

INNER

WEST

Annual Report

Section 1
Our achievements
P05

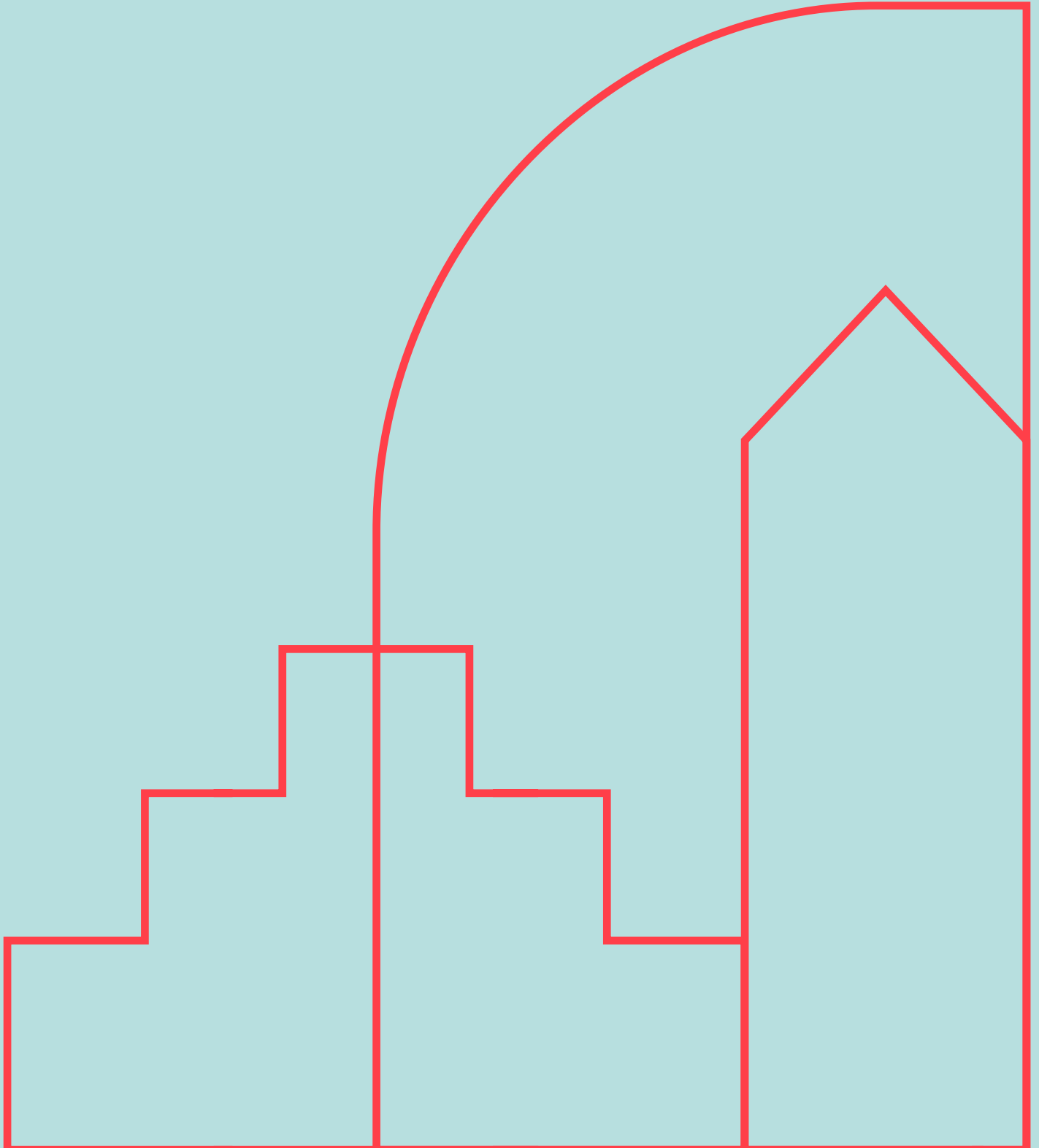
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Inner West Council acknowledges the Gadigal and Wangal peoples of the Eora Nation, who are the traditional custodians of the lands in which the Inner West local government area is situated.



LGA Wards

- Balmain Ward – Baludarri (Leather Jacket)
- Leichhardt Ward – Gulgadya (Grass Tree)
- Ashfield Ward – Djarrawunang (Magpie)
- Stanmore Ward – Damun (Port Jackson Fig)
- Marrickville Ward – Midjuburi (Lillypilly)

Mayor's message

COVID-19 has undoubtedly had an unprecedented impact on the world, and Council has not been immune from its effects in 2020.

However, we have remained committed to providing the local essential services that Inner West residents rely on, as well as delivering some of the major projects that were already underway before the pandemic.

This demonstrates that we are building a local government that is progressive, effective and gets things done. Together we have been:

1. Building a healthier Inner West with record investments in pools, parks, playgrounds and sporting fields

- Rebuilt and opened the new Ashfield Aquatic Centre, a state-of-the-art aquatics and fitness facility
- Commenced an \$8 million heritage restoration of Dawn Fraser Baths to secure its future
- Upgraded and expanded Steel Park Waterplay Park

2. Leading the nation on environmental sustainability and renewables

- Sourced the equivalent of Council's entire daytime energy usage from Moree Solar Farm
- Replaced 70 per cent of residential street lighting with energy-efficient LED lighting
- Delivered a record \$5 million investment to plant 3,000-4,000 trees across the Inner West and established a dial-a-tree program to provide free trees for residents to plant

3. Responding quickly and effectively to the COVID crisis

- Established the Inner West Recovery Taskforce, which brought together local business leaders from a variety of sectors and community organisations. The Taskforce continues to plan and coordinate the economic recovery of the Inner West as well as maximise the local effect and delivery of State and Federal relief and stimulus measures

- Allocated \$250,000 to establish a large-scale volunteer coordination service in the Inner West, aimed at mobilising the community to help alleviate hunger and isolation
- Endorsed a \$355,000 investment to support the Inner West's creative and cultural sector through the impacts of COVID19 from the Creative and Cultural Resilience Grants program

Inner West Mayor
Darcy Byrne



Strategic direction 1: An ecologically sustainable Inner West

Acting on climate change

Inner West Council continues to lead the way on climate action, adopting a Climate and Renewables Strategy to assist the Inner West to respond to the climate emergency.

Council marked a new milestone towards the target of using 100% renewable energy by commencing a contract to purchase power from the Moree Solar Farm. The agreement means that approximately 25% of all Council's energy usage is now solar powered.

Council's LED streetlight replacement program continues to replace 4,673 of old, energy-inefficient streetlights with new LED lights reducing its greenhouse gas footprint by 77% and saving 1,500 tonnes of carbon emissions annually.

Over 4,400 Inner West homes, businesses and schools are now powered by solar with 25 schools signed up to Solar my School scheme.

Inner West War on Waste 2019/20

Inner West Council has launched a push to establish a food recycling scheme for Metropolitan Sydney as part of a collective effort made by Sydney councils to turn more than 331,000 tons of food waste generated in Metro Sydney each year into a resource instead of a liability.

In July 2019, Council launched its innovative new swap-and-go coffee cup scheme in partnership with Green Cafeen. Thirty-two cafes in the Inner West immediately signed up for the scheme.

Supporting biodiversity and our tree canopy

Council responded swiftly to the impact of the COVID 19 outbreak by launching the local stimulus program that incorporates \$5 million for new tree plantings - an eight-fold increase in funding for tree planting, and the biggest investment in green infrastructure in the history of the Inner West.

There are 19 well-established community gardens in the Inner West, including eight gardens and a food forest located in Council parks. Council has enabled local groups to establish and maintain these community gardens through licences and other agreements and issued a Draft Community Gardens Policy and Guidelines that formalise Council's support for community gardening on Council land and set out a transparent application process for the establishment of new community gardens.

Strategic direction 2: Unique, liveable, networked neighbourhoods

Creating a sustainable and liveable city

Council completed the installation of shade sails in 13 Inner West playgrounds to provide children with sun safe and cool playgrounds. Council's 2020, \$210,000 Park and Footpaths renewal program replaced and repaired footpaths in 14 of Council's 270 parks, in addition to the replacement of 500m² of footpath in Enmore Park and 900m² in Yeo Park.

In mid-2019, Council extended verge mowing to all areas of the local government area, following a decision to harmonise the level of service. Main streets are now swept seven days a week across the former three areas of Ashfield, Leichhardt and Marrickville.

Delivering connections to residents

Council has demonstrated a strong commitment to our public infrastructure through major streetscape improvements and resurfacing projects.

To improve safety and amenity for road users, Council continued to deliver traffic calming, intersection reconstruction and safety works projects across Inner West.

Caring for everyone

Council continues to maintain strong partnerships with a range of homelessness services and state government agencies. Multi-agency outreach teams continued their patrol on the streets and parks of the Inner West, especially around Ashfield and Newtown area. This collaboration has permanently housed 27 people over the period from January 2019 until June 2020, including many long-term rough sleepers.

In January 2020, Inner West Mayor Darcy Byrne convened a meeting of 15 Sydney metropolitan councils to marshal resources and help fire-ravaged communities in rural and regional NSW.

Inner West staff provided direct support to Bega and Eurobodalla Councils with tree management, strategic planning, development assessment, business development research and events.

Strategic direction 3: Creative communities and a strong economy

EDGE – Celebrating our creative industries

Council continued to fund local artists, creative spaces, and businesses to present new work in iconic places and creative precincts across five distinct areas at different times during the year through the EDGE initiative.

Also, ground-breaking research from Western Sydney University was commissioned by the Council to develop a greater understanding of the nature and extent of the future needs of creative industries. This research confirms that the Council's initiatives in promoting and nurturing creative and cultural industries will benefit the Inner West both economically and socially.

Celebrating Aboriginal culture and heritage

Council's Gadigal-Wangal Wayfinding art project is almost complete, with the final commission currently underway. In 2016, Council received funding from the Stronger Communities Programme to commission five art installations, one for each ward of the Local Government Area.

Shaping vision for the local economy

Council finalised the Economic Development Strategic Plan (EDSP) that aligns with a range of other relevant Council policies and studies such as the Employment and Retail Lands Strategy, Integrated Transport Strategy, and the Local Strategic Planning Statement. This plan is the Council's road map to help guide the growth of the local economy for the next three years.

Supporting innovative creativity

66 Inner West projects received more than \$300,000 in funding, as part of the 2019–20 Grant Program. Some of the funded projects include Voices of Women (\$3,000 for a live performance with the theme, Dreams and Desires), Summer Hill Folk Festival (\$7,500 to present a day-long festival of folk and acoustic popular music), Minus18 Queer Formal (\$7,500 for a youth dance in August 2019 in partnership with Wear it Purple and Twenty10).

In May 2020, Council announced Arts Resilience grants to assist the local creative economy. The program offered \$300,000 in new grant

funding to support the Inner West's creative and cultural sector through the impacts of COVID19.

Strategic direction 4: Caring, happy, healthy communities

The year of libraries

A highlight for the year was the opening of the spectacular new state-of-the-art Marrickville Library. This amazing new community space marks a new era in library services for the Inner West community, with the new library housing up to 85,000 books. The new Marrickville Library has gone on to win four awards, including the prestigious NSW Premier's Prize, at the 2020 New South Wales Architecture Awards. Designed by BVN, the library won the Milo Dunphy Award for Sustainable Architecture, the People's Choice Award For Life in 2020, and an award for public architecture.

Inner West Council continues to prioritise libraries with major updates at St Peters Library, Haberfield Centre and Library, and the Mervyn Fletcher Hall. These improvements included upgrades to facilities as well as access to a fantastic catalogue of over 1.4 million items via any electronic device.

Commitment to inclusion in 2019/20

Council has installed seven rainbow pride seats in locations across the Inner West. Each Pride Seat has a unique plaque dedicated to an Inner West person or organisation who

has campaigned for or contributed to LGBTIQ rights over the years. Council is an official participant in ACON's Welcome Here project, which supports businesses and organisations to be inclusive of LGBTIQ communities. All of Council's facilities – service centres, childcare centres, community centres, aquatic facilities and libraries proudly display the Welcome Here sticker and charter at each site to make the Inner West more inclusive. As well, about 300 sites in the Inner West have signed up to this project including cafes, retail stores, charities, community organisations, and service businesses.

Council has launched the Inaugural Multicultural Grants program and distributed grants to 10 organisations to celebrate diversity in the Inner West. The Council became a signatory to the "Racism. It Stops With Me" campaign and advocated on a number of issues as well as campaigns to support refugees and international students during the Covid-19 outbreak by distributing Covid-19 impact funding contribution grants of \$25,000 to ten recipients.

Building critical infrastructure for community wellbeing

Council continues to work on the heritage restoration of Dawn Fraser Baths, successfully obtaining a \$2.2 million grant from the NSW and Federal Government in addition to the almost \$6 million already committed by Council.

The new Ashfield Aquatic Centre is on track to open, providing a world-class facility to the people of the Inner West. Already equipment has been commissioned and tested, the gym fit-out is underway, and the final finishing touches are being made to the creche, café and ICT systems. All three outdoor pools are now fully tiled and the movable floor has been installed.

Strategic direction 5: Progressive local leadership

Taking action during the pandemic

Council announced a new economic recovery taskforce in May 2020.

The Inner West Economic Recovery Taskforce is helping Council plan and coordinate the economic recovery of the Inner West, which has been smashed by the COVID-19 crisis.

Council's Library and History Services collated a COVID-19 community archive made up of stories, anecdotes, artworks and images from Inner West citizens. The archive will become part of the permanent collection at Inner West Council's Local Studies Collection and help tell our stories to future generations, who will use the contents to understand how the community dealt with the pandemic.

More affordable housing for Inner West

Council's leadership on affordable housing is slowly paying off, with nine new affordable housing units at the old Marrickville Hospital site being announced in February 2020, bringing the stock up to 19.

Council stepped in to address housing affordability and adopted an Affordable Housing Policy in 2017 because the State Government has failed to adequately address the issue.

Council pioneers TCorp green term deposit

In September 2019, Council joined with TCorp (NSW Treasury Corporation) to pilot a green investment product that allowed for a new, more environmentally sound way for councils to do business.

The Green Term Deposit will be for a maximum term of six months and priced in line with TCorp Tailored Term Deposit.

Tracking Council's performance

This section outlines Council's year-end financial performance against the adopted budget, including summaries of financial performance across capital works programs and key service areas throughout the financial year.

Performance against the Operational Plan and Budget 2019/20

Council's overall 2019/20 planned and actual income

Income/ Revenue	2019/20 budget (\$'000)	% of budgeted income	2019/20 actual (\$'000)	% of actual income
Rates and general revenue	162,638	56.6%	162,634	50.3%
User fees and charges	45,948	16.0%	32,693	10.1%
Interest income	5,277	1.8%	5,209	1.6%
Other income	26,291	9.1%	18,019	5.6%
Operating grants and contributions	10,620	3.7%	17,096	5.3%
Capital grants and contributions	36,819	12.8%	35,489	11.0%
Rental Income	0	0.0%	7,077	2.2%
Net gains from the disposal of assets	0	0.0%	45,215	14.0%
Net share of interests in joint ventures and associates using the equity method	0	0.0%	101	0.0%
Total	287,593	100%	323,533	100%

Council's overall 2019/20 planned and actual expenditure

Expenditure	2019/20 budget (\$'000)	% of budgeted expenditure	2019/20 actual (\$'000)	% of actual expenditure
Employee costs	121,675	47.7%	115,727	47.9%
Materials and contractors	64,173	25.1%	63,859	26.4%
Borrowing costs	1,969	0.8%	425	0.2%
Other expenses	34,200	13.4%	32,300	13.4%
Depreciation and amortisation	33,080	13.0%	29,271	12.1%
Net losses from the disposal of assets	70	0.0%	0	0.0%
Total	255,167	100%	241,582	100%

Source for benchmark: Code of Accounting Practice and Financial Reporting #27

Council's financial performance ratios

Ratio	What this means	Benchmark	2019/20 Result
Cash expense cover Ratio	This ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow.	Above 3 months	11.53 months
Debt Service Cover Ratio	This ratio measures the availability of operating cash to service debt.	Above 2x	6.07x
Operating Performance Ratio	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	Above 0%	0.38%
Own Source Revenue Ratio	This ratio measures fiscal flexibility. A lower result indicates a higher reliance on external funding sources.	Above 60%	81.08%
Unrestricted current Ratio	This ratio assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	Above 1.5x	5.68x
Rates, annual charges, interest & extra charges outstanding percentage	This ratio is used to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	Below 5%	5.08%

Operational Service Area	2019/20 Planned Income from continuing operations (\$'000)	2019/20 Actual Income from continuing operations (\$'000)	2019/20 Planned Expenditure from continuing operations (\$'000)	2019/20 Actual Expenditure from continuing operations (\$'000)	2019/20 Planned Operating Result (\$'000)	2019/20 Actual Operating Result (\$'000)
Recreation and Aquatics	8,959	6,950	11,807	9,903	(2,848)	(2,953)
Children and Family Services	21,089	17,022	21,155	17,734	(66)	(712)
Community Events	104	116	1,357	3,609	(1,254)	(3,493)
Community Services and Culture	1,925	2,369	11,914	10,161	(9,990)	(7,792)
Corporate Support Services	138,230	196,745	68,146	54,772	70,083	141,973
Development Assessment	4,425	3,863	7,100	6,578	(2,675)	(2,715)
Environment & Sustainability	271	1,168	4,348	5,327	(4,077)	(4,159)
Footpaths, Roads, Traffic and Stormwater	12,351	17,125	34,239	32,196	(21,888)	(15,071)
Library and History Services	577	1,786	11,133	17,005	(10,556)	(15,219)
Regulatory Services	18,635	15,624	14,120	13,628	4,515	1,996
Resource Recovery	41,595	41,401	32,523	29,265	9,072	12,136
Strategic Planning	1,003	2,606	8,897	5,972	(7,894)	(3,366)
Trees, Parks and Sportfields	1,541	16,758	28,357	35,432	(26,816)	(18,674)
Total	250,705	323,533	255,098	241,582	(4,393)	81,951

Progress against the capital works program

More than \$116 million was allocated for capital works in the 2019/20 budget.


Capital Program Category	2019/20 budget (\$'000)	2019/20 actual (\$'000)	% 2019/20 budget spent
Recreations and Aquatics*	36,788*	35,578	96.71%
Children and Family Services	476	610	128.09%
Community Services and Culture*	2,202*	1,466	66.56%
Corporate Support	18,022	10,615	58.90%
Capital Works*	50,187*	20,911	41.67%
Library and History Services	8,439	3,702	43.87%
Total	116,115	72,881	62.77%


* Transfer of budgets due to organisational changes in 2019-2020.


