

Griffith City Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



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Griffith City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	18,386	18,890
Plus or minus adjustments ²	b	151	100
Notional general income	$c = a + b$	18,537	18,990
Permissible income calculation			
Or rate peg percentage	e	2.00%	3.70%
Or plus rate peg amount	$i = e \times (c + g)$	371	703
Sub-total	$k = (c + g + h + i + j)$	18,908	19,693
Plus (or minus) last year's carry forward total	l	(2)	16
Sub-total	$n = (l + m)$	(2)	16
Total permissible income	$o = k + n$	18,906	19,709
Less notional general income yield	p	18,890	19,713
Catch-up or (excess) result	$q = o - p$	16	(5)
Carry forward to next year ⁶	$t = q + r + s$	16	(5)

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Griffith City Council

To the Councillors of Griffith City Council

Opinion

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

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2023'.

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



Hong Wee Soh
Delegate of the Auditor-General for New South Wales

27 November 2023
SYDNEY

Griffith City Council

Report on infrastructure assets as at 30 June 2023

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	2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	10	10	250	500	102,970	126,944	30.0%	20.0%	50.0%	0.0%	0.0%
	Sub-total	10	10	250	500	102,970	126,944	30.0%	20.0%	50.0%	0.0%	0.0%
Other structures	Other structures	–	376	50	75	32,062	37,000	58.0%	8.0%	26.0%	6.0%	2.0%
	Sub-total	–	376	50	75	32,062	37,000	58.0%	8.0%	26.0%	6.0%	2.0%
Roads	Roads	–	–	5,500	5,000	317,999	365,046	85.0%	14.0%	1.0%	0.0%	0.0%
	Bridges	–	–	1	1	4,136	5,673	4.0%	75.0%	21.0%	0.0%	0.0%
	Footpaths	674	674	20	25	10,764	17,873	17.0%	34.0%	28.0%	20.0%	1.0%
	Sub-total	674	674	5,521	5,026	332,899	388,592	80.7%	15.8%	2.5%	0.9%	0.1%
Water supply network	Water supply network	2,718	2,718	1,100	1,500	163,541	228,795	34.0%	53.0%	8.0%	4.0%	1.0%
	Sub-total	2,718	2,718	1,100	1,500	163,541	228,795	34.0%	53.0%	8.0%	4.0%	1.0%
Sewerage network	Sewerage network	5,434	5,434	630	700	125,826	193,089	33.0%	12.0%	50.0%	5.0%	0.0%
	Sub-total	5,434	5,434	630	700	125,826	193,089	33.0%	12.0%	50.0%	5.0%	0.0%
Stormwater drainage	Stormwater drainage	828	828	130	110	70,007	96,364	33.0%	12.0%	50.0%	5.0%	0.0%
	Sub-total	828	828	130	110	70,007	96,364	33.0%	12.0%	50.0%	5.0%	0.0%
Open space / recreational assets	Open space/recreational assets	809	809	150	125	18,645	27,187	25.0%	21.0%	36.0%	18.0%	0.0%
	Sub-total	809	809	150	125	18,645	27,187	25.0%	21.0%	36.0%	18.0%	0.0%
Total – all assets		10,473	10,849	7,831	8,036	845,950	1,097,971	50.4%	22.9%	23.3%	3.1%	0.3%

(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

Griffith City Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022 2021		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	31,856	249.26%	243.56%	120.53%	> 100.00%
Depreciation, amortisation and impairment	12,780				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	10,473	1.22%	1.33%	1.47%	< 2.00%
Net carrying amount of infrastructure assets	861,862				
Asset maintenance ratio					
Actual asset maintenance	8,036	102.62%	100.49%	100.49%	> 100.00%
Required asset maintenance	7,831				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	10,849	0.99%	1.12%	1.18%	
Gross replacement cost	1,097,971				

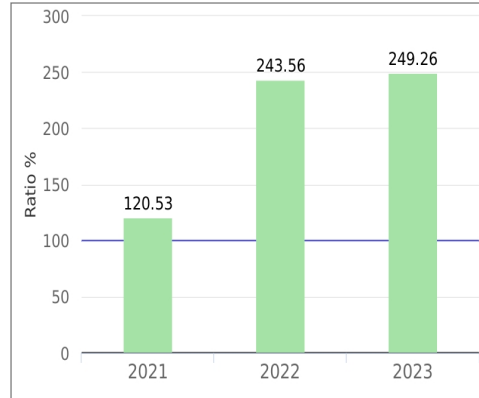
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Griffith City Council

Report on infrastructure assets as at 30 June 2023

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

22/23 ratio 249.26%

Council has achieved a satisfactory ratio for renewing its buildings and infrastructure. Council has a high proportion of its assets in good to satisfactory condition as support for maintaining this ratio.

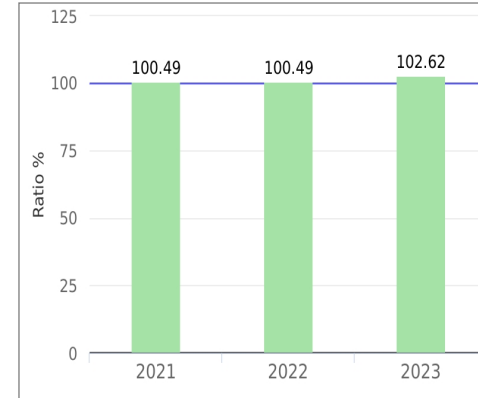
Benchmark: — > 100.00%

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

22/23 ratio 102.62%

Council continues to invest in maintaining its assets to ensure an infrastructure backlog does not occur.

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

22/23 ratio 1.22%

This ratio has remained stable for the past 4 years and demonstrates that Council is committed to renewing and maintaining assets to a satisfactory standard.

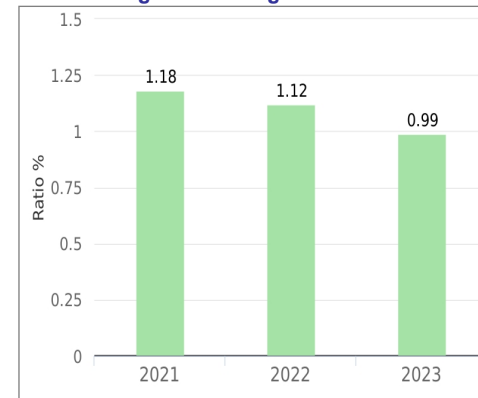
Benchmark: — < 2.00%

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

22/23 ratio 0.99%

Council has maintained a low ratio by maintaining its assets at an acceptable level over the last several years.

Griffith City Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	320.30%	335.07%	160.30%	94.22%	34.85%	20.72%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.41%	0.48%	1.63%	1.78%	4.26%	4.57%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	95.66%	91.98%	136.36%	136.36%	111.11%	111.11%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.40%	0.49%	1.17%	1.28%	2.79%	3.03%	

(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.