actual \$ '000	2020 Actual \$ '000
<b>Statement of financial position</b>				
<b>Current assets</b>				
Cash and cash equivalents	-	14,665	-	6,177
Other current assets	-	15,585	-	5,924
<b>Non-current assets</b>	-	33,048	-	5,102
<b>Current liabilities</b>				
Current financial liabilities (excluding trade and other payables and provisions)	-	8,617	-	5,923
Other current liabilities	-	4,561	-	490
<b>Non-current liabilities</b>				
Non-current financial liabilities (excluding trade and other payables and provisions)	-	7,999	-	3,635
<b>Net assets</b>	<b>-</b>	<b>42,121</b>	<b>-</b>	<b>7,155</b>
<b>Statement of comprehensive income</b>				
Income	-	7,969	-	14,679
Interest income	-	1,321	-	205
Interest expense	-	(18)	-	-
Other expenses	-	(6,091)	-	(14,673)
<b>Profit/(loss) from continuing operations</b>	<b>-</b>	<b>3,181</b>	<b>-</b>	<b>211</b>
<b>Profit/(loss) for the period</b>	<b>-</b>	<b>3,181</b>	<b>-</b>	<b>211</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>3,181</b>	<b>-</b>	<b>211</b>
<b>Share of income – Council (%)</b>	<b>0.0%</b>	0.2%	<b>0.0%</b>	0.2%
<b>Profit/(loss) – Council (\$)</b>	-	7	-	-
<b>Total comprehensive income – Council (\$)</b>	-	7	-	-
<b>Summarised Statement of cash flows</b>				
Cash flows from operating activities	-	(1,887)	-	1,614
Cash flows from investing activities	-	12,681	-	2,750
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-</b>	<b>10,794</b>	<b>-</b>	<b>4,364</b>
<b>Reconciliation of the carrying amount</b>				
Opening net assets (1 July)	-	47,340	-	6,944
Profit/(loss) for the period	-	3,181	-	211
<b>Closing net assets</b>	<b>-</b>	<b>50,521</b>	<b>-</b>	<b>7,155</b>
<b>Council's share of net assets (%)</b>	<b>0.0%</b>	0.2%	<b>0.0%</b>	0.2%
<b>Council's share of net assets (\$)</b>	-	80	-	11

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

## D1-1 Interests in joint arrangements (continued)

### Fair value of investment <sup>1</sup>

	Quoted fair value	
	2021 \$ '000	2020 \$ '000
Civic Risk West	–	80
Civic Risk Mutual	–	11

### Civic Risk disclosure

Up until 1 July 2020, Council was a member of CivicRisk West and CivicRisk Mutual which were joint ventures operating to provide members protection which includes mutual self-insurance, group insurance arrangements and risk management support for Public Liability, Professional Indemnity, Property, Motor Vehicle and other general lines of cover (excluding workers compensation).

On 1 July 2020 The members decided to novate assets, liabilities and members equity of the joint ventures into CivicRisk Mutual Ltd for compliance and efficiency reasons. The members designed the Constitution and Membership Rules of CRM Ltd which ensures members are provided with a right to the surplus or deficit in protection years in which they were members.

In the years prior to 1 July 2020, Council's interest in the CivicRisk joint ventures was accounted for using the equity method and reported at Note D1. From 1 July 2020, Council's interest in CivicRisk Mutual Ltd is now shown at Note C1-2 and reported under AASB9.

(1) Civic Risk is no longer a Joint Venture. Only prior year comparatives have been shown in this note

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

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

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

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

	Carrying value 2021 \$ '000	Carrying value 2020 \$ '000	Fair value 2021 \$ '000	Fair value 2020 \$ '000
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	15,767	12,135	15,767	12,135
Receivables	16,561	11,979	16,561	11,979
Investments				
– Debt securities at amortised cost	194,208	142,208	194,208	142,208
<b>Fair value through profit and loss</b>				
Investments				
– Held for trading	101	–	101	–
<b>Total financial assets</b>	<b>226,637</b>	<b>166,322</b>	<b>226,637</b>	<b>166,322</b>
<b>Financial liabilities</b>				
Payables	41,345	33,580	41,345	33,580
Loans/advances	35,616	24,688	35,616	24,688
Lease liabilities	1,925	–	2,162	–
<b>Total financial liabilities</b>	<b>78,886</b>	<b>58,268</b>	<b>79,123</b>	<b>58,268</b>

Fair value is determined as follows:

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

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

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

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

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

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

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

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

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

	2021 \$ '000	2020 \$ '000
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,607	1,480

### (b) Credit risk

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

Council typically manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. However, over the course of the 2020/21 financial year, Council introduced a range of measures in response to the COVID-19 Pandemic. This included the suspension of debt recovery on overdue amounts.

Council will continue to monitor the impact of COVID-19 on the broader community and will reintroduce debt recovery practices in line with improved economic conditions and community expectations.

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

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

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

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

### Credit risk profile

#### Receivables – rates and annual charges

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

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
<b>2021</b>						
Gross carrying amount	–	3,126	851	840	–	4,817
<b>2020</b>						
Gross carrying amount	–	1,854	633	1,158	–	3,645

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

### Receivables - non-rates and annual charges and contract assets

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

Council has carried out an evaluation of expected credit losses for the year and as result of COVID-19 impacts a 10% estimate on user charge debtors relating to risk areas have been provided as a provision of expected credit losses.

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
<b>2021</b>						
Gross carrying amount	1,950	7,017	2,892	–	–	11,859
Expected loss rate (%)	0.00%	0.00%	3.98%	0.00%	0.00%	0.97%
<b>ECL provision</b>	–	–	<b>115</b>	–	–	<b>115</b>
<b>2020</b>						
Gross carrying amount	192	5,181	3,068	2	–	8,443
Expected loss rate (%)	0.00%	0.00%	3.55%	0.00%	0.00%	1.29%
<b>ECL provision</b>	–	–	<b>109</b>	–	–	<b>109</b>

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

### (c) Liquidity risk

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

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

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in:			Total cash outflows \$ '000	Actual carrying values \$ '000
			≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000		
<b>2021</b>							
Trade/other payables	0.00%	19,022	7,052	15,243	–	41,317	41,345
Loans and advances	4.56%	–	2,346	8,497	24,773	35,616	35,616
<b>Total financial liabilities</b>		<b>19,022</b>	<b>9,398</b>	<b>23,740</b>	<b>24,773</b>	<b>76,933</b>	<b>76,961</b>
<b>2020</b>							
Trade/other payables	0.00%	17,365	5,571	10,564	–	33,500	33,580
Loans and advances	5.58%	–	1,372	4,399	18,917	24,688	24,688
<b>Total financial liabilities</b>		<b>17,365</b>	<b>6,943</b>	<b>14,963</b>	<b>18,917</b>	<b>58,188</b>	<b>58,268</b>

## E2-1 Fair value measurement

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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).



## E2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020 Restated	2021	2020 Restated
<b>Recurring fair value measurements</b>							
<b>Investment property</b> C1-7							
Properties		34,480	31,890	–	–	34,480	31,890
<b>Total investment property</b>		<b>34,480</b>	<b>31,890</b>	<b>–</b>	<b>–</b>	<b>34,480</b>	<b>31,890</b>
<b>Infrastructure, property, plant and equipment</b> C1-6							
Land		149,516	140,141	120,683	137,255	270,199	277,396
Land under Roads		–	–	165,945	158,499	165,945	158,499
Land Improvements		–	–	24,487	16,565	24,487	16,565
Buildings and Other Structures		134,352	129,368	43,056	45,690	177,408	175,058
Roads		–	–	616,902	582,299	616,902	582,299
Bridges		–	–	47,837	41,297	47,837	41,297
Footpaths		–	–	137,983	130,025	137,983	130,025
Bulk Earthworks		–	–	58,417	51,471	58,417	51,471
Stormwater Drainage		–	–	443,385	414,242	443,385	414,242
Other Open Space / Recreational Assets		–	–	10,638	9,179	10,638	9,179
Other Assets		–	–	3,026	3,254	3,026	3,254
<b>Total infrastructure, property, plant and equipment</b>		<b>283,868</b>	<b>269,509</b>	<b>1,672,359</b>	<b>1,589,776</b>	<b>1,956,227</b>	<b>1,859,285</b>

### Valuation techniques

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

#### Investment property

##### Land - Operational and Investment properties

Level two valuation input 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 prices 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.

##### Building and Investments properties

The commercial property market across the Macarthur region has shown clear signs of improvement over the last three (3) years with an increase in sale volumes and escalating values. Specialised buildings were valued using the cost approach using registered valuers. The unit rate based on square meters could be supported from market evidence.

#### Infrastructure, property, plant and equipment (IPPE)

##### Land - Operational Land

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

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.

## E2-1 Fair value measurement (continued)

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

### Land - 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 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 2021 using the NSW Valuer General's valuations.

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

### Land under Roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council initially bought to account all land under roads in the reporting period 2010/2011. 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 2021 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. 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 2020-21, valuations were undertaken for this Asset Category and were completed by Council staff using the depreciable replacement cost. To estimate the replacement cost rates for this Asset Category, the following sources were accessed:

- Cordell's Cost Estimating Guide June 2021
- Rawlinson's – 2021 – 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 class of asset during the reporting period.

### Buildings and Other Structures - 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.

The gross value of each building was obtained by applying a unit rate to a structure, or a square meter rate to 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.

### Buildings and Other Structures - 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.

- Other Structures - In 2020-21, valuations were undertaken for this Asset Category and were completed by Council staff using the depreciable replacement cost. To estimate the replacement cost rates for this Asset Category, the following sources were accessed:
  - Cordell's Cost Estimating Guide June 2021

## E2-1 Fair value measurement (continued)

- Rawlinson's – 2021 – Australian Construction Handbook and/or
- Actual supplied project cost rates for unique items.
- Other Structures (Artworks) - In 2020-21, 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.