In the 2019/20 financial year,
Council's capital works program
included (\$'000):














• Roads, traffic, kerb and gutter upgrade and renewal - \$6,871
• Parks and sporting grounds - \$7,157
• Town centre upgrades - \$1,629
• Footpaths upgrade and renewal - \$2,648
• Town halls and community venues upgrades - \$1,821
• Stormwater upgrade and renewal - \$1,519
• Aquatics facilities - \$35,578
• Library facilities - \$3,266
• Cycleways (design and build) - \$443
• Seawalls - \$63
Total \$60,996

Capital projects status updates


 Planning, design and/or construction progressing as per schedule


 Planning, design and/or construction delayed with respect to the original schedule


 Planning, design and/or construction on hold or cancelled








Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Greenway Central Links Construction	10,067	-	0.00%		Revised concept design in progress
Synthetic Turf Investigation	2,000	141	7.04%		Site investigation completed. Detailed design in progress
Mahoney Reserve Priority 1 and 2 works	1,867	378	20.24%		Construction works in progress
Greenway capital budget	1,060	980	92.43%		Local road works design in progress. High voltage electricity relocation design in progress
Pratten Park Upgrade	701	478	68.19%		Sports lighting installation completed April
Dobroyd Parade/ City West Link - rock armour wall	500	62	12.32%		Seawall Design in progress
Bell Reserve General Expenses	400	125	31.30%		Detailed design in progress
Playground Strategy Works	333	-	0.00%		Construction works commenced
Skate Park in Callan Park - Construction	276	122	44.05%		Tender assessment in progress. Award of contract pending completion of plan of management
Various-Shade sail additional as per shade sail plan	305	20	6.40%		Contract awarded, construction works to commence in July
Play equipment renewal	235	144	61.32%		Sutherland Reserve playground upgrade works completed. Concept design for Bain Park, Crammond Park and Hammond Park playground upgrades underway
Playground Renewal and Upgrade Strategy	180	-	0.00%		Project in initiation phase
Urban Amenity Improvement Program	6,718	1,140	16.97%		Consultants are currently completing the detailed design and associated documentation. Overall the project is 95% complete


	Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
● Planning, design and/or construction progressing as per schedule	Ashfield TownCentre Upgrade	1,000	72	7.21%	●	Procurement in progress
	New Plaza-Darling St and Montague St (old Telstra Site)	540	35	6.52%	●	Procurement in progress
● Planning, design and/or construction delayed with respect to the original schedule	ROA - Alex Trevillion Plaza	800	70	8.78%	●	Procurement in progress
	Regional Roads Renewal - Capital	400	369	92.16%	●	Complete
● Planning, design and/or construction on hold or cancelled	Local Roads Renewal - Capital	5,418	4,458	82.27%	●	Complete, noting: - Drynan Street and Dalhousie Street, designs complete. Works deferred to FY21. - A number of sites deferred due to related DA and WestConnex works
	Kerb & Gutter Renewal - Capital	415	269	64.75%	●	Complete
	Roadside Furniture - Capital	100	82	82.38%	●	Complete
	Footpaths Renewal - Capital	2,496	2,443	97.86%	●	Complete, noting Denison Street and Moodie Street, Rozelle, deferred due to related WestConnex works
	Footpaths Upgrade - Capital	250	205	82.19%	●	Complete with the exception of Pritchard Street Annandale, works underway
	Traffic and Parking Management - Capital	165	115	69.91%	●	Parking Strategy for Croydon Precinct has completed public exhibition - results under review. Review of Warren Rd "one-way" proposal is in discussions with the RMS. Consultant being engaged for Lilyfield and Balmain East Precinct Parking Studies
	Traffic Facilities - Capital	1,865	1,571	84.21%	●	Complete


 Planning, design and/or construction progressing as per schedule


 Planning, design and/or construction delayed with respect to the original schedule





 Planning, design and/or construction on hold or cancelled


Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Stormwater Renewal - Capital	1,295	1,200	92.69%		Works complete except Beattie Street, Rozelle (works in progress), backflow prevention device (scoping completed) and Marlborough St Leichhardt (design only 90% complete)
Stormwater Upgrade - Capital	1,175	319	27.17%		Complete except: - Dibble Avenue Waterhole design complete. Construction deferred to FY21 - Trunk drainage duplication design in progress
Bridges - Capital	880	122	13.90%		Booth Street Bridge works in progress, completion delayed due to Latent conditions
Cycleways - Capital	4,235	443	10.45%		Bike Route NW/SE 02 - Footpath (Shared Path) Repair complete Lilyfield Road cycleway design in progress for completion 2023 LR03 (Livingstone Road) and RR07 (Lewisham - Newtown) deferred pending funding confirmation. Design completed Bicycle Route NS07; Bicycle Route NS04 completed Mary St - Princes Highway design in progress
Car Parks - Capital	35	46	131.38%		Complete
Town Centres Upgrade- Capital	140	311	222.31%		Fox Lane Ashfield, Telstra Plaza, Alex Trevillion Plaza procurement in progress
Restorations	-	90	0.00%		Complete


 Planning, design and/or construction progressing as per schedule


 Planning, design and/or construction delayed with respect to the original schedule






 Planning, design and/or construction on hold or cancelled


Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Published Projects - Trees, Parks & Sportfields	778	2,324	298.67%		Greenway Blackmore Oval shared path and lighting construction complete. Richard Murden Reserve path and lighting construction in progress. Cooks River Parklands Stage 1 works completed and opening event held 9 November at Steel Park. Ashfield Park lighting upgrade works completed. Birchgrove Park oval fencing replacement and cricket net renewal DA submitted
Parks Capital and Assets Capital	1,615	1,267	78.48%		Simpson Park upgrade community engagement and playground design completed, Construction contractor engaged. Project coordinated with WestConnex public art program bespoke playground project currently under construction. Procurement commenced for lighting upgrades in various Leichhardt area parks. Blackmore Oval upgrade furniture, fencing and path improvements complete
Sea Walls Capital	-	1	0.00%		
Wharves Capital	-	24	0.00%		Balmain foreshore link fencing completed. Balmain Rowing club access works to be undertaken by Club and not commenced
Capital Program Footpaths Roads Traffic and Stormwater	300	306	102.14%		Ashfield Station bus stop taxi rank environment upgrade completed


 Planning, design and/or construction progressing as per schedule


 Planning, design and/or construction delayed with respect to the original schedule






 Planning, design and/or construction on hold or cancelled

Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Capital Program Trees Parks & Sportsfield	1,643	1,179	71.76%		Birchgrove park eastern pavilion renewal complete. Pioneers Memorial Park new public toilet design complete. Petersham Grandstand structural rectification works in progress
Capital Program Children and Family Services	476	610	128.09%		Enmore CC, Leichhardt CCC and Balmain Occasional Care refurbishments complete. Cavendish Street ELC refurbishment RFQ complete and works scheduled for December shut down period
Arts Projects	231	80	34.65%		Various Projects Complete and remaining Projects in Progress
Mervyn Fletcher Community Centre renewal works	600	449	74.90%		Complete
Capital Program Community Services	1,371	936	68.30%		Petersham Town Hall caretakers egress complete and entry upgrade contractor appointed. Steel Park Community Room and renewal works at Mervyn Fletcher Community Centre and Thirning Villa Pratten Park completed. Newtown Town Hall masterplan project under review to incorporate relocation of Newtown Neighbourhood centre to Tom Foster Centre and change of scope to Pride Centre at NTH. Leichhardt Town Hall kitchen upgrade heritage approval pending


 Planning, design and/or construction progressing as per schedule


 Planning, design and/or construction delayed with respect to the original schedule





 Planning, design and/or construction on hold or cancelled

Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Information & Communication Technology	1,316	2,673	203.07%		Release four of Core Applications consolidation program was completed and this included the deployment of full suite of online services. The final release of this program will commence in the new financial year. Implementation of single Booking Systems for Council facilities and venues is in progress and will conclude in quarter 2 of the new financial year. The planning phase has commenced for IT infrastructure replacement program. This program will be concluded in 2022
Fleet	8,817	2,792	31.67%		Due to COVID 19, import delays on garbage trucks, plant, cars and parts
Capital Program Property & Assets	2,823	663	23.48%		Ashfield Service Centre air conditioning upgrade design review in progress. Leichhardt Oval accessible toilet upgrade complete. Elliot Street kiosk renewal design in progress. Clontarf Cottage design complete. Energy efficiency and solar projects at various sites completed
Marrickville Town Hall upgrade works	2,311	54	2.35%		Stage one lift works in progress. Stage two commencing FY21
Haberfield Library upgrade works	2,370	304	12.84%		Construction contract awarded and contractor has mobilised on site
Capital Program Library Services	3,758	3,343	88.96%		St Peters Library lift installation complete and façade upgrade to start Q2 FY21

 Planning, design and/or construction progressing as per schedule

 Planning, design and/or construction delayed with respect to the original schedule

 Planning, design and/or construction on hold or cancelled

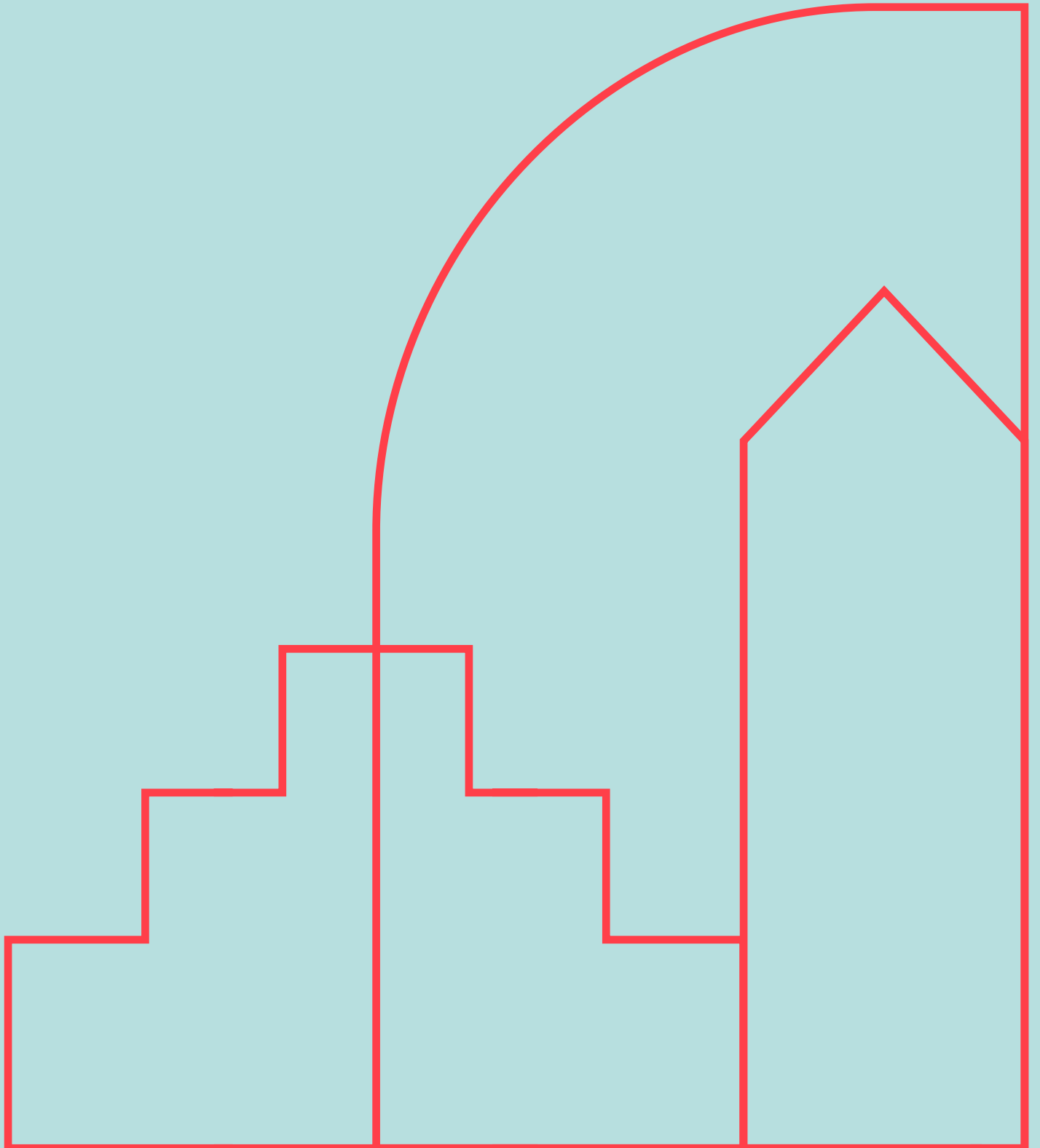
Project description	Planned 2019/20 (\$'000)	Actual 2019/20 (\$'000)	% of budget spent	Status	Commentary
Ashfield Aquatic Centre - Upgrade works	32,838	32,183	98.00%		Work 75% completed. Wet weather impacts on external
Dawn Fraser Pool upgrade works	3,200	2,977	93.03%		Work progressing
Capital Program Recreation and Aquatics	750	418	55.79%		LPAC hydrotherapy pool completed. RFQ in progress for accessible adult change room and facilities at LPAC and AKAC. Robyn Webster Netball Court refurbishment investigations in progress
Finance Loan Repayments	5,066	4,487	88.57%		Complete
Total	116,115	72,881	62.77%		

INNER WEST

Annual Report

Section 2
Statutory
reporting
information
P22

This section includes reporting requirements prescribed by the Local Government Act 1993 and the Local Government (General) Regulation 2005.



Environmental upgrade agreements

Nil

Report on special rate variation expenditure

Nil

Amount of rates and charges written off during the year

Category of rates and charges	Amount (\$'000) 30-Jun-20	Amount (\$'000) 30-Jun-19
Pensioner Rebate (s.575)	1,874	1,773
Voluntary Pensioner Rebates (domestic waste and stormwater)	3,254	3,443
Abandonements (s.600)	257	252
Postponed write-offs	10	8
Properties rateable to non-rateable	104	349
Total	5,499	5,825

Statement of external bodies that exercise functions delegated by Council

External body name	Function delegated
Belgravia Leisure	Management and operation of the Annette Kellerman Aquatic Centre at Enmore Park and the Fanny Durack Aquatic Centre at Petersham Park
Marrickville Youth Resource Centre	Management of the Jarvie Park youth facility
Police and Citizens Youth Club NSW	Management and operation of the Debbie and Abbey Borgia Recreation and Community Centre in South Marrickville
Sydney University Sport and Fitness/City of Sydney Netball Association	Operation of the Robyn Webster Sports Centre-Tempe Recreation Centre
Shared Internal Ombudsman Service	Managing Code of Conduct complaints and Public Interest Disclosures on behalf of Council

Corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council held a controlling interest

Nil

Work carried out on private land

Nil

Equal employment opportunity statement

Council has undertaken activities to implement our EEO management plan including:

- Continued to develop and implement protocols to support EEO principles
- Dedicated resources to drive diversity and inclusion activities
- Continually reviewed talent management practices to ensure compliance with EEO principles
- Rolled out relevant learning and development programs across Council
- Implemented initiatives to support flexible working practices
- Provided a performance management framework that includes assessment of values, mandatory training and development plans
- Initiatives to increase skill and level of women in leadership roles
- Offered affirmative action traineeship placements
- Increase employment opportunities for EEO target groups among local businesses through Council's procurement activities
- Continued to foster partnerships with external providers representing diverse EEO groups
- Supported and promoted activities for diverse networking groups.

Disability Inclusion Act

In 2017 Council developed the Inclusion Action Plan 2017-2021 (IAP) for people with a disability. This integrated, whole of Council strategy outlines the steps Council will take over four years to support and improve the inclusion of people with a disability as part of its core business and to remove barriers to access and participation, including any discrimination based on disability.

The Plan also gives expression to Council's commitment to uphold and promote the United Nations Convention on the Rights of Persons with Disabilities. The IAP is aligned to Council's Community Strategic Plan as a means of building the strategies into the everyday activities of Council.

The IAP is divided into six outcome areas with strategies, actions and measures to chart our achievements and progress. Further information and progress on Council's IAP can be found on the Inner West Council website: <https://www.innerwest.nsw.gov.au/live/community-well-being/accessand-inclusion/inclusion-action-plan>

Total cost of facilities provided to Councillors and Councillor expenses

Council adopted the Councillor Policy for Payment of Expenses and Provision of Facilities on 25 July 2017, which sets out the facilities and expenses which will be provided to councillors in fulfilling their civic duties.

Item	Total Amount
Mayoral allowance	\$ 58,530
Deputy Mayoral allowance	\$ 10,000
Councillor allowance (total)	\$ 38,6851
Provision of dedicated office equipment allocated to councillors	\$6,750
Telephone calls made by councillors	\$13,891
Attendance of councillors at conferences and seminars	\$19,290
Training of councillors and provision of skill development	\$4,420
Interstate visits by councillors	–
Overseas visits by councillors	–
Expenses of any spouse, partner or other person	–
Expenses involved in the provision of care for a child	\$4,113

Overseas travel by Councillors, Council staff and other persons representing Council

Nil

Statement of remuneration for the Chief Executive Officer

Salary component	Amount
Base salary	\$422,779
Superannuation	\$20,994
Non-cash benefit	-
FBT	-
Total	\$443,773

Statement of remuneration for Senior Staff

In 2019/20 Inner West Council had two Deputy General Managers, classified as senior staff positions.

Salary component	Amount
Total base salaries	\$482,178
Total superannuation	\$31,710
Total value non-cash benefit	-
Total leave on termination	-
Total FBT for non-cash benefit	\$5,125
Total	\$513,888

Stormwater management services

Council has continued to apply the annual Stormwater Management Service Charge to rates in accordance with the Local Government (General) Amendment (Stormwater) Regulation 2006.

The service charge was used for:

- Remote camera inspections of underground stormwater pipes in selected locations to determine service risks and pipe conditions to allow for works planning and servicing as required
- Stormwater drainage renewal, improvement and upgrade works across the network to improve the performance of the drainage system
- Updating stormwater infrastructure data-base from camera inspection surveys
- Catchment and water management planning
- Stormwater quality improvement initiatives through the implementation of Water Sensitive Urban Design (WSUD) projects to reduce the impact of stormwater discharge into waterways
- Initiatives to improve knowledge through research, collaborations, and participation in projects to improve water quality and environmental outcomes
- The continuation of the Flood Risk Management process in order to identify the nature and extent of flooding within the local government area to enable Council to plan and manage the impacts of floods and mitigate flood hazards

Companion Animals Act and egulation

Council conducts a range of activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation. This includes maintaining a Companion Animals Act Policy. This year a total of \$43,192.91 in funding (not including salaries) was spent on companion animal management activities.

Lodgement of data with the department

- Pound data collection returns were lodged with the department
- Data regarding dog attacks during the reporting period was lodged with the department

Community education

Council has carried out a number of companion animal community education programs, including:

- Development and implementation of new 'Lost and Found Pets' webpage on Council website – helping to reunite missing cats and dogs with their owners
- Implementation of the Companion Animal Services 'Pop-up Information Stand' program – with Officers manning a temporary stall rotating through local, targeted parks, providing responsible pet ownership information, advice and services directly to the public
- Stall holder at local community events including Marrickville Festival and Sydney Uni Dog Day
- Proactive park patrol programs and regular face-to-face communication with residents, providing education and support to promote responsible pet ownership
- Maintenance and updating of companion animal information on the Inner West Council's website
- Management of Council's Inner West Pets Facebook group – promoting responsible pet ownership messages and info on key local animal matters
- Distribution of educational and promotional materials to dog walkers in local parks, including dog poo bags to encourage owners to pick up after their dogs, and free leashes to encourage owners to keep dogs under effective control in on-leash areas
- Development and distribution of educational materials including brochures and flyers
- Development and distribution of signs and A-frame noticeboards, being rotated regularly through targeted parks
- Free engraved pet tag program for residents
- Communication of responsible pet ownership messages via various media outlets (social and print media)
- Promotion of and fundraising for local, inner west, animal charities through the development and sale of an 'Inner West Pets' calendar – containing information on these local charities, responsible pet ownership information and images of local pets submitted by residents

De-sexing of dogs and cats:

Strategies Council has in place to promote and assist the de-sexing of dogs and cats include:

- Development and distribution of educational materials via mail and the Companion Animal Services 'Pop-up Information Stand' at community events and local, high-use parks
- Communication of educational messages on the benefits of desexing and financial assistance programs via online platforms, including Inner West Council's website and the Inner West Pets Facebook page
- Desexing of companion animals to be rehomed by Council's contracted impound facility
- Council's Companion Animal Action Plan that addresses the promotion and support for desexing companion animals

Alternatives to euthanasia

Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals include:

- Council has adopted key criteria in the selection process for Council's contracted impound facility. Council seeks an organisation that has a successful existing rehoming program or is actively building their current program
- Council liaises with other organisations outside Council's contracted animal impounding facility to rehome unclaimed animals
- Promotion of rehoming programs and approved rehoming organisations via social media

Off leash areas

Off leash areas provided in the Council area are:

1. Cohen Park, Annandale
2. Smith Hogan and Spindlers Park, Annandale
3. Whites Creek Valley Park, Annandale
4. Ann Cashman Reserve, Balmain
5. Birrung Park, Balmain
6. Elliott Park & Balmain Cove, Rozelle
7. Elkington Park, Balmain
8. Ewenton Park, Balmain
9. Illoura Reserve, Balmain
10. Lookes Ave Reserve, Balmain
11. Paringa Reserve, Balmain
12. Propeller Park, Balmain
13. Punch Park, Balmain
14. Birchgrove Park, Birchgrove
15. Mort Bay Park, Birchgrove
16. O'Dea Reserve, Camperdown
17. Bede Spillane Reserve, Croydon
18. Johnson Park, Dulwich Hill
19. Enmore TAFE Park, Enmore
20. 36th Battalion Park, Leichhardt
21. Blackmore Park, Leichhardt
22. Hawthorne Canal Reserve, Leichhardt
23. Pioneers Memorial Park, Leichhardt
24. War Memorial Park, Leichhardt
25. Morton Park, Lewisham
26. Callan Park (2x sports field), Lilyfield
27. Leichhardt Oval #2, Leichhardt
28. Leichhardt Oval #3, Leichhardt
29. Enmore Park, Marrickville
30. Henson Park, Marrickville
31. Marrickville Park, Marrickville
32. McNeilly Park, Marrickville
33. Camperdown Memorial Park, Newtown
34. Petersham Park, Petersham
35. Bridgewater Park, Rozelle
36. Easton Park, Rozelle
37. King George Park, Rozelle
38. Weekley Park, Stanmore
39. Cadigal Reserve, Summer Hill
40. Sydenham Green (x2), Sydenham
41. Tempe Lands, Tempe
42. HJ Mahoney Reserve, Marrickville

Use of Companion Animals Fund money for management and control of companion animals

	Activity	Cost
	Impounding Fees	\$37,955.50
	Responsible Pet Ownership	\$5,237.41
	Total	\$43,192.91

Report on certain proposed capital works projects where a capital expenditure review had been submitted

Nil

NSW Carers (Recognition) Act 2010

Council provides assistance to staff who are carers in a variety of ways. This includes flexible access to a variety of leave entitlements and rostered days, including at short notice to accommodate requests for carers leave. In cases where staff have exhausted their leave entitlements, Council refers to relevant provisions of the Local Government Award and applicable enterprise agreements and may grant additional paid time off work on a case by case basis. Finally, Council endeavours to accommodate requests for flexible working arrangements to assist with carers responsibilities and where appropriate offers free and confidential access to our Employee Assistance Service provider which includes counselling services.

