

# Griffith City Council

SPECIAL SCHEDULES

for the year ended 30 June 2017

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# Griffith City Council

## Special Schedules

for the year ended 30 June 2017

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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

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#### Background

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

## Griffith City Council

## Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>2,489</b>	<b>66</b>	<b>590</b>	<b>(1,833)</b>
<b>Administration</b>	<b>5,159</b>	<b>590</b>	<b>18</b>	<b>(4,551)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	512	197	–	(315)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	149	86	–	(63)
Other	404	216	–	(188)
<b>Total public order and safety</b>	<b>1,065</b>	<b>499</b>	<b>–</b>	<b>(566)</b>
<b>Health</b>	<b>528</b>	<b>148</b>	<b>–</b>	<b>(380)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	273	155	–	(118)
Other environmental protection	–	–	–	–
Solid waste management	3,558	6,699	17	3,158
Street cleaning	360	36	–	(324)
Drainage	–	–	–	–
Stormwater management	1,135	202	93	(840)
<b>Total environment</b>	<b>5,326</b>	<b>7,092</b>	<b>110</b>	<b>1,876</b>
<b>Community services and education</b>				
Administration and education	444	88	4	(352)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	20	14	–	(6)
Children's services	–	–	–	–
<b>Total community services and education</b>	<b>464</b>	<b>102</b>	<b>4</b>	<b>(358)</b>
<b>Housing and community amenities</b>				
Public cemeteries	396	471	–	75
Public conveniences	205	–	–	(205)
Street lighting	–	–	–	–
Town planning	3,166	934	316	(1,916)
Other community amenities	–	–	–	–
<b>Total housing and community amenities</b>	<b>3,767</b>	<b>1,405</b>	<b>316</b>	<b>(2,046)</b>
<b>Water supplies</b>	<b>5,948</b>	<b>8,977</b>	<b>611</b>	<b>3,640</b>
<b>Sewerage services</b>	<b>6,766</b>	<b>8,581</b>	<b>558</b>	<b>2,373</b>

## Griffith City Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	942	180	150	(612)
Museums	417	197	58	(162)
Art galleries	274	68	20	(186)
Community centres and halls	–	–	–	–
Performing arts venues	1,212	509	–	(703)
Other performing arts	–	–	–	–
Other cultural services	–	–	–	–
Sporting grounds and venues	897	137	15	(745)
Swimming pools	2,111	1,433	–	(678)
Parks and gardens (lakes)	2,464	45	432	(1,987)
Other sport and recreation	–	–	–	–
<b>Total recreation and culture</b>	<b>8,317</b>	<b>2,569</b>	<b>675</b>	<b>(5,073)</b>
<b>Fuel and energy</b>	–	–	–	–
<b>Agriculture</b>	–	–	–	–
<b>Mining, manufacturing and construction</b>				
Building control	–	–	–	–
Other mining, manufacturing and construction	–	141	–	141
<b>Total mining, manufacturing and const.</b>	–	<b>141</b>	–	<b>141</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	2,524	9	111	(2,404)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	608	1,724	925	2,041
Sealed rural roads (SRR) – regional	546	390	–	(156)
Unsealed rural roads (URR) – local	2,691	500	333	(1,858)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	91	–	–	(91)
Footpaths	260	–	52	(208)
Aerodromes	687	808	285	406
Other transport and communication	1,127	1,126	–	(1)
<b>Total transport and communication</b>	<b>8,534</b>	<b>4,557</b>	<b>1,706</b>	<b>(2,271)</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	853	161	26	(666)
Other economic affairs	790	583	–	(207)
<b>Total economic affairs</b>	<b>1,643</b>	<b>744</b>	<b>26</b>	<b>(873)</b>
<b>Totals – functions</b>	<b>50,006</b>	<b>35,471</b>	<b>4,614</b>	<b>(9,921)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>23,741</b>		<b>23,741</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	–	–		–
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>50,006</b>	<b>59,212</b>	<b>4,614</b>	<b>13,820</b>