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.

### 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 as at 30 June 2020 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2020 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.

### Bridges

Council has three main types of bridges which are culverts, footbridges and road bridges. The valuation of bridges was undertaken as at 30 June 2020 using the depreciable replacement cost (unit rate). The construction cost estimation was based on actual project cost rates for footbridges and road bridges. The construction cost rate estimation for culverts was undertaken using 2020 Rawlinson's – Australian Construction Handbook standard rates.

The inputs used to value these assets, including ; patterns 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

- 1.in-house level visual inspection and sample testing.
2. External Data collection by Pavement Management Services.

Condition assessments were based on four key components: superstructure, abutment, sub-structure and general/miscellaneous.

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.

### Footpaths

This asset class comprises footpaths and cycle ways. The valuation of footpaths was as at 30 June 2020 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2020 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 2020. 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.

## E2-1 Fair value measurement (continued)

### 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 as at 30 June 2020 using the depreciable replacement cost (unit rate). The construction cost estimation was undertaken using 2020 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 over 2019/20 and 2020/21 by conducting visual inspections including collecting photographic evidence of sample 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 within Camden or in comparison with other Councils.

### 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 2020-21 and were completed by KICO Playground Inspection Services 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 2020/21, 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's Cost Estimating Guide June 2021
- Rawlinsons – 2021 – 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.

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

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

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

##### *Description of the funding arrangements.*

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

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

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

\* For 180 Point Members, Employers are required to contribute 7% of salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

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

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

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

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

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

## E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$368,736.74. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2020.

The amount of additional contributions included in the total employer contribution advised above is \$227,199.96. Council's expected contribution to the plan for the next annual reporting period is \$380,160.48.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

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

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

The share of any funding surplus or deficit that can be attributed to Council is 0.52%

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

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

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

\* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2021

### (ii) StateCover Limited

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

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

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

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

### (iii) Other guarantees

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

## 2. Other liabilities

### (i) Third party claims

Council has been named as a defendant in two related actions for undisclosed damages arising from land subsidence in a development area. It is not possible to estimate the potential financial impact of these actions however these may attract contribution from other parties and be covered under the Council's risk and insurance programme. Camden Council is defending these actions.

## E3-1 Contingencies (continued)

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Council has been named as the defendant in related actions arising from the death of a volunteer. One has a potential penalty of up to \$1.5m. The other actions are for undisclosed damages. Initial assessment of evidence served and without prejudice discussions with the solicitor representing the plaintiffs indicate the cases will attract total damages and costs less than \$500,000 which may attract contribution from other parties and be covered under the Council's risk and insurance programme; as such Council is continuing to review its position.

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) CivicRisk Mutual

Council is a member of CivicRisk Mutual Ltd, a mutual self-insurance scheme providing general insurance to local government. CivicRisk Mutual Ltd membership includes the potential to share in either the net surplus or deficit of protection years depending on its past performance. Council's share of the net surplus or deficit reflects Council's contributions to the pool and the result of insurance claims within each of the fund years. The future realisation and finalisation of claims incurred but not reported to 30/6/2021 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

## ASSETS NOT RECOGNISED

### (i) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

#### F1-1 Key management personnel (KMP)

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

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

	2021 \$ '000	2020 \$ '000
<b>Compensation:</b>		
Short-term benefits	2,250	1,969
Post-employment benefits	144	125
Other long-term benefits	71	57
<b>Total</b>	<b>2,465</b>	<b>2,151</b>

#### Other transactions with KMP and their related parties

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
<b>2021</b>						
Traineeship Program	1	524	-		-	-
<b>2020</b>						
Traineeship Program	1	781	-		-	-

1 Camden Council uses a training company to source trainees that are offered apprenticeships at Camden Council. The funding of this program is endorsed by the Council upon adoption of 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 have an influence or control over the transactions between the two entities. AASB124 Related Party Disclosures does not allow the exclusion of transactions between related parties for reporting purposes even deemed at arm's length.



## F1-2 Councillor and Mayoral fees and associated expenses

	<b>2021</b>	2020
	<b>Actual</b>	Actual
	<b>\$ '000</b>	\$ '000

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

Mayoral fee	<b>57</b>	37
Councillors' fees	<b>187</b>	151
Other Councillors' expenses (including Mayor)	<b>13</b>	69
<b>Total</b>	<b>257</b>	<b>257</b>

## F2 Other relationships

### F2-1 Audit fees

	2021 Actual \$ '000	2020 Actual \$ '000
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	120	103
<b>Remuneration for audit and other assurance services</b>	<b>120</b>	<b>103</b>
<b>Total Auditor-General remuneration</b>	<b>120</b>	<b>103</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Other audit and assurance services – Internal Audit	72	78
<b>Remuneration for audit and other assurance services</b>	<b>72</b>	<b>78</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>72</b>	<b>78</b>
<b>Total audit fees</b>	<b>192</b>	<b>181</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

	2021 Actual \$ '000	2020 Actual \$ '000
<b>Net operating result from Income Statement</b>	<b>176,342</b>	137,765
<b>Adjust for non-cash items:</b>		
Depreciation and amortisation	33,082	29,201
Net losses/(gains) on disposal of assets	1,724	1,441
Non-cash capital grants and contributions	(135,248)	(126,740)
Adoption of AASB 15/1058	–	(3,030)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(10)	–
– Investment property	(2,590)	(795)
Share of net (profits)/losses of associates/joint ventures using the equity method	–	37
<b>+/- Movement in operating assets and liabilities and other cash items:</b>		
Decrease/(increase) in receivables	(4,724)	(1,287)
Increase/(decrease) in provision for impairment of receivables	6	(1,165)
Decrease/(increase) in inventories	(63)	(76)
Decrease/(increase) in other current assets	(1,024)	181
Increase/(decrease) in payables	2,137	(381)
Increase/(decrease) in accrued interest payable	21	(2)
Increase/(decrease) in other accrued expenses payable	(689)	1,120
Increase/(decrease) in other liabilities	6,931	2,829
Increase/(decrease) in contract liabilities	7,584	4,660
Increase/(decrease) in provision for employee benefits	583	1,647
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>84,062</b>	45,405

#### (b) Non-cash investing and financing activities

Other dedications	135,248	126,740
<b>Total non-cash investing and financing activities</b>	<b>135,248</b>	126,740

## G2-1 Commitments

### Capital commitments (exclusive of GST)

	2021 Actual \$ '000	2020 Actual \$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	8,608	2,045
Plant and equipment	3,005	–
Infrastructure assets	9,711	1,890
Other	19	635
<b>Total commitments</b>	<b>21,343</b>	<b>4,570</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	21,343	4,570
<b>Total payable</b>	<b>21,343</b>	<b>4,570</b>
<b>Sources for funding of capital commitments:</b>		
Externally restricted reserves	11,304	–
Internally restricted reserves	10,039	4,570
<b>Total sources of funding</b>	<b>21,343</b>	<b>4,570</b>

#### Details of capital commitments

The above capital commitments relate to signed contracts entered into and operative as at 30/06/21.

## G3-1 Events occurring after the reporting date

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

## G4 Changes from prior year statements

### G4-1 Changes in accounting policy

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#### Adoption of new accounting standards – not retrospective

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

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

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

AASB1059 Service concession arrangements has not affected Council for 2020-21 as Council does not contract out any service arrangements where the contractor has control over those assets.

## G4-2 Correction of errors

### Nature of prior-period error

Details of errors	Impact of correction of errors (\$'000)
<p><b>Community Land</b></p> <p>Discrepancies were identified between Council's asset management system, land register and the Valuer General's land listings which resulted in the identification of newly discovered land parcels and previously disposed land. The impact of this was a net increase in the opening balance of infrastructure, property, plant and equipment (IPPE) as at 1 July 2019.</p>	23,513
<p><b>Other Structures/Open Space</b></p> <p>Council identified newly discovered assets as part of Council's comprehensive inspection program. The results of the inspections were checked against the GIS mapping system and asset management system. The correction resulted in an increase in the opening balance of IPPE at 1 July 2019.</p>	7,057
<p><b>Land Improvements</b></p> <p>As part of Council's comprehensive review, Council identified that the unit rates adopted for sportsgrounds in previous years were incorrect and an adjustment was required upon valuation to reduce unit rates adopted for this asset class. The correction resulted in a net reduction in the balance of IPPE at 1 July 2019.</p>	(23,916)
<p><b>Land under roads (LUR)</b></p> <p>Council identified that land historically belonging to Transport for New South Wales had incorrectly been recognised in Council's assets register and were included in the valuation of LUR in previous accounting periods. Council also identified some discrepancies in land area following the re-mapping of LUR in Council's GIS system. In order to correctly remove those assets and recognise the correct land area an adjustment is required to reduce the opening balance of LUR as at 1 July 2019.</p>	(9,217)
<p><b>Footpaths</b></p> <p>Council identified that some sections of footpath recognised in 2019/20 were not yet in the care and control of Council and therefore an adjustment was required to reduce the assets recognised.</p>	(563)
<p><b>Equity</b></p> <p>Council identified a historical misallocation between Asset Revaluation Reserves and Accumulated Surplus. An adjustment was required to reallocate \$9.43M from Revaluation Reserves to Accumulated Surplus in Equity as at 1 July 2019 to correct the balances presented. The net impact of these movements results in no change in the total equity balance.</p> <ul style="list-style-type: none"> <li>· Accumulated surplus 9,430</li> <li>· Asset revaluation reserves (9,430)</li> </ul>	9,430 (9,430)
<b>Net Impact</b>	<b>(3,126)</b>

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2019) and taking the adjustment through to accumulated surplus at that date.