Public interest disclosures

During 2019-2020, no Public Interest Disclosures were received by Council.

Ms Suellen Bullock, Internal Ombudsman and Mr Rodney O'Donahue, Assistant Internal Ombudsman, who work in the Internal Ombudsman Shared Service with Inner West, City of Parramatta and Cumberland councils, are currently appointed as Public Interest Disclosure Coordinators for Inner West Council.

Recovery and threat abatement plans

Nil

Swimming pool inspections

Inspection category	Number
Inspections of tourist and visitor accommodation	-
Inspections of premises with more than 2 dwellings	6
Inspections that resulted in issuance of a certificate of compliance under section 22D of the Swimming Pools Act 1992	23
Inspections that resulted in issuance of a certificate of non-compliance under 18BA of the regulation	1
Total	30

Government Information Public Access Act 2009

Clause 7A: 1 review carried out by the agency under section 7(3) during the reporting year. No information made publicly available

Clause 7B: 38 applications were received

Clause 7C: 1 application was refused

Number of applications by type of application and outcome

Applicant Type	Media	MPs	Private Sector	NFP	Legal	Public	Total	% of Total
Access granted in full	-	-	2	-	4	4	10	18
Access granted in part	-	-	2	-	11	6	19	34
Access refused	-	-	-	1	4	1	6	11
Information not held	-	-	1	-	7	5	13	23
Information already available	-	-	-	1	3	2	6	11
Refuse to deal with application	-	-	-	-	1	-	1	1
Refuse to confirm/deny whether information is held	-	-	-	-	-	-	-	-
Application withdrawn	-	-	-	-	-	1	1	1

Applicant Type	Personal	Other	Partly	Total
Access granted in full	2	8	2	10
Access granted in part	-	19	2	19
Access refused	-	6	-	6
Information not held	-	13	1	13
Information already available	-	6	-	6
Refuse to deal with application	-	1	-	1
Refuse to confirm/deny whether information is held	-	-	-	-
Application withdrawn	-	1	-	1

Invalid applications	Number of applications
Invalid applications	1
Invalid applications that subsequently became valid	0

Matter listed in Schedule 1	Number	% of Total
Overriding secrecy laws	-	-
Cabinet information	-	-
Executive Council information	-	-
Contempt	-	-
Legal professional privilege	2	100
Excluded information	-	-
Documents affecting law enforcement and public safety	-	-
Transport safety	-	-
Adoption	-	-
Care and protection of children	-	-
Ministerial code of conduct	-	-
Aboriginal and environmental heritage	-	-
Total	2	

Public interest considerations against disclosure listed in section 14	Number	% of Total
Responsible and effective government	-	-
Law enforcement and security	-	-
Individual rights, judicial processes and natural justice	16	84
Business interests of agencies and other persons	3	16
Environment, culture, economy and general matters	-	-
Secrecy provisions	-	-
Exempt documents under interstate Freedom of Information legislation	-	-
Total	19	

	Timeliness	Number	% of Total
Decided within the statutory timeframe (20 days plus any extensions)		23	64
Decided after 35 days (by agreement with applicant)		11	30
Not decided within time (deemed refusal)		2	5
Total		36	

Number of applications reviewed under Part 5 of the Act by type of review and outcome	Decision varied	Decision upheld	Total	% of total
Internal review	2	-	2	100
Review by Information Commissioner	-	-	-	
Internal review following recommendation under section 93	-	-	-	
Review by NCAT	-	-	-	
Total	2	-	2	
% of total	100			

Applications transferred to other agencies	Number of applications transferred
Agency initiated transfers	-
Applicant initiated transfers	-
Total	-

Contracts over \$150,000 awarded by Council in 2019/20

Successful tenderer	Contract name/Purpose	Total Contract Amount (exc. GST)
Ally Civil Works Pty Ltd, Ally Property Services Pty Ltd, Andrik Construction Group Pty Ltd, Awada Civil Engineering, Citywide Civil Works, Civil Works (NSW) Pty Ltd, Civotek Pty Ltd, Convil Group Pty Ltd, D&M Excavations and Asphaltting Pty Ltd, Kelbon Project Services, KK Civil Engineering, Mack Civil Pty Ltd, MSA Communications, NSW Kerbing, Planet Civil Pty Ltd, Rodri Civil Constructions Pty Ltd, Sam the Paving Man Pty Ltd, State Civil Pty Ltd, Stateline Asphalt Pty, Statewide Asphalt Pty Ltd, Sydney Civil, The Trustee for Civil Streetscapes Trust	Civil Works Panel	Schedule of Rates
VISY RECYCLING	Recycling Processing Services (Adopted by Council C0220(2) Item 31)	Schedule of Rates
Telstra	Pre-paid services agreement to meet the requirement of Inner West Council for Purple professional services needs. This agreement has a validity term of 12mths.	Schedule of Rates
Apex Law, Clayton UTZ, Lindsay Taylor, HWL, Maddocks, Sparkes	External Legal Provider Panel	Schedule of Rates
Australian Bushland Restoration, Actinotus Environmental, Toolijood Pty Ltd, Symbiota Ecology Pty Ltd trading as Apunga Ecological Management	Ecological Restoration Services in the Inner West	\$1,733,304
Belmadar Pty Ltd	Dawn Fraser Baths & Piers – Repair Works	\$5,165,225
DATA#3 LIMITED	Microsoft Enterprise Licensing Agreement Renewal (3 yr Term)	\$3,803,157
Patterson Building Group	Haberfield Centre and Library upgrade	\$2,912,347
Optus Network	WAN, Internet and associated Services	\$2,590,909

Successful tenderer	Contract name/Purpose	Total Contract Amount (exc. GST)
Glascott Landscape and Civil Pty Ltd	Cooks River Parklands Upgrade	\$2,389,911
STATEWIDE CIVIL	Widening of Booth Street across Johnston Creek Annandale	\$2,081,362
Regal Innovations	Cooks River Parklands Upgrade (HJ Mahoney Reserve)	\$1,503,370
Romba Pty Ltd	Richard Murden Shared Path and Lighting Upgrade	\$1,372,727
Downer EDI Works Pty Ltd	AC Mill and Fill Services 2019-2020 Package 2	\$1,342,023
OZ PAVE (AUST) PTY LTD	AC Mill and Fill Services 2019-2020 Package 1	\$888,553
COMPLETE URBAN PTY LTD	UAIP-Detailed Design & Contract Document	\$849,954
Thomas Duryea Logicalis	Microsoft Azure Hosting and associated Services	\$650,569
Sullivans Constructions Pty Ltd	Marrickville Town Hall Upgrade - Lift	\$550,711
JRW Trading Pty Ltd T/AS JayDub Electrical Service	Ashfield park Lighting Upgrade	\$520,024
Convil Group Pty Ltd	Park Footpaths Renewal	\$424,980
Rapid Construction Pty Ltd	St Peters Town Hall Upgrade - Lift and Accessible Bathroom	\$395,505
REES ELECTRICAL PTY LIMITED	Pratten Park lighting Upgrade	\$377,360
Civil Works (NSW) Pty Ltd	Darley Road, Leichhardt Stormwater and Watyer Sensitive Urban Design Works	\$318,378
Landscape Solutions	Park & Verge Mowing	\$290,413
PROGRAMUS LTD	Online Booking System	\$280,909
Constructicon Pty Ltd	Renewal of Toilet at Brown St Ashfield	\$256,390
GHD Pty Ltd	Greenway Geotechnical and Site Soil and Contamination Services	\$245,050
Audit Office of New South Wales	Annual Engagement Plan	\$235,500
Fotis Auto Repairs Pty Ltd T/A Franks Automotive	Biodiesel Supply	\$227,273
CITYWIDE SERVICE SOLUTIONS	Weed Management Sensitive Areas	\$227,000
Greenline Group Pty Ltd	Shade Sails Program 2019-20	\$202,800
Rapid Construction Pty Ltd	Petersham Town Hall - Caretaker's Egress	\$194,625
SJB Architects	South Area Urban Design Study	\$186,075
Group GSA Pty Ltd	Bay Run and Lilyfield Road Bridge Upgrade Detailed Design	\$180,000
COMPLETE URBAN PTY LTD	Greenway On-Road Works Design	\$174,428
Budget Demolition and Excavation Pty Ltd	Birchgrove Park Eastern Pavilion	\$172,250

Grants, sponsorships, contributions and donations

Community History & Heritage Grants

Grant Recipient	Amount
Inner West Cultural Services	\$5,000
Sydney Philharmonic Choirs	\$5,000
Emma Mitchell	\$4,990
Balmain & District Football Club	\$4,900
Bruce Carter	\$5,000
Total	\$24,890

Community Wellbeing Grants

Grant Recipient	Amount
3Bridges Community Inc.	\$7,500
Dance for Parkinson's Australia	\$7,500
Connect Marrickville	\$7,500
On My Feet	\$5,970
Stepping Out Program	\$6,700
Petersham Presbyterian Church	\$5,000
Reconciliation NSW	\$7,500
Inner West Tenant Group	\$5,400
Project Bantu Cultural Institute	\$7,500
Inner West Drama	\$7,500
Newtown Neighbourhood Centre	\$7,500
Settlement Services International	\$7,000
ACL Disability Services	\$7,425
The Third Space	\$7,500
Minus18	\$7,500
Ethnic Community Services Cooperative	\$3,200
Total	\$108,195

Environment Grants Grants

Grant Recipient	Amount
KLEAN	\$1,025
Inner West Wires	\$5,479
Inner West Beekeepers	\$4,208
Ashfield Baptist Childcare Inc.	\$695
St Anthony's Family Care	\$4,315
River Canoe Club of NSW Inc	\$3,355
Total	\$19,077

Recreation Grants

Grant Recipient	Amount
ACC Cricket Club Inc	\$2,979
FAMILY RESOURCE & NETWORK SUPPORT INC	\$3,578
Different Strokes Dragon Boat Club	\$3,325
Diane Lawson	\$5,000
Petersham Juniors Rugby Club Incorporated	\$3,350
Summer Hill Lakers Netball Club	\$5,000
Special Children Services Centre Inc	\$4,330
River Canoe Club of NSW Inc	\$4,400
Total	\$31,962

Community-Led Celebration Day (Multicultural Communities) Grants

Grant Recipient	Amount
The Red Rattler Theatre	\$5,000
Inner West Vietnamese Community Language School	\$5,000
Ethnic Community Services Co-operative	\$5,000
Heartdancers	\$5,000
Addison Road Community Centre Organisation	\$5,000
Metro Assist	\$4,995
Stepping Out Housing Programme	\$4,500
Chinese Australian Services Society	\$4,300
Ashfield Seniors Eden	\$2,500
Greek Orthodox Community of NSW Child Care Centre	\$2,500
Total	\$43,795

Community Wellbeing small grants Grants

Grant Recipient	Amount
Rozelle Neighbourhood Centre	\$500
St Johns Anglican Church Balmain	\$500
Autism Spectrum Australia (Aspect)	\$485
Total	\$1,485

Resident Association small grants Grants

Grant Recipient	Amount
Haberfield Association	\$620
Marrickville Community Peace Group	\$371
Total	\$991

Other Support - Major Partners

Grant Recipient	Amount
Back to Balmain Committee	\$2,750
Canterbury City Community Centre	\$5,000
Friends of Maliana (Timor Leste)	\$8,000
Gadigal Information Services	\$30,000
Leichhardt Celebrity Brass	\$15,000
Leichhardt Espresso Chorus	\$29,000
Marrickville Youth Resource Centre	\$34,850
NSW Writers Centre	\$21,000
Rozelle Neighbourhood Centre	\$45,918
St Vincent de Paul Society Mary Mackillop Outreach Centre	\$34,750
Sydney Fringe	\$30,000
The Infants Home	\$13,000
The Polly's Club	\$3,589
Total	\$272,857

COVID-19 Support

Grant Recipient	Amount
Addison Road Community Centre	\$25,000
Asylum Seekers Centre	\$25,000
Exodus Foundation	\$25,000
Headspace Ashfield	\$25,000
Inner West Neighbour Aid	\$25,000
Leichhardt Women's Health Centre	\$25,000
Marrickville Youth Resource Centre	\$25,000
Newtown Neighbourhood Centre	\$25,000
Rozelle Neighbourhood Centre	\$25,000
St Vincent de Paul Society	\$25,000
Total	\$250,000

Live Music Grants - Venues

Grant Recipient	Amount
Camelot Lounge, Marrickville	\$20,000
Lazybones Lounge Restaurant & Bar, Marrickville	\$20,000
Old 505 Theatre, Newtown	\$20,000
Butchers Brew Bar, Dulwich Hill	\$10,000
Pratten Park Community Sport and Bowling Club, Ashfield	\$10,000
The Bridge Hotel, Rozelle	\$10,000
The Newsagency, Annandale	\$10,000
Total	\$100,000

Live Music Grants – Artists

Grant Recipient	Amount
Miss Leah Flanagan	\$5,000
Mr Evan Guyatt	\$5,000
Shady Nasty	\$5,000
Mr Vincent Labra	\$5,000
Haiku Hands	\$5,000
The Dandelion	\$5,000
Monsieur Camembert	\$4,996
CumbiaMuffin	\$4,880
SEASONS	\$4,448
THE NAGGING DOUBTS	\$4,430
Ms Dani El-Rassi	\$1,300
Total	\$100,000

Creative and Cultural Resilience Grants – Creative spaces

Grant Recipient	Amount
Create or Die	\$20,000
MakerSpace & Co	\$20,000
Monster Mouse Studios	\$20,000
Petersham Bowling Club	\$20,000
Zen Film Sound Studios and Zen Studios	\$20,000
Articulate project space	\$10,000
Boomalli Aboriginal Artists Co-operative	\$10,000
Camelot Lounge	\$10,000
Gasoline Pony	\$10,000
Lazybones Lounge Restaurant & Bar	\$10,000
Little Majestic [formerly Mess With It]	\$10,000
Myrtle St Studios, managed by Erth Physical & Visual Inc.	\$10,000
Te Arohanui Hospitality Pty Ltd t/a Butchers Brew Bar	\$10,000
The Red Rattler Theatre Incorporated	\$10,000
Tortuga Studios	\$10,000
Join the Dots Workshop	\$10,000
Edward Street Studios	\$10,000
SquarePeg Studios	\$10,000
Total	\$230,000

Creative and Cultural Resilience Grants – Artists & Practitioners

Grant Recipient	Amount
Ari Kwasner-Catsi	\$5,000
Cecily Hardy	\$5,000
Daniel Bury	\$5,000
Huna Amweero	\$5,000
Ian Sinclair	\$5,000
Ingrid Dieckmann	\$5,000
Jemma Cole	\$5,000
Kat Dopper	\$5,000
Adam Mada	\$5,000
Mark Harris	\$5,000
Nikki Brogan	\$5,000
Sam Weller	\$5,000
Matt Cornell	\$5,000
Miriam Joan Montgomery	\$5,000
Richard Petkovic	\$5,000
Sam Holt	\$5,000
Sarah Houbolt	\$5,000
Shahmen Suku	\$5,000
Violeta Ayala	\$5,000
You Westhefer	\$5,000
Yuejia Zhou	\$5,000
Zeina iaali	\$5,000
Diana Reyes	\$4,900
Jess Bush	\$4,821
Mayu Kanamori	\$3,365
Liane Clarke	\$2,000
Total	\$125,084

Legal Expenses

Legal expenses category	Amount paid (\$'000)	Amount received (\$'000)
Planning and development	\$525	
Debt recovery	-	
other	\$444	\$252
Total	\$969	\$252

Legal proceedings progress and result summary

Land and Environment Court - Class 1

Property Address	Other Party	Summary	Results/Status
2-8A Parsons Street, Rozelle	Artazan Property Group Pty Ltd	Demolition of existing structures and improvements, consolidation of lots into Torrens Title Lots with existing legal rights/easements retained, and the construction of a hardware and building supplies store with associated car parking, landscaping and signage	Appeal upheld
429-449 New Canterbury Road, Dulwich Hill	888 New Canterbury Road Pty Ltd	Appeal against orders to demolish and remove advertisement signs attached to the windows and awning along the street frontage	Appeal upheld
38 Henry Street, Leichhardt	LKF Investments Pty Ltd	Demolition of existing structures and erection of a three storey boarding house building comprising 22 rooms with basement car park and associated works	Appeal dismissed
465-467 Parramatta Road, Leichhardt	Jam Ventures Aust Pty Ltd	Satisfaction of deferred commencement conditions and deletion of conditions relating to the easement and modifications to development consent	Appeal upheld
17 South Street, Marrickville	Louise Fuller	Retain existing dwelling and subdivide property into two Torrens title lots	Appeal dismissed
22 Fisher Street, Petersham	Greg Boyce	Alterations and additions to the approved, but not yet constructed boarding house to provide a further 10 boarding rooms	Appeal dismissed
442-444 Marrickville Road, Marrickville	Columbia Nursing Homes Pty Ltd	Demolition of existing residential aged care facility and construction of new residential aged care facility with basement car parking and associated infrastructure and landscaping	Section 34 Agreement
77 Beattie Street, Balmain	Richard Abraham	Partial demolition of existing building, retention of existing façade to Beattie Street, construction of 1 terrace facing Beattie Street, 2 terraces facing Little Llewellyn Street, and associated works, including site remediation	Section 34 Agreement
33 Chandos Street, Ashfield	Micro Nest No.1 Pty Ltd on behalf of Micro Nest Ashfield Trust ACN 623408784	Delete Condition G (16) and amend Condition H(1)(f) to delete the words "34 adult lodgers" and replacing with "50 adult lodgers and a manager's room accommodating a maximum of 2 lodgers"	Appeal upheld
56 Ballast Point Road, Birchgrove	Gransasso D'Italia Pty Ltd and Conca D'Oro Holdings Pty Ltd	Alterations and additions to an existing heritage listed building	Section 34 Agreement
359-361 Darling Street, Balmain	Fifty50 Investments Pty Ltd	Alterations and additions to an existing building for a mixed-use development with two shops at ground level and 5 units across two levels of residential accommodation above including demolition and tree removal	Section 34 Agreement
9 Victoria Street, Ashfield	Panorama(No 1) Pty Ltd ATF Panorama (No 1) Fixed Unit Trust	Demolition of existing structures and construction of a new boarding house and basement parking	Section 34 Agreement
64-66 Victoria Road, Rozelle	Ooh! Media Limited	Digital conversion of an existing externally illuminated advertising sign	Appeal discontinued
742-744 Parramatta Road, Lewisham	Citrus Pty Ltd	Replacement of two (2) existing static signs with two (2) digital signs	Appeal upheld
70 Waterview Street, Balmain	Angus Wells	Construction of a double garage accessed via Alexander Street and associated works, including excavation and retaining wall works	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
10-14 Arthur Street, Marrickville	Armenco Pty Ltd	To modify DA201400470 and for the demolition of existing improvements and construction of a part 6, part 7 storey residential flat building containing dwellings with basement parking. The modification seeks to increase the number of dwellings from 56 to 59 dwellings and makes consequential revisions to the basement, waste storage and architectural treatment of the rear elevations	Section 34 Agreement
30 Terminus Street, Petersham	Elaine Richardson Architect	Proposed rear outdoor dining area at ground pub level and kids' play area at lower ground level (Railway Street & Carrington Lane)	Section 34 Agreement
44-46 Princes Highway, St Peters	David Macready	Delete condition 1a from development consent	Appeal discontinued
124-126 Parramatta Road & 8 Tideswell Street, Ashfield	JRNN Pty Ltd	Demolition of existing structures, construction of a mixed-use development comprising serviced apartments, group floor retail, basement car parking and landscaping	Section 34 Agreement
631 King Street, Newtown	Sydney Park Hotel Trading Pty Ltd	Application for proposed extended trading hours: Monday-Saturday 5:00am-3:00am and Sunday 10:00am-12:00am	Section 34 Agreement
44 MacKenzie Street, Rozelle	Bijma Wati	Alterations and additions to dwelling including ground floor elevated rear balcony with stairs to sub floor area	Section 34 Agreement
332 Darling Street, Balmain	Quattro Leone Holdings Pty Ltd	Alterations and additions to existing building including roof top addition to replace existing third storey residential dwelling and reconfiguration of internal building layout	Section 34 Agreement
Unit 3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Appeal against order to remove a louvre from the property	Appeal discontinued
172 Evans Street, Rozelle	Guarav Sharma	Deletion of condition 4 (a), (b),(c), (d), (e), (f), (g), (h), (i), (k) and (n) of development consent	Section 34 Agreement
393 Darling Street, Balmain	Dillon and Savage Architects	Alterations and additions to existing heritage listed building and associated works including demolition of rear extensions and detached storerooms, relocated parking and driveway, tree removal, landscaping and outdoor play area, new fencing, signage and site remediation to facilitate the use of the site as an 80 place childcare center	Section 34 agreement
193 Liverpool Road, Ashfield	193 Liverpool Road Pty Ltd	Application to modify consent for mixed use development comprising one retail shop, one residential apartment and thirty-eight units of boarding house accommodation in a part three-storey, part eight-storey development	Section 34 agreement
776 Parramatta Road, Lewisham	Moweno Pty Ltd	Proposed alterations and additions to an existing three storey building for the purpose of a boarding house consisting of 17 single boarding rooms over three storeys	Section 34 agreement
112-116 Parramatta Road, Stanmore	Environa Studio Pty Limited	Demolition of existing building, construction of a predominantly 4 storey mixed use development comprising of car parking for 14 vehicles, 34 boarding house rooms, caretaker room, retail/commercial space and communal open space	Section 34 agreement
28 Northwood Street, Camperdown	Surinder Kaur & Naraninder Jeet Kaur	Demolition of an existing dwelling and associated structures, removal of existing trees and construction of two semi-detached dwellings with off-street parking	Section 34 agreement

