

# Burwood Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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*A well connected, sustainable and safe community that  
embraces and celebrates its culture and diversity.*



**Burwood** inc.1874  
Burwood Burwood Heights Claydon Claydon Park Collier Street

# Burwood Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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### Overview

Burwood Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:  
2 Conder Street  
BURWOOD NSW 2134

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

# Burwood Council

## General Purpose Financial Statements

for the year ended 30 June 2021

### Understanding Council's Financial Statements

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#### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

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

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

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

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

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

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

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

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

# Burwood Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (NSW) (as amended)

**The attached General Purpose Financial Statements have been prepared in accordance with:**

- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

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

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

**Signed in accordance with a resolution of Council made on 28 September 2021**

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Councillor Faker  
**Mayor**  
28 September 2021

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Councillor Crichton  
**Councillor**  
28 September 2021

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Tommaso Briscese  
**General Manager**  
28 September 2021

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Wayne Armitage  
**Responsible Accounting Officer**  
28 September 2021



## Burwood Council

### Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
<b>Net operating result for the year – from Income Statement</b>		<b>2,259</b>	<b>28,937</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>7,714</b>	(13,472)
Other comprehensive income (loss) – joint ventures and associates	D1-1	<b>(15)</b>	(108)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>7,699</b>	(13,580)
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Other movements		<b>15</b>	–
<b>Total items which will be reclassified subsequently to the operating result when specific conditions are met</b>		<b>15</b>	–
<b>Total other comprehensive income (loss) for the year</b>		<b>7,714</b>	(13,580)
<b>Total comprehensive income for the year attributable to Council</b>		<b>9,973</b>	15,357

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

## Burwood Council

### Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	20,551	10,781
Investments	C1-2	27,250	47,250
Receivables	C1-4	4,175	3,461
Contract assets and contract cost assets	C1-5	612	539
Other		756	680
<b>Total current assets</b>		<b>53,344</b>	<b>62,711</b>
<b>Non-current assets</b>			
Investments	C1-2	101	–
Infrastructure, property, plant and equipment	C1-6	505,547	489,027
Investment property	C1-7	4,700	4,340
Intangible Assets	C1-8	379	330
Right of use assets	C2-1	1,078	1,296
Investments accounted for using the equity method	D1-1	–	15
<b>Total non-current assets</b>		<b>511,805</b>	<b>495,008</b>
<b>Total assets</b>		<b>565,149</b>	<b>557,719</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	10,464	11,069
Contract liabilities	C3-2	2,415	3,671
Lease liabilities	C2-1	212	206
Borrowings	C3-3	684	721
Employee benefit provisions	C3-4	7,215	6,976
<b>Total current liabilities</b>		<b>20,990</b>	<b>22,643</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	895	1,107
Borrowings	C3-3	4,802	5,487
Employee benefit provisions	C3-4	186	179
<b>Total non-current liabilities</b>		<b>5,883</b>	<b>6,773</b>
<b>Total liabilities</b>		<b>26,873</b>	<b>29,416</b>
<b>Net assets</b>		<b>538,276</b>	<b>528,303</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	252,822	250,563
IPPE revaluation reserve	C4-1	285,454	277,740
<b>Council equity interest</b>		<b>538,276</b>	<b>528,303</b>
<b>Total equity</b>		<b>538,276</b>	<b>528,303</b>

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

## Burwood Council

### Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		250,563	277,740	528,303	224,709	291,212	515,921
Changes due to AASB 1058, AASB 15 and AASB 16 adoption		-	-	-	(2,975)	-	(2,975)
<b>Restated opening balance</b>		<b>250,563</b>	<b>277,740</b>	<b>528,303</b>	<b>221,734</b>	<b>291,212</b>	<b>512,946</b>
Net operating result for the year		2,259	-	2,259	28,937	-	28,937
<b>Restated net operating result for the period</b>		<b>2,259</b>	<b>-</b>	<b>2,259</b>	<b>28,937</b>	<b>-</b>	<b>28,937</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	-	7,714	7,714	-	(13,472)	(13,472)
Joint ventures and associates	D1-1	-	-	-	(108)	-	(108)
<b>Other comprehensive income</b>		<b>-</b>	<b>7,714</b>	<b>7,714</b>	<b>(108)</b>	<b>(13,472)</b>	<b>(13,580)</b>
<b>Total comprehensive income</b>		<b>2,259</b>	<b>7,714</b>	<b>9,973</b>	<b>28,829</b>	<b>(13,472)</b>	<b>15,357</b>
<b>Closing balance at 30 June</b>		<b>252,822</b>	<b>285,454</b>	<b>538,276</b>	<b>250,563</b>	<b>277,740</b>	<b>528,303</b>

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



## Burwood Council

### Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
32,189	Rates and annual charges		<b>32,180</b>	30,315
9,282	User charges and fees		<b>8,563</b>	9,477
1,097	Investment and interest revenue received		<b>678</b>	1,698
9,369	Grants and contributions		<b>9,167</b>	16,283
1,500	Bonds, deposits and retention amounts received		<b>1,282</b>	1,502
5,098	Other		<b>9,602</b>	10,410
<i>Payments:</i>				
(22,616)	Employee benefits and on-costs		<b>(21,332)</b>	(19,868)
(21,075)	Materials and services		<b>(26,853)</b>	(20,724)
(320)	Borrowing costs		<b>(344)</b>	(378)
(1,000)	Bonds, deposits and retention amounts refunded		<b>(808)</b>	(1,429)
(2,780)	Other		<b>(1,815)</b>	(9,616)
10,744	<b>Net cash flows from operating activities</b>	G1-1a	<b>10,320</b>	17,670
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
50,000	Sale of investment securities		<b>43,000</b>	70,000
900	Sale of infrastructure, property, plant and equipment		<b>200</b>	401
<i>Payments:</i>				
(50,000)	Purchase of investment securities		<b>(23,000)</b>	(54,000)
(17,199)	Purchase of infrastructure, property, plant and equipment		<b>(19,627)</b>	(24,180)
(200)	Purchase of intangible assets		<b>(195)</b>	(160)
(16,499)	<b>Net cash flows from investing activities</b>		<b>378</b>	(7,939)
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(720)	Repayment of borrowings		<b>(722)</b>	(690)
–	Principal component of lease payments		<b>(206)</b>	(201)
(720)	<b>Net cash flows from financing activities</b>		<b>(928)</b>	(891)
(6,475)	<b>Net change in cash and cash equivalents</b>		<b>9,770</b>	8,840
6,540	Cash and cash equivalents at beginning of year		<b>10,781</b>	1,941
65	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>20,551</b>	10,781
53,087	plus: Investments on hand at end of year	C1-2	<b>27,351</b>	47,250
53,152	<b>Total cash, cash equivalents and investments</b>		<b>47,902</b>	58,031

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

# Burwood Council

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# Burwood Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 28 September 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

#### Historical cost convention

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

#### Significant accounting estimates and judgements

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note C1-8
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (iii) employee benefit provisions – refer Note C3-4.

#### Covid 19 Impacts

Covid 19 has caused a disruption to council's business practices with a majority of staff working remotely from home or at other council facilities away from the main administration building. Whilst this has caused some inconvenience it has not resulted in significant additional cost. Some costs have been incurred for additional equipment and staff salaries for employees required to isolate.

Council has provided some rent relief to lessees and to businesses to compensate for lost income due to the compulsory lockdown and some additional costs have been incurred in cleaning of council's facilities.

Rate collection is less than in previous year's due to Covid 19, other receivables have not been impacted as much. - refer Note C1-4.

Overall the financial impact has been better than originally expected and will be continually monitored in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to Covid 19. Fair value of the majority of Council's non-current assets are determined by replacement costs where there is no anticipated material change in value due to Covid 19.

For assets where fair value is determined by market value Council has no evidence of material changes to these values.

## A1-1 Basis of preparation (continued)

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

#### (i) Impairment of receivables

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

### Monies and other assets received by Council

#### The Consolidated Fund

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

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

- General purpose operations

#### The Trust Fund

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

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

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge.

### Goods and Services Tax (GST)

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

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

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

### Volunteer services

Council does not have a material dependence on volunteer services, however the use of volunteer services is to provide opportunities for residents to experience different areas of the workforce, gain recognisable work experience, and allow them to identify and work towards future career goals. This also benefits Council as we are able to harness the skill sets of our local community without any expectation of paid employment.

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

Certain new accounting standards and interpretations (ie pronouncements) have been published that are not mandatory for 30 June 2021 reporting periods.

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

As at the date of authorisation of these financial statements, Council does not consider that any of those standards are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

### New accounting standards adopted during the year

During the year, Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2021.

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

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Functions or activities</b>										
Community Lifestyle	1,879	3,281	8,834	9,806	(6,955)	(6,525)	355	1,350	46,801	46,183
Leadership Innovation	2,312	2,253	16,939	14,465	(14,627)	(12,212)	313	212	160,332	158,234
Healthy Sustainable Environment	9,949	7,703	13,614	13,282	(3,665)	(5,579)	2,320	659	119,356	117,780
Planning Infrastructure	16,862	45,194	15,908	17,966	954	27,228	6,654	35,176	237,229	234,095
Vibrant City Villages	64	103	1,033	726	(969)	(623)	–	13	1,431	1,412
Other – Share of gains /losses in Joint Ventures (using equity method)	–	3	–	–	–	3	–	–	–	15
General purpose income	27,521	26,645	–	–	27,521	26,645	886	820	–	–
<b>Total functions and activities</b>	<b>58,587</b>	<b>85,182</b>	<b>56,328</b>	<b>56,245</b>	<b>2,259</b>	<b>28,937</b>	<b>10,528</b>	<b>38,230</b>	<b>565,149</b>	<b>557,719</b>

## B1-2 Components of functions or activities

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

### Community and Lifestyle

The theme 'community and lifestyle' relates to supporting the community to create a feeling of belonging, inclusiveness and wellbeing amongst Burwood's diverse population. Community and lifestyle is about people being proud of where they live, feeling safe and engaged in the community and having access to facilities and services that ensure they can lead a healthy and satisfying lifestyle.

### Leadership Innovation

This theme relates to the leadership not only of our elected representatives but also leaders in our business, volunteer, spiritual and environmental community. It is about encouraging greater participation and engagement in decision making processes and involving people in local activities and programs. Leadership through innovation is also about thinking outside the square to resolve some of the challenges facing our community as we strive to be a leading community in economic prosperity, environmental sustainability and social responsibility. We strive for community leadership that fosters our community values and celebrates our culture, diversity and heritage.

### Healthy and Sustainable Environment

This theme is focused on maintaining and ensuring we live in a healthy, safe and sustainable natural environment. This theme aims to protect our natural resources and assets including parks, trees, open green spaces and also ensure that our impact on the environment is reduced so that we continue to live in a clean and sustainable environment. The community, Council and other governments all have a role to play in protecting our environment and taking responsibility for preserving our natural resources for future generations.

### Planning and Infrastructure

This theme relates to the services and infrastructure that supports our community including roads, public transport, health facilities and education providers. It also encompasses our strategic planning to ensure we can accommodate our growing population. This theme aims to improve the quality and equitable access to services in our community and also to enhance the visual appearance of our neighbourhoods, streetscapes and town centre. Transport plays a major role in keeping our community physically connected to work, recreational spaces and services. Being able to move around easily plays a key role in the liveability and sustainability of our area.

### Vibrant City and Villages

This theme relates to harnessing Burwood's strategic status and supporting the businesses and services that contribute to the wider Burwood economy. Burwood is characterised by a vibrant CBD and several business and shopping precincts. This theme aims to ensure an economically sustainable and prosperous future in Burwood with a strong network of services that support existing businesses and institutions, and attract new and diverse organisations. It also aims to stimulate the local economy and activate our surrounding villages to foster a sense of pride and enhance our local identity.

### Other - Share of gains /losses in Joint Ventures (using equity method)

Council is a member of Mutual Management Services Ltd which is a company limited by guarantee and was created to provide services to the three CivicRisk self-insurance pools CivicRisk West (Westpool), CivicRisk (Metropool) and CivicRisk (United Independent Pools) to self insure for various risks, including public liability and professional indemnity.