## G4-2 Correction of errors (continued)

Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

### Changes to the opening Statement of Financial Position at 1 July 2019

#### Statement of Financial Position

	Original Balance 1 July, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 1 July, 2019 \$ '000
Infrastructure Property Plant & equipment	1,558,206	(3,126)	1,555,080
<b>Total assets</b>	<b>1,739,626</b>	<b>(3,126)</b>	<b>1,736,500</b>
<b>Total liabilities</b>	<b>72,731</b>	<b>–</b>	<b>72,731</b>
<b>Net assets</b>	<b>1,666,895</b>	<b>(3,126)</b>	<b>1,663,769</b>
Accumulated surplus	1,175,424	6,304	1,181,728
Revaluation reserves	491,471	(9,430)	482,041
<b>Total equity</b>	<b>1,666,895</b>	<b>(3,126)</b>	<b>1,663,769</b>

### Adjustments to the comparative figures for the year ended 30 June 2020

#### Statement of Financial Position

	Original Balance 30 June, 2020 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2020 \$ '000
Infrastructure, Property, Plant and Equipment	1,886,763	(3,126)	1,883,637
<b>Total assets</b>	<b>2,089,595</b>	<b>(3,126)</b>	<b>2,086,469</b>
<b>Total liabilities</b>	<b>81,205</b>	<b>–</b>	<b>81,205</b>
<b>Net assets</b>	<b>2,008,390</b>	<b>(3,126)</b>	<b>2,005,264</b>
Accumulated surplus	1,310,226	6,304	1,316,530
Revaluation reserves	698,164	(9,430)	688,734
<b>Total equity</b>	<b>2,008,390</b>	<b>(3,126)</b>	<b>2,005,264</b>



## G5 Statement of developer contributions as at 30 June 2021

### G5-1 Summary of developer contributions

	Opening balance at 1 July 2020 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2021 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
Open space	23,208	10,157	–	665	(6,371)	(1,121)	26,538	–
Drainage	18,248	5,108	–	325	(3,725)	–	19,956	–
Roads	11,169	3,731	–	(103)	(1,393)	(232)	13,172	–
Community facilities	16,160	4,085	–	100	(691)	3	19,657	–
Traffic facilities	284	165	–	(4)	(740)	419	124	–
Parking	–	–	–	(42)	–	42	–	–
Other	1,400	444	–	(5)	(1,451)	889	1,277	–
<b>S7.11 contributions – under a plan</b>	<b>70,469</b>	<b>23,690</b>	<b>–</b>	<b>936</b>	<b>(14,371)</b>	<b>–</b>	<b>80,724</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>70,469</b>	<b>23,690</b>	<b>–</b>	<b>936</b>	<b>(14,371)</b>	<b>–</b>	<b>80,724</b>	<b>–</b>
S7.11 not under plans	136	–	–	2	–	–	138	–
S7.4 planning agreements	29,027	26,069	65,484	426	(68,427)	–	52,579	–
<b>Total contributions</b> <sup>1, 2</sup>	<b>99,632</b>	<b>49,759</b>	<b>65,484</b>	<b>1,364</b>	<b>(82,798)</b>	<b>–</b>	<b>133,441</b>	<b>–</b>

(1) Opening balance differs from 2019/2020 due to the following: a) there was a change in classification of LIGS funding from Grants in 2019/2020, to Developer Contributions in 2020/2021. This value is \$512k and forms part of the opening balance discrepancy.

(2) Opening balance differs from 2019/2020 due to the following: b) An amount of \$128K was not included in the Summary of developer contributions note in 2019/2020. This amount does form part of the reserve and has been included in the note for 2020/2021.

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.

## G5-2 Developer contributions by plan

	Opening balance at 1 July 2020 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2021 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
<b>CONTRIBUTION PLAN - MANAGEMENT &amp; PROVISION OF INFRASTRUCTURE IN LGA</b>								
Drainage	10,437	2,245	–	222	(2,443)	–	10,461	–
Roads	3,313	1,911	–	(197)	(880)	–	4,147	–
Traffic facilities	115	164	–	(5)	(640)	366	–	–
Parking	–	–	–	(42)	–	42	–	–
Open space	5,182	3,116	–	381	(6,232)	(415)	2,032	–
Community facilities	1	3,394	–	(64)	(150)	–	3,181	–
Other	1,035	243	–	2	(248)	7	1,039	–
<b>Total</b>	<b>20,083</b>	<b>11,073</b>	<b>–</b>	<b>297</b>	<b>(10,593)</b>	<b>–</b>	<b>20,860</b>	<b>–</b>
<b>CONTRIBUTION PLAN NO 3 - UPPER NARELLAN CREEK (TRUNK DRAINAGE &amp; WATER QUALITY FACILITIES)</b>								
Drainage	5,215	565	–	67	(962)	–	4,885	–
<b>Total</b>	<b>5,215</b>	<b>565</b>	<b>–</b>	<b>67</b>	<b>(962)</b>	<b>–</b>	<b>4,885</b>	<b>–</b>
<b>CONTRIBUTION PLAN NO 5 - TRUNK DRAINAGE CATHERINE FIELD</b>								
Drainage	156	2	–	2	–	–	160	–
<b>Total</b>	<b>156</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>160</b>	<b>–</b>
<b>CONTRIBUTION PLAN NO 7 - ROAD MAINTENANCE - EXTRACTIVE INDUSTRIES</b>								
Roads	227	105	–	3	–	–	335	–
<b>Total</b>	<b>227</b>	<b>105</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>335</b>	<b>–</b>
<b>CONTRIBUTION PLAN NO 11 - SMEATON GRANGE ROADWORKS</b>								
Roads	2,442	–	–	29	–	–	2,471	–
<b>Total</b>	<b>2,442</b>	<b>–</b>	<b>–</b>	<b>29</b>	<b>–</b>	<b>–</b>	<b>2,471</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 16 - ELLIS LANE / GRASMERE DEVELOPMENT</b>								
Roads	888	8	–	11	–	–	907	–
Traffic facilities	169	1	–	2	(48)	–	124	–
Community facilities	127	1	–	1	–	–	129	–
Other	23	2	–	–	–	–	25	–
<b>Total</b>	<b>1,207</b>	<b>12</b>	<b>–</b>	<b>14</b>	<b>(48)</b>	<b>–</b>	<b>1,185</b>	<b>–</b>

## G5-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2020 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2021 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
<b>CONTRIBUTION PLAN NO 17 - NARELLAN TOWN CENTRE</b>								
Traffic facilities	–	–	–	(1)	(52)	53	–	–
Open space	1,126	–	–	14	–	(53)	1,087	–
Other	339	–	–	4	–	–	343	–
<b>Total</b>	<b>1,465</b>	<b>–</b>	<b>–</b>	<b>17</b>	<b>(52)</b>	<b>–</b>	<b>1,430</b>	<b>–</b>
<b>CONTRIBUTION PLAN NO 18 - HARRINGTON PARK RELEASE AREA (COMMUNITY &amp; RECREATION FACILITIES)</b>								
Open space	35	6	–	9	–	(3)	47	–
Community facilities	–	6	–	(9)	–	3	–	–
Other	–	2	–	–	–	–	2	–
<b>Total</b>	<b>35</b>	<b>14</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>49</b>	<b>–</b>
<b>CONTRIBUTION PLAN - ORAN PARK AND TURNER ROAD PRECINCTS</b>								
Drainage	848	13	–	58	–	–	919	–
Roads	3,099	216	–	40	(335)	–	3,020	–
Open space	13,450	1,266	–	170	–	(193)	14,693	–
Community facilities	14,064	525	–	171	(541)	–	14,219	–
Other	–	38	–	–	(231)	193	–	–
<b>Total</b>	<b>31,461</b>	<b>2,058</b>	<b>–</b>	<b>439</b>	<b>(1,107)</b>	<b>–</b>	<b>32,851</b>	<b>–</b>
<b>CONTRIBUTION PLAN - CATHERINE FIELD (PART) PRECINCT</b>								
Drainage	493	–	–	6	–	–	499	–
Roads	227	–	–	2	–	–	229	–
Open space	1,899	405	–	49	(9)	(115)	2,229	–
Community facilities	1,909	23	–	–	–	–	1,932	–
Other	–	–	–	(1)	(114)	115	–	–
<b>Total</b>	<b>4,528</b>	<b>428</b>	<b>–</b>	<b>56</b>	<b>(123)</b>	<b>–</b>	<b>4,889</b>	<b>–</b>

## G5-2 Developer contributions by plan (continued)

	Opening balance at 1 July 2020 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2021 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
<b>CONTRIBUTION PLAN - LEPPINGTON NORTH PRECINCT</b>								
Drainage	369	-	-	(43)	(96)	-	230	-
Roads	398	-	-	4	(99)	(232)	71	-
Open space	174	-	-	(1)	(109)	-	64	-
Community facilities	7	-	-	-	-	-	7	-
Other	-	72	-	(5)	(431)	232	(132)	-
<b>Total</b>	<b>948</b>	<b>72</b>	<b>-</b>	<b>(45)</b>	<b>(735)</b>	<b>-</b>	<b>240</b>	<b>-</b>
<b>CONTRIBUTION PLAN - LEPPINGTON PRECINCT</b>								
Drainage	730	2,283	-	13	(224)	-	2,802	-
Roads	575	1,491	-	5	(79)	-	1,992	-
Open space	1,342	5,363	-	43	(21)	(342)	6,385	-
Community facilities	52	136	-	1	-	-	189	-
Other	3	87	-	(5)	(427)	342	-	-
<b>Total</b>	<b>2,702</b>	<b>9,360</b>	<b>-</b>	<b>57</b>	<b>(751)</b>	<b>-</b>	<b>11,368</b>	<b>-</b>