Property Address	Other Party	Summary	Results/Status
80-82 Louisa Road, Birchgrove	Geoff Bonus	Demolition of existing part two and part three storey house and boatshed, tree removals and construction of two part two and part four storey semi-detached dwellings with on-site parking, swimming pools and landscaping works	Section 34 Agreement
28 Chandos Street, Ashfield	Urban Link Pty Ltd	Demolition of existing structures and construction of a new boarding house over 2 levels of basement parking	Section 34 Agreement
122A Milton Street, Ashfield	Sonia Succar	Demolition of existing structures and construction of an 11-room boarding house	Section 34 Agreement
161 Parramatta Road, Annandale	Inner City Property Holdings Pty Ltd & SCG Developments Nominees Pty Ltd	Demolition of existing structures and construction of a mixed-use building comprising a ground floor retail premises, 14 hotel rooms and a residential apartment	Section 34 Agreement
45 Unwins Bridge Road, Sydenham	Allan Truong & To Hoan Truong	Appeal against the Respondent's development control order issued 19 February 2019 to cease use of the subject premises for the purposes of residential accommodation	Discontinued
31 Junior Street, Leichhardt	Daniel Grippi	Part demolition/reduction of size of existing laundry, repositioning of existing roller door wholly within property and associated landscaping is approved	Section 34 Agreement
63-65 Pyrmont Bridge Road, Annandale	Michael Wood	Appeal against select conditions of consent (conditions 1(b), 3A(a), 7(C)) granted in relation to M/2018/148	Section 34 Agreement
109A Louisa Road, Birchgrove	Belinda Crossland	Demolition of the existing dwelling house and construction of a part 2 part 4 storey attached dwelling with associated car parking, landscaping, pool and fencing	Section 34 Agreement
94 Denison Street, Camperdown	Yan Xin Sun	Partial demolition of existing structures and construction of a two-storey detached dwelling house with associated parking	Section 34 Agreement
5 George Street, Marrickville	Emag Apartments Pty Ltd	Demolition of existing improvements and erection of a part 4 part 5 storey residential flat building containing basement car parking, 27 residential units including 15 affordable units and associated landscaping works	Section 34 Agreement
30 Clarendon Road, Stanmore	Michelle Lyons	Appeal against conditions of consent	Appeal discontinued
23 Thompson Street, Marrickville	Geoff Penrose & Claire Penrose	Second storey addition to existing dwelling	Appeal upheld
49 Darling Street, Balmain East	Bruce Lay	Alterations and additions to existing two storey mixed use building, including renovation of first floor dwelling and a new second floor including a lift	Appeal dismissed
15-21 Barwon Park Road, St Peters	Belle & Lily Pty Ltd	Demolition of existing structures and construction of 5, 3 storey multi dwelling housing developments and a 4 storey residential flat building with basement car parking	Section 34 Agreement
429-449 New Canterbury Road, Dulwich Hill	888 New Canterbury Road Pty Ltd	Signage on the ground floor shopfront windows and awning fascia	Appeal upheld
575-577 King Street, Newtown	Reshmi Rita Singh	Demolition of structures and construction of a mixed-use development comprising ground level retail tenancy and residential apartments above	Appeal discontinued
33 Gower Street, Summer Hill	Emag Apartments Pty Ltd	Construction of a residential flat building, basement car park and associated landscaping	Section 34 Agreement
22 Moonbie Street, Summer Hill	Lucia Guarrera	Appeal against development control orders	Appeal discontinued

Property Address	Other Party	Summary	Results/Status
59 Lilyfield Road, Rozelle	Richard Gazzard & Charon Cavers	Demolition of existing rear building, adaptive reuse of existing building to the front of the site on the corner of Lilyfield Road and Burt Street and alterations and additions to that building to provide a residential flat building comprising six (6) dwellings and associated works including parking, landscaping and communal open space	Section 34 Agreement
40 Rose Street, Birchgrove	Stuart Burgess	Demolition of the existing house and construction of a new two storey house with associated works and landscaping	Section 34 Agreement
109 Louisa Road, Birchgrove	Catherine Mazzeo	New external stairs cut through the existing rock outcrop into the rear yard, extension of the lift shaft to provide access to the approved roof deck, the enclosure of the lift shaft with glass, and construction of a concrete slab over garage entrance	Section 34 Agreement
64 Birchgrove Road, Balmain	Andrew Munro & Sari Munro	Demolition of existing fibro clad dwelling and detached fibro clad garage front the rear lane and erection of part three, part four storey dwelling, double garage at rear and construction of in ground swimming pool	Appeal upheld
10 Montague Street, Balmain	James Ryan	Increase the size of the first floor to provide an additional bedroom, to cut back rear hips of roof to form gable end and to delete conditions of consent lodged on 11 June 2019	Section 34 Agreement
122 Young Street, Annandale	Philippa Ellis	Application to modify a development consent	Section 34 Agreement
22 Moonbie Street, Summer Hill	FBI Agent Pty Ltd	Use as residential flat building	Appeal discontinued
319-215 Trafalgar Street, Petersham	Vista Sol Pty Ltd atf VS Unit Trust	Construction of a three (3) storey plus attic level boarding house and basement carpark	Section 34 Agreement
2-2A Gladstone Street, Newtown	Tricon Management Group Pty Ltd	Demolition of existing building on site and construction of a mixed-use development with ground floor creative commercial and 40 x community housing dwellings above	Section 34 Agreement
448 Marrickville Road, Marrickville	Columbia Nursing Homes Pty Ltd as Trustee for Columbia Group Unit Trust	Demolish portion of footbridge and covered walkway roof connecting property to neighboring site 442-444 Marrickville Road Marrickville	Section 34 Agreement
79 Booth Street, Annandale	Mateusz Jan Wilk	Alterations and additions to the existing dwelling house and associated works	Appeal Discontinued
47 Mullens Street, Balmain	Samir Ali	Proposed change of use to a boarding house with 3 rooms and a maximum of 6 lodgers	Ongoing after 1 July 2020
4 Alfred Street, Lilyfield	Hasan Ozaras	Stop work order to cease all unauthorized building works	Ongoing
14 Clifton Street, Balmain East	Mohammad Morad	Alterations and additions to the existing dwelling and bathroom	Section 34 Agreement
173 Beattie Street, Balmain	Alexa Jane Liley	Alterations and additions to the existing dwelling and land	Section 34 Agreement
387-389 Illawarra Road, Marrickville	Freshhope Housing Incorporated	Demolition and construction of mixed use development incorporating two retail spaces at ground floor level, a boarding house incorporating 55 boarding rooms over 5 levels, additional 4 units of level 1 providing short term accommodation for people with special needs, communal facilities, outdoor terrace spaces on levels 1 and 2, 4 car parking spaces, 30 bicycle parking spaces and 12 motorcycle spaces on the ground floor and landscaping on levels 1 and 2	Ongoing after 1 July 2020

Property Address	Other Party	Summary	Results/Status
1-19 Booth Street, Annandale	Kennards Self Storage Pty Ltd	Demolition of existing hardstand at-grade carpark and associated fencing. Construction of a 6 storey mixed use development comprising: self-storage units; 3 x retail premises on ground floor; 2 x business premises to be utilized for creative purposes on Level 1; relocation of existing entry/exit driveway crossover on Chester Street; removal of 14 car parking spaces and addition of 35 car parking spaces (including loading bay); tree removal and earthworks within the site; landscaping works; business identification signage and other ancillary works	Appeal discontinued
55 Harrow Road, Stanmore	Ray Ters	Demolition of existing structures, tree removal, boundary adjustment and construction of two semi-detached dwellings	Ongoing after 1 July 2020
381 Liverpool Road, Ashfield	Ashfield Land Pty Ltd	Application to modify DA 2016/276 approved by the Court in proceedings 148379 of 2017 on 21 September 2017	Ongoing after 1 July 2020
1 - 13 Parramatta Road, Annandale	E & R Property Pty Ltd	Alterations and modifications to internal layout within same envelope	Ongoing after 1 July 2020
73 - 75 Beattie Street, Balmain	LBEB Pty Ltd	Modify conditions of consent for M/2019/88 for alterations and additions to an existing building and change of use to a childcare centre for 90 children over basement car parking and associated landscaping over remediation works on the land	Ongoing after 1 July 2020
42 - 48 John Street, Leichhardt	Aydan Two Pty Ltd	Alterations to the existing building including internal changes, façade improvements, new awning, altering an existing driveway to John Street frontage and introducing a new driveway crossing on the John Street frontage	Section 34 Agreement
2-8 Parsons Street, Rozelle	Olde English Tiles Australia Pty Ltd	Appeal against development control order to stop using the premises for warehouse or distribution center purposes	Appeal discontinued
2-8 Parsons Street, Rozelle	Antonio Gaudio	Appeal against development control order to stop using the premises for warehouse or distribution center purposes	Appeal discontinued
7 Dock Road, Birchgrove	Joseph Quarello	Alterations and additions to an existing dwelling including demolition of existing structures and new internal design	Ongoing after 1 July 2020
356 Annandale Street, Annandale	David Scott Design	Demolition of rear structure and alterations and additions to existing dwelling-house, new garage and associated works	Ongoing after 1 July 2020
33 Whites Creek Lane, Leichhardt	PAD Group Pty Ltd	Change of use of the existing warehouse building to a dwelling	Ongoing after 1 July 2020
5 Sardinia Place, Birchgrove	David Lannan	Alterations and additions to an existing single storey dwelling including a first-floor bedroom with an ensuite	Ongoing after 1 July 2020
36 Moore Street, Rozelle	Mateusz Jan Wilk	Alterations and additions to the existing detached dwelling house and associated works	Ongoing after 1 July 2020
3 Ferdinand Street, Birchgrove	Emma Jane Romano	Partial demolition and alterations and additions to the existing dwelling, alterations and additions to the existing garage to create a new dwelling and construction of shared basement car parking with strata subdivision	Ongoing after 1 July 2020
182 Darling Street, Balmain	Ryan Burns	Alterations and additions to existing dwelling, demolition of existing garage at rear of site and replacement with a new two storey building to be used as a secondary dwelling, and associated works, including remediation of the site	Ongoing after 1 July 2020

Property Address	Other Party	Summary	Results/Status
361 Parramatta Road, Leichhardt	Harmon International Holdings Pty Ltd & Hi Nini Pty Limited	Partial demolition of the existing building and construction of a 4 storey development comprising of a ground floor hotel lobby and lower ground floor/basement car parking	Ongoing after 1 July 2020
11-13 Hunter Street, Lewisham	M J Hunter Enterprises Pty Ltd	Refusal of development application for demolition of part of the premises and to carry out ground and first floor alterations and additions to a boarding house	Ongoing after 1 July 2020
389 Illawarra Road, Marrickville	Freshhope Housing Incorporated	Appeal against Interim Heritage Order	Section 34 Agreement
38 Henry Street, Leichhardt	LKF Investments Pty Ltd	Application for demolition of existing structures and construction of 3 level boarding house with basement carparking including turntable and car stackers and associated works	Ongoing after 1 July 2020
8 Charlotte Street, Rozelle	Malcolm Miller	Demolition of existing cottage, erection of a new two storey dwelling with a non-habitable basement, lap pool over a water retention tank, rear garage with studio space over, small roof deck over new dwelling and rear terrace over rear studio	Ongoing after 1 July 2020
95 Evans Street, Rozelle	Jack Huaizhou Wang	Alterations and additions to an existing boarding house and associated works including provision of 3 additional boarding rooms	Ongoing after 1 July 2020
64 Hubert Street, Leichhardt	Carlo Giacometti	Alterations and additions to an existing dwelling-house to facilitate conversion into three (3) separate residential units, and associated works, including fencing and landscaping works and demolition of shed	Ongoing after 1 July 2020
83 Nelson Street, Annandale	Michael Clarke	Alterations and additions to an existing terrace at rear of site including a new pergola and outdoor barbeque area	Ongoing after 1 July 2020
11A Tupper Street, Enmore	Emag Apartments Pty Ltd	Construction of a Boarding House	Ongoing after 1 July 2020
145 Darling Street, Balmain	Boston Blyth Fleming Pty Ltd	Alterations and additions to existing building and change of use to a boarding house with ground floor cafe	Ongoing after 1 July 2020
67 Ballast Point Road, Birchgrove	Robert Freeman & Katrina Freeman	Alterations and additions to existing dwelling house and associated works, including construction of a new swimming pool at rear, tree removal and replacement of shed	Ongoing after 1 July 2020
2C Gladstone Street, Newtown	Samcourt Pty Ltd	Alterations and additions to the existing strata warehouse building for use as a brewery and ancillary restaurant/taproom	Ongoing after 1 July 2020
503 Darling Street, Balmain	David Krakowszky	Alterations and additions to the existing house comprising demolition to the rear wing, alterations to the rear veranda, internal alterations and construction of part single-storey, part two-storey rear addition including ground floor accommodation of three bedrooms (one with ensuite bathroom), bathroom and laundry in retained front part of the house, kitchen/dining/living/family, stair to new first floor, new roof to existing garage, first floor parents' bedroom/retreat, bathroom, rear balcony and link to existing attic storage	Appeal Discontinued
2 Caroline Street, Balmain	Gary Gaetano Anthony Parisi	IWC deemed refusal of DA for demolition of the existing dwelling, subdivision of the site & construction of 2, two-storey townhouses with basement parking on land identified as Lot8 in Deposited Plan 11121 & known as 2 Caroline St, Balmain.	Ongoing after 1 July 2020

Property Address	Other Party	Summary	Results/Status
2 Duke Place, Balmain East	Ryan Geoffrey Martyn	Appeal against a condition of development consent (section 8.7, Environmental Planning and Assessment Act 1979) Condition number 6(a) of the consent granted by IWC on 12 May 2020 under development application number D/2019/518 for alterations and additions to the existing dwelling, conversion of the existing outbuilding to a secondary dwelling, new garage and swimming pool and associated tree removal and site works, on land identified as Lot 100 in Deposited Plan 588964 and known as 2 Duke Place, Balmain East NSW 2041	Ongoing after 1 July 2020
260 Unwins Bridge Road, Sydenham	Shaun Bettridge t/a 260 Unwins Corner Store	Appeal against Development Control Order EPA/2020/175	Ongoing after 1 July 2020

Land and Environment Court - Classes 2 and 3

Property Address	Other Party	Summary	Results/Status
260 Unwins Bridge Road, Sydenham	Shaun Bettridge t/a 260 Unwins Corner Store	Appeal against Development Control Order EPA/2020/175	Ongoing after 1 July 2020
King George Park, Rozelle	Transport for New South Wales	Application for compensation for compulsory acquisition of land	Ongoing after 1 July 2020

Land and Environment Court - Class 4

Property Address	Other Party	Summary	Results/Status
None	None	None	None

Land and Environment Court - Class 5

Property Address	Other Party	Summary	Results/Status
14 McGill Street, Lewisham	Seven Saad	Prosecution of Mr Steven Saad of Certified Building Specialists for issuing a occupation certificate without ensuring that the pre-conditions of the Voluntary Planning Agreement (VPA) were met	Ongoing after 1 July 2020
429 New Canterbury Road, Dulwich Hill	Seven Saad	Prosecution of Mr Steven Saad of Certified Building Specialists for issuing a occupation certificate without ensuring that the pre-conditions of the Voluntary Planning Agreement (VPA) were met	Ongoing after 1 July 2020

High Court

Property Address	Other Party	Summary	Results/Status
None	None	None	None

NCAT

Property Address	Other Party	Summary	Results/Status
None	None	None	None

District Court

Property Address	Other Party	Summary	Results/Status
59 Applebee Street, St Peters	James Stephen Blackfoot-Burson	Appeal against sentence due to the severity of the penalty	Court set aside orders of Magistrate Bartley on 11 November 2019. Defendant convicted and ordered to pay fine of \$1,000.00 and prosecutor's costs of \$200.00

Local Court

Property Address	Other Party	Summary	Results/Status
44 Burwood Road, Concord	Humberto De Andrade	Not give fire safety statement - 1 week overdue - Individual	Defendant pled guilty and was fined \$100.00 with professional costs of \$1,100.00
117 Probert Street, Newtown	A & J Wong Holdings Pty Ltd	Not give fire safety statement - 1 week overdue - Corporation	Defendant convicted and fined \$3,500 and \$800 in professional costs
3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Development without development consent - any other case - Corporation	Withdrawn by Council
47 Audley Street, Petersham	Mint 360 Distribution Pty Ltd	Development without development consent - any other case - Corporation	Defendant convicted and fined \$10,200.00 with professional costs of \$6,000.00
N/A	David Kyriakidis	Fail to comply with menacing dog requirements	Defendant convicted and fined \$3,000.00 with professional costs of \$2,500.00
N/A	Samanatha Kyriakidis	Fail to comply with menacing dog requirements	Defendant convicted and fined \$3,000.00 with professional costs of \$2,500.00
11A Moonbie Street, Summer Hill	MGC Wealth	Not give fire safety statement - 1 week overdue - Corporation	Ongoing after 1 July 2020
N/A	Elizabeth Avent	Companion animal (other) not registered as prescribed - first offence	Defendant found guilty but without proceeding to conviction the matter is dismissed pursuant to Section 10(1)(a)
615 King Street, Newtown	Ky Duc Do	Not give fire safety statement - 1 week overdue - Individual	Defendant pled guilty and was fined \$2,000 plus \$1,419 in professional costs
N/A	Tertia Harry	In charge of dog which rushes at/attacks/bites/harasses/charges any person/animal	Ongoing after 1 July 2020
Petersham Park	Juvenile under 18	In charge of dog not under control in public place	Withdrawn by Council
59 Applebee Street, St Peters	James Stephen Blackfoot-Burson	Not give fire safety statement - 1 week overdue - Individual	Defendant pled guilty and was fined \$8,000.00 with professional costs of \$200
23 Brighton Street, Petersham	Anastasia Szakall	Not give fire safety statement - 1 week overdue - Individual	Withdrawn by Council. New fine issued for \$2,000.00 and \$800.00 in professional costs
N/A	Maria Psiroukis	Companion animal (other) not registered as prescribed - first offence	Defendant convicted and fined \$1,100

Property Address	Other Party	Summary	Results/Status
N/A	Bruce McInnes	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
180 Enmore Road, Enmore	Mahfuz & Associates Pty Ltd	Numerous breaches of the Food Standards Code on property	Defendant convicted and fined \$9,000 and professional costs of \$4504.50
673-677 Darling Street, Rozelle	Karmel & Co Pty Ltd - Balmain Backpackers	Emergency order to cease use of premises for backpacker's accommodation	Ongoing after 1 July 2020
78 Alt Street, Ashfield	Ashfield Holdings Pty Ltd	Development without development consent - any other case - Corporation	Withdrawn by Council. Defendant to pay \$1250 in professional costs and new fine issued
38 Carlton Crescent, Summer Hill	Cathrobe Pty Ltd	Not give fire safety statement - 1 week overdue - Corporation	Defendant convicted and fined \$3,000.00 with professional costs of \$1,200.00
55 Norton Street, Ashfield	Owners of SP 84904	Not give fire safety statement - 1 week overdue - Corporation	Withdrawn by Council
18 Barker Street, Lewisham	Baria and Tur Pty Ltd	Development not in accordance with consent - any other case - Corporation	Defendant convicted and fined \$100 with professional costs of \$1,300.00
N/A	Daniel Parslow	Companion animal (other) not registered as prescribed - first offence	Defendant found guilty but without proceeding to conviction the matter is dismissed pursuant to Section 10(1)(a)
N/A	Daniel Parslow	Companion animal (other) not registered as prescribed - first offence	Defendant found guilty but without proceeding to conviction the matter is dismissed pursuant to Section 10(1)(a)
N/A	Mai Kanhukamwe	Companion animal (other) not registered as prescribed - first offence	Withdrawn by Council
N/A	Ashleigh Partridge	Companion animal (other) not registered as prescribed - first offence	Defendant found guilty but without proceeding to conviction the matter is dismissed pursuant to Section 10(1)(a)
N/A	Emma Wright	Companion animal (other) not registered as prescribed - first offence	Withdrawn by Council
N/A	Charlotte Marshall	Companion animal (other) not registered as prescribed - first offence	Withdrawn by Council
N/A	Maria Psiroukis	Annulment Application	Defendant pled guilty. No conviction was recorded, and defendant entered into a conditional release order and is to be of good behavior for a period of 6 months
N/A	Joel Hedge	Companion animal (other) not registered as prescribed - first offence	Defendant convicted and fined \$440 with professional costs of \$600.00
N/A	Natalie Rowan	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
Stanmore OSHC	Martin Graham, Department of Education	Child leave premises not as prescribed - approved provider	Ongoing after 1 July 2020