### General purpose income

General purpose income is that income not attributed to directly to Council's Activities or Functions. Income includes Rates & Annual Charges, Untied General Purpose Grants and Interest on Investments.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2021	2020
<b>Ordinary rates</b>		
Residential	19,438	18,114
Business	6,446	6,117
Less: pensioner rebates (mandatory)	(138)	(140)
Less: pensioner rebates (Council policy)	(208)	(123)
<b>Rates levied to ratepayers</b>	<b>25,538</b>	<b>23,968</b>
Pensioner rate subsidies received	169	171
<b>Total ordinary rates</b>	<b>25,707</b>	<b>24,139</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	6,393	6,018
Stormwater management services	294	288
Section 611 charges	47	45
Less: pensioner rebates (mandatory)	(41)	(42)
Less: pensioner rebates (Council policy)	(50)	(51)
<b>Annual charges levied</b>	<b>6,643</b>	<b>6,258</b>
Pensioner subsidies received:		
– Domestic waste management	50	51
<b>Total annual charges</b>	<b>6,693</b>	<b>6,309</b>
<b>Total rates and annual charges</b>	<b>32,400</b>	<b>30,448</b>

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

#### Accounting policy

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.



## B2-2 User charges and fees

\$ '000	Timing	2021	2020
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Private works – section 67	2	523	384
Section 10.7 certificates (EP&A Act)	2	89	76
Section 603 certificates	2	50	44
Other	2	5	2
Developer fees	2	897	398
Engineering and administration	2	1,508	1,596
Licence and inspection fees	2	214	219
Licence fees – outdoor eating	2	63	88
<b>Total fees and charges – statutory/regulatory</b>		<b>3,349</b>	<b>2,807</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Community centres	2	95	167
Leaseback fees – Council vehicles	2	209	213
Park rents	2	50	67
Car parking meters	2	1,927	1,781
Car parking station	2	925	1,035
Cultural event hire charges	2	–	67
Street furniture advertising income	2	923	1,010
Swimming centre and gym fees	2	714	1,238
Other	2	53	68
<b>Total fees and charges – other</b>		<b>4,896</b>	<b>5,646</b>
<b>Total user charges and fees</b>		<b>8,245</b>	<b>8,453</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		8,245	8,453
<b>Total user charges and fees</b>		<b>8,245</b>	<b>8,453</b>

### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival. There is no material obligation for Council in relation to refunds or returns.

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

## B2-3 Other revenue

\$ '000	Timing	2021	2020
Fines	2	180	223
Fines – parking	2	3,790	3,918
Legal fees recovery – rates and charges (extra charges)	2	2	33
Legal fees recovery – other	2	150	173
Diesel rebate	1	11	10
Insurance claims recoveries	1	4	–
Sale of abandoned vehicles	2	15	9
Sales – general	2	25	29
Animal control fees	1	13	21
OHS incentive rebate	1	68	103
Recycling (domestic waste)	2	–	45
Refund Carbon Tax	1	–	7
Trolley Impounding Fees	2	742	320
Other	2	55	46
Sales – library	2	1	7
Urban growth reimbursement	2	4	–
Workers compensation recovery	2	62	5
<b>Total other revenue</b>		<b>5,122</b>	<b>4,949</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	93	141
Other revenue recognised at a point in time (2)	5,029	4,808
<b>Total other revenue</b>	<b>5,122</b>	<b>4,949</b>

### Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Statutory fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

Other income is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	2	428	398	–	–
Financial assistance – local roads component	2	138	131	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	2	458	422	–	–
Financial assistance – local roads component	2	149	139	–	–
<b>Amount recognised as income during current year</b>		<b>1,173</b>	<b>1,090</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Environmental programs	1	67	30	–	–
Library – per capita	2	104	98	–	–
Library – special projects	1	3	1	86	119
LIRS subsidy	2	17	25	–	–
Recreation and culture	1	–	–	2,164	623
Community services	2	83	1,061	–	–
Family leave subsidy	2	14	16	–	–
Flood mitigation	2	–	3	–	–
Street lighting	2	80	80	–	–
Other	2	28	2	–	–
Traffic route subsidy	2	18	26	–	–
Transport (roads to recovery)	2	–	–	338	169
Transport (other roads and bridges funding)	2	153	100	1,384	346
Other specific grants	2	110	48	–	60
<b>Previously contributions:</b>					
Community services	2	15	31	–	–
Kerb and gutter	1	636	436	613	2,296
Recreation and culture	2	–	17	–	–
Roads and bridges	2	22	–	–	–
Transport for NSW contributions (regional roads, block grant)	2	105	105	–	–
Other contributions	2	85	39	–	–
LSL transfer between councils	2	47	42	–	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>1,587</b>	<b>2,160</b>	<b>4,585</b>	<b>3,613</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>1,587</b>	<b>2,160</b>	<b>4,585</b>	<b>3,613</b>
<b>Total grants and non-developer contributions</b>		<b>2,760</b>	<b>3,250</b>	<b>4,585</b>	<b>3,613</b>
<b>Comprising:</b>					
– Commonwealth funding		18	2,093	846	169
– State funding		2,012	592	3,126	1,148
– Other funding		730	565	613	2,296
		<b>2,760</b>	<b>3,250</b>	<b>4,585</b>	<b>3,613</b>

## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>	G5					
<b>Cash contributions</b>						
S 7.4 – contributions using planning agreements		2	–	–	2,181	3,870
S 7.11 – contributions towards amenities/services		2	–	–	1,002	5,481
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>3,183</b>	<b>9,351</b>
<b>Non-cash contributions</b>						
S 7.4 – contributions using planning agreements		2	–	–	–	22,016
<b>Total developer contributions non-cash</b>			<b>–</b>	<b>–</b>	<b>–</b>	<b>22,016</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>3,183</b>	<b>31,367</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>3,183</b>	<b>31,367</b>
<b>Total grants and contributions</b>			<b>2,760</b>	<b>3,250</b>	<b>7,768</b>	<b>34,980</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			2,760	3,250	7,768	34,980
<b>Total grants and contributions</b>			<b>2,760</b>	<b>3,250</b>	<b>7,768</b>	<b>34,980</b>

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	27	248	-	2,806
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	-	-
<b>Add:</b> Funds received and not recognised as revenue in the current year	1	150	-	522
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	-	-	-	-
Less: capital grants received in previous reporting period now transferred to a liability account	-	(212)	-	(2,626)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(10)	(159)	-	(702)
<b>Unspent funds at 30 June</b>	<b>18</b>	<b>27</b>	<b>-</b>	<b>-</b>
<b>Contributions</b>				
Unspent funds at 1 July	-	-	17,267	19,259
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	-	-	3,289	9,448
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	-	-	(9,377)	(11,440)
<b>Unspent contributions at 30 June</b>	<b>-</b>	<b>-</b>	<b>11,179</b>	<b>17,267</b>

### Accounting policy

#### Grant income under AASB 15

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

Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Grant income Under ASSB 1058

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

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

## B2-4 Grants and contributions (continued)

### Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

### Developer contributions

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

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

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

### Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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

## B2-5 Interest and investment income

\$ '000	2021	2020
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	49	44
– Cash and investments	500	1,336
Dividend income (other)	–	18
<b>Fair value adjustments</b>		
– Movements in investments at fair value through profit and loss	86	–
<b>Total interest and investment income (losses)</b>	<b>635</b>	<b>1,398</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	49	44
General Council cash and investments	556	1,257
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11 and Section 7.12	30	97
<b>Total interest and investment income</b>	<b>635</b>	<b>1,398</b>

### Accounting policy

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

## B2-6 Other income

\$ '000	Notes	2021	2020
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		360	360
<b>Total fair value increment on investment properties</b>	C1-7	<b>360</b>	<b>360</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income relating to variable lease payments not dependent on an index or a rate		320	317
<b>Total Investment properties</b>		<b>320</b>	<b>317</b>
<b>Other lease income</b>			
Other		977	1,024
<b>Total Other lease income</b>		<b>977</b>	<b>1,024</b>
<b>Total rental income</b>	C2-2	<b>1,297</b>	<b>1,341</b>
<b>Net share of interests in joint ventures and associates using the equity method</b>			
Joint ventures		-	3
<b>Total net share of interests in joint ventures and associates using the equity method</b>	D1-1	<b>-</b>	<b>3</b>
<b>Total other income</b>		<b>1,657</b>	<b>1,704</b>

## B3 Costs of providing services

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

\$ '000	2021	2020
Salaries and wages	15,527	14,988
Employee termination costs (where material – other than vested leave paid)	59	329
Employee leave entitlements (ELE)	2,403	2,629
Superannuation	1,821	1,790
Workers' compensation insurance	565	347
Fringe benefit tax (FBT)	229	264
Training costs (other than salaries and wages)	83	76
Other	14	11
<b>Total employee costs</b>	<b>20,701</b>	<b>20,434</b>
Less: capitalised costs	(242)	(31)
<b>Total employee costs expensed</b>	<b>20,459</b>	<b>20,403</b>

#### Accounting policy

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

#### *Retirement benefit obligations*

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

#### *Superannuation plans*

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

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



## B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		1,794	2,099
Contractor and consultancy costs			
– Agency staff		2,137	1,979
– Domestic waste		1,554	1,550
– General		4,502	6,665
– Recycling		505	448
– SDR processing		550	520
– Other contractor and consultancy costs		1,412	2,442
Audit Fees	F2-1	122	119
<b>Previously other expenses:</b>			
Councillor and Mayoral fees and associated expenses	F1-2	316	289
Advertising		182	182
Bank charges		206	169
Electricity and heating		501	458
Insurance		606	563
Postage		92	93
Printing and stationery		224	259
Street lighting		500	600
Subscriptions and publications		202	210
Telephone and communications		85	102
Computing		1,334	1,200
Contributions/levies to other levels of government			
Other expenses		55	222
Rental		81	81
Strata levy		150	197
Subscriptions LGA and SSROC		142	128
Valuation fees – council properties		7	13
Valuation fees – rates land values		47	46
Waste disposal fees		3,637	3,072
Water and sewerage charges		127	117
<b>Legal expenses:</b>			
Expenses from short-term leases		15	29
– Legal expenses: planning and development		186	373
– Legal expenses: debt recovery		7	33
– Legal expenses: other		910	625
<b>Total materials and services</b>		<b>22,188</b>	<b>24,883</b>
<b>Total materials and services</b>		<b>22,188</b>	<b>24,883</b>

### Accounting policy

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

## B3-3 Borrowing costs

\$ '000	2021	2020
<b>(i) Interest bearing liability costs</b>		
Interest on leases	33	38
Interest on loans	311	340
<b>Total interest bearing liability costs</b>	<b>344</b>	<b>378</b>
<b>Total borrowing costs expensed</b>	<b>344</b>	<b>378</b>

### Accounting policy

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

## B3-4 Depreciation and amortisation of intangible assets and IPP&E

\$ '000	Notes	2021	2020
<b>Depreciation and amortisation</b>			
Plant and equipment		1,013	928
Office equipment		367	201
Furniture and fittings		914	334
Land improvements (depreciable)		288	282
<b>Infrastructure:</b>	C1-6		
– Buildings – non-specialised		95	89
– Buildings – specialised		1,983	1,405
– Other structures		118	110
– Roads		2,426	2,007
– Footpaths		928	734
– Other road assets		252	223
– Stormwater drainage		712	677
– Swimming pools		128	128
– Other open space/recreational assets		417	379
Right of use assets	C2-1	218	218
<b>Other assets:</b>			
– Library books		136	130
– Other		93	52
Intangible assets	C1-8	146	161
<b>Total gross depreciation and amortisation costs</b>		<b>10,234</b>	<b>8,058</b>
<b>Total depreciation and amortisation costs</b>		<b>10,234</b>	<b>8,058</b>
<b>TOTAL DEPRECIATION AND AMORTISATION FOR INTANGIBLES AND IPP&amp;E</b>		<b>10,234</b>	<b>8,058</b>

### Accounting policy

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7 for IPPE assets.

