

Griffith City Council

SPECIAL SCHEDULES
for the year ended 30 June 2021



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Griffith City Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	17,405	17,945
Plus or minus adjustments ²	b	91	66
Notional general income	c = a + b	17,496	18,011
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	455	359
Sub-total	k = (c + g + h + i + j)	17,951	18,370
Plus (or minus) last year's carry forward total	l	8	14
Sub-total	n = (l + m)	8	14
Total permissible income	o = k + n	17,959	18,384
Less notional general income yield	p	17,945	18,386
Catch-up or (excess) result	q = o - p	14	(2)
Carry forward to next year ⁶	t = q + r + s	14	(2)

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.
- (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

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 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. 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.

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

13 December 2021
SYDNEY

Griffith City Council

Report on infrastructure assets as at 30 June 2021

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			2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	2020/21 Required maintenance ^a	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	9	9	9	250	480	72,339	92,487	30.0%	20.1%	49.8%	0.1%	0.0%		
	Sub-total	9	9	9	250	480	72,339	92,487	30.0%	20.1%	49.8%	0.1%	0.0%		
Other structures	Other structures	376	376	376	50	75	16,588	20,447	58.4%	7.8%	26.0%	6.5%	1.3%		
	Sub-total	376	376	376	50	75	16,588	20,447	58.4%	7.8%	26.0%	6.5%	1.3%		
Roads	Sealed roads	–	–	–	3,150	3,000	139,384	154,221	71.0%	27.1%	1.9%	0.0%	0.0%		
	Unsealed Roads	–	–	–	1,525	1,100	104,354	112,761	99.7%	0.3%	0.0%	0.0%	0.0%		
	Bridges	–	–	–	1	1	4,142	5,570	3.7%	74.5%	21.8%	0.0%	0.0%		
	Footpaths	674	674	674	20	25	9,927	15,869	16.9%	34.0%	28.3%	20.4%	0.4%		
	Other road assets	192	192	192	150	75	43,861	61,551	21.8%	48.5%	28.2%	1.5%	0.0%		
	Sub-total	866	866	866	4,846	4,201	301,668	349,972	68.1%	23.3%	7.4%	1.2%	0.0%		
Water supply network	Water supply network	2,718	2,718	2,718	1,100	1,500	147,512	200,756	33.7%	52.6%	8.0%	4.6%	1.1%		
	Sub-total	2,718	2,718	2,718	1,100	1,500	147,512	200,756	33.7%	52.6%	8.0%	4.6%	1.1%		
Sewerage network	Sewerage network	5,434	5,434	5,434	630	700	113,065	168,358	25.2%	42.7%	19.4%	9.4%	3.3%		
	Sub-total	5,434	5,434	5,434	630	700	113,065	168,358	25.2%	42.7%	19.4%	9.4%	3.3%		
Stormwater drainage	Stormwater drainage	828	828	828	130	110	59,311	81,195	32.8%	12.0%	50.1%	5.1%	0.0%		
	Sub-total	828	828	828	130	110	59,311	81,195	32.8%	12.0%	50.1%	5.1%	0.0%		
Open space / recreational assets	Open space/recreational assets	809	809	809	150	125	14,440	21,204	24.6%	20.6%	36.1%	18.4%	0.3%		
	Sub-total	809	809	809	150	125	14,440	21,204	24.6%	20.6%	36.1%	18.4%	0.3%		
Total – all assets		11,040	11,040	11,040	7,156	7,191	724,923	934,419	44.9%	31.4%	18.7%	4.1%	0.9%		

(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

continued on next page ...

Report on infrastructure assets as at 30 June 2021 (continued)