Property Address	Other Party	Summary	Results/Status
Stanmore OSHC	Martin Graham, Department of Education	Child in care of service not adequately supervised	Ongoing after 1 July 2020
N/A	Emmeline Smith	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
N/A	Emmeline Smith	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
N/A	Emmeline Smith	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
N/A	Emmeline Smith	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
N/A	Emmeline Smith	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
96 Victoria Street, Ashfield	Owners of SP 34560	Not give fire safety statement - 1 week overdue - Corporation	Ongoing after 1 July 2020
N/A	Ann Dowling	Companion animal (other) not registered as prescribed - first offence	Ongoing after 1 July 2020
11A Moonbie Street, Summer Hill	Beaini Projects Pty Ltd	Development not accord consent - any other case - Corporation	Ongoing after 1 July 2020
N/A	Emily Doherty	Owner of dog not under control in public place	Ongoing after 1 July 2020
N/A	Emily Doherty	Owner of dog not under control in public place	Ongoing after 1 July 2020

Corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council participated

External Body Name	Purpose of participation
ReLink Australia	Council partners with ReLink for the delivery of recreation programs including Mums Get Active post-natal Pilates classes and Zumba/belly dance classes at the Refugee Welcome Centre
Parkrun Greenway	Parkrun Greenway delivers a free 5km run every Saturday, partnering with Council for provision of park areas
Live Life Get Active	Live Life Get Active delivers free fitness classes for local residents, partnering with Council for provision of park areas
Sport NSW	Council partnered with Sport NSW to deliver a 'Girls Get Active Day' to encourage young women and girls to participate in sport and active recreation
Cooperative Research Centre for Water Sensitive Cities	Industry Partner of the national CRC for Water Sensitive Cities to address the challenges to urban water reform required to make cities sustainable, liveable, resilient and productive
Cooks River Alliance	Partnership of four councils (Bayside, City of Canterbury-Bankstown, Inner West, and Strathfield councils) within the Cooks River catchment that focuses on improving the health of the catchment and improvement of the river to a swimmable standard
Parramatta River Catchment Group	Group regional organisation of local and state government organisations and community representatives that work together to improve the health of the Parramatta River to a swimmable standard by working across the catchment
Sydney Coastal Councils	Group of councils that regionally advances sustainable management of Sydney's urban coastal environment
Chinese Australian Settlement Services	Inner West Council worked in partnership with Chinese Settlement Services to provide a weekly Chinese Language Help Desk service
Eastern Region Local Government Aboriginal and Torres Strait Islander Forum (ERLATSIF)	ERLATSIF is a membership based partnership between six Councils (Bayside Council, City of Sydney, Inner West Council, Randwick City Council, Waverley Council and Woollahra Council). The forum aims to address and participate at a regional level in the affairs, events and celebrations that impact the local Aboriginal and Torres Strait Islander communities
Inner West Community and Refugee Welcome Centre	Inner West Council continued to partner with Settlement Services International to operate weekly programs and activities. The partnership was expanded to include TAFE NSW to support education and learning opportunities for refugees and sees the establishment of a community reference group made up of key stakeholders in the refugee sector

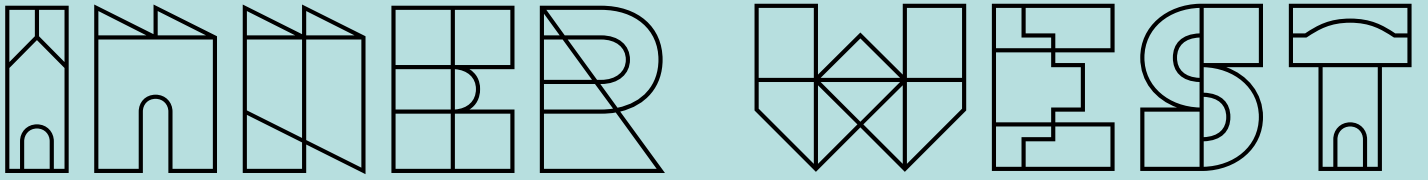
External Body Name	Purpose of participation
Inner West Domestic Violence Liaison Committee	Inner West Council works in partnership with Government and non-Government services and agencies that have an interest in violence prevention to raise awareness of domestic and family violence issues and enhance interagency responses and partnerships in local Police Area Commands and surrounding areas
Inner West Multi-Agency Outreach	The Inner West Multi-Agency Outreach partnership is responding rising levels of homelessness, supporting rough sleepers and the implementation of Council's Homelessness Policy. The Multi-Agency Outreach is a collaboration between 9 agencies including Department of Communities and Justice (Housing), Sydney Local Health District, Newtown Neighbourhood Centre, Missionbeat, Wesley Mission, Youth Off the Streets, NEAMI Way to Home, Launchpad and The Exodus Foundation
Inner West Youth Alliance	Inner West Council works in partnership with the Inner West Youth Alliance, a network of youth and community service providers (Government and non-Government) that engage with, advocate for and deliver programs and initiatives with young people aged 12-24 years in the Sydney Inner West local government areas of the Inner West, Burwood, Canada Bay and Strathfield.
Inner West Multicultural Network	The Inner West Multicultural Network is an independent network of services, agencies and organisations which provide support and action for local CALD communities. It works in partnership to identify and address issues of community need. Inner West Council acts as the secretariat of this Network.
Metro Assist	Inner West Council works in partnership with Metro Assist to deliver a range of programs including a weekly Multicultural Social Support Group, employment programs in collaboration with TAFE and two free English classes each week
Marrickville Community Drug Action Team (MCDAT)	MCDAT is a collaboration of government and non-government organizations to minimize the harmful effects of alcohol and other drugs on young people aged between 12-24 years in the Inner west local government area
Marrickville South Collective	The Marrickville South Collective is a collective impact initiative in a high density social housing location with membership of government and non-government agencies whose role and function is targeting young people, children and /or families/carers. This includes Barnardos, Connect Marrickville, Centrelink, Exodus Foundation, Food Pantry, Inner West Council, Newtown Neighborhood Centre, Marrickville Youth Resource Centre and St George Housing
Resourceful Australian Indian Network Inc.	Inner West Council works in partnership with Resourceful Australian Indian Network to deliver a range of programs including a bi-monthly Social Support Group, a Rangoli Art Project as part of Open Inner West and a Diwali Celebration
Seniors Community Transport	Inner West Council works in partnership with Access Community Transport to deliver monthly Seniors Bus Outings to increase community connections and provide social and recreational opportunities for residents
Inner West Aged Services Alliance, Inner West Youth Alliance, Inner West Children and Family Interagency, Inner West Disability Forum, Inner West Elder Abusive Collaborative and Inner West Multicultural Network	Inner West Council actively facilitates these targeted networks with a diversity of community service providers and government agencies to facilitate information exchange, capacity building, encourage resource sharing and collaboration, undertake planning, consultation, strategy development and partnerships
BMC:DP800023 (Citiview Council Car Park 17-20 The Esplanade, Ashfield)	The BMC provides details of the management structure for the complex, meeting procedures, voting and finances. Contract arrangement - Conveyancing Act 1919 Council entitled to vote
BMC DP1197950 (Car park, 2A Brown St Ashfield)	The BMC provides details of the management structure for the complex, meeting procedures, voting and finances. Contract arrangement - Conveyancing Act 1919 Council entitled to vote
SP60919 (Italian Forum, 23 Norton St, Leichhardt NSW 204)	Council is a member of Owners Corporation / SP: Library and Leichhardt Early Childhood Health Centre
SP93231 (Luna, 90 Old Canterbury Road, Lewisham)	Council is a member of Owners Corporation / SP, 4 x Affordable Housing Units, Community Room and Playground
SP92312 (The Cooperage Building, 370 New Canterbury Road, Dulwich Hill)	Council is a member of Owners Corporation / SP: ETC Library
SP90191 (Arlington Grove, Grove Street, Dulwich Hill)	Council is a member of Owners Corporation / SP: 2 x Affordable Housing Units
SP98376 (The Flourmill, 16 Flour Mill Way, Summer Hill)	Council is a member of Owners Corporation / SP: 4 x Affordable Housing Units

Voluntary planning agreements

VPA Status	Land to which it applies	Parties to agreement	Planning/ Development Status	Benefits
Executed 26 June 2008	138-152 & 154-156 Victoria Rd, 697 Darling St & 1-7 Waterloo St, Rozelle	Balmain Leagues Club Limited – landowner & developer at time it was a party to VPA Site since sold to Rozelle Village Pty Ltd	No Planning proposal submitted	\$250,000 for upgrading roads, footpath and traffic in the vicinity of the development (in addition to DA conditions of consent for roads works required by the development). \$500,000 by way of annual payments of \$50,000 for 10 years for grants to community groups. Monetary amounts indexed by CPI. In addition to s.94 contributions DA to include public pedestrian link to Darling St, bridge over Victoria Rd, community shuttle bus, designated taxi drop off area, free home delivery service with 5km radius, implement Aboriginal Participation in Construction Guidelines, bicycle facilities, and facilitate car sharing schemes.
Executed November 2015	1-15 West St, Petersham	P & N Sieman Pty Ltd		Cash payment of \$270,000 to be expended within Petersham Park, in addition to s.94 contribution.
Executed August 2016	Grove Street, Dulwich Hill	SLM Campsie Pty Ltd	Development approved	Two affordable housing units, public domain works, public access agreement in addition to s.94 contributions.
Executed August 2018	101-103 Lilyfield Road, Lilyfield	JRNN Pty Limited	Planning proposal approved	The developer will provide a monetary payment of \$250,000 for affordable housing in the council area. The agreement does not exclude the Developer from paying Development Contributions as per Section 7.11 and 7.12 of the Act.
Executed 2015	141 Allen St & 159 Allen St, Leichhardt	Leichhardt 141 Pty Ltd & Arquilla Bulk Trading Co Pty Ltd	Works haven't commenced	For the lots if developed together: The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx \$3,714,845) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area. \$3,000 per square metre of additional floor space above 1.5:1 for any public purpose. \$187,000 to the Affordable Housing Fund. For lot 1 if developed separately: The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx \$2,843,919) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area. \$3,000 per square metre of additional floor space above 1.5:1 for any public purpose. \$142,023 to the Affordable Housing Fund. For lot X if developed separately: The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx \$870,926) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area. \$3,000 per square metre of additional floor space above 1.5:1 for any public purpose. \$45,026 to the Affordable Housing Fund.
Executed July 2018	168 Norton St, Leichhardt known as Harold Hawkins Court	Uniting / United Church Property Trust – landowner & developer	Planning proposal approved	The Developer must make the Development Contribution by registering a restriction on the title to the Land reflecting the dedication of 15% of the total number of residential units in the Development as Affordable Housing Units in the Development in perpetuity. If 15% of the total number of Affordable Housing Units in the Development does not equate to a whole number, then the number of Affordable Housing Units will be rounded down to the next whole number.

VPA Status	Land to which it applies	Parties to agreement	Planning/ Development Status	Benefits
Executed July 2018	15-17 Marion St, Leichhardt known as Annesley House	Uniting / United Church Property Trust - landowner & developer	Planning proposal approved	The Developer must make the Development Contribution by registering a restriction on the title to the Land reflecting the dedication of 15% of the total number of residential units in the Development as Affordable Housing Units in the Development in perpetuity. If 15% of the total number of Affordable Housing Units in the Development does not equate to a whole number, then the number of Affordable Housing Units will be rounded down to the next whole number.
Executed July 2018	Marrickville Metro - 34 Victoria Road and 13-55 Edinburgh Road, Marrickville	Marrickville Metro Shopping Centre Pty Limited	The Planning Proposal for Marrickville Metro - 34 Victoria Road and 13-55 Edinburgh Road, Marrickville was approved by the State Government Under Section 75O of the Environmental Planning & Assessment Act 1979 on the 19th March 2012 and modified by the Minister under Section 75W of the Environmental Planning & Assessment Act 1979 on 23 April 2015	<p>A total monetary contribution of \$600,000 - Upgrade local shopping strips within council area</p> <ul style="list-style-type: none"> The first \$300,000 contribution to be paid in equal instalments over three consecutive years from the date first issue of an Occupation certificate for Stage 1 of the Project The second \$300,000 contribution to be paid in equal instalments over three consecutive years from the date first issue of an Occupation certificate for Stage 2 of the Project The contribution made pursuant to the VPA is over and above any other contribution payable pursuant to this consent <p>A total monetary contribution of \$600,000 - Upgrade local community facilities</p> <ul style="list-style-type: none"> The first \$300,000 contribution to be paid in equal instalments over three consecutive years from the date first issue of an Occupation certificate for Stage 1 of the Project The second \$300,000 contribution to be paid in equal instalments over three consecutive years from the date first issue of an Occupation certificate for Stage 2 of the Project The contribution made pursuant to the VPA is over and above any other contribution payable pursuant to this consent
Executed December 2018	3-7 & 13-17 Regent St, 287-309 Trafalgar St, & 16-20 Fisher St, Petersham	Deicorp Projects Petersham Pty Ltd	Planning proposal approved	<p>Deicorp to provide 6 units which will be allocated to Affordable Housing units - these units will be 3 x 2 bedroom units and 3 x 1 bedroom units. The ownership of the units will be transferred to Inner West Council at the completion of the project, the units will be selected by Deicorp and only Deicorp and the units will have no parking allocated. Deicorp will provide a total of 24 car spaces to be allocated as public car spaces within the development.</p> <p>Deicorp will provide Inner West Council a payment of \$3.5 million to be used for public works in the community and surrounding area (inner West Council will provide a summary of how this payment will be allocated at later date).</p>
Executed May 2019	Glebe Island Silos	Eye Drive Sydney Pty Ltd	Development application approved	The proponent will provide to Council a monetary contribution of \$125,000 per year over the four year consent duration for local heritage funding. The annual contribution increases annually in accordance with CPI.

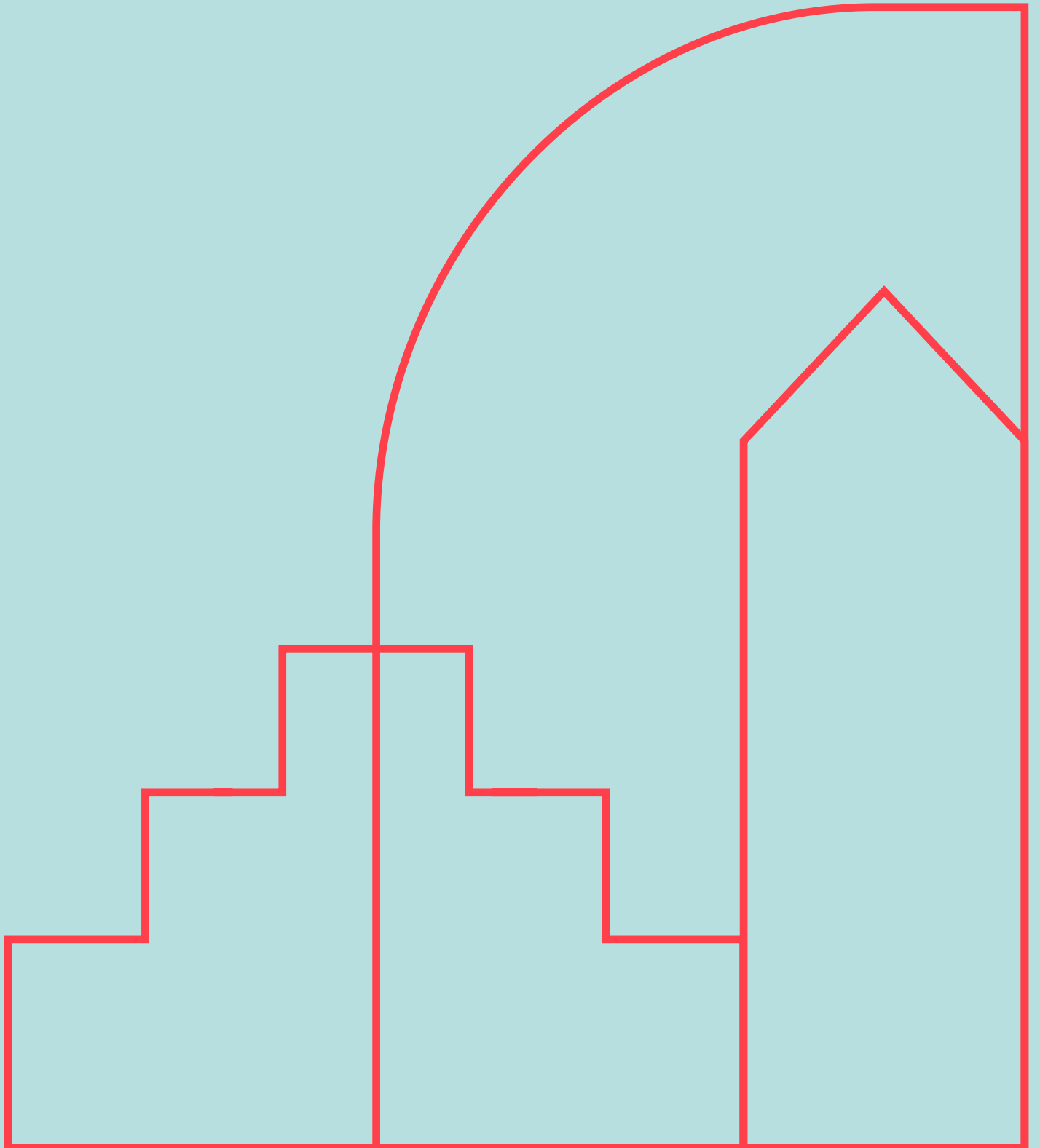
VPA Status	Land to which it applies	Parties to agreement	Planning/ Development Status	Benefits
Executed July 2019	120C Old Canterbury Road	The Yard 120C Pty Ltd	Development application approved	<ul style="list-style-type: none"> Construct a park of approximately 300m² located within the Land and to provide rights of way for public access through the park to the Greenway corridor and the Lewisham Light Rail station from Old Canterbury Road and McGill Street The Yard 120C Pty Ltd to provide 2 studio units which will be allocated to Affordable Housing units. The ownership of the units will be transferred to Inner West Council at the completion of the project value \$1,300,000 Community Office Space located within retail Ground Floor 5 Year Rental Agreement \$1 Peppercorn rent per year 35sqm office area estimated value \$200,000 The Yard 120C Pty Ltd will provide Inner West Council a payment of \$1,045,000 million to be used for public works in the community and surrounding area (Inner West Council will provide a summary of how this payment will be allocated at later date)
Executed July 2020	75 Mary Street, St Peters	JVM Holdings Pty Ltd and Chalak Holdings Pty Ltd	Planning proposal approved	<ul style="list-style-type: none"> Dedication of fully fitted out Artist Studios of more than 239m² in size; Monetary contribution of \$2,000,000 payable to Council to be used for affordable housing or public domain upgrades; Central open public space of more than 600m² in size; and Pocket Park open space on Roberts Street.
Executed October 2020	776 Parramatta Road, Lewisham	Moweno Pty Ltd	Development application approved	Monetry Contribution of \$10,000



Annual Report

Section 3
Audited
financial
statements
P52

This section includes a copy of the council's audited financial reports prepared in accordance with the Local Government Code of Accounting Practice and Financial Reporting



General Purpose Financial Statements

for the year ended 30 June 2020

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Overview

Inner West Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

2-14 Fisher Street
Petersham NSW 2049

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 2(b).

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.innerwest.nsw.gov.au

Inner West Council

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of 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 2020.

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.

General Purpose Financial Statements

for the year ended 30 June 2020

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 other pronouncements of the Australian Accounting Standards Board
- 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 27 October 2020.