#### Impairment of non-financial assets

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

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

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

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

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

## B3-5 Other expenses

\$ '000	Notes	2021	2020
<b>Impairment of receivables</b>			
Other		37	42
<b>Total impairment of receivables</b>	C1-4	<b>37</b>	<b>42</b>
<b>Other</b>			
– Department of planning levy		79	78
– Emergency services levy (includes FRNSW, SES, and RFS levies)		77	61
– NSW fire brigade levy		748	654
Donations, contributions and assistance to other organisations (Section 356)		476	16
<b>Total other</b>		<b>1,380</b>	<b>809</b>
<b>Total other expenses</b>		<b>1,417</b>	<b>851</b>

### Accounting policy

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

Council provided a \$30 Covid Rebate on all Residential properties under Section 356 of the Local Government Act. This amount totalling \$411,600 appears in the above Donations, contributions and assistance to other organisations (s356).

## B4 Gains or losses

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

\$ '000	Notes	2021	2020
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		198	397
Less: carrying amount of plant and equipment assets sold/written off		<u>(107)</u>	<u>(238)</u>
<b>Gain (or loss) on disposal</b>		<u>91</u>	<u>159</u>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Less: carrying amount of infrastructure assets sold/written off		<u>(1,779)</u>	<u>(1,835)</u>
<b>Gain (or loss) on disposal</b>		<u>(1,779)</u>	<u>(1,835)</u>
<b>Other</b>			
Proceeds from disposal – Office Furniture		<u>2</u>	<u>4</u>
<b>Gain (or loss) on disposal</b>		<u>2</u>	<u>4</u>
<b>Net gain (or loss) on disposal of assets</b>		<u><b>(1,686)</b></u>	<u><b>(1,672)</b></u>

#### Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 28/07/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	32,233	32,400	167	1%	<b>F</b>
<b>User charges and fees</b>	8,990	8,245	(745)	(8)%	<b>U</b>
<b>Other revenues</b>	4,131	5,122	991	24%	<b>F</b>
The increase in income was attributed to increased policing of construction sites within the Burwood Town Centre and surrounding area and the impounding of abandoned shopping trolleys.					
<b>Operating grants and contributions</b>	2,581	2,760	179	7%	<b>F</b>
<b>Capital grants and contributions</b>	5,892	7,768	1,876	32%	<b>F</b>
The increase in income was attributed to receiving additional RMS funding during the year for Blackspots and the bringing to account Grant monies which were classified as Contract Liabilities from previous years.					
<b>Interest and investment revenue</b>	1,048	635	(413)	(39)%	<b>U</b>
The reduction in interest was primarily attributed to the continuing decline in interest rates due to the Reserve Bank of Australia economic stimulus package.					
<b>Other income</b>	2,175	1,657	(518)	(24)%	<b>U</b>
The variance is attributed to the impact Covid-19 has had on Council's rental properties whereby Copuncil provided rental assistance to our tenants and the inability to lease out a number of Commercial areas.					

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
<b>EXPENSES</b>				
<b>Employee benefits and on-costs</b>	<b>22,709</b>	<b>20,459</b>	<b>2,250</b>	<b>10% F</b>
The variance is attributed to a number of positions within the organisation being vacant and not replaced through the year awaiting Council's organisational restructure outcome.				
<b>Materials and services</b>	<b>22,037</b>	<b>22,188</b>	<b>(151)</b>	<b>(1)% U</b>
<b>Borrowing costs</b>	<b>351</b>	<b>344</b>	<b>7</b>	<b>2% F</b>
<b>Depreciation, amortisation and impairment of non-financial assets</b>	<b>7,986</b>	<b>10,234</b>	<b>(2,248)</b>	<b>(28)% U</b>
Depreciation costs, were over budget to forecast mainly due to the inception of AASB 16 Leases - Right of Use Assets, along with the full impact of two refurbished buildings coming online and the continued renewal of council's infrastructure assets programme.				
<b>Other expenses</b>	<b>1,427</b>	<b>1,417</b>	<b>10</b>	<b>1% F</b>
<b>Net losses from disposal of assets</b>	<b>-</b>	<b>1,686</b>	<b>(1,686)</b>	<b>∞ U</b>
Council writes off infrastructure assets as part of it's renewal programme replacing the written down value of the assets with the current replacement costs of the renewal.				
<b>STATEMENT OF CASH FLOWS</b>				
<b>Cash flows from operating activities</b>	<b>10,744</b>	<b>10,320</b>	<b>(424)</b>	<b>(4)% U</b>
<b>Cash flows from investing activities</b>	<b>(16,499)</b>	<b>378</b>	<b>16,877</b>	<b>(102)% F</b>
The variance between actual and budget was attributed to more than expected sale of Council's investment due to increased capital Works programme and the implications of Covid -19.				
<b>Cash flows from financing activities</b>	<b>(720)</b>	<b>(928)</b>	<b>(208)</b>	<b>29% U</b>
Variance attributed to interest paid due to the inception of ASSB 16 Leases not budgeted.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2021	2020
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	1,650	2,028
Cash-equivalent assets		
– Deposits at call	4,901	8,753
– Short-term deposits	14,000	–
<b>Total cash and cash equivalents</b>	<b>20,551</b>	<b>10,781</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	20,551	10,781
<b>Balance as per the Statement of Cash Flows</b>	<b>20,551</b>	<b>10,781</b>

#### Accounting policy

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

## C1-2 Financial investments

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
<b>Financial assets at fair value through the profit and loss</b>				
Long term deposits	8,000	–	26,000	–
NCD's, FRN's (with maturities > 3 months)	19,250	–	21,250	–
Other long term financial assets	–	101	–	–
<b>Total</b>	<b>27,250</b>	<b>101</b>	<b>47,250</b>	<b>–</b>
<b>Total financial investments</b>	<b>27,250</b>	<b>101</b>	<b>47,250</b>	<b>–</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>47,801</b>	<b>101</b>	<b>58,031</b>	<b>–</b>

### Accounting policy

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

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

### Financial assets

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

### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

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

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

### Financial assets through profit or loss

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

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

Council's financial assets measured at fair value through profit or loss comprise investments of interest in an insurance mutual "CivicRisk Mutual" (CRM) in the Statement of Financial Position.

Council's interest in its share of the surplus is calculated by CivicRisk Mutual Ltd's Actuary, and changes in fair value recognized, as an increase or decrease through its income statement at each reporting period. Fair value is calculated using the income approach whereby expected future cash flows are discounted to present value. Expected cash flows include investment income.

Prior to 1 July 2020 Council's interest in CRM was accounted for using the equity method due to the organisational structure and operational arrangements in place at that time Note D1-1 for further details.



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

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	<b>47,801</b>	<b>101</b>	<b>58,031</b>	<b>–</b>
<b>attributable to:</b>				
External restrictions	13,976	101	20,379	–
Internal restrictions	31,821	–	34,479	–
Unrestricted	2,004	–	3,173	–
	<b>47,801</b>	<b>101</b>	<b>58,031</b>	<b>–</b>

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

#### External restrictions – other

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

Developer contributions – general	11,179	17,267
Specific purpose unexpended grants (recognised as revenue) – general fund	18	27
Stormwater management	27	–
Unexpended general purpose loans	1,000	1,000
Domestic waste management	1,853	2,085
<b>External restrictions – other</b>	<b>14,077</b>	<b>20,379</b>
<b>Total external restrictions</b>	<b>14,077</b>	<b>20,379</b>

#### Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Plant and vehicle replacement	2,060	3,043
Employees leave entitlement	1,516	1,465
Carry over works	2,496	2,128
Deposits, retentions and bonds	4,920	4,446
Park upgrade	934	934
Car park upgrades	574	574
Closed circuit television monitoring	193	234
Election	375	325
Enfield aquatic centre maintenance/upgrade	416	1,253
Financial assistance grant (in advance)	607	561
Future property investment	3,770	4,556
Information technology	760	667
Insurances	725	1,123
Local area traffic management	294	294
Organisational alignment	973	500
Parking meter replacement	366	266
Payments in advance	–	23
Property maintenance	1,711	1,949
Property sales	500	500
Road and footpath restorations (private works)	–	692
Local environmental plan	1,000	–
Technology enhancements	971	971
Operations centre upgrade	400	1,400
Work health and safety	429	371
Business continuity (operational reimbursement)	2,500	1,852
Woodstock community building upgrade	287	287
Town centre festive decorations	150	50
Contract Liabilities (AASB 15 / AASB 1058)	2,415	3,671

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

<b>\$ '000</b>	<b>2021</b>	2020
Infrastructure - SRV	<b>33</b>	–
Other	<b>446</b>	344
<b>Total internal restrictions</b>	<b>31,821</b>	34,479
<b>Total restrictions</b>	<b>45,898</b>	54,858

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

## C1-4 Receivables

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Rates and annual charges	1,430	–	1,216	–
Interest and extra charges	100	–	89	–
User charges and fees	629	–	188	–
Private works	55	–	159	–
Accrued revenues				
– Interest on investments	116	–	256	–
– Parking fine income	353	–	302	–
– Other income accruals	232	–	340	–
Net investment in finance lease	–	–	–	–
Government grants and subsidies	355	–	443	–
Net GST receivable	1,049	–	631	–
Other debtors - Active Kids	3	–	2	–
Other debtors	7	–	8	–
<b>Total</b>	<b>4,329</b>	<b>–</b>	<b>3,634</b>	<b>–</b>
<b>Less: provision of impairment</b>				
User charges and fees	(154)	–	(173)	–
<b>Total provision for impairment – receivables</b>	<b>(154)</b>	<b>–</b>	<b>(173)</b>	<b>–</b>
<b>Total net receivables</b>	<b>4,175</b>	<b>–</b>	<b>3,461</b>	<b>–</b>
<b>Externally restricted receivables</b>				
Domestic waste management	303	–	233	–
Stormwater management	15	–	13	–
<b>Total external restrictions</b>	<b>318</b>	<b>–</b>	<b>246</b>	<b>–</b>
<b>Unrestricted receivables</b>	<b>3,857</b>	<b>–</b>	<b>3,215</b>	<b>–</b>
<b>Total net receivables</b>	<b>4,175</b>	<b>–</b>	<b>3,461</b>	<b>–</b>

\$ '000	2021	2020
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	173	137
+ new provisions recognised during the year	37	67
– amounts already provided for and written off this year	(56)	(31)
<b>Balance at the end of the year</b>	<b>154</b>	<b>173</b>

### Accounting policy

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

### Impairment

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

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

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

## C1-4 Receivables (continued)

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

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

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

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

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

### Covid 19

Council's rates have had a moderate increase in outstanding collections however they are secured against the property and are within the Local Government performance measures, Council's user charges collections have not been significantly impacted by the Covid 19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision.

## C1-5 Contract assets and Contract cost assets

\$ '000	Notes	2021	2020
Contract assets	C1-5	612	539
<b>Total contract assets and contract cost assets</b>		<b>612</b>	<b>539</b>

### Contract assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Other	612	-	539	-
<b>Total contract assets</b>	<b>612</b>	<b>-</b>	<b>539</b>	<b>-</b>

### Accounting policy

#### Contract assets

Contract assets represent Council's right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

## C1-5 Contract assets and Contract cost assets (continued)

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### **Contract cost asset – costs to fulfil a contract**

Where costs are incurred to fulfil a contract and these costs are outside the scope of another accounting standard, they are capitalised as contract cost assets if the following criteria are met:

- the costs relate directly to a contract
- the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and
- the costs are expected to be recovered.

The capitalised costs are recognised in the Income statement on a systematic basis consistent with the timing of revenue recognition.

Refer to B3-4 for the accounting policy for impairment of contract cost assets.