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

## Griffith City Council

## Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2017

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
<b>Loans (by source)</b>											
Commonwealth Government	–	–	–							–	–
NSW Treasury Corporation	–	–	–							–	–
Other State Government	180	540	720	–	180	–	–	–	180	360	540
Public subscription	–	–	–							–	–
Financial institutions	831	19,029	19,860	–	831	–	–	1,412	1,033	17,996	19,029
Other	206	–	206	–	206	–	–	12	–	–	–
<b>Total loans</b>	<b>1,217</b>	<b>19,569</b>	<b>20,786</b>	<b>–</b>	<b>1,217</b>	<b>–</b>	<b>–</b>	<b>1,424</b>	<b>1,213</b>	<b>18,356</b>	<b>19,569</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–							–	–
Government advances	–	–	–							–	–
Finance leases	15	32	47	48	18	–	–	1	27	50	77
Deferred payments	–	–	–							–	–
<b>Total long term debt</b>	<b>15</b>	<b>32</b>	<b>47</b>	<b>48</b>	<b>18</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>27</b>	<b>50</b>	<b>77</b>
<b>Total debt</b>	<b>1,232</b>	<b>19,601</b>	<b>20,833</b>	<b>48</b>	<b>1,235</b>	<b>–</b>	<b>–</b>	<b>1,425</b>	<b>1,240</b>	<b>18,406</b>	<b>19,646</b>

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Griffith City Council

Special Schedule 2(b) – Statement of Internal Loans [Section 410(3) of the *Local Government Act* 1993]  
for the year ended 30 June 2017

\$'000

## Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
General	1,600	345	553
Water			
Sewer			
Domestic waste management			
Gas			
Other			
<b>Totals</b>	<b>1,600</b>	<b>345</b>	<b>553</b>

Note: the summary of internal loans (above) represents the total of Council's internal loans categorised according to the borrower.

## Details of individual internal loans

Borrower (by purpose)	Lender (by purpose)	Date of minister's approval	Date raised	Term (years)	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during year (princ. and int.)	Principal outstanding at end of year
Aerodrome	Water Fund	04/07/12	04/07/12	10	01/04/17	3.57%	500	110	–
Land (Medical Students)	Water Fund	04/07/12	04/07/12	10	01/04/17	3.57%	200	44	–
Governance (Building)	Water Fund	24/04/15	24/04/15	10	24/04/25	2.35%	900	191	553
<b>Totals</b>							<b>1,600</b>	<b>345</b>	<b>553</b>

## Griffith City Council

## Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	2,009	2,121
b. Engineering and supervision	424	451
<b>2. Operation and maintenance expenses</b>		
– <b>dams and weirs</b>		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– <b>Mains</b>		
c. Operation expenses	570	727
d. Maintenance expenses	166	186
– <b>Reservoirs</b>		
e. Operation expenses	3	7
f. Maintenance expenses	5	3
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	6	5
h. Energy costs	41	66
i. Maintenance expenses	14	23
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	946	936
k. Chemical costs	399	284
l. Maintenance expenses	125	131
– <b>Other</b>		
m. Operation expenses	457	386
n. Maintenance expenses	149	156
o. Purchase of water	492	476
<b>3. Depreciation expenses</b>		
a. System assets	1,992	1,971
b. Plant and equipment	117	132
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	77	40
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>7,992</b>	<b>8,101</b>

## Griffith City Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	1,279	1,231
b. Usage charges	4,645	4,831
<b>7. Non-residential charges</b>		
a. Access (including rates)	599	580
b. Usage charges	2,051	2,142
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	550	402
<b>10. Other income</b>	423	492
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>11. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	68	68
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	468	410
b. Developer provided assets	–	–
c. Other contributions	328	136
<b>13. Total income</b>	<b>10,411</b>	<b>10,292</b>
<b>14. Gain (or loss) on disposal of assets</b>	15	33
<b>15. Operating result</b>	<b>2,434</b>	<b>2,224</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	2,434	2,224

## Griffith City Council

## Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	483	188
c. Renewals	1,183	678
d. Plant and equipment	101	220
<b>17. Repayment of debt</b>	–	–
<b>18. Totals</b>	<b>1,767</b>	<b>1,086</b>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	51	92
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<b>51</b>	<b>92</b>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	8,116	8,033
b. Residential (unoccupied, ie. vacant lot)	180	246
c. Non-residential (occupied)	1,520	1,513
d. Non-residential (unoccupied, ie. vacant lot)	180	175
<b>23. Number of ETs for which developer charges were received</b>	70 ET	100 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 117,636	\$ 122,798