## G5-3 Contributions not under plans

	Opening balance at 1 July 2020 \$ '000	Contributions received during the year		Interest and investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	Held as restricted asset at 30 June 2021 \$ '000	Cumulative balance of internal borrowings (to)/from \$ '000
		Cash \$ '000	Non-cash \$ '000					
<b>S7.11 CONTRIBUTIONS – NOT UNDER A PLAN</b>								
Drainage	24	-	-	-	-	-	24	-
Open space	65	-	-	1	-	-	66	-
Community facilities	47	-	-	1	-	-	48	-
<b>Total</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>138</b>	<b>-</b>

## G5-4 S7.4 planning agreements

### S7.4 planning agreements

Drainage	1,739	2,920	29,491	34	(29,491)	-	4,693	-
Roads	280	2,254	19,162	13	(19,162)	-	2,547	-
Traffic facilities	-	185	-	1	-	-	186	-
Open space	9,857	5,102	7,949	131	(7,949)	-	15,090	-
Community facilities	13,413	11,963	-	198	(1,605)	-	23,969	-
Other	3,738	3,645	8,882	49	(10,220)	-	6,094	-
<b>Total</b>	<b>29,027</b>	<b>26,069</b>	<b>65,484</b>	<b>426</b>	<b>(68,427)</b>	<b>-</b>	<b>52,579</b>	<b>-</b>

## Camden Council

## Notes to the Financial Statements

for the year ended 30 June 2021

## Note G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Prior periods 2020	2019	Benchmark
<b>Local government industry indicators – consolidated</b>					
<b>1. Operating performance ratio</b>					
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>(26,871)</u>	<b>-25.34%</b>	-14.31%	-13.55%	> 0.00%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<b>106,021</b>				
<b>2a. Own source operating revenue ratio</b>					
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>96,823</u>	<b>31.40%</b>	38.09%	41.21%	> 60.00%
Total continuing operating revenue <sup>(1)</sup>	<b>308,377</b>				
<b>2b. Own source operating revenue ratio (less non-cash capital dedications)</b>					
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>96,823</u>	<b>55.93%</b>	73.64%	66.14%	
Total continuing operating revenue <sup>(1)</sup> excluding non-cash capital dedications	<b>173,129</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions <sup>(2)</sup>	<u>69,031</u>	<b>2.86x</b>	2.77x	2.38x	> 1.5x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	<b>24,137</b>				
<b>4. Debt service cover ratio</b>					
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>9,991</u>	<b>2.31x</b>	2.46x	2.61x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>4,333</b>				
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<u>4,991</u>	<b>6.34%</b>	4.94%	4.86%	< 5% metro
Rates, annual and extra charges collectible	<b>78,693</b>				
<b>5b. Rates, annual charges, interest and extra charges Outstanding Percentage (excluding pensioners)</b>					
Rates, annual and extra charges outstanding (excluding pensioners)	<u>4,698</u>	<b>5.97%</b>	4.47%	4.37%	
Rates, annual and extra charges collectible	<b>78,693</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<u>209,975</u>	<b>23.10 mths</b>	17.3 mths	14.4 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	<b>9,090</b>				

## Camden Council

### Notes to the Financial Statements for the year ended 30 June 2021

#### Note G6-1 Statement of performance measures – consolidated results (continued)

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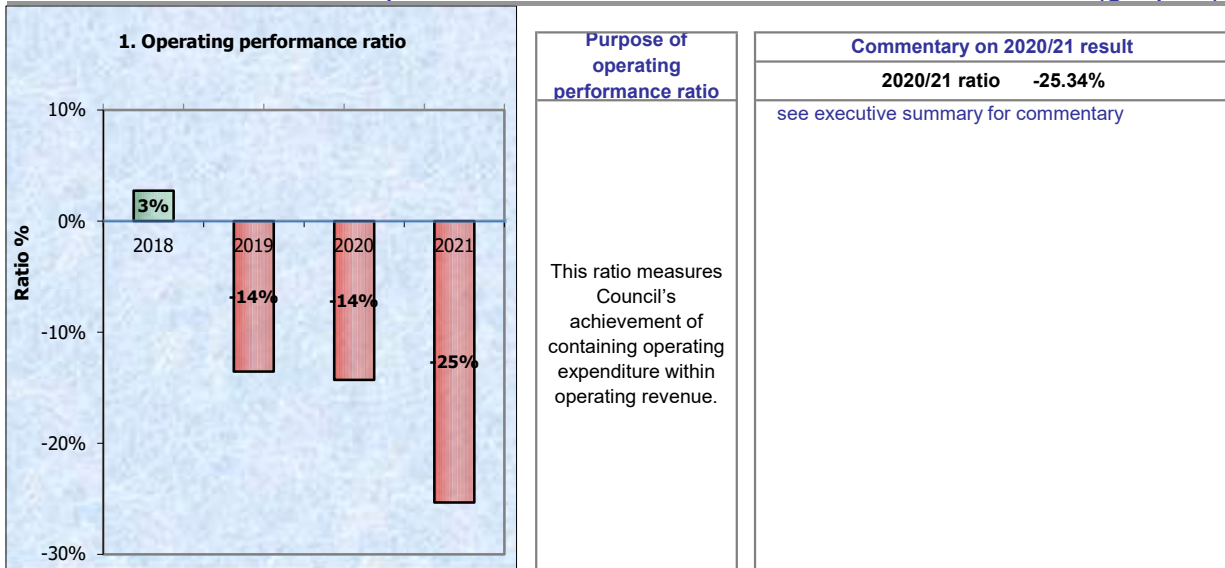
**Notes on the ratios from the previous page**

- <sup>(1)</sup> 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.
- <sup>(2)</sup> Refer Notes C1-1 to C1-5 inclusive.  
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.
- <sup>(3)</sup> Refer to Notes C3-1, C2-1, C3-3
- <sup>(4)</sup> Refer to Note C3-4 – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

**End of audited financial statements**

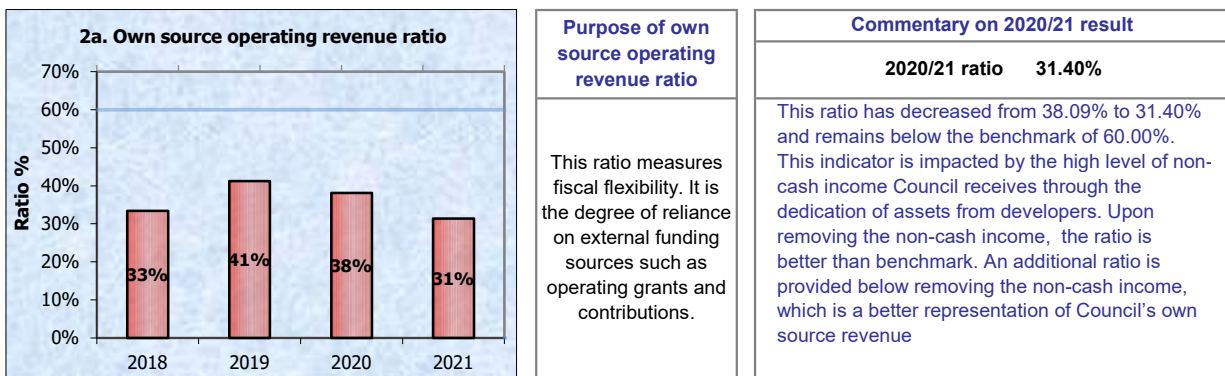
**Camden Council**  
**Notes to the Financial Statements**  
 for the year ended 30 June 2021

**Note H1-1 Statement of performance measures – consolidated results (graphs)**



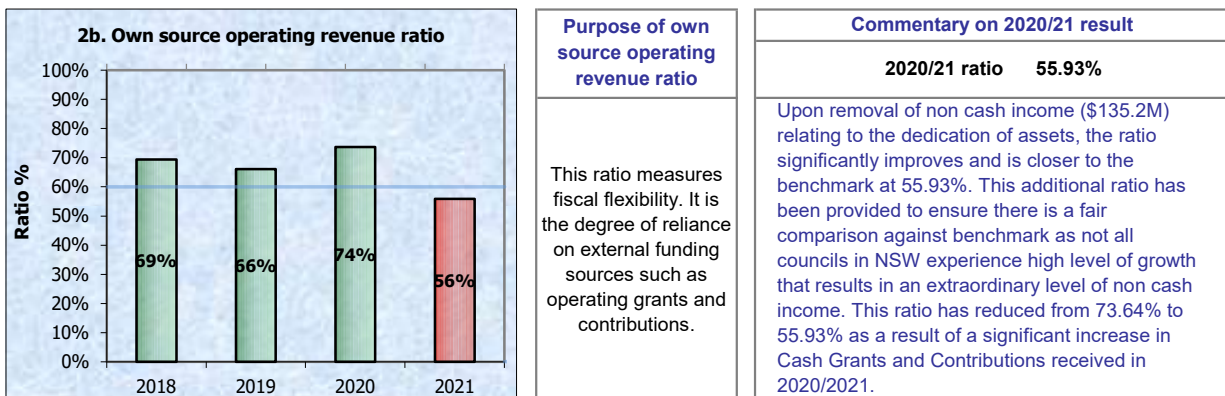
Benchmark: Minimum >=0.00%  
 Source for benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
 Ratio is outside benchmark



Benchmark: Minimum >=60.00%  
 Source for benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
 Ratio is outside benchmark



Benchmark: Minimum >=60.00%  
 Source for benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
 Ratio is outside benchmark