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

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period						At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	923	–	923	–	2,201	(18)	–	(893)	–	2,213	–	2,213
Plant and equipment	9,943	(5,077)	4,866	–	1,603	(116)	(1,013)	–	–	11,131	(5,791)	5,340
Office equipment	2,662	(1,064)	1,598	470	28	–	(367)	–	–	3,160	(1,431)	1,729
Furniture and fittings	15,775	(2,649)	13,126	233	231	–	(914)	–	–	16,238	(3,562)	12,676
<b>Land:</b>												
– Operational land	121,430	–	121,430	–	–	–	–	–	–	121,430	–	121,430
– Community land	35,915	–	35,915	–	429	–	–	–	3,477	39,821	–	39,821
Land improvements – non-depreciable	–	–	–	–	208	–	–	–	–	208	–	208
Land improvements – depreciable	16,500	(3,920)	12,580	28	291	(6)	(288)	–	–	16,785	(4,180)	12,605
<b>Infrastructure:</b>												
– Buildings – non-specialised	4,174	(3,216)	958	–	741	–	(95)	–	–	4,915	(3,311)	1,604
– Buildings – specialised	108,584	(14,697)	93,887	2,040	1,872	(103)	(1,983)	882	811	113,129	(15,723)	97,406
– Other structures	3,979	(834)	3,145	–	433	–	(118)	–	–	4,412	(952)	3,460
– Roads	220,460	(106,489)	113,971	1,737	–	(892)	(2,426)	–	–	219,785	(107,395)	112,390
– Footpaths	73,163	(39,275)	33,888	3,023	368	(647)	(928)	–	–	74,879	(39,175)	35,704
– Other road assets (including bulk earthworks)	10,173	(2,132)	8,041	184	930	(75)	(252)	–	75	11,330	(2,427)	8,903
– Stormwater drainage	82,263	(50,270)	31,993	205	526	(29)	(712)	–	–	82,892	(50,909)	31,983
– Swimming pools	6,018	(2,937)	3,081	–	2,087	–	(128)	–	–	8,105	(3,065)	5,040
– Other open space/recreational assets	11,192	(2,690)	8,502	22	421	–	(417)	11	3,351	13,417	(1,527)	11,890
<b>Other assets:</b>												
– Library books	1,875	(1,496)	379	–	142	–	(136)	–	–	2,017	(1,632)	385
– Other	889	(145)	744	105	4	–	(93)	–	–	913	(153)	760
<b>Total infrastructure, property, plant and equipment <sup>2</sup></b>	<b>725,918</b>	<b>(236,891)</b>	<b>489,027</b>	<b>8,047</b>	<b>12,515</b>	<b>(1,886)</b>	<b>(9,870)</b>	<b>–</b>	<b>7,714</b>	<b>746,780</b>	<b>(241,233)</b>	<b>505,547</b>

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

(2) Infrastructure Assets (Roads, Footpaths and Drainage) includes disposal costs as part of the costs when valuing the assets.

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

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period							At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	708	–	708	–	536	(41)	–	(280)	–	–	923	–	923
Plant and equipment	9,309	(5,192)	4,117	1,673	326	(322)	(928)	–	–	–	9,943	(5,077)	4,866
Office equipment	2,836	(2,127)	709	109	1,020	(39)	(201)	–	–	–	2,662	(1,064)	1,598
Furniture and fittings	4,700	(2,597)	2,103	–	11,279	(161)	(334)	239	–	–	15,775	(2,649)	13,126
<b>Land:</b>													
– Operational land	121,430	–	121,430	–	–	–	–	–	–	–	121,430	–	121,430
– Community land	41,312	–	41,312	–	1,150	–	–	–	(6,547)	–	35,915	–	35,915
Land improvements – depreciable	16,466	(3,653)	12,813	67	–	(18)	(282)	–	–	–	16,500	(3,920)	12,580
<b>Infrastructure:</b>													
– Buildings – non-specialised	4,174	(3,127)	1,047	–	–	–	(89)	–	–	–	4,174	(3,216)	958
– Buildings – specialised	65,344	(13,292)	52,052	49	22,408	–	(1,405)	–	–	20,783	108,584	(14,697)	93,887
– Other structures	3,719	(724)	2,995	–	261	–	(110)	–	–	–	3,979	(834)	3,145
– Roads	202,365	(61,955)	140,410	1,992	–	(350)	(2,007)	4	(26,078)	–	220,460	(106,489)	113,971
– Footpaths	59,013	(20,574)	38,439	2,107	5	(1,004)	(734)	11	(4,936)	–	73,163	(39,275)	33,888
– Other road assets (including bulk earthworks)	9,075	(1,920)	7,155	344	807	(41)	(223)	–	–	–	10,173	(2,132)	8,041
– Stormwater drainage	70,165	(41,515)	28,650	176	580	(42)	(677)	–	–	3,306	82,263	(50,270)	31,993
– Swimming pools	6,018	(2,810)	3,208	–	–	–	(128)	–	–	–	6,018	(2,937)	3,081
– Other open space/recreational assets	10,113	(2,421)	7,692	482	734	(53)	(379)	26	–	–	11,192	(2,690)	8,502
<b>Other assets:</b>													
– Library books	1,733	(1,366)	367	–	142	–	(130)	–	–	–	1,875	(1,496)	379
– Other	757	(521)	236	50	511	(2)	(52)	–	–	–	889	(145)	744
<b>Total infrastructure, property, plant and equipment <sup>2</sup></b>	<b>629,237</b>	<b>(163,794)</b>	<b>465,443</b>	<b>7,049</b>	<b>39,759</b>	<b>(2,073)</b>	<b>(7,679)</b>	<b>–</b>	<b>(37,561)</b>	<b>24,089</b>	<b>725,918</b>	<b>(236,891)</b>	<b>489,027</b>

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

(2) Amounts were transferred from Other Assets to the Intangible Assets class (refer note 11). Recognition of software as Intangible Assets represents a change in accounting policy, effective 1 July 2018.

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

### Accounting policy

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment	15 to 25
Office furniture	5 to 20	Benches, seats etc.	10 to 20
Computer equipment	5		
Vehicles	5	<b>Buildings</b>	
Heavy plant/road making equipment	8 to 10	Buildings: masonry	50 to 100
Other plant and equipment	5 to 20	Buildings: other	20 to 40
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	20 to 30	Bulk earthworks	Infinite
Sealed roads: structure	Infinite	Swimming pools	60
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	15 to 80
Bridge: other	50	Other infrastructure	10 to 80
Road pavements	75 to 225	Stormwater assets	100 to 200
Kerb, gutter and footpaths	50 to 90		

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

### Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.



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

### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

### Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/21			as at 30/06/20		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Domestic waste management</b>						
Plant and equipment	1,003	644	359	948	596	352
<b>Total domestic waste management</b>	<b>1,003</b>	<b>644</b>	<b>359</b>	<b>948</b>	<b>596</b>	<b>352</b>
Total restricted infrastructure, property, plant and equipment	1,003	644	359	948	596	352

### Infrastructure, property, plant and equipment – current year impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

## C1-7 Investment properties

\$ '000	2021	2020
<b>Owned investment property</b>		
Investment property on hand at fair value	4,700	4,340
<b>Total owned investment property</b>	<b>4,700</b>	<b>4,340</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	4,340	3,980
Net gain/(loss) from fair value adjustments	360	360
<b>Closing balance at 30 June</b>	<b>4,700</b>	<b>4,340</b>

### Accounting policy

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as part of other income and other expenses.

## C1-8 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
<b>Software</b>		
<b>Opening values at 1 July</b>		
Gross book value	2,316	2,670
Accumulated amortisation	(1,986)	(2,339)
<b>Net book value – opening balance</b>	<b>330</b>	<b>331</b>
<b>Movements for the year</b>		
Other movements	46	322
Purchases	149	160
Amortisation charges	(146)	(161)
<b>Closing values at 30 June</b>		
Gross book value	2,511	2,316
Accumulated amortisation	(2,132)	(1,986)
<b>Total software – net book value</b>	<b>379</b>	<b>330</b>
<b>Total intangible assets – net book value</b>	<b>379</b>	<b>330</b>

### Accounting policy

#### IT development and software

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

## C2 Leasing activities

### C2-1 Council as a lessee

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

#### Terms and conditions of leases

##### Vehicles

Council has entered into a Domestic Waste contract for the service of the collection of Residential waste throughout the Burwood Local Government area. As part of the Domestic Waste collection service, four (4) vehicles are leased with lease terms of seven (7) years; the lease payments are fixed during the lease term and there is generally no renewal option.

##### Office and IT equipment

Council leases office and IT equipment which are generally for low value assets, except for significant items such as photocopiers. Council currently leases a Folding Machine, the lease expires on 30 April 2023 with no renewal option, the payments are fixed.

#### (a) Right of use assets

\$ '000	Plant & Equipment	Office Equipment	Total
<b>2021</b>			
Opening balance at 1 July	1,286	10	1,296
<b>Additions to right-of-use assets</b>	–	–	–
Depreciation charge	(214)	(4)	(218)
<b>Balance at 30 June</b>	<b>1,072</b>	<b>6</b>	<b>1,078</b>
<b>2020</b>			
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	–	14	14
Additions to right-of-use assets	1,500	–	1,500
Depreciation charge	(214)	(4)	(218)
<b>Balance at 30 June</b>	<b>1,286</b>	<b>10</b>	<b>1,296</b>

#### (b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	212	895	206	1,107
<b>Total lease liabilities</b>	<b>212</b>	<b>895</b>	<b>206</b>	<b>1,107</b>

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

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2021</b>					
Cash flows	212	895	–	1,107	1,107
<b>2020</b>					
Cash flows	206	1,107	–	1,313	1,313

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

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

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Total lease liabilities relating to unrestricted assets</b>	<b>212</b>	<b>895</b>	206	1,107
<b>Total lease liabilities</b>	<b>212</b>	<b>895</b>	<b>206</b>	<b>1,107</b>

### (d) Income Statement

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

\$ '000	2021	2020
Interest on lease liabilities	33	38
Depreciation of right of use assets	218	218
Expenses relating to short-term leases	15	29
	<b>266</b>	<b>285</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	240	240
	<b>240</b>	<b>240</b>

### Accounting policy

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

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

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

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

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

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

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

### Exceptions to lease accounting

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

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

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

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties to tenants under long-term leases with rentals payable monthly; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8).

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

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

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

Lease income relating to variable lease payments not dependent on an index or a rate	456	317
<b>Total income relating to operating leases for investment property assets</b>	<b>456</b>	<b>317</b>

#### Operating lease expenses

##### Investment properties

Direct operating expenses that generated rental income	47	63
<b>Total expenses relating to operating leases</b>	<b>47</b>	<b>63</b>

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

Lease income (excluding variable lease payments not dependent on an index or rate)	841	1,024
<b>Total income relating to operating leases for Council assets</b>	<b>841</b>	<b>1,024</b>

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

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

< 1 year	1,596	1,651
1–2 years	1,437	1,463
2–3 years	1,506	1,535
3–4 years	1,580	1,610
4–5 years	1,657	1,689
> 5 years	1,623	303
<b>Total undiscounted lease payments to be received</b>	<b>9,399</b>	<b>8,251</b>

### Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

## C2-2 Council as a lessor (continued)

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If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	1,609	–	2,192	–
Goods and services – capital expenditure	3,207	–	2,272	–
Prepaid rates	297	–	303	–
Accrued expenses:				
– Borrowings	24	–	24	–
– Salaries and wages	134	–	1,200	–
– Other expenditure accruals	269	–	618	–
Security bonds, deposits and retentions	4,920	–	4,446	–
Other	4	–	14	–
<b>Total payables</b>	<b>10,464</b>	<b>–</b>	<b>11,069</b>	<b>–</b>
<b>Total payables</b>	<b>10,464</b>	<b>–</b>	<b>11,069</b>	<b>–</b>

#### Payables relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Externally restricted assets</b>				
Domestic waste management	537	–	657	–
Payables relating to externally restricted assets	537	–	657	–
<b>Total payables relating to restricted assets</b>	<b>537</b>	<b>–</b>	<b>657</b>	<b>–</b>
<b>Total payables relating to unrestricted assets</b>	<b>9,927</b>	<b>–</b>	<b>10,412</b>	<b>–</b>
<b>Total payables</b>	<b>10,464</b>	<b>–</b>	<b>11,069</b>	<b>–</b>

## C3-1 Payables (continued)

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

\$ '000	2021	2020
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	3,324	2,736
<b>Total payables</b>	<b>3,324</b>	<b>2,736</b>

### Accounting policy

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

### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,273	–	2,626	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	189	–	212	–
<b>Total grants received in advance</b>		<b>1,462</b>	<b>–</b>	<b>2,838</b>	<b>–</b>
<b>User fees and charges received in advance:</b>					
Other		953	–	833	–
<b>Total user fees and charges received in advance</b>		<b>953</b>	<b>–</b>	<b>833</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>2,415</b>	<b>–</b>	<b>3,671</b>	<b>–</b>

### Notes

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

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

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

\$ '000	2021	2020
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	2,112	702
Operating grants (received prior to performance obligation being satisfied)	12	28
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>2,124</b>	<b>730</b>



## C3-2 Contract Liabilities (continued)

### Significant changes in contract liabilities

The significant movements in contract liabilities related to several Capital Grants received in prior years which were brought to account through the performance obligations of meeting the required milestones of the individual contracts.