## Griffith City Council

## Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	2,736	–	2,736
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	9,890	4,000	13,890
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	–	–	–
c. User charges	2,840	–	2,840
d. Other	180	373	553
<b>27. Inventories</b>	2,559	–	2,559
<b>28. Property, plant and equipment</b>			
a. System assets	–	126,786	126,786
b. Plant and equipment	–	4,997	4,997
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>18,205</b>	<b>136,156</b>	<b>154,361</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	2	–	2
<b>33. Borrowings</b>	–	–	–
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<b>2</b>	<b>–</b>	<b>2</b>
<b>36. NET ASSETS COMMITTED</b>	<b>18,203</b>	<b>136,156</b>	<b>154,359</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			87,031
<b>38. Asset revaluation reserve</b>			67,328
<b>39. Other reserves</b>			–
<b>40. TOTAL EQUITY</b>			<b>154,359</b>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			178,509
<b>42. Accumulated current cost</b> depreciation of system assets			(51,723)
<b>43. Written down current cost</b> of system assets			<b>126,786</b>

## Griffith City Council

## Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	1,215	1,028
b. Engineering and supervision	426	412
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	564	504
b. Maintenance expenses	136	87
– Pumping stations		
c. Operation expenses (excluding energy costs)	654	685
d. Energy costs	157	83
e. Maintenance expenses	132	109
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	547	575
g. Chemical costs	245	270
h. Energy costs	267	280
i. Effluent management	20	23
j. Biosolids management	–	–
k. Maintenance expenses	133	118
– Other		
l. Operation expenses	179	131
m. Maintenance expenses	15	16
<b>3. Depreciation expenses</b>		
a. System assets	1,813	1,763
b. Plant and equipment	102	114
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	1,373	1,436
b. Revaluation decrements	–	–
c. Other expenses	5	4
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>7,983</b>	<b>7,638</b>

## Griffith City Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	6,472	6,273
<b>7. Non-residential charges</b>		
a. Access (including rates)	826	802
b. Usage charges	739	748
<b>8. Trade waste charges</b>		
a. Annual fees	43	41
b. Usage charges	208	158
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	204	197
<b>11. Other income</b>	29	20
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>12. Grants</b>		
a. Grants for acquisition of assets	212	–
b. Grants for pensioner rebates	59	59
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	323	318
b. Developer provided assets	–	–
c. Other contributions	31	7
<b>14. Total income</b>	<b>9,146</b>	<b>8,623</b>
<b>15. Gain (or loss) on disposal of assets</b>	36	20
<b>16. Operating result</b>	<b>1,199</b>	<b>1,005</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	987	1,005

## Griffith City Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	341	165
c. Renewals	151	634
d. Plant and equipment	316	99
<b>18. Repayment of debt</b>	715	779
<b>19. Totals</b>	<b>1,523</b>	<b>1,677</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	93	63
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<b>93</b>	<b>63</b>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	7,285	7,217
b. Residential (unoccupied, ie. vacant lot)	175	216
c. Non-residential (occupied)	699	738
d. Non-residential (unoccupied, ie. vacant lot)	112	103
<b>24. Number of ETs for which developer charges were received</b>	69 ET	135 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 103,233	\$ 107,452

## Griffith City Council

## Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	1,456	–	1,456
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	5,173	–	5,173
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	1,849	–	1,849
c. User charges	309	–	309
d. Other	–	–	–
<b>28. Inventories</b>	–	–	–
<b>29. Property, plant and equipment</b>			
a. System assets	–	114,251	114,251
b. Plant and equipment	–	5,969	5,969
<b>30. Other assets</b>	–	–	–
<b>31. Total assets</b>	<b>8,787</b>	<b>120,220</b>	<b>129,007</b>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	–	–	–
<b>34. Borrowings</b>	766	17,659	18,425
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>36. Total liabilities</b>	<b>766</b>	<b>17,659</b>	<b>18,425</b>
<b>37. NET ASSETS COMMITTED</b>	<b>8,021</b>	<b>102,561</b>	<b>110,582</b>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			65,307
<b>39. Asset revaluation reserve</b>			45,275
<b>40. Other reserves</b>			–
<b>41. TOTAL EQUITY</b>			<b>110,582</b>
<b>Note to system assets:</b>			
<b>42. Current replacement cost</b> of system assets			159,362
<b>43. Accumulated current cost</b> depreciation of system assets			(45,111)
<b>44. Written down current cost</b> of system assets			<b>114,251</b>

## Griffith City Council

### Notes to Special Schedules 3 and 5

for the year ended 30 June 2017

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Impairment losses** (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <sup>(2)</sup> (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