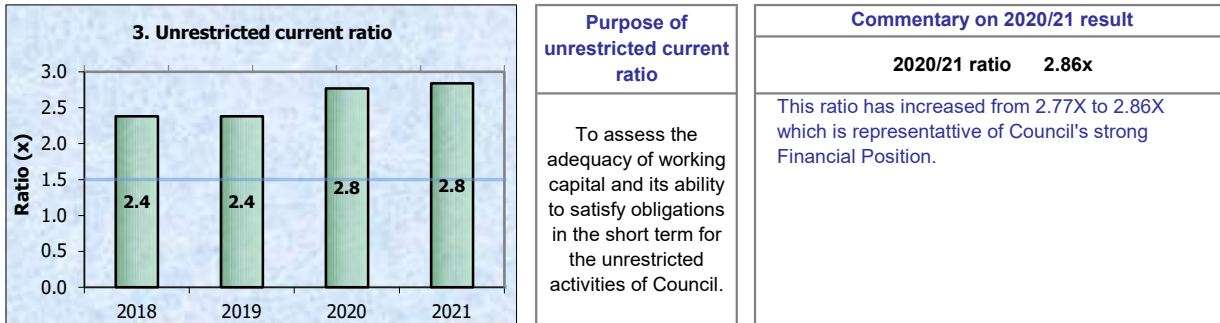


# Camden Council

## Notes to the Financial Statements

for the year ended 30 June 2021

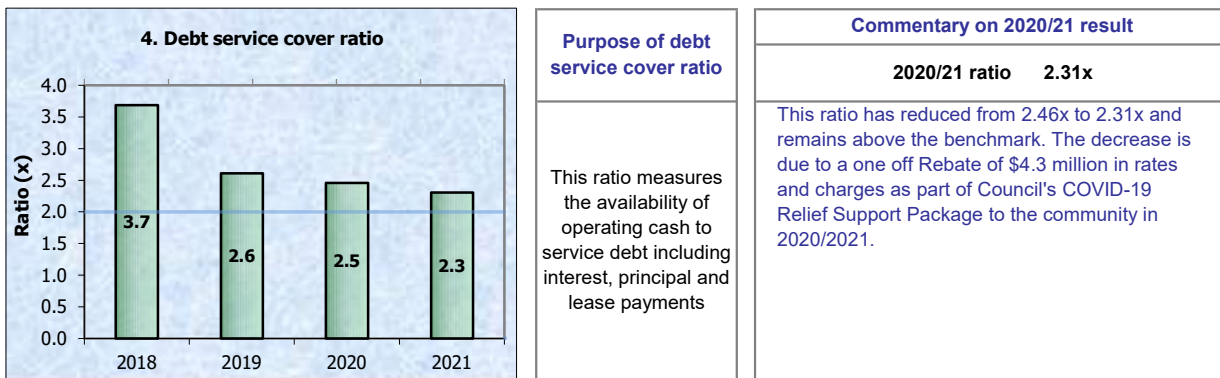
### Note H1-1 Statement of performance measures – consolidated results (graphs)



Benchmark: Minimum  $\geq 1.50$

Source for benchmark: Code of Accounting Practice and Financial Reporting #27

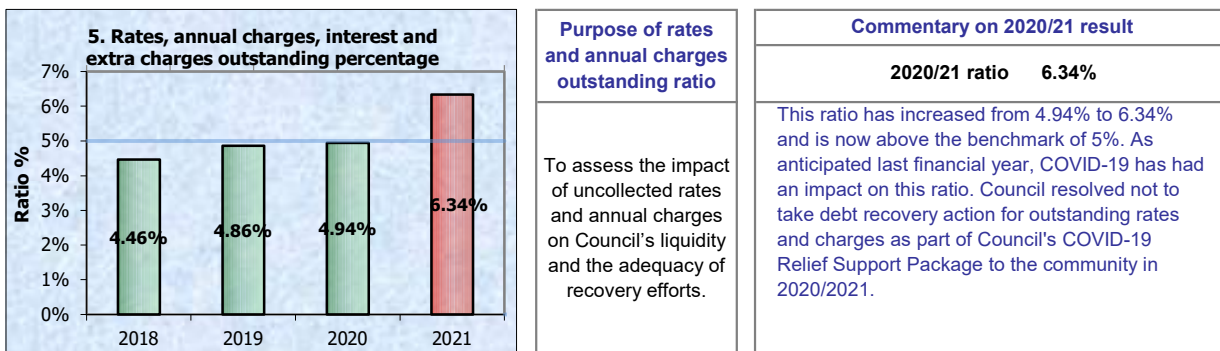
Ratio achieves benchmark  
 Ratio is outside benchmark



Benchmark: Minimum  $\geq 2.00$

Source for benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark  
 Ratio is outside benchmark



Benchmark: Maximum  $< 5.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #27

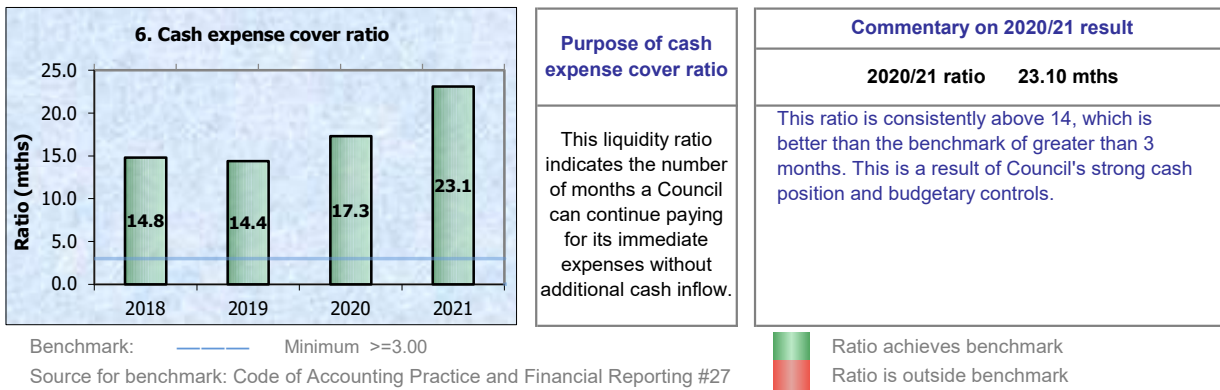
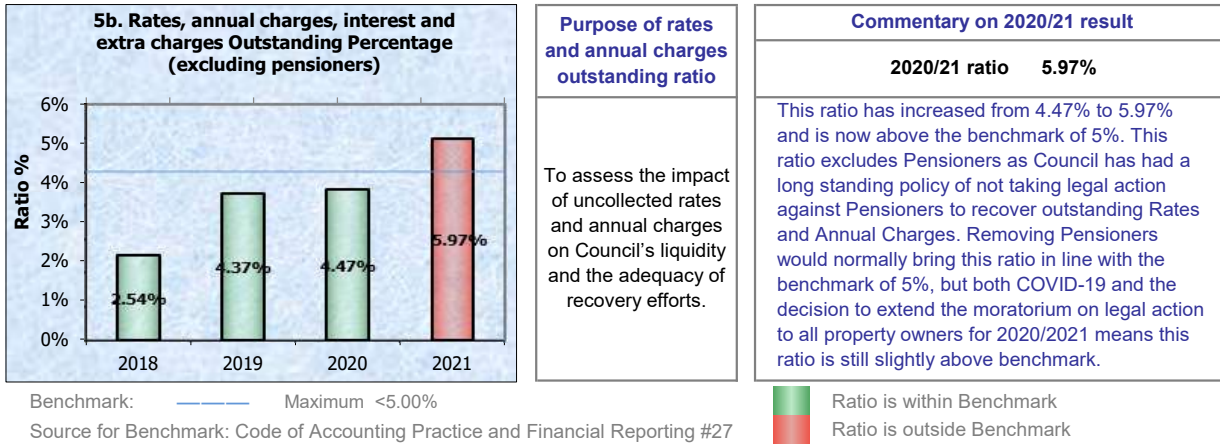
Ratio is within Benchmark  
 Ratio is outside Benchmark

# Camden Council

## Notes to the Financial Statements

for the year ended 30 June 2021

### Note H1-1 Statement of performance measures – consolidated results (graphs)



## H Additional Council disclosures (unaudited)

### H1-2 Financial review

#### Key financial figures of Council over the past 5 years

	2021 \$ '000	2020 \$ '000	2019 \$ '000	2018 \$ '000	2017 \$ '000
<b>Inflows:</b>					
Rates and annual charges revenue	74,816	74,558	70,403	64,290	57,907
User charges revenue	16,532	15,113	21,077	18,124	17,344
Interest and investment revenue (losses)	2,027	3,132	3,703	3,793	3,403
Grants income – operating and capital	96,311	96,553	13,113	12,443	9,471
Total income from continuing operations	310,977	263,322	238,973	275,285	188,734
Sale proceeds from IPPE	442	1,161	800	345	611
New loan borrowings and advances	12,300	–	–	–	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	54,920	51,882	48,878	42,072	38,631
Borrowing costs	1,180	1,397	1,559	1,808	1,960
Materials and contracts expenses	42,108	39,733	36,459	28,623	25,792
Total expenses from continuing operations	134,635	125,557	124,608	109,689	92,030
Total cash purchases of IPPE	37,874	25,778	32,713	46,550	37,044
Total loan repayments (incl. finance leases)	3,179	5,034	3,664	3,795	3,732
Operating surplus/(deficit) (excl. capital income)	(26,014)	(16,216)	(16,080)	(8,742)	(1,668)
<b>Financial position figures</b>					
Current assets	196,084	134,698	113,201	100,646	82,198
Current liabilities	59,023	46,219	36,645	36,399	36,116
Net current assets	137,061	88,479	76,556	64,247	46,082
Available working capital (Unrestricted net current assets)	(5,104)	(2,789)	(15,237)	(13,998)	(929)
Cash and investments – unrestricted	2,327	3,074	1,241	2,323	2,097
Cash and investments – internal restrictions	58,261	36,900	31,018	49,396	49,396
Cash and investments – total	210,076	154,343	138,163	107,919	107,919
Total borrowings outstanding (loans, advances and finance leases)	35,616	24,688	28,249	35,002	38,201
Total value of IPPE (excl. land and earthworks)	2,210,245	2,065,129	1,394,823	1,322,809	1,194,022
Total accumulated depreciation	420,753	395,898	308,411	286,992	274,482
Indicative remaining useful life (as a % of GBV)	81%	81%	80%	78%	77%
Depreciation Expense	33,082	29,201	25,297	22,171	16,389