### Accounting policy

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

## C3-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured <sup>1</sup>	684	4,802	721	5,487
<b>Total borrowings</b>	<b>684</b>	<b>4,802</b>	<b>721</b>	<b>5,487</b>

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

### Borrowings relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Total borrowings relating to unrestricted assets</b>	<b>684</b>	<b>4,802</b>	<b>721</b>	<b>5,487</b>
<b>Total borrowings</b>	<b>684</b>	<b>4,802</b>	<b>721</b>	<b>5,487</b>

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

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

### C3-3 Borrowings (continued)

#### (a) Changes in liabilities arising from financing activities

\$ '000	2020		2021
	Opening Balance	Cash flows	Closing balance
Loans – secured	6,208	(722)	5,486
Lease liability (Note C2-1b)	1,313	(206)	1,107
<b>Total liabilities from financing activities</b>	<b>7,521</b>	<b>(928)</b>	<b>6,593</b>

\$ '000	2019		Non-cash movements	2020
	Opening Balance	Cash flows	Acquisition due to change in accounting policy	Closing balance
Loans – secured	6,898	(690)	–	6,208
Lease liability (Note C2-1b)	–	1,313	–	1,313
<b>Total liabilities from financing activities</b>	<b>6,898</b>	<b>623</b>	<b>–</b>	<b>7,521</b>

#### (b) Financing arrangements

\$ '000	2021	2020
<b>Total facilities</b>		
Credit cards/purchase cards	50	50
<b>Total financing arrangements</b>	<b>50</b>	<b>50</b>
<b>Drawn facilities</b>		
– Credit cards/purchase cards	6	8
<b>Total drawn financing arrangements</b>	<b>6</b>	<b>8</b>
<b>Undrawn facilities</b>		
– Credit cards/purchase cards	44	42
<b>Total undrawn financing arrangements</b>	<b>44</b>	<b>42</b>

#### Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

## C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	1,881	–	1,838	–
Long service leave	4,979	181	4,834	176
Other – RDO/TIL	70	–	171	–
Time in lieu	106	–	–	–
ELE on-costs	179	5	133	3
<b>Total employee benefit provisions</b>	<b>7,215</b>	<b>186</b>	<b>6,976</b>	<b>179</b>

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	4,750	4,921
	<b>4,750</b>	<b>4,921</b>

### Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
<b>2021</b>					
At beginning of year	1,838	5,010	136	171	7,155
Other	43	150	48	5	246
Total ELE provisions at end of year	<b>1,881</b>	<b>5,160</b>	<b>184</b>	<b>176</b>	<b>7,401</b>
<b>2020</b>					
At beginning of year	1,722	4,911	126	393	7,152
Additional provisions	1,332	687	10	2	2,031
Amounts used (payments)	(1,216)	(588)	–	(224)	(2,028)
Total ELE provisions at end of year	<b>1,838</b>	<b>5,010</b>	<b>136</b>	<b>171</b>	<b>7,155</b>

### Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## C3-4 Employee benefit provisions (continued)

### On-costs

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

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

## C3-5 Provisions

### Provisions relating to restricted assets

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
<b>Externally restricted assets</b>				
Domestic waste management	104	12	115	10
Provisions relating to externally restricted assets	104	12	115	10
<b>Total provisions relating to restricted assets</b>	<b>104</b>	<b>12</b>	<b>115</b>	<b>10</b>

### Accounting policy

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a borrowing cost.

### Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity through a Joint Arrangement activity: "CivicRisk Mutual Ltd" comprising a number of Local Government Council's.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

## D Council structure

### D1 Interests in other entities

\$ '000	Council's share of net assets	
	2021	2020
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint ventures	–	15
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>–</b>	<b>15</b>
Total Council's share of net assets	–	15

#### D1-1 Interests in joint arrangements

##### Net carrying amounts – Council's share

\$ '000	Nature of relationship	Place of business	Interest in ownership		2021	2020
			2021	2020		
CivicRisk Mutual	Joint Venture	Penrith	0.0%	0.9%	–	64
CivicRisk Metro	Joint Venture	Penrith	0.0%	(0.4)%	–	(49)
<b>Total carrying amounts – material joint ventures</b>					<b>–</b>	<b>15</b>

##### CivicRisk Mutual

Civic Risk Metro was an alliance of councils prior to 1 July 2020 who had joined together to protect member assets and liabilities through establishing manageable levels of self insured risk and minimising the cost of insurance of public liability and professional indemnity risks.

##### CivicRisk Metro

CivicRisk Mutual was an alliance of councils prior to 1 July 2020 who had joined together to protect member assets and liabilities through establishing manageable levels of self insured risk and minimising the cost of insurance of property, motor and other classes of risks.

Both joint ventures had the same year end date as the council.

Both Civic Risk Metro and CivicRisk Mutual operated on insurance principles, charging annual contributions to cover expected insurance and other costs and returning surplus funds to members from time to time as determined by their respective Boards. Council did not make loans or advances to either joint venture.

##### Material joint ventures

Prior to 1 July 2020 each member of the relevant joint entity has an equal voting right to each other member while they insure through the entity.

On 1 July 2020 the members decided to novate assets, liabilities and members equity of the joint ventures into CivicRisk Mutual Ltd for compliance and efficiency reasons. The members designed the Constitution and Membership Rules of CRM Ltd which ensures members are provided with a right to the surplus or deficit in protection years in which they were members. Council's share in CivicRisk Mutual is now disclosed in Note C1-2 Investments due to the change in operating structure as at 1 July 2020.

The following information for 2019-20 Financial Year is provided for joint ventures that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

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

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### Details

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	<b>Principal activity</b>	<b>Measurement method</b>
CivicRisk Metro	Local Government insurance coverage	Equity Method
CivicRisk Mutual	Local Government insurance coverage	Equity Method

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

### Relevant interests and fair values

	Interest in outputs		Proportion of voting power	
	2021	2020	2021	2020
CivicRisk Metro	0.0%	(0.4)%	0.0%	16.7%
CivicRisk Mutual	0.0%	0.9%	0.0%	5.3%

### Summarised financial information for joint ventures

\$ '000	CivicRisk Metro		CivicRisk Mutual	
	2021	2020	2021	2020
<b>Statement of financial position</b>				
<b>Current assets</b>				
Cash and cash equivalents	-	9,281	-	6,177
Other current assets	-	5,781	-	5,924
<b>Non-current assets</b>	-	6,711	-	5,102
<b>Current liabilities</b>				
Current financial liabilities (excluding trade and other payables and provisions)	-	1,689	-	5,923
Other current liabilities	-	1,762	-	489
<b>Non-current liabilities</b>				
Non-current financial liabilities (excluding trade and other payables and provisions)	-	5,558	-	3,635
<b>Net assets</b>	-	12,764	-	7,156
<b>Statement of comprehensive income</b>				
Income	-	1,845	-	14,474
Interest income	-	271	-	205
Other expenses	-	(2,405)	-	(14,468)
<b>Profit/(loss) from continuing operations</b>	-	(289)	-	211
<b>Profit/(loss) for the period</b>	-	(289)	-	211
<b>Total comprehensive income</b>	-	(289)	-	211
<b>Share of income – Council (%)</b>	0.0%	(0.4)%	0.0%	0.9%
<b>Profit/(loss) – Council (\$)</b>	-	1	-	2
<b>Total comprehensive income – Council (\$)</b>	-	1	-	2
<b>Reconciliation of the carrying amount</b>				
Opening net assets (1 July)	-	14,648	-	6,944
Profit/(loss) for the period	-	(1,884)	-	212
<b>Closing net assets</b>	-	12,764	-	7,156
<b>Council's share of net assets (%)</b>	0.0%	(0.4)%	0.0%	0.9%
<b>Council's share of net assets (\$)</b>	-	(49)	-	64

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

### **Accounting policy**

The council has determined that it has only joint ventures.

#### ***Joint ventures***

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 Investments in Associates and Joint Ventures.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the council discontinues recognising its share of further losses.

The council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the council for the purposes of the consolidated financial statements.



## E Risks and accounting uncertainties

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

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

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

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

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

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

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	20,551	10,781	20,551	10,781
Receivables	4,175	3,461	4,175	4,000
<b>Fair value through profit and loss</b>				
Investments				
– Held for trading	27,351	47,250	27,351	–
<b>Total financial assets</b>	<b>52,077</b>	<b>61,492</b>	<b>52,077</b>	<b>14,781</b>
<b>Financial liabilities</b>				
Payables	10,464	11,069	10,167	10,766
Loans/advances	5,486	6,208	5,486	6,208
<b>Total financial liabilities</b>	<b>15,950</b>	<b>17,277</b>	<b>15,653</b>	<b>16,974</b>

Fair value is determined as follows:

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

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

Council also seeks advice from its independent advisers (Imperium Markets) before placing any cash and investments.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisers (Imperium Markets).

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

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

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

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

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	479	580

### (b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

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

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

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

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

### Credit risk profile

#### Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2021</b>						
Gross carrying amount	–	1,131	195	57	47	1,430
<b>2020</b>						
Gross carrying amount	–	1,064	64	45	43	1,216

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

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

The loss allowance provision as at 30 June 2021 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2021</b>						
Gross carrying amount	1,603	1,029	18	53	196	2,899
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	86.21%	5.83%
<b>ECL provision</b>	–	–	–	–	<b>169</b>	<b>169</b>
<b>2020</b>						
Gross carrying amount	1,532	129	7	539	211	2,418
Expected loss rate (%)	0.00%	0.00%	0.00%	18.24%	80.08%	11.05%
<b>ECL provision</b>	–	–	–	<b>98</b>	<b>169</b>	<b>267</b>

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

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2021</b>							
Trade/other payables	0.00%	4,920	5,247	–	–	10,167	10,167
Loans and advances	4.00%	–	973	3,195	1,318	5,486	5,486
<b>Total financial liabilities</b>		<b>4,920</b>	<b>6,220</b>	<b>3,195</b>	<b>1,318</b>	<b>15,653</b>	<b>15,653</b>
<b>2020</b>							
Trade/other payables	0.00%	4,446	6,320	–	–	10,766	10,766
Loans and advances	4.06%	–	1,039	3,958	1,211	6,208	6,208
<b>Total financial liabilities</b>		<b>4,446</b>	<b>7,359</b>	<b>3,958</b>	<b>1,211</b>	<b>16,974</b>	<b>16,974</b>

## E2-1 Fair value measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Recurring fair value measurements</b>									
<b>Investment property</b> C1-7									
Investment Property		30/06/21	30/06/20	4,700	4,340	–	–	4,700	4,340
<b>Total investment property</b>				<b>4,700</b>	<b>4,340</b>	<b>–</b>	<b>–</b>	<b>4,700</b>	<b>4,340</b>
<b>Infrastructure, property, plant and equipment</b> C1-6									
Plant and office equipment and furniture and fittings		30/06/21	30/06/20	–	–	19,745	19,590	19,745	19,590
Operational land		30/06/18	30/06/18	121,430	121,430	–	–	121,430	121,430
Community land		30/06/21	30/06/19	–	–	39,821	35,915	39,821	35,915
Land Improvements Non-depreciable		30/06/21	30/06/21	–	–	208	–	208	–
Land improvements – depreciable		30/06/16	30/06/16	–	–	12,605	12,580	12,605	12,580
Buildings – non-specialised		30/06/18	30/06/18	1,604	958	–	–	1,604	958
Buildings – specialised		30/06/18	30/06/18	–	–	97,406	93,887	97,406	93,887
Other structures		30/06/17	30/06/17	–	–	3,461	3,145	3,461	3,145
Roads		30/06/20	30/06/20	–	–	112,389	113,971	112,389	113,971
Footpaths and kerb and gutter		30/06/20	30/06/20	–	–	35,704	33,888	35,704	33,888
Drainage infrastructure		30/06/20	30/06/20	–	–	31,983	31,993	31,983	31,993
Swimming pools		30/06/18	30/06/18	–	–	5,040	3,081	5,040	3,081
Library books		30/06/16	30/06/16	–	–	385	379	385	379
Other assets		30/06/14	30/06/14	–	–	760	744	760	744
Openspace/Recreational		30/06/21	30/06/16	–	–	11,890	8,502	11,890	8,502
Other Road Assets		30/06/21	30/06/16	–	–	8,903	8,041	8,903	8,041
<b>Total infrastructure, property, plant and equipment</b>				<b>123,034</b>	<b>122,388</b>	<b>380,300</b>	<b>365,716</b>	<b>503,334</b>	<b>488,104</b>

## E2-1 Fair value measurement (continued)

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### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

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

### Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The investment property valuation is included in level 2 of the hierarchy. The key unobservable input to the valuation is the price per square metre.