**Non-residential charges** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

## Griffith City Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Buildings – specialised	500	500	250	250	77,451	87,152	76%	15%	4%	2%	3%
	<b>Sub-total</b>	<b>500</b>	<b>500</b>	<b>250</b>	<b>250</b>	<b>77,451</b>	<b>87,152</b>	<b>76.0%</b>	<b>15.0%</b>	<b>4.0%</b>	<b>2.0%</b>	<b>3.0%</b>
<b>Other structures</b>	Other structures	–	–	50	50	12,709	15,753	80%	17%	1%	2%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>50</b>	<b>50</b>	<b>12,709</b>	<b>15,753</b>	<b>80.0%</b>	<b>17.0%</b>	<b>1.0%</b>	<b>2.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	4,500	4,500	3,000	3,000	147,385	164,548	77%	19%	3%	1%	0%
	Unsealed roads	65	65	1,525	1,525	70,035	95,861	18%	13%	68%	1%	0%
	Bridges	5	5	1	1	3,010	5,388	3%	70%	27%	0%	0%
	Footpaths	105	105	20	20	7,047	12,829	9%	38%	47%	6%	0%
	Other road assets	150	150	150	150	33,008	44,414	15%	44%	38%	2%	1%
	<b>Sub-total</b>	<b>4,825</b>	<b>4,825</b>	<b>4,696</b>	<b>4,696</b>	<b>260,485</b>	<b>323,040</b>	<b>47.0%</b>	<b>22.3%</b>	<b>29.2%</b>	<b>1.3%</b>	<b>0.1%</b>
<b>Water supply network</b>	Water supply network	2,505	2,505	1,100	1,100	126,787	176,111	31%	38%	27%	3%	1%
	<b>Sub-total</b>	<b>2,505</b>	<b>2,505</b>	<b>1,100</b>	<b>1,100</b>	<b>126,787</b>	<b>176,111</b>	<b>31.0%</b>	<b>38.0%</b>	<b>27.0%</b>	<b>3.0%</b>	<b>1.0%</b>
<b>Sewerage network</b>	Sewerage network	2,675	2,675	630	630	114,252	169,073	24%	32%	39%	4%	1%
	<b>Sub-total</b>	<b>2,675</b>	<b>2,675</b>	<b>630</b>	<b>630</b>	<b>114,252</b>	<b>169,073</b>	<b>24.0%</b>	<b>32.0%</b>	<b>39.0%</b>	<b>4.0%</b>	<b>1.0%</b>

## Griffith City Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Stormwater drainage	200	200	130	130	54,238	67,989	74%	9%	7%	3%	7%
	<b>Sub-total</b>	<b>200</b>	<b>200</b>	<b>130</b>	<b>130</b>	<b>54,238</b>	<b>67,989</b>	<b>74.0%</b>	<b>9.0%</b>	<b>7.0%</b>	<b>3.0%</b>	<b>7.0%</b>
Open space/recreational assets	Parks & Gardens Infrastructure	200	200	150	150	1,882	9,306	3%	8%	7%	22%	60%
	<b>Sub-total</b>	<b>200</b>	<b>200</b>	<b>150</b>	<b>150</b>	<b>1,882</b>	<b>9,306</b>	<b>3.0%</b>	<b>8.0%</b>	<b>7.0%</b>	<b>22.0%</b>	<b>60.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>10,905</b>	<b>10,905</b>	<b>7,006</b>	<b>7,006</b>	<b>647,804</b>	<b>848,424</b>	<b>44.4%</b>	<b>25.4%</b>	<b>25.6%</b>	<b>2.6%</b>	<b>2.0%</b>

## Notes:

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

## Infrastructure asset condition assessment 'key'

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Griffith City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017

\$ '000	Amounts	Indicator	Benchmark	Prior periods	
	2017	2017		2016	2015
<b>Infrastructure asset performance indicators * consolidated</b>					
<b>1. Infrastructure renewals ratio</b>					
Asset renewals <sup>(1)</sup>	<u>6,781</u>	<b>73.37%</b>	>= 100%	74.32%	82.25%
Depreciation, amortisation and impairment	<u>9,242</u>				
<b>2. Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<u>10,905</u>	<b>1.68%</b>	< 2.00%	1.61%	1.63%
Net carrying amount of infrastructure assets	<u>647,804</u>				
<b>3. Asset maintenance ratio</b>					
Actual asset maintenance	<u>7,006</u>	<b>1.00</b>	> 1.00	1.00	1.01
Required asset maintenance	<u>7,006</u>				

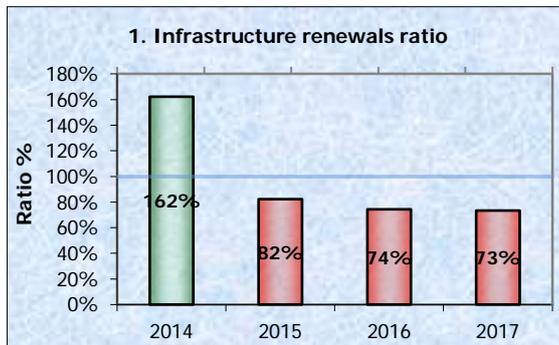
## Notes

\* All asset performance indicators are calculated using the asset 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.