Darcy Byrne
Mayor
27 October 2020



Victor Macri
Deputy Mayor
27 October 2020



Elizabeth Richardson
Acting General Manager
27 October 2020



Daryl Jackson
Chief Financial Officer
27 October 2020

Income Statement

for the year ended 30 June 2020

<i>Original unaudited budget 2020</i>	<i>\$ '000</i>	Notes	<i>Actual 2020</i>	<i>Actual 2019</i>
Income from continuing operations				
162,638	Rates and annual charges	3a	162,634	159,297
45,948	User charges and fees	3b	32,693	42,852
26,291	Other revenues	3c	18,019	21,010
10,620	Grants and contributions provided for operating purposes	3d,3e	17,096	11,731
36,819	Grants and contributions provided for capital purposes	3d,3e	35,489	23,446
5,277	Interest and investment income	4	5,209	6,508
–	Net gains from the disposal of assets	6	45,215	–
–	Fair value increment on investment properties	11	–	449
–	Rental income	14e	7,077	5,999
–	Net share of interests in joint ventures and associates using the equity method	19	101	144
287,593	Total income from continuing operations		323,533	271,436
Expenses from continuing operations				
121,675	Employee benefits and on-costs	5a	115,727	119,497
1,969	Borrowing costs	5b	425	620
64,173	Materials and contracts	5c	63,859	65,135
33,080	Depreciation and amortisation	5d	29,271	26,594
34,200	Other expenses	5e	32,300	34,421
70	Net losses from the disposal of assets	6	–	8,282
255,167	Total expenses from continuing operations		241,582	254,549
32,426	Operating result from continuing operations		81,951	16,887
32,426	Net operating result for the year		81,951	16,887
32,426	Net operating result attributable to council		81,951	16,887
(4,393)	Net operating result for the year before grants and contributions provided for capital purposes		46,462	(6,559)

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		81,951	16,887
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	—	14,896
Total items which will not be reclassified subsequently to the operating result		—	14,896
Total other comprehensive income for the year		—	14,896
Total comprehensive income for the year		81,951	31,783
Total comprehensive income attributable to Council		81,951	31,783

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	106,546	23,798
Investments	7(b)	130,800	118,330
Receivables	8	24,795	47,578
Inventories	9a	193	180
Contract assets	13a	1,260	–
Other	9b	2,659	3,291
Total current assets		<u>266,253</u>	<u>193,177</u>
Non-current assets			
Investments	7(b)	83,691	79,683
Infrastructure, property, plant and equipment	10(a)	2,216,107	2,156,465
Investment property	11	–	28,489
Intangible Assets	12	9,104	1,397
Right of use assets	14a	354	–
Investments accounted for using the equity method	19	3,164	3,637
Total non-current assets		<u>2,312,420</u>	<u>2,269,671</u>
Total assets		<u>2,578,673</u>	<u>2,462,848</u>
LIABILITIES			
Current liabilities			
Payables	15	31,236	35,898
Contract liabilities	13b	3,998	4,267
Lease liabilities	14b	191	–
Borrowings	15	3,762	3,683
Provisions	16	31,883	32,433
Total current liabilities		<u>71,070</u>	<u>76,281</u>
Non-current liabilities			
Contract liabilities	13b	4,174	–
Lease liabilities	14b	176	–
Borrowings	15	40,897	5,416
Provisions	16	1,493	2,009
Total non-current liabilities		<u>46,740</u>	<u>7,425</u>
Total liabilities		<u>117,810</u>	<u>83,706</u>
Net assets		<u>2,460,863</u>	<u>2,379,142</u>
EQUITY			
Accumulated surplus	17	2,264,658	2,182,843
Revaluation reserves	17	196,205	196,299
Council equity interest		<u>2,460,863</u>	<u>2,379,142</u>
Total equity		<u>2,460,863</u>	<u>2,379,142</u>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		2,182,843	196,299	2,379,142	2,165,956	181,403	2,347,359
Changes due to AASB 1058 and AASB 15 adoption	17	(230)	–	(230)	–	–	–
Restated opening balance		2,182,613	196,299	2,378,912	2,165,956	181,403	2,347,359
Net operating result for the year		81,951	–	81,951	16,887	–	16,887
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	–	–	–	14,896	14,896
Other comprehensive income		–	–	–	–	14,896	14,896
Total comprehensive income		81,951	–	81,951	16,887	14,896	31,783
Transfers between equity items		94	(94)	–	–	–	–
Equity – balance at end of the reporting period		2,264,658	196,205	2,460,863	2,182,843	196,299	2,379,142

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
Receipts:				
162,638	Rates and annual charges		160,582	158,625
45,948	User charges and fees		34,321	46,111
5,277	Investment and interest revenue received		6,493	4,826
47,439	Grants and contributions		42,579	32,454
–	Bonds, deposits and retention amounts received		1,240	2,356
26,291	Other		53,349	36,387
Payments:				
(121,675)	Employee benefits and on-costs		(116,104)	(114,322)
(64,173)	Materials and contracts		(79,955)	(67,362)
(1,969)	Borrowing costs		(127)	(626)
(34,200)	Other		(50,614)	(38,010)
65,576	Net cash provided (or used in) operating activities	18b	51,764	60,439
Cash flows from investing activities				
Receipts:				
271,859	Sale of investment securities		212,400	162,017
–	Sale of investment property		73,168	–
(70)	Sale of infrastructure, property, plant and equipment		1,466	2,390
Payments:				
(223,320)	Purchase of investment securities		(228,663)	(155,551)
(111,049)	Purchase of infrastructure, property, plant and equipment		(54,460)	(52,199)
–	Purchase of intangible assets		(8,357)	(1,896)
(62,580)	Net cash provided (or used in) investing activities		(4,446)	(45,239)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		40,047	–
Payments:				
(5,066)	Repayment of borrowings and advances		(4,487)	(4,237)
–	Lease liabilities (principal repayments)		(130)	–
(5,066)	Net cash flow provided (used in) financing activities		35,430	(4,237)
(2,070)	Net increase/(decrease) in cash and cash equivalents		82,748	10,963
41,023	Plus: cash and cash equivalents – beginning of year	18a	23,798	12,835
38,953	Cash and cash equivalents – end of the year	18a	106,546	23,798
165,703	plus: Investments on hand – end of year	7(b)	214,491	198,013
204,656	Total cash, cash equivalents and investments		321,037	221,811

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

Notes to the Financial Statements

for the year ended 30 June 2020

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 27 October 2020. 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 (NSW)* and Regulations, 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.

The Novel Coronavirus (COVID-19) is a respiratory illness that was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19 has had a significant effect on local and global economies, and Council has not been isolated from the direct and indirect effects of the virus.

Council has considered the impacts from the 2020 COVID-19 pandemic in the preparation of these financial statements. Although the pandemic had a widespread effect on slowing down economy around the world, Council notes that as at the date of the issue of the 19/20 financial statements, it is hard to predict any significant future implications on Council's business.

To determine the potential impacts of the pandemic on the financial statements, Council has performed an analysis of the following categories:

- Fair value of property, plant and equipment (PPE) - Level 3.
- Impairment of non-financial assets
- Financial instruments
- Expected credit losses (ECLs)
- Events after the reporting period
- Contingent assets & liabilities and commitment

Specific disclosures have been documented in the notes to the financial statements in recognition of the impacts (financial and otherwise) of the global pandemic.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 23 – Material budget variations

and are clearly marked.

(a) Historical cost convention

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

(b) 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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 infrastructure, property, plant and equipment – refer Note 10 and 24.
- (ii) employee benefit provisions – refer Note 16.

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 8 and 22.

Monies and other assets received by Council

(a) 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
- Other - CivicRisk Metro, and
- Other - CivicRisk Mutual Pools

(b) 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 other assets 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.

Trust monies and property held by Council but not subject to the control of Council have been excluded from 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 is supported by volunteer services in its community support programs - specifically individual social support services, and meals on wheels. All volunteers are reimbursed for travel expenses, and it is the view of council that all other volunteer services are not material and therefore has not been recognised in the income statement.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2020 reporting period.

These standards include:

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059

AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059

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 these new (and still to be applied) standards and interpretations 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 the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 17.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2(a). Council functions/activities – financial information

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

\$ '000	<i>Income from continuing operations</i>		<i>Expenses from continuing operations</i>		<i>Operating result from continuing operations</i>		<i>Grants included in income from continuing operations</i>		<i>Carrying amount of assets</i>	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Children and Family Services	17,022	17,334	17,734	19,108	(712)	(1,774)	5,753	1,073	–	190
Community Events	116	140	3,609	3,718	(3,493)	(3,578)	–	–	–	–
Community Services and Culture	2,369	2,262	10,161	11,360	(7,792)	(9,098)	621	1,092	–	–
Corporate Support Services	196,745	144,167	54,772	65,481	141,973	78,686	5,836	5,536	369,559	1,272,157
Development Assessment	3,863	4,772	6,578	6,874	(2,715)	(2,102)	–	–	–	26
Environment and Sustainability	1,168	764	5,327	5,591	(4,159)	(4,827)	1,020	504	–	8
Footpaths, Roads, Traffic and Stormwater	17,125	17,234	32,196	34,097	(15,071)	(16,863)	2,560	3,056	1,414,447	1,032,701
Library and History Services	1,786	1,270	17,005	11,032	(15,219)	(9,762)	1,584	–	–	59
Recreation and Aquatics	6,950	9,464	9,903	11,266	(2,953)	(1,802)	1,060	1,146	42,722	54,578
Regulatory Services	15,624	17,392	13,628	13,943	1,996	3,449	–	–	–	8,018
Resource Recovery	41,401	41,364	29,265	28,934	12,136	12,430	–	–	2,357	1,444
Strategic Planning	2,606	2,716	5,972	7,934	(3,366)	(5,218)	1,265	750	–	–
Trees, Parks and Sportsfields	16,758	12,557	35,432	35,211	(18,674)	(22,654)	792	–	746,867	93,667
Other	–	–	–	–	–	–	–	–	2,721	–
Total functions and activities	323,533	271,436	241,582	254,549	81,951	16,887	20,491	13,157	2,578,673	2,462,848

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2(b). Council functions/activities - component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Children and Family Services

- Plan for and providing Council's Education and Care Services for families with children aged 0 to 12 years, including:
 - Long day care
 - Family day care
 - Preschool and occasional care
 - Out of school hours care
- Support parents' participation in the workforce and/or society
- Support children with additional needs and from vulnerable and disadvantaged backgrounds

Community Events

- Organise, present and evaluate a program of high quality events that engage the local community in celebrations of place, culture and diversity.
- Provide employment for local performing artists and art workers.

Community Services and Culture

- Providing, and working with partners on, programs and services to support and promote community wellbeing
- Developing social and cultural strategies and plans
- Initiating and managing programs that position the Inner West as a destination for excellence and innovation in the arts and culture
- Activating Council's community facilities to foster community building, participation, and social support

Corporate Support Services

- Customer Service, Business Excellence and Civic Governance
- Communications and Engagement
- Finance
- Human Resources
- Information and Communications Technology
- Legal Services
- Procurement
- Properties, Major Building Projects and Facilities

Development Assessment

- Implementing Council's statutory responsibilities to effectively manage change within the built and physical environment
- Providing accurate, timely and consistent planning and building advice to customers and high quality decisions and development outcomes

Environment and Sustainability

- Strategic planning for Urban Sustainability & Urban Ecology
- Supporting community involvement with urban ecology volunteer projects
- Managing Council's environmental risk, compliance, ecological design and environmental performance, monitoring and reporting

Footpaths, Roads, Traffic and Stormwater

- Plan, design and construct infrastructure
- Maintain and manage infrastructure:
 - Road pavements
 - Roadside furniture
 - Kerb and gutter
 - Footpaths
 - Cycleways
 - Bridges
 - Streetscape
 - Road reserve signage and pavement markings

Notes to the Financial Statements

for the year ended 30 June 2020

Note 2(b). Council functions/activities - component descriptions (continued)

- Stormwater drainage
- Traffic facilities and devices
- Public carparks

Library and History Services

- Deliver library services to a network of eight libraries with about 100,000 library members
- Provide a program of regular activities
- Manage the annual one million visitors to the library, the one million borrowed items and free access to technology and digital resources
- Provide history services and research, manage collections and archives, present exhibitions and displays and run community workshops and programs
- Partner with community organisations and schools to expand library activities and increase library use

Recreation and Aquatics

- Develop, plan for, and promote recreation opportunities to meet the needs of the Inner West Community.
- Manage the service provider contracts for Annette Kellerman Aquatic Centre and Fanny Durack Aquatic Centre to ensure that services and programming meet the needs of the community
- Manage Ashfield Aquatic Centre (under redevelopment), Dawn Fraser Baths (under redevelopment) and Leichhardt Park Aquatic Centre to ensure services and programming meet the needs of the community.
- Develop and deliver master plans for the public domain to support growth and change.

Regulatory Services

- Manage the urban environment in a way that protects life, property, amenities and the environment (natural, built and cultural) through the use of regulatory tools and education.

Resource Recovery

- Undertake strategic planning for Resource Recovery and provide policy, education and information that leads to behaviour change in relation to the avoidance, reuse, recycling and disposal of materials.
- Deliver daily collection and transport services to more than 90,000 households and businesses across the Inner West for waste, recycling, garden waste, household clean up, illegal dumping and lane cleaning, litter bins, Community Recycling Centres and other recycling services (e-waste, mattresses, white goods).

Strategic Planning

- Protect and improve the local, natural and built environment through land use policy and strategy development.
- Guide the efficient and effective use and distribution of Council's resources.
- Guide the delivery of local infrastructure ensuring it supports forecast growth.
- Deliver a suite of plans to drive change and economic development, shape future growth outcomes and guide the delivery of infrastructure.
- Develop outcomes based organisational strategy that reflects community needs and aspirations through effective integrated planning and reporting and delivery of the Community Strategic Plan, Delivery Program and Operational Plan.
- Develop and deliver master plans for the public domain to support growth and change.

Trees, Parks and Sportsfields

- Responsible for all activities within parks, reserves, sporting grounds and public open space, including maintenance, renewal and upgrade projects.
- Coordinating recreation planning and programs for parks and open space.
- Managing the implementation of Urban Forest Policy aims and objectives, including both public and private trees.
- Managing fleet procurement, including maintenance, use and disposal of Council's plant, vehicles and major equipment as well as overseeing Council's depot facilities, in particular their fleet maintenance, parking and storage provisions.
- Streetscape maintenance – including street sweeping, verge mowing and weed control.
- Developing, delivering and promoting recreation opportunities to meet the needs of the Inner West community.
- Managing Council's service provider contracts for indoor recreational facilities, the Debbie and Abbey Borgia Recreation Centre and Robyn Webster Sports Centre, to ensure that services and programming meet the needs of the community.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	85,876	82,507
Business	1058 (1)	35,283	35,070
Less: pensioner rebates (mandatory)		(1,874)	(1,978)
Rates levied to ratepayers		119,285	115,599
Pensioner rate subsidies received		964	967
Total ordinary rates		120,249	116,566
Special rates			
Environmental levy		271	262
Urban street		185	181
Rates levied to ratepayers		456	443
Total special rates		456	443
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	43,215	42,238
Stormwater management services		1,776	1,771
Waste management services (non-domestic)		–	1,361
Section 611 charges		192	153
Less: pensioner rebates (Council policy)	1058 (1)	(3,254)	(3,235)
Annual charges levied		41,929	42,288
Total annual charges		41,929	42,288
TOTAL RATES AND ANNUAL CHARGES		162,634	159,297

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 “at a point in time”,

15 (2) indicates income recognised under AASB 15 “over time”,

1058 (1) indicates income recognised under AASB 1058 “at a point in time”, while

1058 (2) indicates income recognised under AASB 1058 “over time”.

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and charges

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.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property.

2019 Accounting Policy

The accounting policy for 2019 was as per above.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services		172	284
Waste management services (non-domestic)		699	471
Total specific user charges		871	755
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building services – other		700	277
Private works – section 67		1,101	406
Regulatory/ statutory fees		813	346
Section 10.7 certificates (EP&A Act)		523	445
Town planning	15 (1)	4,504	5,544
Building services		78	83
Regulatory – compliance		1,149	1,581
Regulatory fees – other		73	1,510
Total fees and charges – statutory/regulatory		8,941	10,192
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Child care	15 (2)	12,331	16,413
Community centres		324	462
Leisure centre		1,735	4,762
Park rents		764	1,509
Parking fees	15 (1)	2,915	3,587
Hoarding fees		995	979
Meals on wheels		240	322
Pool (admissions)	15 (2)	3,530	2,893
Other		47	978
Total fees and charges – other		22,881	31,905
TOTAL USER CHARGES AND FEES		32,693	42,852

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 “at a point in time”,

15 (2) indicates income recognised under AASB 15 “over time”,

1058 (1) indicates income recognised under AASB 1058 “at a point in time”, while

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for user charges and fees

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. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership. 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.

2019 accounting policy

User charges and fees are recognised as revenue when the service has been provided.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(c) Other revenues			
Ex gratia rates		483	486
Fines – parking	1058 (1)	13,181	15,168
Fines – other		928	1,050
Legal fees recovery – other		252	449
Diesel rebate		34	17
Credit card transaction fee		151	228
Other		1,638	1,953
Street furniture income		–	162
Bus shelter income		1,341	1,497
Donations Received		11	–
<u>TOTAL OTHER REVENUE</u>		<u>18,019</u>	<u>21,010</u>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 “at a point in time”,

15 (2) indicates income recognised under AASB 15 “over time”,

1058 (1) indicates income recognised under AASB 1058 “at a point in time”, while

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

2019 accounting policy:

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.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, 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.

2019 Accounting Policy:

The Accounting policy in 2019 was consistent with the above.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component		1,397	1,987	–	–
Financial assistance – local roads component		1,379	666	–	–
Payment in advance - future year allocation					
Financial assistance – general component	1058 (1)	2,228	2,060	–	–
Financial assistance – local roads component		713	690	–	–
Total general purpose		5,717	5,403	–	–
Specific purpose					
Aged care		924	936	–	–
Child care	1058 (1)	4,829	1,073	–	–
Environmental programs		997	207	–	265
Floodplain management		23	32	–	–
LEP/DCP		1,265	750	–	–
Library – per capita		541	548	–	–
LIRS subsidy		119	133	–	–
Recreation and culture		46	150	1,060	996
Street lighting		665	660	–	–
Transport (roads to recovery)		–	–	857	754
Other		–	–	3,288	1,094
Community services		160	156	–	–
Total specific purpose		9,569	4,645	5,205	3,109
Total grants		15,286	10,048	5,205	3,109
Grant revenue is attributable to:					
– Commonwealth funding		7,846	6,548	1,149	–
– State funding		7,440	2,750	2,498	–
– Other funding		–	750	1,558	3,109
		15,286	10,048	5,205	3,109

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.4 – contributions using planning agreements			–	–	717	5,052
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	17,536	11,678
Total developer contributions – cash			–	–	18,253	16,730
Non-cash contributions						
S 7.4 – contributions using planning agreements			–	–	–	2,840
Total developer contributions non-cash			–	–	–	2,840
Total developer contributions	27		–	–	18,253	19,570
Other contributions:						
Cash contributions						
Roads and bridges			–	–	713	767
RMS contributions (regional roads, block grant)			1,389	1,093	–	–
Other			421	590	2,229	–
Total other contributions – cash			1,810	1,683	2,942	767
Non-cash contributions						
Other			–	–	9,089	–
Total other contributions – non-cash			–	–	9,089	–
Total other contributions			1,810	1,683	12,031	767
Total contributions			1,810	1,683	30,284	20,337
TOTAL GRANTS AND CONTRIBUTIONS			17,096	11,731	35,489	23,446

Accounting policy for grants and contributions**Accounting policy from 1 July 2019****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 is satisfied.

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

Assets arising from grants in the scope of AASB 1058 is recognised at the fair value of the asset when the asset is received. Councils 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

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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

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*.

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 the Council may apply contributions according to the priorities established in work schedules

Accounting policy prior to 1 July 2019

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

For grants or contributions recognised as revenues during the financial year that were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

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*.

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 the Council may apply contributions according to the priorities established in work schedules

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	10,645	72,209
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	4,815	17,270
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	(832)	(78,834)
Less: operating grants received in a previous reporting period now spent and recognised as income	(7,097)	–
Unexpended and held as externally restricted assets (operating grants)	7,531	10,645
Less: capital grants received in a previous reporting period now spent and recognised as income	–	–

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income

<u>\$ '000</u>	<u>2020</u>	<u>2019</u>
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	315	594
– Cash and investments	3,118	3,986
– Other	1,561	1,928
Fair value adjustments		
– Movements in investments at fair value through profit and loss	215	–
<u>Total Interest and investment income</u>	<u>5,209</u>	<u>6,508</u>

Accounting policy for interest and investment revenue

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	87,987	91,923
Employee termination costs	5,640	2,086
Travel expenses	41	42
Employee leave entitlements (ELE)	9,796	12,752
Superannuation	9,770	9,863
Workers' compensation insurance	1,633	2,010
Fringe benefit tax (FBT)	570	569
Training costs (other than salaries and wages)	547	249
Other	93	140
Total employee costs	116,077	119,634
Less: capitalised costs	(350)	(137)
TOTAL EMPLOYEE COSTS EXPENSED	115,727	119,497
Number of 'full-time equivalent' employees (FTE) at year end	1,035	1,036

Accounting policy for employee benefits and on-costs

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, when 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 21 for more information.