The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. The Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2021 the valuation of the investment property was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

## E2-1 Fair value measurement (continued)

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

#### Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last comprehensive valuation was undertaken at 30 June 2018 and was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144. As at 30 June 2020 Scott Fullarton undertook a sample assessment of Council's buildings and a no material differences in value were noted.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal.

#### Buildings Non-Specialised

Buildings were valued by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144 in June 2018 using the cost approach. As at 30 June 2020 Scott Fullarton undertook a sample assessment of Council's buildings and a no material differences in value were noted. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. Non-Specialised buildings were classified as having been valued using Level 2 valuation inputs.

#### Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment – Trucks, tractors, ride-on mowers, street sweepers, earthmoving equipment, mini vans and motor vehicles
- Office Equipment – Computer equipment, flat screen monitors, whiteboards, refrigerators etc
- Furniture & Fittings – Chairs, desks and display systems

The key unobservable inputs to the valuation are the remaining useful life and the residual value.

#### Community Land

Valuations of all Council's Community Land and Council managed land were based on either the land values provided by the Valuer-General or an average unit rate based on the land values for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3.

#### Land Improvements – Depreciable and non-depreciable

This asset class comprises land improvements such as gardens, mulched areas, wetlands, streetscaping and landscaping. These assets may be located on parks, reserves and also within road reserves. 'Land Improvements' were valued in-house using the cost approach by experienced Council engineering staff.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

#### Buildings - Specialised

Buildings were valued by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144 in June 2018 using the cost approach. As at 30 June 2020 Scott Fullarton undertook a sample assessment of Council's buildings and a no material differences in value were noted. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value.

## E2-1 Fair value measurement (continued)

Specialised buildings were classified as having been valued using Level 3 valuation inputs. As at 30 June 2020 Scott Fullarton undertook a sample assessment of Council's buildings and a no material differences in value were noted.

### Other Structures

This asset class comprises retaining walls, shade structures and filtration system and shed.

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

### Roads

This asset class comprises the Road Carriageway and Suburb Markers. The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter. The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were based on calculations carried out by JRA, Jeff Roorda Associates during 2020, utilising the detailed pavement information residing in Council's Asset Management System - "Assetic System".

The cost approach was utilised with inputs such as estimates pattern of consumption, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there some uncertainty regarding the actual design, specifications and dimensions of some assets.

### Footpaths and Kerb & Gutter

Footpaths were valued by JRA, Jeff Roorda Associates during 2020 using the cost approach. Footpaths and Kerb & Gutter were segmented to match the adjacent road segment where possible and no further componentisation was undertaken. Footpaths and Kerb & Gutter were originally mapped and condition assessed using a combination of video condition assessment and physical inspection. Condition information is updated as changes in the network are observed through regular inspections.

### Other Road assets

This asset class comprises Roundabouts, Speed humps, Traffic calming devices, Street Furniture, Bus Shelters and Fencing, These assets were valued by Assetic Pty Ltd during 2021 using the cost approach method utilising inputs such as estimated asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value.

### Drainage Infrastructure

These assets within this class comprise pits, pipes, open channels, headwalls and various types of water quality devices. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The Level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. The Drainage system was valued by JRA, Jeff Roorda Associates during 2020 using the cost approach.

### Swimming Pools

Assets within this class comprise Council's Enfield Aquatic Centre. The indoor and outdoor pools at the aquatic centre was valued by Scott Fullarton Valuations Pty Ltd in June 2018 using the cost approach. As at 30 June 2020 Scott Fullarton undertook a sample assessment of Council's buildings and a no material differences in value were noted. The approach estimated the replacement cost for each pool by componentising its significant parts.

Inputs such as estimates of the pattern of consumption, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.



## E2-1 Fair value measurement (continued)

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### Other Open Space/Recreational Assets

Assets within this class comprise tennis courts and fencing, synthetic turf surfaces, barbeques, playground equipment, shade structures and soft fall, park furniture, park lighting, fitness equipment, bocce courts, gazebos and signage which were valued by Assetic Pty Ltd during 2021 using the cost approach method.

Inputs such as estimates of the pattern of consumption, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value.

### Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

### Other Assets

This asset class comprises all other assets which do not fall into the above asset classes ie, Planter Boxes, Hanging Baskets.

### Non-current assets classified as 'held for sale'

Council does not have assets classified as "held for sale".

## Fair value measurements using significant unobservable inputs (level 3)

### The valuation process for level 3 fair value measurements

Valuation process has been incorporated within 3 above.

## E2-1 Fair value measurement (continued)

### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
<b>Investment properties</b>		
Commercial Office and Retail	Qualified Valuer	<ul style="list-style-type: none"> <li>• Estimated rental value (rate per square metre)</li> <li>• Rental Yield</li> </ul>
<b>Infrastructure, property, plant and equipment</b>		
Operational Land	Qualified Valuer	<ul style="list-style-type: none"> <li>• Price per square metre</li> </ul>
Buildings – Non Specialised	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Plant & Equipment, Office Equipment and Furniture & Fittings	Cost approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Community Land	Land values obtained from the NSW Valuer General	<ul style="list-style-type: none"> <li>• Unimproved Capital Value (price per square metre)</li> </ul>
Land Improvements – non-depreciable and depreciable	Cost approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Buildings - Specialised	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Other Structures	Cost approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Roads	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Footpaths	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Other Road Assets	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Drainage Infrastructure	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Swimming Pools	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Library Books	Cost approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Other - Open Space / Recreational	Qualified Valuer	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> </ul>
Other Assets	Cost approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Asset Condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>

## E2-1 Fair value measurement (continued)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Investment property		Plant and Equipment		Operational Land		Community Land	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>4,340</b>	3,980	<b>19,590</b>	6,930	<b>121,430</b>	121,430	<b>35,915</b>	41,312
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	–	–	<b>2,565</b>	14,645	–	–	<b>429</b>	1,150
Disposals (WDV)	–	–	<b>(116)</b>	(522)	–	–	–	–
Depreciation and impairment	–	–	<b>(2,294)</b>	(1,463)	–	–	–	–
Fair value adjustment	<b>360</b>	360	–	–	–	–	<b>3,477</b>	(6,547)
<b>Closing balance</b>	<b>4,700</b>	4,340	<b>19,745</b>	19,590	<b>121,430</b>	121,430	<b>39,821</b>	35,915

\$ '000	Land Improvement – depreciable and non-depreciable		Buildings		Other structures		Other road assets	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>12,580</b>	12,813	<b>94,845</b>	53,099	<b>3,145</b>	2,995	<b>8,041</b>	7,155
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	<b>527</b>	67	<b>5,535</b>	22,457	<b>434</b>	260	<b>1,113</b>	1,151
Disposals (WDV)	<b>(6)</b>	(18)	<b>(103)</b>	–	–	–	<b>(75)</b>	(42)
Depreciation and impairment	<b>(288)</b>	(282)	<b>(2,078)</b>	(1,494)	<b>(118)</b>	(110)	<b>(251)</b>	(223)
Fair value adjustment	–	–	<b>811</b>	20,783	–	–	<b>75</b>	–
<b>Closing balance</b>	<b>12,813</b>	12,580	<b>99,010</b>	94,845	<b>3,461</b>	3,145	<b>8,903</b>	8,041

## E2-1 Fair value measurement (continued)

\$ '000	Open Space / Recreational		Roads		Footpaths		Drainage	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>8,502</b>	7,691	<b>113,971</b>	140,411	<b>33,888</b>	38,439	<b>31,993</b>	28,650
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	<b>454</b>	1,242	<b>1,737</b>	1,995	<b>3,391</b>	2,123	<b>731</b>	756
Disposals (WDV)	–	(52)	<b>(892)</b>	(350)	<b>(647)</b>	(1,004)	<b>(29)</b>	(42)
Depreciation and impairment	<b>(417)</b>	(379)	<b>(2,427)</b>	(2,007)	<b>(928)</b>	(734)	<b>(712)</b>	(677)
Fair value adjustment	<b>3,351</b>	–	–	(26,078)	–	(4,936)	–	3,306
<b>Closing balance</b>	<b>11,890</b>	8,502	<b>112,389</b>	113,971	<b>35,704</b>	33,888	<b>31,983</b>	31,993

\$ '000	Swimming pool		Library books		Other Assets		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>3,081</b>	3,209	<b>379</b>	367	<b>744</b>	236	<b>492,444</b>	<b>468,717</b>
Purchases (GBV)	<b>2,087</b>	–	<b>142</b>	142	<b>109</b>	561	<b>19,254</b>	<b>46,549</b>
Disposals (WDV)	–	–	–	–	–	(2)	<b>(1,868)</b>	<b>(2,032)</b>
Depreciation and impairment	<b>(128)</b>	(128)	<b>(136)</b>	(130)	<b>(93)</b>	(51)	<b>(9,870)</b>	<b>(7,678)</b>
Fair value adjustment	–	–	–	–	–	–	<b>8,074</b>	<b>(13,112)</b>
<b>Closing balance</b>	<b>5,040</b>	3,081	<b>385</b>	379	<b>760</b>	744	<b>508,034</b>	<b>492,444</b>

### Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There are no transfers identified in the above table.

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit plans

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

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

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

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

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

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

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

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

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. The past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$260,592.24. The last formal valuation of the Fund was undertaken by the Fund Actuary, Richard Boyfield FIAA as at 30 June 2020.

## E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$295,934.52.

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

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

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$183,300.00 as at 30 June 2021.

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

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

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

\* Plus promotional increases

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

### (iii) StateCover Limited

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

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

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

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

### (iv) Other guarantees

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

## 2. Other liabilities

### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

### (ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

## E3-1 Contingencies (continued)

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At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

### (iii) Joint Venture

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

## ASSETS NOT RECOGNISED

### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30 June 2008.

### (ii) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

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

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

\$ '000	2021	2020
<b>Compensation:</b>		
Short-term benefits	1,369	975
Post-employment benefits	107	65
Other long-term benefits	101	46
<b>Total</b>	<b>1,577</b>	<b>1,086</b>

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

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

There have been no transactions identified through the related party disclosure process indicating to be any significant disclosures from Key Management Persons during the year ended 30 June 2021.



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

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	44	44
Councillors' fees	142	142
Other Councillors' expenses (including Mayor)	130	103
<b>Total</b>	<b>316</b>	<b>289</b>

## F1-3 Other related parties

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There were no other related party transactions identified through the related party disclosure process during the year ended 30 June 2021.