# Griffith City Council

## Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2017



**Purpose of asset renewals ratio**

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

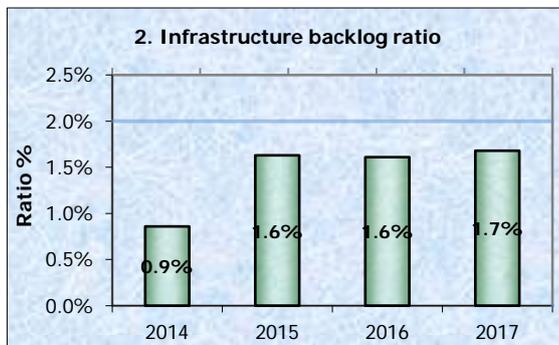
**Commentary on 2016/17 result**

**2016/17 Ratio 73.37%**

The ratio remains below the benchmark due to a number of Infrastructure Renewal Projects within the Water and Sewr Funds being incomplete. Council has also been completing some large scale new infrastructure projects which are not included in this ratio.

Benchmark: 100.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark



**Purpose of infrastructure backlog ratio**

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

**Commentary on 2016/17 result**

**2016/17 Ratio 1.68%**

This ratio has remained stable of the past 3 years and demonstrates that Council is committed to renewing and maintaining its assets to a satisfactory standard.

Benchmark: 2.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark



**Purpose of 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 2016/17 result**

**2016/17 Ratio 1.00 x**

Council has maintained a satisfactory asset maintenance ratio and is committed to not allowing any backlog to occur in its asset base into the future.

Benchmark: 1.00  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark

## Griffith City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017

\$ '000	Benchmark	Water 2017	Sewer 2017	General <sup>(1)</sup> 2017
<b>Infrastructure asset performance indicators by fund</b>				
<b>1. Infrastructure renewals ratio</b>				
<u>Asset renewals <sup>(2)</sup></u>	>= 100%	<b>61.07%</b>	<b>15.55%</b>	<b>111.52%</b>
Depreciation, amortisation and impairment	prior period	30.95%	36.35%	100.69%
<b>2. Infrastructure backlog ratio</b>				
<u>Estimated cost to bring assets to a satisfactory standard</u>	< 2.00%	<b>1.98%</b>	<b>2.34%</b>	<b>1.41%</b>
Net carrying amount of infrastructure assets	prior period	1.99%	2.06%	1.33%
<b>3. Asset maintenance ratio</b>				
<u>Actual asset maintenance</u>	> 1.00	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Required asset maintenance	prior period	0.93	1.00	1.01

## Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

## Griffith City Council

## Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	15,824	16,149
Plus or minus adjustments <sup>(2)</sup>	b	29	21
<b>Notional general income</b>	c = (a + b)	<b>15,853</b>	<b>16,170</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	285	243
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>16,138</b>	<b>16,413</b>
Plus (or minus) last year's carry forward total	l	(3)	(13)
Less valuation objections claimed in the previous year	m	–	(1)
<b>Sub-total</b>	n = (l + m)	<b>(3)</b>	<b>(14)</b>
<b>Total permissible income</b>	o = k + n	<b>16,135</b>	<b>16,398</b>
Less notional general income yield	p	16,149	16,407
<b>Catch-up or (excess) result</b>	q = o – p	<b>(14)</b>	<b>(9)</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	1	–
Less unused catch-up <sup>(5)</sup>	s	–	–
<b>Carry forward to next year</b>	t = q + r – s	<b>(13)</b>	<b>(9)</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*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule No. 8

### Griffith City Council

To the Councillors of Griffith City Council

### Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Griffith City Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Griffith City Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

### 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 Special Schedule No.8' section of my report.

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

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

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

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

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

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

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

## **Other Matter**

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 27 October 2016.

## **Councillors' Responsibility for Special Schedule No. 8**

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 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 Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of Special Schedule No. 8**

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 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 Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at [http://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.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Lawrissa Chan  
Director, Financial Audit Services

23 October 2017  
SYDNEY