\$ '000	2020	2019
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on leases	5	–
Interest on loans	420	620
Total interest bearing liability costs	425	620
Total interest bearing liability costs expensed	425	620
TOTAL BORROWING COSTS EXPENSED	425	620

Accounting policy for borrowing costs

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	8,691	9,853
Contractor and consultancy costs	–	71
– Agency Staff	8,832	13,223
– Consultants	2,303	2,953
– Contractors	31,991	26,757
Auditors remuneration ²	433	554
Legal expenses:		
– Legal expenses: planning and development	525	567
– Legal expenses: debt recovery	–	437
– Legal expenses: other	444	88
Expenses from short-term leases (2020 only)	327	–
Expenses from leases of low value assets (2020 only)	609	–
Variable lease expense relating to usage (2020 only)	26	–
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	818
Tipping fees	9,678	9,814
Total materials and contracts	63,859	65,135
TOTAL MATERIALS AND CONTRACTS	63,859	65,135

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
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Accounting policy for materials and contracts

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

Operating leases (2019 only)

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Computers	–	557
Motor vehicles	–	141
Other	–	120
	<u>–</u>	<u>818</u>

2. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	275	276
Remuneration for audit and other assurance services	<u>275</u>	<u>276</u>

Remuneration for non-assurance services

	–	–
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Total Auditor-General remuneration

	<u>275</u>	<u>276</u>
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Internal Audit Services	158	278
Remuneration for audit and other assurance services	<u>158</u>	<u>278</u>

Total remuneration of non NSW Auditor-General audit firms

	<u>158</u>	<u>278</u>
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Total Auditor remuneration

	<u>433</u>	<u>554</u>
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		1,989	2,129
Office equipment		456	78
Furniture and fittings		154	128
Land improvements (depreciable)		3,623	3,362
Car parks (depreciable)		178	178
Infrastructure:	10(a)		
– Buildings		7,855	6,806
– Roads		6,638	6,635
– Bridges		179	179
– Footpaths		1,568	1,235
– Other road assets		690	689
– Stormwater drainage		1,424	1,233
– Aquatic Facilities		1,448	1,180
– Wharves		78	81
– Sea walls		388	388
– Kerb and gutter		1,441	1,410
Right of use assets	14	143	–
Other assets:			
– Domestic waste vehicles		383	384
Intangible assets	12	636	499
Total gross depreciation and amortisation costs		29,271	26,594
Total depreciation and amortisation costs		29,271	26,594
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</u>		<u>29,271</u>	<u>26,594</u>

Accounting policy for depreciation, amortisation and impairment expenses of non-financial assets**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 10 for IPPE assets, Note 12 for intangible assets and Note 14 for right of use assets.

Depreciation is capitalised where in-house assets have contributed to new 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 no longer required to be tested for impairment under AASB 136. This is because 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 that have an indefinite useful life, or are 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 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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.

\$ '000	2020	2019
(e) Other expenses		
Advertising	412	1,149
Bad and doubtful debts	1,761	1,878
Bank charges	504	510
Computer software charges	4,769	4,112
Contributions/levies to other levels of government		
– NSW fire brigade levy	3,507	3,269
– Self Enforcing Infringement Notice Scheme (SEINS) processing fees	1,875	2,120
– Waste levy	4,703	4,273
Councillor expenses – mayoral fee (incl deputy mayor)	69	76
Councillor expenses – councillors' fees	395	351
Administration and committee fees	–	39
Donations, contributions and assistance to other organisations (Section 356)	1,432	2,088
Electricity and heating	2,989	3,230
Insurance	2,414	2,292
Postage	446	621
Printing and stationery	292	255
Street lighting	1,344	1,663
Subscriptions and publications	644	473
Telephone and communications	1,057	1,266
Valuation fees	388	350
Water rates	422	1,068
Gas	642	593
Other	2,235	2,745
Total other expenses	32,300	34,421
TOTAL OTHER EXPENSES	32,300	34,421

Accounting policy for other expenses

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Infrastructure, property, plant and equipment	10(a)		
Proceeds from disposal – infrastructure		1,466	2,390
Less: carrying amount of infrastructure assets sold/written off		(5,626)	(10,672)
Net gain/(loss) on disposal		<u>(4,160)</u>	<u>(8,282)</u>
Investment properties	11		
Proceeds from disposal – investment property		73,168	–
Less: carrying amount of investment property sold/written off		(23,779)	–
Net gain/(loss) on disposal		<u>49,389</u>	<u>–</u>
Intangible assets	12		
Less: carrying amount of intangible assets sold/written off		(14)	–
Net gain/(loss) on disposal		<u>(14)</u>	<u>–</u>
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>45,215</u>	<u>(8,282)</u>

Accounting policy for disposal of assets

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.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	106,546	23,798
Total cash and cash equivalents	106,546	23,798

Accounting policy for cash and cash equivalents

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.

Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	–	1,097	–	1,139
b. 'Financial assets at amortised cost'	130,800	82,594	118,330	78,544
Total Investments	130,800	83,691	118,330	79,683
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	237,346	83,691	142,128	79,683
Financial assets at fair value through the profit and loss				
Mortgage backed securities	–	1,097	–	1,139
Total	–	1,097	–	1,139
Financial assets at amortised cost				
Long term deposits	118,000	17,000	105,130	10,000
NCD's, FRN's (with maturities > 3 months)	12,800	33,150	11,200	29,500
Fixed bonds (ADIs)	–	32,444	2,000	39,044
Total	130,800	82,594	118,330	78,544

Accounting policy for investments

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)

Financial assets are not reclassified subsequent to their initial recognition.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

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 Term Deposits, Floating Rate Notes, Fixed Rate Notes, trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

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 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 in Mortgage-Backed Securities in the Statement of Financial Position.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(c). Restricted cash, cash equivalents and investments

\$ '000	2020		2019	
	Current ¹	Non-current	Current ¹	Non-current
Total cash, cash equivalents and investments	237,346	83,691	142,128	79,683
attributable to:				
External restrictions	41,372	83,691	25,914	79,683
Internal restrictions	154,464	–	53,566	–
Unrestricted	41,510	–	62,648	–
	237,346	83,691	142,128	79,683

(1) All funds, including unrestricted funds, have been allocated to upcoming Council projects in line with the Operational and Asset Management Plans. The Unrestricted funds have been set aside within internal council reserves covering the cost of projects as per these plans.

\$ '000	2020	2019
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Details of restrictions

External restrictions – other

Developer contributions – general	77,429	63,212
Specific purpose unexpended grants (recognised as revenue) – general fund	7,531	10,645
Stormwater management	1,439	730
Watershed	60	59
Special Rate Variation Income	7,554	4,963
Mainstreet levy	240	240
Domestic waste management	29,303	24,886
3.5% levy reserve	1,507	862

External restrictions – other

	125,063	105,597
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Total external restrictions

	125,063	105,597
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Internal restrictions

Employees leave entitlement	15,884	34,442
Deposits, retentions and bonds	17,696	16,374
Financial Assistance Grant reserve	2,941	2,750
Investment Property Reserve	80,933	–
Infrastructure Renewal Reserve	19,446	–
Depreciation Contra Reserve	17,564	–

Total internal restrictions

	154,464	53,566
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TOTAL RESTRICTIONS

	279,527	159,163
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	8,979	–	6,406	–
Interest and extra charges	379	–	1,428	–
User charges and fees	7,150	–	3,311	–
Accrued revenues				
– Interest on investments	750	–	1,177	–
– Other income accruals	4,764	–	3,381	–
Fines	7,258	–	8,010	–
Net GST receivable	1,232	–	2,637	–
Other debtors	–	–	24,921	–
Total	30,512	–	51,271	–
Less: provision of impairment				
Rates and annual charges	(630)	–	(341)	–
Interest and extra charges	(77)	–	(54)	–
User charges and fees	(1,046)	–	(519)	–
Fines	(3,964)	–	(2,779)	–
Total provision for impairment – receivables	(5,717)	–	(3,693)	–
TOTAL NET RECEIVABLES	24,795	–	47,578	–

\$ '000	2020	2019
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	3,693	4,054
+ new provisions recognised during the year	2,024	1,864
– amounts already provided for and written off this year	–	(452)
– amounts provided for but recovered during the year	–	(1,773)
Balance at the end of the year	5,717	3,693

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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 the 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.

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.

In light of the global pandemic of 2020, Council has increased the probability of debts becoming unrecoverable in line with the decrease in economic activity as per the Reserve Bank of Australia's report on economic outlook.

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets

<u>\$ '000</u>	<u>2020</u> <u>Current</u>	<u>2020</u> <u>Non-current</u>	<u>2019</u> <u>Current</u>	<u>2019</u> <u>Non-current</u>
(a) Inventories				
(i) Inventories at cost				
Stores and materials	143	–	148	–
Trading stock	50	–	32	–
Total inventories at cost	<u>193</u>	<u>–</u>	<u>180</u>	<u>–</u>
<u>TOTAL INVENTORIES</u>	<u>193</u>	<u>–</u>	<u>180</u>	<u>–</u>

(b) Other assets

Prepayments	2,659	–	3,291	–
<u>TOTAL OTHER ASSETS</u>	<u>2,659</u>	<u>–</u>	<u>3,291</u>	<u>–</u>

<u>\$ '000</u>	<u>2020</u> <u>Current</u>	<u>2020</u> <u>Non-current</u>	<u>2019</u> <u>Current</u>	<u>2019</u> <u>Non-current</u>
Total unrestricted assets	<u>2,852</u>	<u>–</u>	<u>3,471</u>	<u>–</u>
<u>TOTAL INVENTORIES AND OTHER ASSETS</u>	<u>2,852</u>	<u>–</u>	<u>3,471</u>	<u>–</u>

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/06/19			Asset movements during the reporting period						as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions/transfers renewals ¹	Additions/transfers new assets	Carrying value of disposals	Depreciation expense	WIP additions	Adjustments and transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	36,021	–	36,021	(7,493)	(42,297)	–	–	94,940	(5,888)	75,283	–	75,283
Plant and equipment	30,033	(17,853)	12,180	–	2,627	(1,997)	(1,989)	–	–	28,929	(18,108)	10,821
Office equipment	4,400	(2,986)	1,414	–	49	(29)	(456)	–	–	3,562	(2,584)	978
Furniture and fittings	1,993	(1,394)	599	–	174	–	(154)	–	–	2,167	(1,548)	619
Land:												
– Crown land	97,858	–	97,858	–	–	–	–	–	–	97,858	–	97,858
– Operational land	396,074	–	396,074	–	–	–	–	–	–	396,074	–	396,074
– Community land	166,909	–	166,909	–	1,377	(1,408)	–	–	4,710	171,588	–	171,588
Land improvements – non-depreciable	4,259	–	4,259	–	–	–	–	–	27	4,286	–	4,286
Land improvements – depreciable	114,176	(30,935)	83,241	789	479	(488)	(3,623)	–	(27)	114,901	(34,530)	80,371
Car parks – non-depreciable	3,547	–	3,547	–	–	–	–	–	–	3,547	–	3,547
Car parks – depreciable	11,193	(3,055)	8,138	27	–	(1)	(178)	–	–	11,215	(3,229)	7,986
Infrastructure:												
– Buildings	337,613	(92,473)	245,140	1,349	37,590	(577)	(7,855)	–	–	375,567	(99,920)	275,647
– Roads	322,570	(160,783)	161,787	3,303	–	(349)	(6,638)	–	–	323,650	(165,547)	158,103
– Bridges	15,995	(4,844)	11,151	–	–	–	(179)	–	–	15,995	(5,023)	10,972
– Footpaths	119,564	(36,086)	83,478	462	–	(88)	(1,568)	–	–	119,860	(37,576)	82,284
– Kerb and gutter	194,584	(76,965)	117,619	546	–	(287)	(1,441)	–	–	194,578	(78,141)	116,437
– Other road assets	21,649	(6,891)	14,758	109	–	–	(690)	–	–	21,758	(7,581)	14,177
– Bulk earthworks (non-depreciable)	512,259	–	512,259	–	–	–	–	–	–	512,259	–	512,259
– Sea walls	37,424	(10,562)	26,862	–	–	–	(388)	–	–	37,424	(10,951)	26,473
– Wharves	6,308	(2,258)	4,050	–	–	(104)	(78)	–	–	6,077	(2,209)	3,868
– Stormwater drainage	177,633	(55,152)	122,481	908	–	(299)	(1,424)	–	–	178,105	(56,439)	121,666
– Aquatic Centres	55,122	(11,222)	43,900	–	1	–	(1,448)	–	–	55,124	(12,671)	42,453
Other assets:												
– Domestic waste vehicles	4,511	(1,771)	2,740	–	–	–	(383)	–	–	4,511	(2,154)	2,357
Total Infrastructure, property, plant and equipment	2,671,695	(515,230)	2,156,465	–	–	(5,627)	(28,492)	94,940	(1,178)	2,754,318	(538,211)	2,216,107

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	27,591	–	27,591	8,430	–	–	–	–	–	36,021	–	36,021
Plant and equipment	29,340	(17,213)	12,127	–	3,736	(1,554)	(2,129)	–	–	30,033	(17,853)	12,180
Office equipment	5,208	(2,910)	2,298	–	1,089	–	(78)	(1,896)	–	4,400	(2,986)	1,414
Furniture and fittings	1,960	(1,265)	695	–	34	–	(128)	–	–	1,993	(1,394)	599
Land:												
– Operational land	395,312	–	395,312	–	–	(65)	–	827	–	396,074	–	396,074
– Community land	177,258	–	177,258	–	–	–	–	(10,349)	–	166,909	–	166,909
– Crown land	88,336	–	88,336	–	–	–	–	9,522	–	97,858	–	97,858
Land improvements – non-depreciable	4,259	–	4,259	–	–	–	–	–	–	4,259	–	4,259
Land improvements – depreciable	108,760	(27,573)	81,187	5,416	–	–	(3,362)	–	–	114,176	(30,935)	83,241
Car parks – non-depreciable	3,547	–	3,547	–	–	–	–	–	–	3,547	–	3,547
Car parks – depreciable	10,869	(2,877)	7,992	324	–	–	(178)	–	–	11,193	(3,055)	8,138
Infrastructure:												
– Buildings	318,579	(84,345)	234,234	8,873	–	(3,331)	(6,806)	8,865	3,307	337,613	(92,473)	245,140
– Roads	317,055	(155,914)	161,141	7,687	–	(407)	(7,291)	–	–	322,570	(160,783)	161,787
– Bridges	15,422	(4,667)	10,755	573	–	–	(179)	–	–	15,995	(4,844)	11,151
– Footpaths	107,756	(34,851)	72,905	11,808	–	–	(1,235)	–	–	119,564	(36,086)	83,478
– Other road assets	21,451	(6,201)	15,250	198	–	–	(33)	–	–	21,649	(6,891)	14,758
– Bulk earthworks (non-depreciable)	512,259	–	512,259	–	–	–	–	–	–	512,259	–	512,259
– Stormwater drainage	174,452	(53,919)	120,533	3,181	–	–	(1,233)	–	–	177,633	(55,152)	122,481
– Swimming pools	66,174	(11,724)	54,450	–	–	(4,812)	(1,180)	(8,865)	4,303	55,122	(11,222)	43,900
– Kerb and gutter	186,959	(75,508)	111,451	793	–	(502)	(1,410)	–	7,286	194,584	(76,965)	117,619
– Sea walls	37,424	(10,174)	27,250	–	–	–	(388)	–	–	37,424	(10,562)	26,862
– Wharves	6,308	(2,178)	4,130	–	–	–	(81)	–	–	6,308	(2,258)	4,050
Other assets:												
– Domestic waste vehicles	4,511	(1,387)	3,124	–	–	–	(384)	–	–	4,511	(1,771)	2,740
Total Infrastructure, property, plant and equipment	2,620,790	(492,706)	2,128,084	47,283	4,859	(10,671)	(26,095)	(1,896)	14,896	2,671,695	(515,230)	2,156,465

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council 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 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.

When infrastructure, property, plant and equipment are acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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

Plant and equipment	Years	Property Assets	Years
Office equipment	5 to 20	Buildings	9 to 151
Office furniture	2 to 10	Aquatic Centres	10 to 100
Plant and Fleet	2 to 10		
Domestic Waste Vehicles	3 to 10	Play Spaces and Sporting Fields	Years
		Land Improvements Parks (Depreciable)	5 to 124
Transport Assets	Years	Seawalls	20 to 141
Roads	25 to 151	Wharves	20 to 80
Road Formation/Bulk Earthworks	Not depreciable		
Bridges	15 to 162		
Footpaths	25 to 129		
Kerb and Gutter	30 to 273		
Traffic Devices	20 to 129		
Other Road assets	5 to 129		
Car Parks (Non Depreciable)	Not Depreciable		
Car Parks (Depreciable)	11 to 150		
Stormwater Drainage	15 - 196		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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 in accordance with AASB 1051 Land Under Roads.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, “all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed”.

At present, Council does not have any rural fire service assets.

Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Domestic waste management						
Domestic waste vehicles	4,511	2,154	2,357	4,511	1,771	2,740
Total DWM	4,511	2,154	2,357	4,511	1,771	2,740
<u>TOTAL RESTRICTED IPP&E</u>	4,511	2,154	2,357	4,511	1,771	2,740

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Investment properties

\$ '000	2020	2019
Owned investment property		
Investment property on hand at fair value	–	28,489
Total owned investment property	–	28,489

(a) Reconciliation – owned investment property

Reconciliation of annual movement:

Opening balance	28,489	28,040
– Disposals during year	(23,779)	–
– Net gain/(loss) from fair value adjustments	–	449
– Reclassified as community land	(4,710)	–
CLOSING BALANCE – OWNED INVESTMENT PROPERTY	–	28,489

(b) Investment property income and expenditure – summary
(2019 only)**Direct operating expenses on investment property:**

– that generated rental income	–	(6)
Net revenue contribution from investment property	–	(6)
Fair value movement for year	–	449
Total income attributable to investment property	–	443

Accounting policy for investment property

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 a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

All of council's Investment Properties were either disposed of or reclassified as Community Land during FY20.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Intangible assets

Intangible assets are as follows:

\$ '000	2020	2019
Software		
Opening values at 1 July		
Gross book value	1,896	–
Accumulated amortisation	(499)	–
Net book value – opening balance	1,397	–
Movements for the year		
– Other movements	93	–
- Transfers from other asset classes	–	1,896
– Purchases	2,384	–
– Amortisation charges	(636)	(499)
– WIP movement - net	5,880	–
– Gross book value written off	(14)	–
Closing values at 30 June		
Gross book value	4,065	1,896
Accumulated amortisation	(841)	(499)
Software work in progress (WIP) balance	5,880	–
Total software – net book value	9,104	1,397
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	9,104	1,397

Accounting policy for intangible assets**IT development and software**

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Contract assets and liabilities

<u>\$ '000</u>	2020 Current	2020 Non-current
(a) Contract assets		
Capital Grants	1,260	–
<u>Total Contract assets</u>	<u>1,260</u>	<u>–</u>

<u>\$ '000</u>	2020 Current	2020 Non-current	2019 Current
(b) Contract liabilities			
Income in Advance	3,998	4,174	4,267
<u>Total contract liabilities</u>	<u>3,998</u>	<u>4,174</u>	<u>4,267</u>

Significant changes in contract assets and liabilities

The contract assets have arisen on adoption of AASB 15 and AASB 1058. Previously, revenue was recognised on receipt of the funds. Council now recognizes the revenue in relation to the performance obligations of the contract (as for the majority of its capital grants the receipt of funds is in arrears compared to the completion of the performance obligation).

Accounting policy for contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

(i) 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.

Buildings

Council leases land and buildings for service delivery (a childcare centre and a nursery) and also leases a car park; the leases are generally between 2 and 7 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

The building leases contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Plant & Equipment

Council leases vehicles with lease terms of 2 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 5 years with no renewal option and the payments are fixed.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

Council has determined that for all leases with an extension option, it is reasonably certain that this extension option will be exercised.

\$ '000	<i>Plant & Equipment</i>	<i>Buildings</i>	<i>Office & IT Equipment</i>	<i>Total</i>
Opening balance at 30 June 2019	–	–	–	–
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	182	230	90	502
Adjustments to right-of-use assets due to re-measurement of lease liability	–	(5)	–	(5)
Depreciation charge	(50)	(71)	(22)	(143)
<u>RIGHT OF USE ASSETS</u>	<u>132</u>	<u>154</u>	<u>68</u>	<u>354</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	2020 Current	2020 Non-current
(b) Lease liabilities		
Lease liabilities	191	176
<u>TOTAL LEASE LIABILITIES</u>	<u>191</u>	<u>176</u>

(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	<i>Total per Statement of Financial Position</i>
Cash flows	190	177	–	367	367

\$ '000	2020
---------	------

(c) Income Statement

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

Interest on lease liabilities	5
Variable lease payments based on usage not included in the measurement of lease liabilities	26
Depreciation of right of use assets	143
Expenses relating to short-term leases	327
Expenses relating to low-value leases	609
	<u>1,110</u>

(d) Statement of Cash Flows

Total cash outflow for leases	(130)
	<u>(130)</u>

Accounting policy

Accounting policies under AASB 16 – applicable from 1 July 2019

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?

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. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

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.

(ii) Council as a lessor

(e) Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note 11) and/or IPP&E (refer note 10a) in the Statement of Financial Position.

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

\$ '000	2020	2019
(i) Operating lease income		
Other Council Properties		
Lease income (excluding variable lease payments not dependent on an index or rate)	3,695	2,940
Lease income relating to variable lease payments not dependent on an index or a rate	22	–
Other lease income		
Leaseback fees - council vehicles	581	–
(ii) Investment Properties		
Lease income (excluding variable lease payments not dependent on an index or rate)	2,779	3,059
Total income relating to operating leases	7,077	5,999
(iv) Maturity analysis of contractual lease income		
Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:		
< 1 year	1,372	–
1–2 years	1,413	–
Total undiscounted contractual lease income receivable	2,785	–

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.