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	87	88
<b>Remuneration for audit and other assurance services</b>	<b>87</b>	<b>88</b>
<b>Total Auditor-General remuneration</b>	<b>87</b>	<b>88</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(ii) Non-assurance services</b>		
Other audit and assurance services	35	31
<b>Remuneration for non-assurance services</b>	<b>35</b>	<b>31</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>35</b>	<b>31</b>
<b>Total audit fees</b>	<b>122</b>	<b>119</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

\$ '000	2021	2020
<b>Net operating result from Income Statement</b>	<b>2,259</b>	28,937
<b>Adjust for non-cash items:</b>		
Depreciation and amortisation	10,234	8,058
Net losses/(gains) on disposal of assets	1,686	1,672
Non-cash capital grants and contributions	–	(22,016)
Adoption of AASB 15/1058	–	(2,975)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	(86)	–
– Investment property	(360)	(360)
Share of net (profits)/losses of associates/joint ventures using the equity method	–	(3)
<b>+/- Movement in operating assets and liabilities and other cash items:</b>		
Decrease/(increase) in receivables	(695)	998
Increase/(decrease) in provision for impairment of receivables	(19)	36
Decrease/(increase) in other current assets	(76)	(190)
Decrease/(increase) in contract assets	(73)	(539)
Increase/(decrease) in payables	(583)	144
Increase/(decrease) in other accrued expenses payable	(1,415)	829
Increase/(decrease) in other liabilities	458	(595)
Increase/(decrease) in contract liabilities	(1,256)	3,671
Increase/(decrease) in provision for employee benefits	246	3
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>10,320</b>	<b>17,670</b>

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

Developer contributions ‘in kind’	–	22,016
<b>Total non-cash investing and financing activities</b>	<b>–</b>	<b>22,016</b>

## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2021	2020
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Buildings	779	6,774
Plant and equipment	393	–
<b>Total commitments</b>	<b>1,172</b>	<b>6,774</b>

#### These expenditures are payable as follows:

Within the next year	1,172	6,774
<b>Total payable</b>	<b>1,172</b>	<b>6,774</b>

#### Sources for funding of capital commitments:

Future grants and contributions	–	1,082
Section 7.11 and 64 funds/reserves	599	4,928
Internally restricted reserves	573	764
<b>Total sources of funding</b>	<b>1,172</b>	<b>6,774</b>

#### Details of capital commitments

Buildings - Upgrade of the Henley Park Amenities Building

Building / Swimming Pool - Construction of a new 25 meter Learn to Swimming Pool and Building at Enfield Aquatic Centre

### G3-1 Events occurring after the reporting date

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

## G4 Changes from prior year statements

### G4-1 Changes in accounting policy

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#### Voluntary changes in accounting policies

##### **Nature of changes in accounting policies**

Up until 1 July 2020, Council was a member of CivicRisk Metro and CivicRisk Mutual which were joint ventures operating to provide members protection which includes mutual self-insurance, group insurance arrangements and risk management support for Public Liability, Professional Indemnity, Property, Motor Vehicle and other general lines of cover (excluding workers compensation). On 1 July 2020, the members decided to novate assets, liabilities and members equity of the joint ventures into CivicRisk Mutual Ltd for compliance and efficiency reasons. The members designed the Constitution and Membership Rules of CRM Ltd which ensures members are provided with a right to the surplus or deficit in protection years in which they were members.

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

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

### G5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Traffic facilities	132	–	–	–	–	–	132	–
Parking	326	–	–	–	(254)	–	72	–
Burwood town centre	5,917	424	–	11	(3,359)	–	2,993	–
Burwood LGA	1,139	653	–	2	(1,339)	–	455	–
<b>S7.11 contributions – under a plan</b>	<b>7,514</b>	<b>1,077</b>	<b>–</b>	<b>13</b>	<b>(4,952)</b>	<b>–</b>	<b>3,652</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>7,514</b>	<b>1,077</b>	<b>–</b>	<b>13</b>	<b>(4,952)</b>	<b>–</b>	<b>3,652</b>	<b>–</b>
S7.4 planning agreements	9,753	2,181	–	17	(4,424)	–	7,527	–
<b>Total contributions</b>	<b>17,267</b>	<b>3,258</b>	<b>–</b>	<b>30</b>	<b>(9,376)</b>	<b>–</b>	<b>11,179</b>	<b>–</b>

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

### G5-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
<b>CONTRIBUTION PLAN NUMBER - 94A New LEP</b>								
Traffic facilities	132	–	–	–	–	–	132	–
Parking	326	–	–	–	(254)	–	72	–
Burwood town centre	5,917	424	–	11	(3,359)	–	2,993	–
Burwood LGA	1,139	653	–	2	(1,339)	–	455	–
<b>Total</b>	<b>7,514</b>	<b>1,077</b>	<b>–</b>	<b>13</b>	<b>(4,952)</b>	<b>–</b>	<b>3,652</b>	<b>–</b>



## G6 Statement of performance measures

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

\$ '000	Amounts 2021	Indicator 2021	2020	Indicators 2019	2018	Benchmark
<b>1. Operating performance ratio</b>						
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(4,232)</b>	<b>(8.40)%</b>	(9.41)%	3.37%	6.96%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>50,373</b>					
<b>2. Own source operating revenue ratio</b>						
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>47,613</b>	<b>81.89%</b>	54.93%	77.79%	71.91%	> 60.00%
Total continuing operating revenue	<b>58,141</b>					
<b>3. Unrestricted current ratio</b>						
Current assets less all external restrictions	<b>39,050</b>	<b>3.18x</b>	2.96x	4.66x	4.90x	> 1.50x
Current liabilities less specific purpose liabilities	<b>12,275</b>					
<b>4. Debt service cover ratio</b>						
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>6,346</b>	<b>4.99x</b>	2.95x	10.15x	13.49x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,272</b>					
<b>5. Rates and annual charges outstanding percentage</b>						
Rates and annual charges outstanding	<b>1,530</b>	<b>4.53%</b>	4.16%	2.90%	2.61%	< 5.00%
Rates and annual charges collectable	<b>33,756</b>					
<b>6. Cash expense cover ratio</b>						
Current year's cash and cash equivalents plus all term deposits	<b>28,551</b>	<b>6.58 mths</b>	8.34 mths	10.47 mths	10.77 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	<b>4,340</b>					

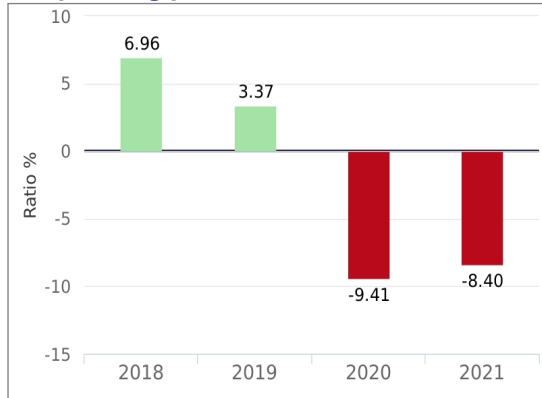
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

## H Additional Council disclosures (unaudited)

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

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

#### Commentary on 2020/21 result

2020/21 ratio (8.40)%

Council's revenue streams during the year were impacted by Covid 19 through the closure of the Enfield Aquatic Centre, loss in Parking revenue and providing businesses with reduced fees and charges. In addition extra costs associated with providing support to the Community via "Burwood Cares" initiatives.

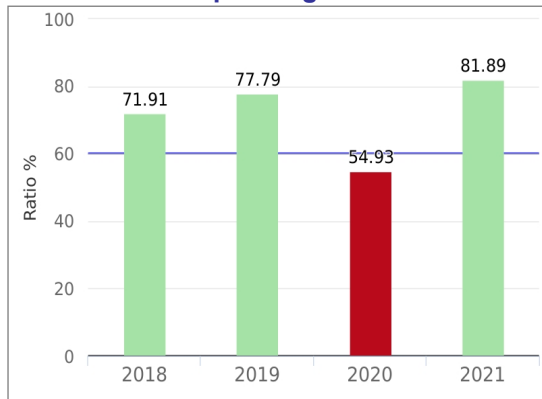
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

#### Commentary on 2020/21 result

2020/21 ratio 81.89%

The ratio is above the 60% benchmark. This can be attributed to the increase in rating base and the second year of the Special Rate Variation.

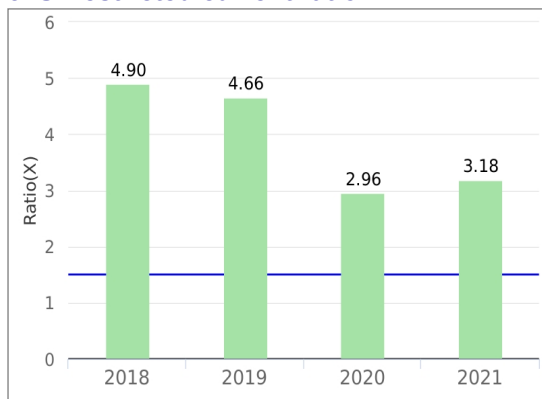
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

#### Commentary on 2020/21 result

2020/21 ratio 3.18x

Council's liquidity remains strong and well above the 1.5% benchmark.

Benchmark: — > 1.50x

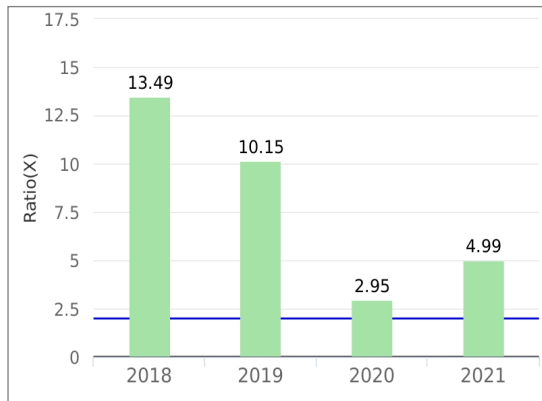
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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

### 4. Debt service cover ratio



**Purpose of debt service cover ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

**Commentary on 2020/21 result**

2020/21 ratio 4.99x

Council's Debt Service Ratio has improved on the back of better than expect Operating Result.

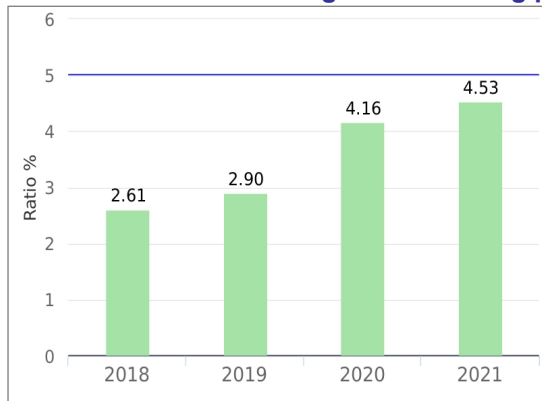
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



**Purpose of rates and annual charges outstanding percentage**

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

**Commentary on 2020/21 result**

2020/21 ratio 4.53%

Council actively pursues the recovery of Rates and Extra Charges, however due to Covid 19 Council has not wound back rates recovery action. Council is still below the Local Government benchmark.

