

Griffith City Council

SPECIAL SCHEDULES
for the year ended 30 June 2016



Griffith City Council

Special Schedules for the year ended 30 June 2016

Contents		Page
Special Schedules¹		
Special Schedule 1	Net Cost of Services	2
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	4
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
Special Schedule 3	Water Supply Operations – incl. Income Statement	6
Special Schedule 4	Water Supply – Statement of Financial Position	9
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	10
Special Schedule 6	Sewerage Service – Statement of Financial Position	13
Notes to Special Schedules 3 and 5		14
Special Schedule 7	Report on Infrastructure Assets	15
Special Schedule 8	Permissible Income Calculation	20

¹ Special Schedules are not audited (with the exception of Special Schedule 8).

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 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,774	1,079	6,124	5,429
Administration	6,206	621	16	(5,569)
Public order and safety				
Fire service levy, fire protection, emergency services	507	186	—	(321)
Beach control	—	—	—	—
Enforcement of local government regulations	—	—	—	—
Animal control	90	64	—	(26)
Other	351	172	—	(179)
Total public order and safety	948	422	—	(526)
Health	704	303	—	(401)
Environment				
Noxious plants and insect/vermin control	267	148	—	(119)
Other environmental protection	—	—	—	—
Solid waste management	3,063	5,997	22	2,956
Street cleaning	253	37	—	(216)
Drainage	—	—	—	—
Stormwater management	609	212	113	(284)
Total environment	4,192	6,394	135	2,337
Community services and education				
Administration and education	413	74	44	(295)
Social protection (welfare)	—	—	—	—
Aged persons and disabled	18	12	—	(6)
Children's services	—	—	—	—
Total community services and education	431	86	44	(301)
Housing and community amenities				
Public cemeteries	406	498	—	92
Public conveniences	216	—	—	(216)
Street lighting	359	107	2	(250)
Town planning	3,125	1,113	181	(1,831)
Other community amenities	—	—	—	—
Total housing and community amenities	4,106	1,718	183	(2,205)
Water supplies	6,042	8,913	423	3,294
Sewerage services	6,482	8,298	325	2,141

Griffith City Council

Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	913	187	—	(726)
Museums	339	140	—	(199)
Art galleries	228	41	—	(187)
Community centres and halls	—	—	—	—
Performing arts venues	1,293	548	5	(740)
Other performing arts	—	—	—	—
Other cultural services	—	—	—	—
Sporting grounds and venues	940	140	—	(800)
Swimming pools	2,135	1,337	—	(798)
Parks and gardens (lakes)	2,624	32	216	(2,376)
Other sport and recreation	—	—	—	—
Total recreation and culture	8,472	2,425	221	(5,826)
Fuel and energy	—	—	—	—
Agriculture	—	—	—	—
Mining, manufacturing and construction				
Building control	—	—	—	—
Other mining, manufacturing and construction	1	114	—	113
Total mining, manufacturing and const.	1	114	—	113
Transport and communication				
Urban roads (UR) – local	2,960	9	914	(2,037)
Urban roads – regional	—	—	—	—
Sealed rural roads (SRR) – local	502	1,769	629	1,896
Sealed rural roads (SRR) – regional	539	514	—	(25)
Unsealed rural roads (URR) – local	2,531	—	—	(2,531)
Unsealed rural roads (URR) – regional	—	—	—	—
Bridges on UR – local	—	—	—	—
Bridges on SRR – local	—	—	—	—
Bridges on URR – local	—	—	—	—
Bridges on regional roads	—	—	—	—
Parking areas	61	—	—	(61)
Footpaths	277	—	78	(199)
Aerodromes	673	749	424	500
Other transport and communication	722	788	—	66
Total transport and communication	8,265	3,829	2,045	(2,391)
Economic affairs				
Camping areas and caravan parks	841	217	191	(433)
Other economic affairs	764	482	—	(282)
Total economic affairs	1,605	699	191	(715)
Totals – functions	49,228	34,901	9,707	(4,620)
General purpose revenues ⁽¹⁾		20,463		20,463
Share of interests – joint ventures and associates using the equity method	—	—		—
NET OPERATING RESULT ⁽²⁾	49,228	55,364	9,707	15,843

(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 2016

\$'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
Loans (by source)											
Commonwealth government	–	–	–	–	–	–	–	–	–	–	–
Treasury corporation	–	–	–	–	–	–	–	–	–	–	–
Other state government	180	720	900	–	180	–	–	–	180	540	720
Public subscription	–	–	–	–	–	–	–	–	–	–	–
Financial institutions	1,078	19,860	20,938	–	1,078	–	–	1,487	831	19,029	19,860
Other	195	206	401	–	195	–	–	24	206	–	206
Total loans	1,453	20,786	22,239	–	1,453	–	–	1,511	1,217	19,569	20,786
Other long term debt											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	–	–	–	–	–	–	–	–	–	–	–
Finance leases	–	–	–	61	14	–	–	1	15	32	47
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
Total long term debt	–	–	–	61	14	–	–	1	15	32	47
Total debt	1,453	20,786	22,239	61	1,467	–	–	1,512	1,232	19,601	20,833