3	Satisfactory	
4	Poor	Maintenance work required
5	Very poor	Renewal required Urgent renewal/upgrading required

Griffith City Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

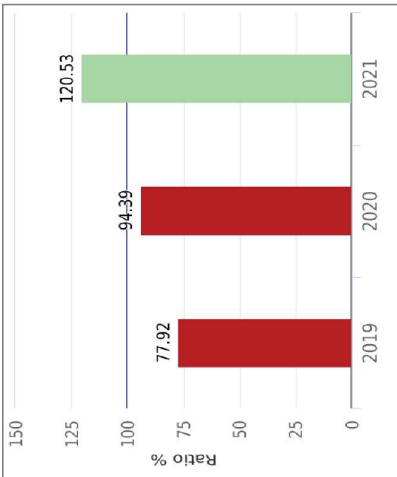
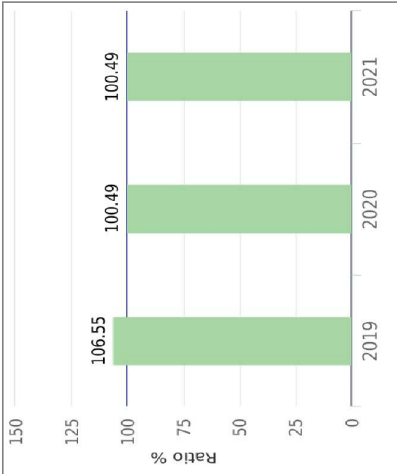
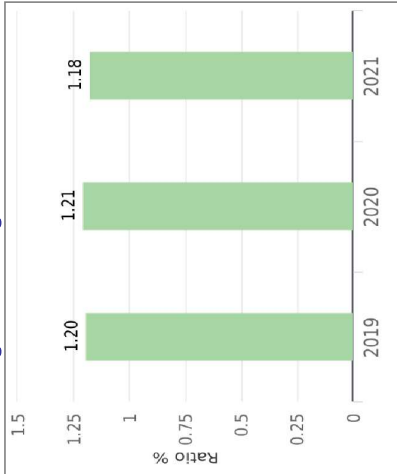
\$ '000	Amounts 2021	Indicator 2021	Indicators 20202019		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	15,197	120.53%	94.39%	77.92%	>= 100.00%
Depreciation, amortisation and impairment	12,609				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	11,040	1.47%	1.51%	1.63%	< 2.00%
Net carrying amount of infrastructure assets	748,695				
Asset maintenance ratio					
Actual asset maintenance	7,191	100.49%	100.49%	106.55%	> 100.00%
Required asset maintenance	7,156				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	11,040	1.18%	1.21%	1.20%	
Gross replacement cost	934,419				

(*) 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 2021

Buildings and infrastructure renewals ratio		Asset maintenance ratio		Cost to bring assets to agreed service level																									
 <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>77.92</td></tr><tr><td>2020</td><td>94.39</td></tr><tr><td>2021</td><td>120.53</td></tr></table>	Year	Ratio %	2019	77.92	2020	94.39	2021	120.53	Buildings and infrastructure renewals ratio	 <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>106.55</td></tr><tr><td>2020</td><td>100.49</td></tr><tr><td>2021</td><td>100.49</td></tr></table>	Year	Ratio %	2019	106.55	2020	100.49	2021	100.49	Cost to bring assets to agreed service level	 <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2019</td><td>1.20</td></tr><tr><td>2020</td><td>1.21</td></tr><tr><td>2021</td><td>1.18</td></tr></table>	Year	Ratio %	2019	1.20	2020	1.21	2021	1.18	Infrastructure backlog ratio
Year	Ratio %																												
2019	77.92																												
2020	94.39																												
2021	120.53																												
Year	Ratio %																												
2019	106.55																												
2020	100.49																												
2021	100.49																												
Year	Ratio %																												
2019	1.20																												
2020	1.21																												
2021	1.18																												
Commentary on result	Commentary on result	Commentary on result																											
20/21 ratio 120.53%	20/21 ratio 100.49%	20/21 ratio 1.18%																											
Council has achieved a satisfactory ratio for renewing it's buildings and infrastructure. Council has a high proportion of it's assets in good to satisfactory condition as support for maintaining this 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.	Council has maintained a low ratio by maintaining its assets at an acceptable level over the last several years.																											
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.		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.																											
Ratio achieves benchmark		Ratio achieves benchmark																											
Ratio is outside benchmark		Ratio is outside benchmark																											
Source of benchmark: Code of Accounting Practice and Financial Reporting		Source of benchmark: Code of Accounting Practice and Financial Reporting																											

Griffith City Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)						
\$ '000	General fund		Water fund		Sewer fund	
	2021	2020	2021	2020	2021	2020
Buildings and infrastructure renewals ratio						
Asset renewals ¹	149.15%	120.27%	106.77%	78.24%	30.09%	22.05%
Depreciation, amortisation and impairment						>= 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	0.60%	0.62%	1.79%	1.75%	4.74%	4.18%
Net carrying amount of infrastructure assets						< 2.00%
Asset maintenance ratio						
Actual asset maintenance	91.98%	91.98%	136.36%	136.36%	111.11%	111.11%
Required asset maintenance						> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	0.52%	0.52%	1.33%	1.36%	3.20%	3.07%
Gross replacement cost						

(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.