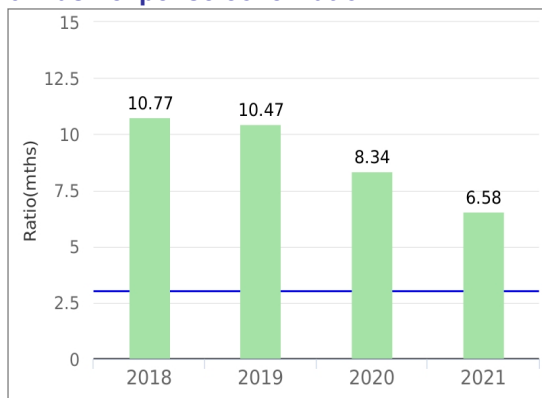
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

**Commentary on 2020/21 result**

2020/21 ratio 6.58 mths

The ratio remains well in excess of the three month benchmark.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-2 Financial review

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

\$ '000	2021	2020	2019	2018	2017
<b>Inflows:</b>					
Rates and annual charges revenue	<b>32,400</b>	30,448	28,600	26,933	24,927
User charges revenue	<b>8,245</b>	8,453	11,151	11,622	10,235
Interest and investment revenue (losses)	<b>635</b>	1,398	1,828	1,392	1,215
Grants income – operating and capital	<b>7,345</b>	6,863	6,949	4,652	4,217
Total income from continuing operations	<b>58,587</b>	85,182	60,681	63,075	49,219
Sale proceeds from IPPE	<b>200</b>	401	2,293	442	2,357
New loan borrowings and advances	<b>–</b>	–	1,000	1,000	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	<b>20,459</b>	20,403	19,649	17,885	17,462
Borrowing costs	<b>344</b>	378	345	325	335
Materials and contracts expenses	<b>22,188</b>	24,883	12,943	11,796	10,201
Total expenses from continuing operations	<b>56,328</b>	56,245	49,312	46,593	42,479
Total cash purchases of IPPE	<b>19,627</b>	24,180	13,550	12,994	10,311
Total loan repayments (incl. finance leases)	<b>940</b>	891	596	466	444
Operating surplus/(deficit) (excl. capital income)	<b>(5,509)</b>	(6,043)	1,367	2,318	2,786
<b>Financial position figures</b>					
Current assets	<b>53,344</b>	62,711	67,176	51,911	48,993
Current liabilities	<b>20,990</b>	22,643	17,791	17,059	17,109
Net current assets	<b>32,354</b>	40,068	49,385	34,852	31,884
Available working capital (Unrestricted net current assets)	<b>(89)</b>	(1,915)	1,012	1,109	(1,552)
Cash and investments – unrestricted	<b>2,004</b>	3,173	5,908	5,813	5,274
Cash and investments – internal restrictions	<b>31,821</b>	34,479	33,588	28,701	26,633
Cash and investments – total	<b>47,902</b>	58,031	65,191	57,187	46,077
Total borrowings outstanding (loans, advances and finance leases)	<b>5,486</b>	6,208	6,898	6,494	5,960
Total value of IPPE (excl. land and earthworks)	<b>585,321</b>	568,573	466,495	460,630	449,094
Total accumulated depreciation	<b>241,233</b>	236,891	163,794	161,602	161,432
Indicative remaining useful life (as a % of GBV)	<b>59%</b>	58%	65%	65%	64%

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

## H1-3 Council information and contact details

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**Principal place of business:**

2 Conder Street  
Burwood NSW 2134

**Mailing address:**

PO Box 240  
Burwood NSW 1805

**Telephone:** 02 9911 9911

**Facsimile:** 02 9911 9900

**Opening hours:**

8.30am to 4.45pm  
Monday to Friday

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

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

**Officers**

**Tommaso Briscese**

General Manager

**Wayne Armitage**

Responsible Accounting Officer

**Tanya Whitmarsh**

Public Officer

**Auditors**

Audit Office of New South Wales  
Level 19, Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000

**Elected members**

Councillor Faker

**Mayor**

**Councillors**

Councillor Furneaux-Cook

Councillor Chan

Councillor Crichton

Councillor Del Duca

Councillor Dixit

Councillor Mannah

**Other information**

**ABN:** 84 362 114 428

## Burwood Council

# General Purpose Financial Statements

for the year ended 30 June 2021

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## Burwood Council

# General Purpose Financial Statements

for the year ended 30 June 2021

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# Burwood Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2021

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*A well connected, sustainable and safe community that  
embraces and celebrates its culture and diversity.*



**Burwood** inc. 1874  
Burwood Burwood Heights Claydon Claydon Park Collier Street



Burwood Council

Special Purpose Financial Statements

for the year ended 30 June 2021

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**Special Purpose Financial Statements:**

**n/a**

# Burwood Council

SPECIAL SCHEDULES  
for the year ended 30 June 2021

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*A well connected, sustainable and safe community that  
embraces and celebrates its culture and diversity.*



**Burwood** inc. 1874  
Burwood Burwood Heights Claydon Crispin Park Lifford Strathmore

Burwood Council

Special Schedules

for the year ended 30 June 2021

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## Burwood Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	24,061	<b>26,034</b>
Plus or minus adjustments <sup>2</sup>	b	859	<b>96</b>
<b>Notional general income</b>	c = a + b	<b>24,920</b>	<b>26,130</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>3</sup>	d	4.50%	<b>4.50%</b>
Plus special variation amount	h = d x (c + g)	1,121	<b>1,176</b>
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>26,041</b>	<b>27,306</b>
Plus (or minus) last year's carry forward total	l	–	<b>2</b>
Less valuation objections claimed in the previous year	m	(5)	<b>–</b>
<b>Sub-total</b>	n = (l + m)	<b>(5)</b>	<b>2</b>
<b>Total permissible income</b>	o = k + n	<b>26,036</b>	<b>27,308</b>
Less notional general income yield	p	26,034	<b>27,287</b>
<b>Catch-up or (excess) result</b>	q = o – p	<b>2</b>	<b>21</b>
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>2</b>	<b>21</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.
- (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.

Permissible income for general rates

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Permissible income for general rates: PLUS PDF inserted here



## Burwood Council

## Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance <sup>a</sup>	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
Buildings	Buildings – non-specialised	481	481	100	74	1,604	4,915	15.0%	1.0%	65.0%	19.0%	0.0%	
	Buildings – specialised	980	980	692	2,091	97,406	113,129	92.0%	3.0%	3.0%	2.0%	0.0%	
	<b>Sub-total</b>	<b>1,461</b>	<b>1,461</b>	<b>792</b>	<b>2,165</b>	<b>99,010</b>	<b>118,044</b>	<b>88.8%</b>	<b>2.9%</b>	<b>5.6%</b>	<b>2.7%</b>	<b>0.0%</b>	
Other structures	Other structures	227	227	43	586	3,460	4,413	86.0%	3.0%	0.0%	10.0%	1.0%	
	<b>Sub-total</b>	<b>227</b>	<b>227</b>	<b>43</b>	<b>586</b>	<b>3,460</b>	<b>4,413</b>	<b>86.0%</b>	<b>3.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>1.0%</b>	
Roads	Roads	20,402	20,402	3,712	785	112,390	219,784	24.0%	22.0%	35.0%	19.0%	0.0%	
	Other road assets	58	58	82	403	8,902	11,330	35.0%	46.0%	17.0%	1.0%	1.0%	
	Footpaths	86	86	649	945	35,704	74,879	12.0%	52.0%	36.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>20,546</b>	<b>20,546</b>	<b>4,443</b>	<b>2,133</b>	<b>156,997</b>	<b>305,993</b>	<b>21.5%</b>	<b>30.2%</b>	<b>34.6%</b>	<b>13.7%</b>	<b>0.0%</b>	
Stormwater drainage	Stormwater drainage	7,000	7,000	2,012	129	31,983	82,892	26.0%	28.0%	15.0%	22.0%	9.0%	
	<b>Sub-total</b>	<b>7,000</b>	<b>7,000</b>	<b>2,012</b>	<b>129</b>	<b>31,983</b>	<b>82,892</b>	<b>26.0%</b>	<b>28.0%</b>	<b>15.0%</b>	<b>22.0%</b>	<b>9.0%</b>	
Open space / recreational assets	Swimming pools	–	–	60	576	5,040	8,105	66.0%	10.0%	24.0%	0.0%	0.0%	
	Open space / Recreational	54	54	77	2,177	11,890	13,417	62.0%	34.0%	3.0%	1.0%	0.0%	
	<b>Sub-total</b>	<b>54</b>	<b>54</b>	<b>137</b>	<b>2,753</b>	<b>16,930</b>	<b>21,522</b>	<b>63.5%</b>	<b>25.0%</b>	<b>10.9%</b>	<b>0.6%</b>	<b>0.0%</b>	
<b>Total – all assets</b>		<b>29,288</b>	<b>29,288</b>	<b>7,427</b>	<b>7,766</b>	<b>308,380</b>	<b>532,864</b>	<b>39.3%</b>	<b>23.4%</b>	<b>23.9%</b>	<b>12.0%</b>	<b>1.4%</b>	

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

## Infrastructure asset condition assessment 'key'

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

## Burwood Council

### Report on infrastructure assets as at 30 June 2021

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2021	Indicator 2021	2020	Indicators 2019	2018	Benchmark
<b>Buildings and infrastructure renewals ratio</b>						
Asset renewals <sup>1</sup>	<u>7,211</u>					
Depreciation, amortisation and impairment	<u>7,059</u>	<b>102.15%</b>	122.55%	152.73%	170.63%	>= 100.00%
<b>Infrastructure backlog ratio</b>						
Estimated cost to bring assets to a satisfactory standard	<u>29,288</u>					
Net carrying amount of infrastructure assets	<u>310,593</u>	<b>9.43%</b>	9.63%	6.97%	7.42%	< 2.00%
<b>Asset maintenance ratio</b>						
Actual asset maintenance	<u>7,766</u>					
Required asset maintenance	<u>7,427</u>	<b>104.56%</b>	139.53%	119.67%	120.42%	> 100.00%
<b>Cost to bring assets to agreed service level</b>						
Estimated cost to bring assets to an agreed service level set by Council	<u>29,288</u>	<b>5.50%</b>	5.59%	4.56%	5.03%	
Gross replacement cost	<u>532,864</u>					

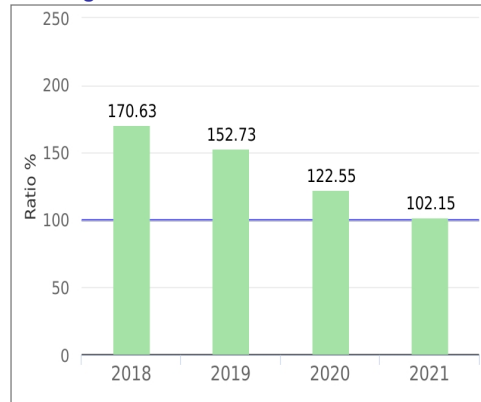
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

# Burwood Council

## Report on infrastructure assets as at 30 June 2021

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

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

Commentary on result	
20/21 ratio	102.15%
Council continues with its strategic asset management programme delivering another positive result for the year.	

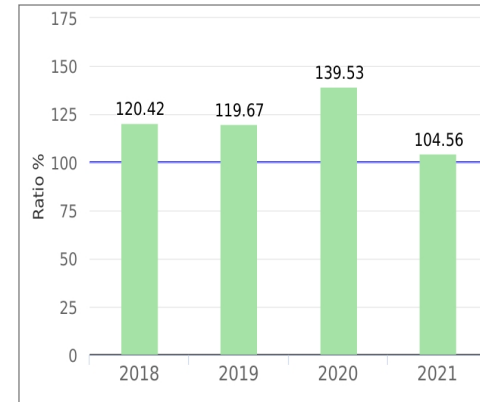
Benchmark: —  $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

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

Commentary on result	
20/21 ratio	104.56%
Council has again shown a positive result for the year continuing to manage its assets effectively.	

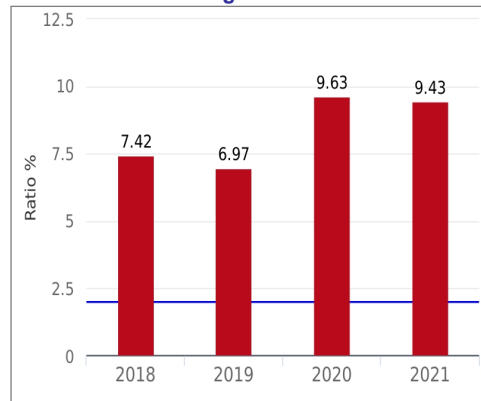
Benchmark: —  $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

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

Commentary on result	
20/21 ratio	9.43%
Council has slightly reduced its backlog with the introduction of a new Asset Management platform which will enable Council to effectively target Council's Asset backlog.	

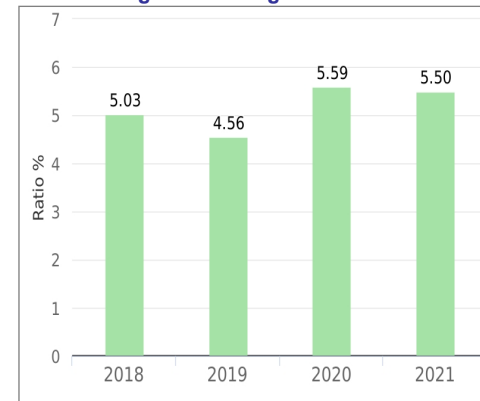
Benchmark: —  $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Cost to bring assets to agreed service level



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

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

Commentary on result	
20/21 ratio	5.50%
Council continues with its strategic asset management programme effectively managing its assets.	