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 2016

\$'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	2,138	344	878
Water			
Sewer			
Domestic waste management			
Gas			
Other			
Totals	2,138	344	878

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
Library Services	Water Fund	N/A	25/06/04	10	24/06/14	6.00%	488	–	–
Library Services	Water Fund	N/A	21/03/05	10	21/03/15	6.00%	50	–	–
Aerodrome	Water Fund	04/07/12	04/07/12	10	01/04/17	3.57%	500	109	107
Land (Medical Students)	Water Fund	04/07/12	04/07/12	10	01/04/17	3.57%	200	43	43
Governance (Building)	Water Fund	24/04/15	24/04/15	10	24/04/25	2.35%	900	192	728
Totals							2,138	344	878

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 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income Expenses		
1. Management expenses		
a. Administration	2,121	2,113
b. Engineering and supervision	451	404
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	727	749
d. Maintenance expenses	186	168
– Reservoirs		
e. Operation expenses	7	7
f. Maintenance expenses	3	8
– Pumping stations		
g. Operation expenses (excluding energy costs)	5	5
h. Energy costs	66	40
i. Maintenance expenses	23	14
– Treatment		
j. Operation expenses (excluding chemical costs)	936	866
k. Chemical costs	284	334
l. Maintenance expenses	131	92
– Other		
m. Operation expenses	386	532
n. Maintenance expenses	156	159
o. Purchase of water	476	455
3. Depreciation expenses		
a. System assets	1,971	1,956
b. Plant and equipment	132	120
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	40	41
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	8,101	8,063

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 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges		
a. Access (including rates)	1,231	1,230
b. Usage charges	4,831	4,561
7. Non-residential charges		
a. Access (including rates)	580	580
b. Usage charges	2,142	2,027
8. Extra charges	—	—
9. Interest income	402	300
10. Other income	492	298
10a. Aboriginal Communities Water and Sewerage Program	—	—
11. Grants		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	68	68
c. Other grants	—	—
12. Contributions		
a. Developer charges	410	64
b. Developer provided assets	—	—
c. Other contributions	136	71
13. Total income	10,292	9,199
14. Gain (or loss) on disposal of assets	33	27
15. Operating result	2,224	1,163
15a. Operating result (less grants for acquisition of assets)	2,224	1,163

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 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	188	154
c. Renewals	678	483
d. Plant and equipment	220	196
17. Repayment of debt	–	913
18. Totals	1,086	1,746
Non-operating funds employed		
19. Proceeds from disposal of assets	92	97
20. Borrowing utilised	–	–
21. Totals	92	97
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	8,033	7,961
b. Residential (unoccupied, ie. vacant lot)	246	316
c. Non-residential (occupied)	1,513	1,507
d. Non-residential (unoccupied, ie. vacant lot)	175	178
23. Number of ETs for which developer charges were received	100 ET	14 ET
24. Total amount of pensioner rebates (actual dollars)	\$ 122,798	\$ 123,834

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 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
25. Cash and investments			
a. Developer charges	2,217	–	2,217
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	11,620	–	11,620
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	366	–	366
c. User charges	2,309	–	2,309
d. Other	326	553	879
27. Inventories	2,559	–	2,559
28. Property, plant and equipment			
a. System assets	–	130,754	130,754
b. Plant and equipment	–	–	–
29. Other assets	–	–	–
30. Total assets	19,397	131,307	150,704
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	2	–	2
33. Borrowings	–	–	–
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	2	–	2
36. NET ASSETS COMMITTED	19,395	131,307	150,702
EQUITY			
37. Accumulated surplus			84,597
38. Asset revaluation reserve			66,105
39. TOTAL EQUITY			150,702
Note to system assets:			
40. Current replacement cost of system assets			181,982
41. Accumulated current cost depreciation of system assets			(51,228)
42. Written down current cost of system assets			130,754