**Source:** published audited financial statements of Council (current year and prior year)

## H1-3 Council information and contact details

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**Principal place of business:**

70 Central Ave  
Oran Park NSW 2570

**Contact details**

**Mailing Address:**

PO Box 183  
Camden NSW 2570

**Telephone:** (02) 4654 7777

**Facsimile:** (02) 4654 7829

**Opening hours:**

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

**Internet:** [www.camden.nsw.gov.au](http://www.camden.nsw.gov.au)

**Email:** [Camden@council.nsw.gov.au](mailto:Camden@council.nsw.gov.au)

**Officers**

**Ron Moore**

General Manager

**Paul Rofe**

Responsible Accounting Officer

**Auditors**

Audit Office of New South Wales  
GPO box 12  
SYDNEY NSW 2001

**Elected members**

**Mayor**

Therese Fedeli

**Deputy Mayor**

Rob Mills

**Councillors**

Ashleigh Cagney  
Cindy Cagney  
Eva Campbell  
Paul Farrow  
Michael Morrison  
Peter Sidgreaves \*  
Lara Symkowiak

*\* Note: Peter Sidgreaves resigned from Camden Council effective 22 March 2021 in order to continue in his role as the State Member for Camden*

**Other information**

**ABN:** 31 117 341 764



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

To the Councillors of the Camden Council

## Opinion

I have audited the accompanying financial statements of Camden Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

## Basis for Opinion

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

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

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

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

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

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

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

### **Other Information**

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis  
Delegate of the Auditor-General for New South Wales

5 November 2021  
SYDNEY



Therese Fedeli  
 Mayor  
 Camden Council  
 70 Central Ave  
 ORAN PARK NSW 2570

Contact: Caroline Karakatsanis  
 Phone no: 02 9275 7143  
 Our ref: D2124221/1705

5 November 2021

Dear Mayor

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

I have audited the general purpose financial statements (GPFS) of the Camden Council (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**INCOME STATEMENT**

**Operating result**

	2021 \$m	2020 \$m	Variance %
Rates and annual charges revenue	74.8	74.6	↑ 0.3
Grants and contributions revenue	211.6	162.5	↑ 30.2
Operating result from continuing operations	176.3	137.8	↑ 27.9
Net operating result before capital grants and contributions	(26.0)	(16.2)	↓ 60.5



The Council's operating result from continuing operations (\$176.3 million including depreciation and amortisation expense of \$33.1 million) was \$38.5 million higher than the 2019–20 result. This is primarily due to increase in capital contributions made by developers for infrastructure such as roads, drainage and open spaces.

The net operating result before capital grants and contributions (\$26.0 million deficit) was \$9.8 million lower than the 2019–20 result. This is primarily due to increased expenses (see below) coupled with \$4 million decrease in annual charges as part of Council's COVID-19 Community Support Package.

Rates and annual charges revenue (\$74.8 million) increased by \$0.2 million (0.3 per cent) in 2020–21 due to \$3.3 million (growth and allowable rate peg) in rate income which is offset by decrease in annual charges of \$3.1 million as part of Council's Community Support Package where a \$100 rebate was given to each property owner.

Grants and contributions revenue (\$211.6 million) increased by \$49.1 million (30.2 per cent) in 2020–21 mainly due to an increase in developer contributions received during the year.

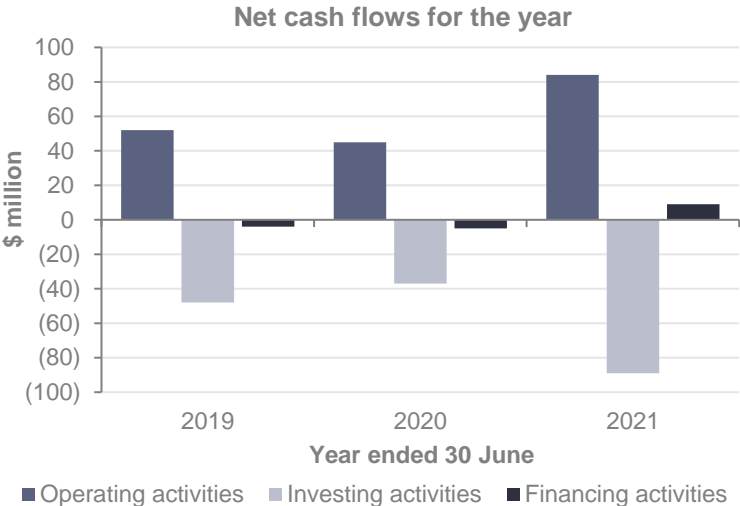
Total expenses (\$134.6 million) increased by \$9.1 million (7.2 per cent) in 2020–21 primarily due to:

- \$3.0 million increase in employee expenses as a result of additional positions and award increase
- \$2.4 million increase in Material and services in response to growth of the Council
- \$3.9 million increase in Depreciation expense mainly due to an increase in dedicated assets.

## STATEMENT OF CASH FLOWS

The Council reported a net increase of \$3.6 million cash flows for the year.

- Cash inflows from operating activities increased by \$38.7 million primarily due to increase in grants and contribution receipts.
- Cash outflow from investing activities increased by \$52.7 million due to increase in purchase of infrastructure, property, plant and equipment and term deposits during the year.
- In financing activities, Council borrowed \$12.3 million to fund the re-development of the Council Works Depot at Narellan (\$8.8 million) and Roads Renewal Program (\$3.5 million).



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>210.1</b>	<b>154.3</b>	<ul style="list-style-type: none"> <li>Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$35.1million is primarily due to an increase in cash receipts relating to developer contributions.</li> </ul>
Restricted cash and investments:			
• External restrictions	149.5	114.4	<ul style="list-style-type: none"> <li>Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The increase is mainly due to unspent funds.</li> </ul>
• Internal restrictions	58.3	36.9	

### Debt

Council borrowed \$12.3 million to fund the re-development of the Council Works Depot at Narellan (\$8.8 million) and Roads Renewal Program (\$3.5 million).

The Council has a bank overdraft facility of \$0.6 million which remains unused as at 30 June 2021.

## PERFORMANCE

### Performance measures

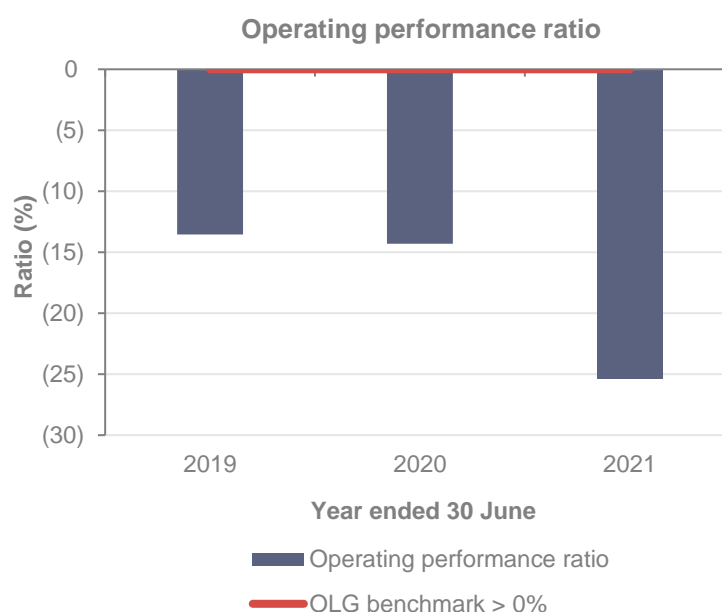
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

#### Operating performance ratio

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

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

The decrease in the ratio is mainly due to the increasing impact of depreciation expense as more infrastructure assets are built and/or dedicated to Council.

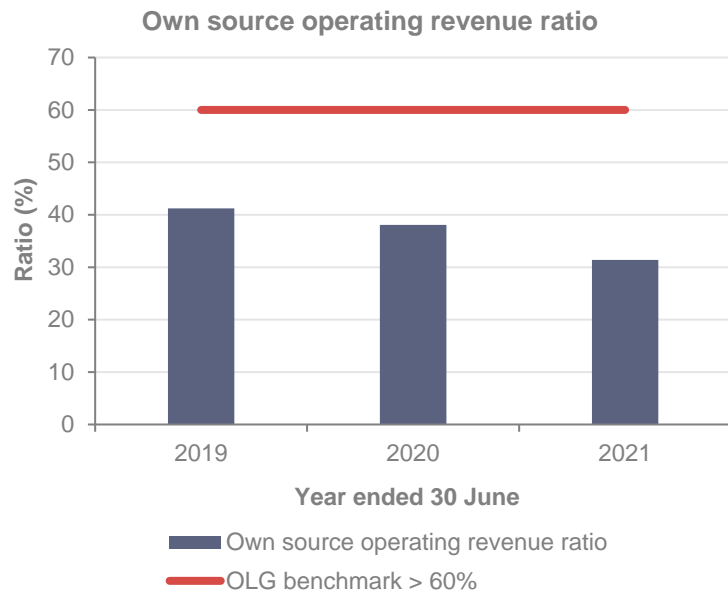


### Own source operating revenue ratio

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

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

The Council's own source operating revenue ratio continues to be below the OLG benchmark due to significant levels of non-cash contributions received by the Council in response to rapid growth.