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 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income Expenses		
1. Management expenses		
a. Administration	1,028	1,152
b. Engineering and supervision	412	345
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	504	498
b. Maintenance expenses	87	91
– Pumping stations		
c. Operation expenses (excluding energy costs)	685	628
d. Energy costs	83	125
e. Maintenance expenses	109	62
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	575	548
g. Chemical costs	270	155
h. Energy costs	280	270
i. Effluent management	23	28
j. Biosolids management	–	–
k. Maintenance expenses	118	123
– Other		
l. Operation expenses	131	121
m. Maintenance expenses	16	14
3. Depreciation expenses		
a. System assets	1,763	1,743
b. Plant and equipment	114	113
4. Miscellaneous expenses		
a. Interest expenses	1,436	1,491
b. Revaluation decrements	–	–
c. Other expenses	4	4
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	7,638	7,511

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 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges (including rates)	6,273	6,026
7. Non-residential charges		
a. Access (including rates)	802	788
b. Usage charges	748	707
8. Trade waste charges		
a. Annual fees	41	41
b. Usage charges	158	163
c. Excess mass charges	—	—
d. Re-inspection fees	—	—
9. Extra charges	—	—
10. Interest income	197	159
11. Other income	20	25
11a. Aboriginal Communities Water and Sewerage Program	—	—
12. Grants		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	59	59
c. Other grants	—	—
13. Contributions		
a. Developer charges	318	43
b. Developer provided assets	—	—
c. Other contributions	7	8
14. Total income	8,623	8,019
15. Gain (or loss) on disposal of assets	20	3
16. Operating result	1,005	511
16a. Operating result (less grants for acquisition of assets)	1,005	511

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 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	34
b. New assets for growth	165	95
c. Renewals	634	150
d. Plant and equipment	99	149
18. Repayment of debt	–	–
19. Totals	898	428
Non-operating funds employed		
20. Proceeds from disposal of assets	63	13
21. Borrowing utilised	–	–
22. Totals	63	13
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	7,217	7,138
b. Residential (unoccupied, ie. vacant lot)	216	286
c. Non-residential (occupied)	738	738
d. Non-residential (unoccupied, ie. vacant lot)	103	106
24. Number of ETs for which developer charges were received	135 ET	14 ET
25. Total amount of pensioner rebates (actual dollars)	\$ 107,452	\$ 107,817

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 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	1,108	—	1,108
b. Special purpose grants	—	—	—
c. Accrued leave	—	—	—
d. Unexpended loans	—	—	—
e. Sinking fund	—	—	—
f. Other	4,707	—	4,707
27. Receivables			
a. Specific purpose grants	—	—	—
b. Rates and availability charges	1,787	—	1,787
c. User charges	275	—	275
d. Other	—	—	—
28. Inventories	—	—	—
29. Property, plant and equipment			
a. System assets	—	135,022	135,022
b. Plant and equipment	—	—	—
30. Other assets	—	—	—
31. Total assets	7,877	135,022	142,899
LIABILITIES			
32. Bank overdraft	—	—	—
33. Creditors	—	—	—
34. Borrowings	715	18,425	19,140
35. Provisions			
a. Tax equivalents	—	—	—
b. Dividend	—	—	—
c. Other	—	—	—
36. Total liabilities	715	18,425	19,140
37. NET ASSETS COMMITTED	7,162	116,597	123,759
EQUITY			
38. Accumulated surplus			64,109
39. Asset revaluation reserve			59,650
40. TOTAL EQUITY			123,759
Note to system assets:			
41. Current replacement cost of system assets			179,663
42. Accumulated current cost depreciation of system assets			(44,641)
43. Written down current cost of system assets			135,022

Griffith City Council

Notes to Special Schedules 3 and 5

for the year ended 30 June 2016

Administration ⁽¹⁾

(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 ⁽¹⁾

(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 ⁽²⁾ (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 ⁽²⁾ (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:

⁽¹⁾ 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).

⁽²⁾ 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 2016

\$'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	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings												
	Buildings – specialised	500	–	200	250	57,989	64,940	15%	34%	37%	12%	2%
	Sub-total	500	–	200	250	57,989	64,940	15.0%	34.0%	37.0%	12.0%	2.0%
Other structures												
	Other structures	–	–	40	50	9,580	13,673	66%	27%	7%	0%	0%
	Sub-total	–	–	40	50	9,580	13,673	66.0%	27.0%	7.0%	0.0%	0.0%
Roads												
	Sealed roads	4,315	–	3,135	3,075	144,166	155,668	80%	17%	3%	0%	0%
	Unsealed roads	64	–	1,532	1,525	70,007	97,308	21%	75%	4%	0%	0%
	Bridges	4	–	6	1	3,009	5,311	4%	77%	19%	0%	0%
	Footpaths	103	–	35	20	6,641	11,960	12%	52%	35%	1%	0%
	Other road assets	152	–	106	75	33,479	44,424	38%	45%	17%	0%	0%
	Sub-total	4,638	–	4,814	4,696	257,302	314,671	52.0%	41.2%	6.8%	0.0%	0.0%