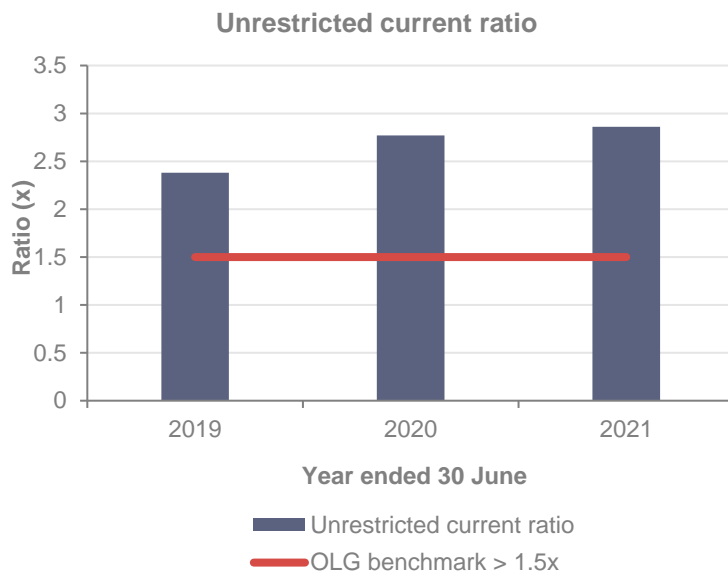


### Unrestricted current ratio

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

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

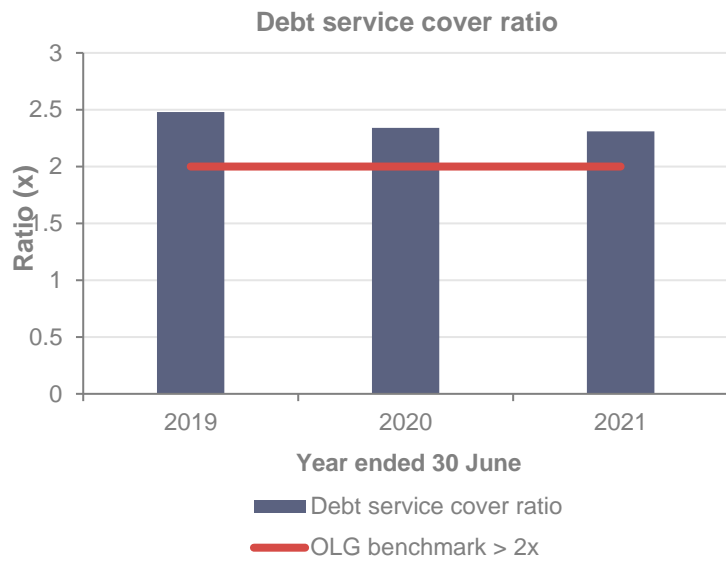
Increase in the ratios in 2020 and 2021 reflect Council's response to the liquidity needs of a rapid growing Council.



### 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.

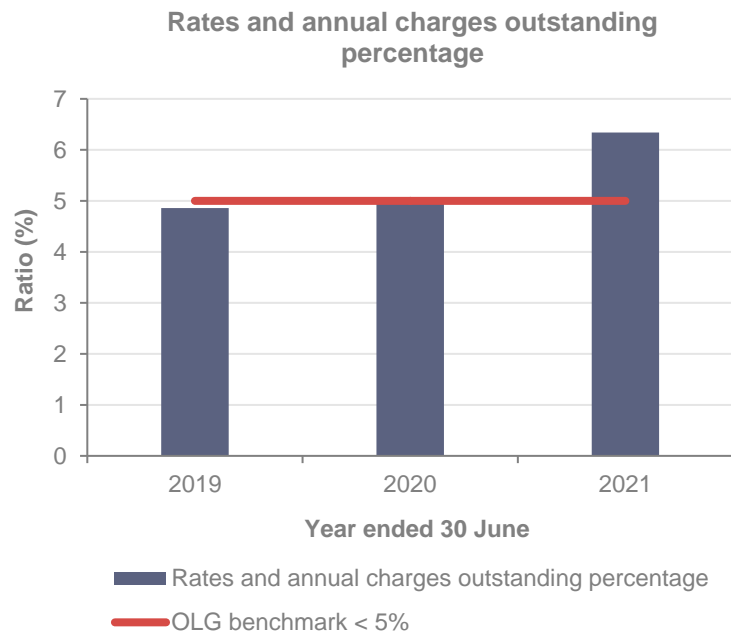
The Council met the OLG benchmark for the current reporting period. The Debt Service Ratio reduced from 2.34 to 2.31 primarily due to the \$3.1 million decrease in annual charges as part of Council's COVID-19 Community Support Package.



### Rates and annual charges outstanding percentage

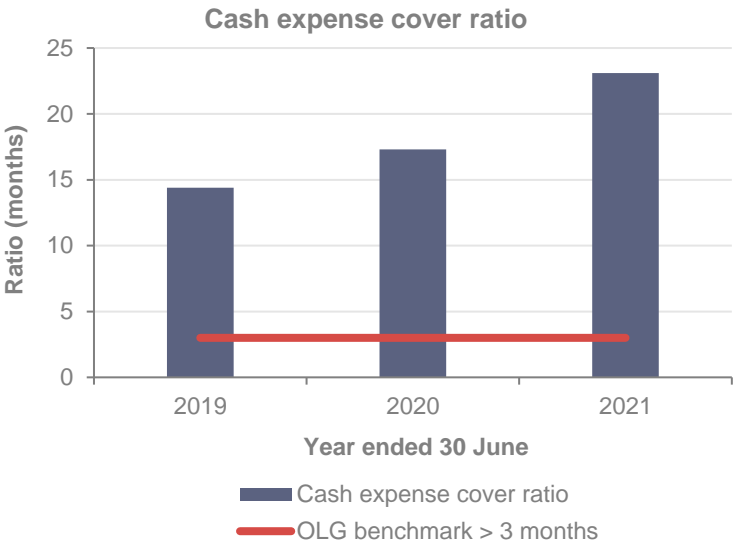
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.

The Council did not meet the OLG benchmark for the current reporting period. There has been an increase in the rates outstanding ratio from 4.94% to 6.34% primarily due to Council's COVID-19 initiative of not taking legal action against property owners for outstanding rate accounts over the past 12 months as part of its COVID-19 community support package.



**Cash expense cover ratio**

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



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

Council reported asset renewals of \$6.1 million in 2020–21 (\$8.5 million in 2019–20). Significant renewals included:

- road renewals of \$2.6 million (\$2.3 million in 2019–20)
- building and other structure renewals of \$1.6 million (\$1.4 million in 2019–20)

During 2020–21, \$167.2 million (\$144 million in 2019–20) of new and upgraded assets were acquired, including \$39.8 million for the roads, \$31.4 million of stormwater drainage assets and \$14.6 million of building and other structure assets.

## OTHER MATTERS

### Legislative compliance

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

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

The Council's:

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



Caroline Karakatsanis  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Ron Moore, General Manager  
Ms Elizabeth Gavey , Chair of Audit, Risk and Improvement Committee  
Kiersten Fishburn , Secretary of the Department of Planning, Industry and Environment

# Camden Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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<b>Special Purpose Financial Statements:</b>	
Income Statement of Commercial Waste	4
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<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>8</b>

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### Background

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

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

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

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

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



# Camden Council

## Special Purpose Financial Statements

for the year ended 30 June 2021

### Statement by Councillors and Management

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#### 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 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 12/10/2021.



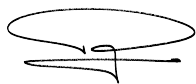
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Therese Fedeli  
**Mayor**  
12/10/2021



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Rob Mills  
**Deputy Mayor**  
12/10/2021



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Ron Moore  
**General Manager**  
12/10/2021



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Paul Rofe  
**Responsible Accounting Officer**  
12/10/2021

## Camden Council

## Income Statement of Commercial Waste

for the year ended 30 June 2021

	2021 Category 2 Actual \$ '000	2020 Category 2 Actual \$ '000
<b>Income from continuing operations</b>		
User charges	1,355	1,164
<b>Total income from continuing operations</b>	<b>1,355</b>	<b>1,164</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	284	186
Materials and services	194	176
Depreciation, amortisation and impairment	50	63
Other expenses	166	166
<b>Total expenses from continuing operations</b>	<b>694</b>	<b>591</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>661</b>	<b>573</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>661</b>	<b>573</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>661</b>	<b>573</b>
Less: corporate taxation equivalent [based on result before capital]	(172)	(158)
<b>Surplus (deficit) after tax</b>	<b>489</b>	<b>415</b>
<b>Plus accumulated surplus</b>	<b>1,184</b>	898
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	172	158
<b>Less:</b>		
– Dividend paid	(330)	(287)
<b>Closing accumulated surplus</b>	<b>1,515</b>	1,184
<b>Return on capital %</b>	<b>159.7%</b>	129.9%

## Camden Council

## Statement of Financial Position of Commercial Waste

as at 30 June 2021

	2021 Category 2 Actual \$ '000	2020 Category 2 Actual \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,089	726
Receivables	12	17
<b>Total current assets</b>	<b>1,101</b>	<b>743</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	414	441
<b>Total non-current assets</b>	<b>414</b>	<b>441</b>
<b>Total assets</b>	<b>1,515</b>	<b>1,184</b>
<b>Net assets</b>	<b>1,515</b>	<b>1,184</b>
<b>EQUITY</b>		
Accumulated surplus	1,515	1,184
<b>Total equity</b>	<b>1,515</b>	<b>1,184</b>

## Note – 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 (Act)*, the *Local Government (General) Regulation 2005 (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, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

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

### National Competition Policy

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

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

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

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

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

### Declared business activities

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

#### Category 1

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

Nil

#### Category 2

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

#### Camden Commercial Waste Activity

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

### 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):

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

Corporate income tax rate – **26%** (19/20 27.5%)

Land tax – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000.

### 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 26% (19/20 27.5%).

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional – that is, it is payable to the ‘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 26% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face ‘true’ commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council’s borrowing rate for its business activities.

#### (i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where 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. The overall effect of subsidies is contained within the Income Statements of business activities.

#### (ii) 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’.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council’s business activities on the Income Statement.

The rate of return is calculated as follows:

#### Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.49% at 30/6/21.

#### (iii) Dividends

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



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

To the Councillors of the Camden Council

## **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Camden Council's (the Council) Declared Business Activity, Commercial Waste, which comprise the Statement by Councillors and Management, the Income Statement of the Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of the Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activity as at 30 June 2021, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (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 Statements' section of my report.

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

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

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

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

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as 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 the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

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

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

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

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

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



Caroline Karakatsanis

Delegate of the Auditor-General for New South Wales

5 November 2021  
SYDNEY



# Camden Council

SPECIAL SCHEDULES  
for the year ended 30 June 2021

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Camden Council

Special Schedules

for the year ended 30 June 2021

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## Camden Council

### Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2021/22 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	58,290	<b>61,011</b>
Plus or minus adjustments <sup>2</sup>	b	1,186	<b>1,907</b>
<b>Notional general income</b>	c = a + b	<b>59,476</b>	<b>62,918</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	<b>2.00%</b>
Or plus rate peg amount	i = e x (c + g)	1,546	<b>1,258</b>
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>61,022</b>	<b>64,176</b>
Plus (or minus) last year's carry forward total	l	68	<b>29</b>
Less valuation objections claimed in the previous year	m	(59)	<b>(49)</b>
<b>Sub-total</b>	n = (l + m)	<b>9</b>	<b>(20)</b>
<b>Total permissible income</b>	o = k + n	<b>61,031</b>	<b>64,156</b>
Less notional general income yield	p	61,011	<b>64,133</b>
<b>Catch-up or (excess) result</b>	q = o - p	<b>20</b>	<b>23</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	r	49	<b>5</b>
Less unused catch-up <sup>5</sup>	s	(40)	<b>-</b>
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>29</b>	<b>28</b>

#### 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.
- (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 Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



**INDEPENDENT AUDITOR'S REPORT**  
**Special Schedule – Permissible income for general rates**  
**Camden Council**

To the Councillors of Camden Council

### **Opinion**

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

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

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

### **Basis for Opinion**

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

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

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

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

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

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

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

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Caroline Karakatsanis

Delegate of the Auditor-General for New South Wales

5 November 2021  
SYDNEY

## Camden Council

## Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance <sup>a</sup>	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
Buildings	Buildings	1,671	2,796	3,960	3,769	134,352	192,527	38.0%	50.0%	12.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>1,671</b>	<b>2,796</b>	<b>3,960</b>	<b>3,769</b>	<b>134,352</b>	<b>192,527</b>	<b>38.0%</b>	<b>50.0%</b>	<b>12.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
Other structures	Other structures / Open space recreational assets	2,749	3,405	6,858	7,394	53,693	79,115	16.0%	50.0%	18.0%	16.0%	0.0%	
	<b>Sub-total</b>	<b>2,749</b>	<b>3,405</b>	<b>6,858</b>	<b>7,394</b>	<b>53,693</b>	<b>79,115</b>	<b>16.0%</b>	<b>50.0%</b>	<b>18.0%</b>	<b>16.0%</b>	<b>0.0%</b>	
Roads	Roads	6,954	10,801	4,923	4,238	861,139	1,107,432	64.0%	28.0%	7.0%	1.0%	0.0%	
	<b>Sub-total</b>	<b>6,954</b>	<b>10,801</b>	<b>4,923</b>	<b>4,238</b>	<b>861,139</b>	<b>1,107,432</b>	<b>64.0%</b>	<b>28.0%</b>	<b>7.0%</b>	<b>1.0%</b>	<b>0.0%</b>	
Stormwater drainage	Stormwater drainage	397	792	450	585	443,385	498,568	67.0%	31.0%	2.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>397</b>	<b>792</b>	<b>450</b>	<b>585</b>	<b>443,385</b>	<b>498,568</b>	<b>67.0%</b>	<b>31.0%</b>	<b>2.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Total – all assets</b>		<b>11,771</b>	<b>17,794</b>	<b>16,191</b>	<b>15,986</b>	<b>1,492,569</b>	<b>1,877,642</b>	<b>60.1%</b>	<b>32.0%</b>	<b>6.6%</b>	<b>1.3%</b>	<b>0.0%</b>	

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

## Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

## Camden Council

## Report on infrastructure assets as at 30 June 2021

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>6,145</b>	<b>22.79%</b>	35.44%	13.70%	>= 100.00%
Depreciation, amortisation and impairment	<b>26,958</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>11,771</b>	<b>0.76%</b>	1.26%	1.15%	< 2.00%
Net carrying amount of infrastructure assets	<b>1,542,003</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>15,986</b>	<b>98.73%</b>	98.12%	100.13%	> 100.00%
Required asset maintenance	<b>16,191</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>17,794</b>	<b>0.95%</b>	1.02%	0.82%	
Gross replacement cost	<b>1,877,642</b>				

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

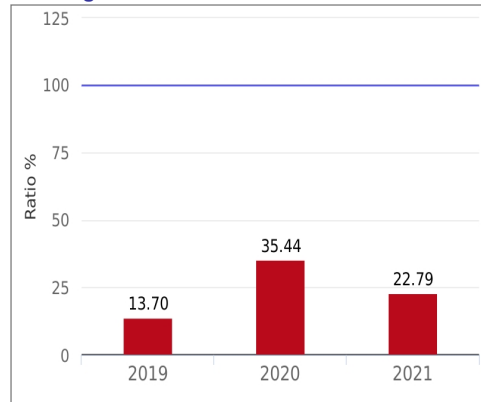
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



# Camden Council

## Report on infrastructure assets as at 30 June 2021

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

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

**Commentary on result**

20/21 ratio 22.79%

It is difficult to justify a ratio of more than 100% for Camden Council when Council has a high proportion of new assets that at this point of their life cycle do not require renewal. Depreciation expense also continues to increase annually due to the acquisition/dedication of new assets through growth. Council continues to put into place renewal programs that address any assets in a poor condition.

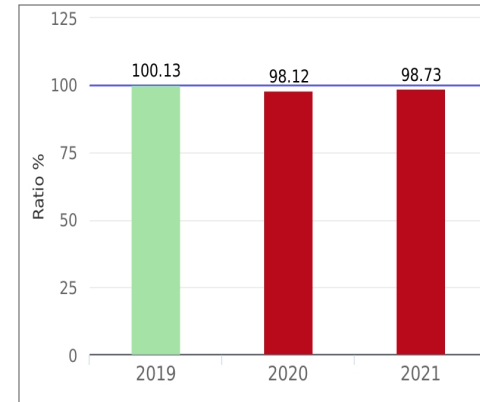
Benchmark: —  $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

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

**Commentary on result**

20/21 ratio 98.73%

Council's ratio of 98.73% is just below the benchmark of 100%, with a high percentage of maintenance programs completed throughout the year. This continues to ensure Council's asset base remains in a good condition.

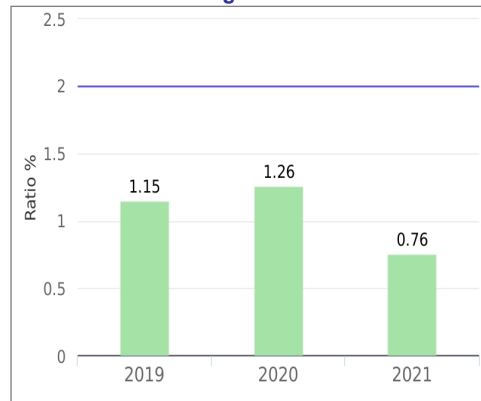
Benchmark: —  $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

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

**Commentary on result**

20/21 ratio 0.76%

Council's current infrastructure backlog ratio is 0.76% and well within the industry benchmark of less than 2.00%. The ratio has improved compared to last year which indicates Council is on track with the Renewal Program.

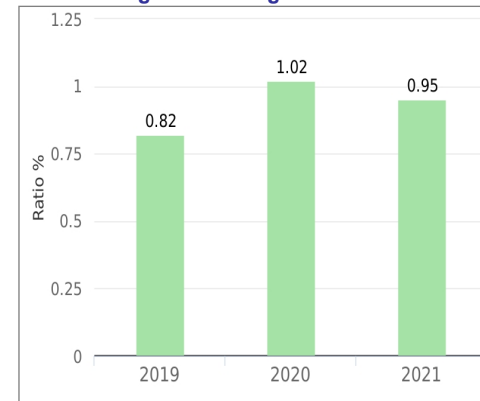
Benchmark: —  $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

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

**Commentary on result**

20/21 ratio 0.95%

Council continues to implement renewal programs based on the condition of assets to ensure Council's asset base remains in a good condition.