Griffith City Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (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	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	2,505	–	672	625	125,929	175,715	38%	41%	10%	8%	3%
	Sub-total	2,505	–	672	625	125,929	175,715	38.0%	41.0%	10.0%	8.0%	3.0%
Sewerage network	Sewerage network	2,676	–	1,097	1,100	129,720	173,108	35%	22%	39%	3%	1%
	Sub-total	2,676	–	1,097	1,100	129,720	173,108	35.0%	22.0%	39.0%	3.0%	1.0%
Stormwater drainage	Other	–	–	67	130	54,035	67,886	58%	21%	19%	2%	0%
	Sub-total	–	–	67	130	54,035	67,886	58.0%	21.0%	19.0%	2.0%	0.0%
Open space/recreational assets	Parks & Gardens Infrastructure	–	–	255	300	6,773	15,536	60%	40%	0%	0%	0%
	Sub-total	–	–	255	300	6,773	15,536	60.0%	40.0%	0.0%	0.0%	0.0%
	TOTAL – ALL ASSETS	10,319	–	7,145	7,151	641,328	825,529	43.4%	34.7%	17.5%	3.5%	1.0%

Notes:

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

Infrastructure asset condition assessment 'key'

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

Griffith City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	6,779	74.32%	82.25%	162.23%
Depreciation, amortisation and impairment	9,121			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	10,319	1.61%	1.63%	0.86%
Carrying value of infrastructure assets	641,328			
3. Asset maintenance ratio				
Actual asset maintenance	7,151	1.00	1.01	1.15
Required asset maintenance	7,145			
4. Capital expenditure ratio				
Annual capital expenditure	23,927	2.16	1.02	1.26
Annual depreciation	11,102			

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 2016

<p>1. Infrastructure renewals ratio</p> <p>Benchmark: — Minimum $\geq 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 74.32%</p> <p>The ratio remains below the benchmark due to a number of Infrastructure Renewal Projects within the Water and Sewer Funds being incomplete. Council has also been completing some large scale new infrastructure projects which are not included in this ratio.</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: — Maximum $< 2.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 1.61%</p> <p>This ratio has remained stable of the past 2 years and demonstrates that Council is committed to renewing and maintaining its assets to a satisfactory standard.</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: — Minimum > 1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 1.00 x</p> <p>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.</p>
<p>4. Capital expenditure ratio</p> <p>Benchmark: — Minimum > 1.10 Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of capital expenditure ratio</p> <p>To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.</p>	<p>2015/16 Ratio 2.16 x</p>

Griffith City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General ⁽¹⁾ 2016
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
Asset renewals ⁽²⁾	30.95%	36.35%	100.69%
Depreciation, amortisation and impairment			
prior period:	48.32%	40.92%	106.94%
2. Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard	1.99%	2.06%	1.33%
Carrying value of infrastructure assets			
prior period:	1.97%	2.05%	1.37%
3. Asset maintenance ratio			
Actual asset maintenance	0.93	1.00	1.01
Required asset maintenance			
prior period:	0.94	1.02	1.01
4. Capital expenditure ratio			
Annual capital expenditure	0.52	0.48	3.08
Annual depreciation			
prior period:	0.35	0.17	1.44

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 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	15,393	15,824
Plus or minus adjustments ⁽²⁾	b	46	29
Notional general income	c = (a + b)	15,439	15,853
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
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	371	285
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
Sub-total	k = (c + g + h + i + j)	15,810	16,138
Plus (or minus) last year's carry forward total	l	11	(3)
Less valuation objections claimed in the previous year	m	—	—
Sub-total	n = (l + m)	11	(3)
Total permissible income	o = k + n	15,821	16,135
Less notional general income yield	p	15,824	16,149
Catch-up or (excess) result	q = o - p	(3)	(14)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	1
Less unused catch-up ⁽⁵⁾	s	—	—
Carry forward to next year	t = q + r - s	(3)	(13)

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (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.

GRIFFITH CITY COUNCIL - SPECIAL SCHEDULE NO. 8 - INDEPENDENT AUDITORS REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2017

Report on Special Schedule No. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Griffith City Council for the year ending 30 June 2017.

Responsibility of Council for Special Schedule No. 8

The Council is responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 24. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

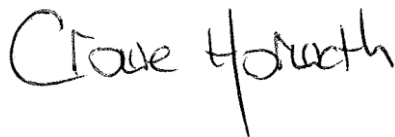
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, Special Schedule No. 8 of Griffith City Council for 2016/17 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.



CROWE HORWATH AUSWILD



BRADLEY D BOHUN

Partner

Dated at Albury this 27 day of October 2016.