If the lease contains lease and non-lease components then 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Prepaid rates	232	–	–	–
Goods and services – operating expenditure	3,245	–	12,943	–
Accrued expenses:				
– Borrowings	317	–	19	–
– Salaries and wages	1,817	–	1,073	–
– Other expenditure accruals	6,863	–	4,210	–
Security bonds, deposits and retentions	17,885	–	16,645	–
Other	877	–	1,008	–
Total payables	31,236	–	35,898	–
Borrowings				
Loans – secured ¹	3,762	40,897	3,683	5,416
Total borrowings	3,762	40,897	3,683	5,416
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>34,998</u>	<u>40,897</u>	<u>39,581</u>	<u>5,416</u>

(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 22.

\$ '000	2020	2019
(a) Current payables and borrowings not anticipated to be settled within the next twelve months		
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	11,239	10,460
Total payables and borrowings	11,239	10,460

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	9,099	35,560	–	–	–	–	44,659
Lease liabilities	–	–	–	–	367	–	367
TOTAL	9,099	35,560	–	–	367	–	45,026

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	13,336	(4,237)	–	–	–	9,099
TOTAL	13,336	(4,237)	–	–	–	9,099

\$ '000	2020	2019
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(c) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Bank overdraft facilities ¹	1,000	2,000
Credit cards/purchase cards	274	549
Total financing arrangements	1,274	2,549

Undrawn facilities as at balance date:

– Bank overdraft facilities	1,000	2,000
– Credit cards/purchase cards	274	549
Total undrawn financing arrangements	1,274	2,549

Additional financing arrangements information**Breaches and defaults**

During the current and prior year, there were no defaults or breaches on any of the loans.

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Accounting policy for payables and borrowings

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.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest 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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	9,280	–	9,647	–
Sick leave	575	–	600	–
Long service leave	19,398	1,418	19,232	1,902
Other leave	718	–	806	–
ELE on-costs	1,912	75	2,148	107
Sub-total – aggregate employee benefits	31,883	1,493	32,433	2,009
TOTAL PROVISIONS	31,883	1,493	32,433	2,009

\$ '000	2020	2019
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Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	20,270	19,485
	<u>20,270</u>	<u>19,485</u>

Accounting policy for provisions

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 interest expense.

Employee benefits**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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. 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 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.

The obligations are presented as current liabilities in the Statement of Financial Position if the 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

(b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

(i) AASB 15 and AASB 1058

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

Principal v agent

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the “commission” to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

Licences

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

Prepaid rates

Under AASB 1004, rates were recorded as revenue at the earliest of receipt of the funds from the ratepayer and the beginning of the rating period. Under AASB 1058, prepaid rates are recognised as a financial liability until the beginning of the rating period.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a recognizable non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Balance at 1 July 2019
Opening contract balances at 1 July 2019	
Contract assets	
– Under AASB 15	–
– Under AASB 1058	230
Total Contract assets	230
Contract liabilities	
– Under AASB 15	4,267
Total Contract liabilities	4,267

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	230	230
Total assets	–	230	230
Contract liabilities	–	4,267	4,267
Income in Advance	–	(4,267)	(4,267)
Total liabilities	–	–	–
Accumulated surplus	2,182,842	(230)	2,182,612
Total equity	–	(230)	230

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	106,546	23,798
Balance as per the Statement of Cash Flows		106,546	23,798
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		81,951	16,887
Adjust for non-cash items:			
Depreciation and amortisation		29,271	26,594
Net losses/(gains) on disposal of assets		(45,215)	8,282
Non-cash capital grants and contributions		(9,089)	(2,840)
Adoption of AASB 15/1058		(230)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as ‘at fair value’ or ‘held for trading’		(215)	–
– Investment property		–	(449)
Share of net (profits)/losses of associates/joint ventures using the equity method		(101)	(144)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(4,168)	(5,447)
Increase/(decrease) in provision for impairment of receivables		2,024	(361)
Decrease/(increase) in inventories		(13)	(2)
Decrease/(increase) in other current assets		632	536
Decrease/(increase) in contract assets		(1,260)	–
Increase/(decrease) in payables		(9,698)	4,288
Increase/(decrease) in accrued interest payable		298	(6)
Increase/(decrease) in other accrued expenses payable		3,397	3,634
Increase/(decrease) in other liabilities		1,341	5,064
Increase/(decrease) in contract liabilities		3,905	–
Increase/(decrease) in provision for employee benefits		(1,066)	4,660
Increase/(decrease) in other provisions		–	(257)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		51,764	60,439
(c) Non-cash investing and financing activities			
Developer contributions ‘in kind’		9,089	2,840
Total non-cash investing and financing activities		9,089	2,840

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2020	2019	2020	2019
Joint ventures	101	144	3,164	3,637
Total	101	144	3,164	3,637

Joint Ventures

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2020	2019
CivicRisk Mutual	Joint Venture	Equity method	214	258
CivicRisk Metro	Joint Venture	Equity method	2,950	3,379
Total carrying amounts – material associates			3,164	3,637

(b) Details

	Principal activity	Place of business
CivicRisk Mutual	Local govt. insurance coverage	Penrith NSW
CivicRisk Metro	Local govt. insurance coverage	Penrith NSW

(c) Relevant interests and fair values

\$ '000	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2020	2019	2020	2019	2020	2019	2020	2019
CivicRisk Mutual	214	258	3%	4%	3%	4%	0%	6%
CivicRisk Metro	2,950	3,379	23%	23%	23%	23%	0%	17%

(d) Summarised financial information for associates

\$ '000	CivicRisk Mutual		CivicRisk Metro	
	2020	2019	2020	2019
Statement of financial position				
Current assets				
Other current assets	12,101	9,028	15,062	10,154
Non-current assets	5,102	5,368	6,711	12,769
Current liabilities				
Other current liabilities	6,412	4,578	3,451	1,625
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	3,635	2,279	5,558	6,651
Net assets	7,156	7,539	12,764	14,647
Reconciliation of the carrying amount				
Opening net assets (1 July)	13,435	14,959	14,648	13,549

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Interests in other entities (continued)

\$ '000	CivicRisk Mutual		CivicRisk Metro	
	2020	2019	2020	2019
Profit/(loss) for the period	211	(1,524)	(289)	1,099
Closing net assets	13,646	13,435	14,359	14,648
Council's share of net assets (%)	3%	3%	23%	23%
Council's share of net assets (\$)	214	258	2,950	3,379

Accounting policy for associates

Interests in associates 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 at 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 investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses.

The Council's share in the associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Note 20. Commitments

\$ '000	2020	2019
---------	------	------

(a) Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	11,642	43,958
Plant and equipment	3	384
Infrastructure	496	3,050
ICT	305	752
Other	102	2,578
Total commitments	12,548	50,722

These expenditures are payable as follows:

Within the next year	12,548	50,722
Total payable	12,548	50,722

Sources for funding of capital commitments:

Unrestricted general funds	12,548	50,722
Total sources of funding	12,548	50,722

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Commitments (continued)

\$ '000	2020	2019
(b) Non-cancellable operating lease commitments (2019 only)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	–	761
Later than one year and not later than 5 years	–	2,588
Total non-cancellable operating lease commitments	–	3,349

Refer to Note 14 for information relating to leases for 2020.

Note 21. 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 superannuation contribution 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 member contributions for non-180 Point Members; Nil for 180 Point Members
Division C	2.5% salaries
Division D	1.64 times member contributions

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Contingencies (continued)

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 Council.

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

Council's expected contribution to the plan for the next annual reporting period is \$1,484,986.92.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

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

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

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.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities 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.

(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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Contingencies (continued)

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.

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.

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 30/6/08.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management

Risk management

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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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	<i>Carrying value 2020</i>	<i>Carrying value 2019</i>	<i>Fair value 2020</i>	<i>Fair value 2019</i>
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	106,546	23,798	106,546	23,798
Receivables	24,795	47,578	24,795	47,578
Investments				
– 'Financial assets at amortised cost'	213,394	196,874	216,270	200,149
Fair value through profit and loss				
Investments				
– 'Held for trading'	1,097	1,139	1,097	1,139
Total financial assets	345,832	269,389	348,708	272,664
Financial liabilities				
Payables	31,236	35,898	31,236	35,898
Loans/advances	44,659	9,099	44,659	9,099
Lease liabilities	367	–	367	–
Total financial liabilities	76,262	44,997	76,262	44,997

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 mkt 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'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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 advisors.

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 it's 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

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.
- **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 – price risk and interest rate risk

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.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 10% movement in market values	16,983	16,983	(16,983)	(1,698)
Possible impact of a 1% movement in interest rates	1,698	1,698	(1,698)	(1,698)
2019				
Possible impact of a 10% movement in market values	27,645	27,645	(27,645)	(27,645)
Possible impact of a 1% movement in interest rates	2,765	2,765	(2,765)	(2,765)

(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.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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.

Council has determined that the impact of the worldwide pandemic in 2020 is still yet to be fully realised. However, the credit risk of its outstanding receivables has increased and as a consequence, Council has reflected this in its calculation of its provision of doubtful debts through the Estimated Credit Loss method.

Credit risk profile

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

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	<i>Not yet overdue</i>	<i>< 1 year overdue</i>	<i>1 - 2 years overdue</i>	<i>2 - 5 years overdue</i>	<i>> 5 years overdue</i>	<i>Total</i>
2020						
Gross carrying amount	1	4,925	1,529	446	2,078	8,979
2019						
Gross carrying amount	–	3,514	1,091	318	1,483	6,406

Receivables - non-rates and annual charges

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 2020 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	<i>Not yet overdue</i>	<i>0 - 30 days overdue</i>	<i>31 - 60 days overdue</i>	<i>61 - 90 days overdue</i>	<i>> 91 days overdue</i>	<i>Total</i>
2020						
Gross carrying amount	7,257	2,525	1,069	635	3,059	14,545
Expected loss rate (%)	0.00%	2.00%	5.00%	10.00%	16.00%	4.52%
2019						
Gross carrying amount	42,522	967	166	744	466	44,865

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. 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 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	<i>Weighted average interest rate</i>	<i>Subject to no maturity</i>	<i>payable in:</i>			<i>Total cash outflows</i>	<i>Actual carrying values</i>
			<i>≤ 1 Year</i>	<i>1 - 5 Years</i>	<i>> 5 Years</i>		
2020							
Trade/other payables	0.00%	17,885	13,350	–	–	31,235	31,004
Loans and advances	4.45%	–	818	4,603	39,238	44,659	44,659
Lease liabilities	1.41%	–	184	176	–	360	–
Total financial liabilities		17,885	14,352	4,779	39,238	76,254	75,663
2019							
Trade/other payables	0.00%	16,645	19,253	–	–	35,898	35,898
Loans and advances	5.16%	–	3,991	5,868	–	9,859	9,099
Total financial liabilities		16,645	23,244	5,868	–	45,757	44,997

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 25th of June, 2019 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

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

\$ '000	2020 <i>Budget</i>	2020 <i>Actual</i>	2020 <i>Variance</i>	
REVENUES				
User charges and fees	45,948	32,693	(13,255)	(29)% U
Free childcare for H2 FY20 (as per Commonwealth government policy in regards to pandemic response); closure of aquatic centres during Q3 & Q4.				
Other revenues	26,291	18,019	(8,272)	(31)% U
Rental income budgeted here; not as below				
Operating grants and contributions	10,620	17,096	6,476	61% F
Childcare state & commonwealth grants to offset free childcare delivered in H2, FY20; Grants received for the accelerated LEP/DCP Review from the Department of planning were not budgeted for.				
Net gains from disposal of assets	–	45,215	45,215	∞ F
Sale of Tempe Lands (investment properties).				
Rental income	–	7,077	7,077	∞ F
Rental income not separately budgeted.				
Joint ventures and associates – net profits	–	101	101	∞ F
Share on interests not separately budgeted for.				
EXPENSES				
Borrowing costs	1,969	425	1,544	78% F
Interest on loan for the Ashfield Aquatic Centre Redevelopment was budgeted as opex; as the loan is purely for the construction of this asset - and the asset is still in the process of being built; it was capitalized.				
Depreciation and amortisation	33,080	29,271	3,809	12% F
Budget was built on not accurate assumptions - not matched to the forecast as per the asset system. This has been addressed for FY21.				
Net losses from disposal of assets	70	–	70	100% F
Sale of tempe lands (investment properties)				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	65,576	51,764	(13,812)	(21)% U

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
As per reduction in accruals and accounts payable balances at year end.				
Cash flows from investing activities	(62,580)	(4,446)	58,134	(93)% F
Sale of Tempe Lands (investment properties)				
Cash flows from financing activities	(5,066)	35,430	40,496	(799)% F
Loan for Ashfield Aquatics Centre Redevelopment was budgeted in FY19.				

Notes to the Financial Statements for the year ended 30 June 2020

Note 24. Fair Value Measurement

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

- Investment property
- Infrastructure, property, plant and equipment
- Investments

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).

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

(1) Assets and liabilities that have been measured and recognised at fair values

2020	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– ‘Held for trading’	30/06/20	–	1,097	–	1,097
Total financial assets		–	1,097	–	1,097
Investment property					
Investment Property	30/06/20	–	–	–	–
Total investment property		–	–	–	–
Infrastructure, property, plant and equipment					
Crown Land	30/06/19	–	–	97,858	97,858
Operational land	30/06/18	–	396,074	–	396,074
Community land	30/06/19	–	–	171,588	171,588
Land improvements – non-depreciable	30/06/18	–	–	4,286	4,286
Land improvements – depreciable	30/06/18	–	–	80,371	80,371
Car parks – non-depreciable	30/06/18	–	–	3,547	3,547
Car parks – depreciable	30/06/18	–	–	7,986	7,986
Buildings	30/06/19	–	–	275,647	275,647
Roads	30/06/18	–	–	158,103	158,103
Bridges	30/06/18	–	–	10,972	10,972
Footpaths	30/06/18	–	–	82,284	82,284
Kerb and Gutter	30/06/19	–	–	116,437	116,437
Other road assets	30/06/18	–	–	14,177	14,177
Bulk earthworks (non-depreciable)	30/06/18	–	–	512,259	512,259
Sea walls	30/06/18	–	–	26,473	26,473
Wharves	30/06/18	–	–	3,868	3,868
Stormwater drainage	30/06/18	–	–	121,666	121,666
Aquatic Centres	30/06/19	–	–	42,453	42,453
Domestic Waste Vehicles	30/06/18	–	–	2,357	2,357
Total infrastructure, property, plant and equipment		–	396,074	1,732,332	2,128,406

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total	
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs		
Recurring fair value measurements						
Financial assets						
Investments						
	– ‘Held for trading’	30/06/19	–	1,139	–	1,139
Total financial assets			–	1,139	–	1,139
Investment property						
	Investment Property	30/06/19	–	28,489	–	28,489
Total investment property			–	28,489	–	28,489
Infrastructure, property, plant and equipment						
	Crown Land	30/06/19	–	–	97,858	97,858
	Operational land	30/06/18	–	396,074	–	396,074
	Community land	30/06/19	–	–	166,909	166,909
	Land improvements – non-depreciable	30/06/18	–	–	4,259	4,259
	Land improvements – depreciable	30/06/18	–	–	83,241	83,241
	Car parks – non-depreciable	30/06/18	–	–	3,547	3,547
	Car parks – depreciable	30/06/18	–	–	8,138	8,138
	Buildings	30/06/19	–	–	245,140	245,140
	Roads	30/06/18	–	–	161,787	161,787
	Bridges	30/06/18	–	–	11,151	11,151
	Footpaths	30/06/18	–	–	83,478	83,478
	Kerb and Gutter	30/06/19	–	–	117,619	117,619
	Other road assets	30/06/18	–	–	14,758	14,758
	Bulk earthworks (non-depreciable)	30/06/18	–	–	512,259	512,259
	Sea walls	30/06/18	–	–	26,862	26,862
	Wharves	30/06/18	–	–	4,050	4,050
	Stormwater drainage	30/06/18	–	–	122,481	122,481
	Aquatic Centres	30/06/19	–	–	43,900	43,900
	Domestic Waste Vehicles	30/06/18	–	–	2,740	2,740
Total infrastructure, property, plant and equipment			–	396,074	1,710,177	2,106,251

Note that capital WIP is not included above since it is carried at cost.

During the year, there were no transfers between Level 1 and Level 2 fair value hierarchies for recurring fair value measurements.

(2) Valuation techniques used to derive level 2 and level 3 fair values

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:

Infrastructure, property, plant and equipment (IPP&E)**Buildings -Non-Specialised and Specialised**

Buildings were valued by Scott Fullerton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registered Valuer No. 2144 as at 30 June 2018 using the fair value approach.

This approach estimated the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

The buildings were physically inspected and measured as such maximised the use of observable inputs and minimised the use of unobservable inputs. As such these assets were classified as having been valued using Level 3 valuation inputs.

There has been no change to the valuation process during the reporting period.

Community Land

Valuation of all Council's Community Land and Council managed land were based on the land values provided by the Valuer-General as at 30th June 2016. As these rates were not considered to be observable market evidence they have been classified as Level 3.

Operational Land

The valuation of Council's operational land was undertaken as at 30 June 2018 by Scott Fullerton Valuations Pty Ltd. FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

Operational has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to

- The land's description and/or dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

There has been no change to the valuation process during the reporting period.

All Other Infrastructure, property, plant and equipment (IPP&E)

The cost approach has been utilised where 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 on the final determination of fair value. As such these assets are classified as having been valued using Level 3 valuation inputs.

There has been no change to the valuation process during the reporting period.

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

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Level 2 Operational land	Level 3 Remaining assets	Total
2019			
Opening balance	395,312	1,690,015	2,085,327
Transfers from/(to) another asset class	827	-	827
Purchases (GBV)	-	38,853	38,853
Disposals (WDV)	(65)	(9,052)	(9,117)
Depreciation and impairment	-	(23,474)	(23,474)
FV gains – other comprehensive income	-	13,835	13,835
Closing balance	396,074	1,710,177	2,106,251
2020			
Opening balance	396,074	1,710,177	2,106,251
Transfers from/(to) another asset class	-	4,710	4,710
Purchases (GBV)	-	46,940	46,940
Disposals (WDV)	-	(3,601)	(3,601)
Depreciation and impairment	-	(25,894)	(25,894)
Closing balance	396,074	1,732,332	2,128,406

(4) Highest and best use

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

Notes to the Financial Statements
for the year ended 30 June 2020

Note 25. Related party disclosures

Key management personnel

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.

- Mayor (1)
- Councillors (14)
- Chief Executive Officer (1)
- Chief Operating Officer (1)
- Deputy General Manager (1)

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	1,374	1,812
Post-employment benefits	53	86
Termination benefits	338	107
Total	1,765	2,005

Note 26. Events occurring after the reporting date

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Statement of developer contributions

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.

Summary of contributions and levies

\$ '000	as at 30/06/19						as at 30/06/20	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	741	61	–	20	–	–	822	–
Traffic facilities	1,061	746	–	36	(308)	–	1,535	–
Parking	80	–	–	2	–	–	82	–
Open space	24,521	10,355	–	704	(2,396)	–	33,184	–
Community facilities	2,722	1,212	–	77	(46)	–	3,965	–
Open space and recreation	9,502	1,080	–	258	(1,169)	–	9,671	–
Community services and facilities	2,241	214	–	62	(7)	–	2,510	–
Transport and access	7,453	191	–	201	(220)	–	7,625	–
Administration	102	218	–	4	–	–	324	–
Plan preparation	900	98	–	25	(153)	–	870	–
S7.11 contributions – under a plan	49,323	14,175	–	1,389	(4,299)	–	60,588	–
S7.12 levies – under a plan	4,112	717	–	109	(1,116)	–	3,822	–
Total S7.11 and S7.12 revenue under plans	53,435	14,892	–	1,498	(5,415)	–	64,410	–
S7.4 planning agreements	9,777	3,361	9,089	61	(180)	–	13,019	–
Total contributions	63,212	18,253	9,089	1,559	(5,595)	–	77,429	–

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

\$ '000	as at 30/06/19		Contributions received during the year			as at 30/06/20		
	Opening Balance	Cash	Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN NUMBER 1 - Open Space and Recreation (former Leichhardt)								
Effective 18 January 2005	9,502	1,080	–	258	(1,169)	–	9,671	–
Total	9,502	1,080	–	258	(1,169)	–	9,671	–
CONTRIBUTION PLAN NUMBER 2 - Community Services and Facilities (former Leichhardt)								
Effective 23 August 2005	2,241	214	–	62	(7)	–	2,510	–
Total	2,241	214	–	62	(7)	–	2,510	–
CONTRIBUTION PLAN NUMBER 3 - Transport and Access (former Leichhardt)								
Effective 3 November 1999	7,453	191	–	201	(220)	–	7,625	–
Total	7,453	191	–	201	(220)	–	7,625	–
2004 S94 Developer Contributions Plan (former Marrickville)								
Roads	408	–	–	11	–	–	419	–
Traffic facilities	(178)	–	–	–	–	–	(178)	–
Open space	1,900	–	–	50	–	–	1,950	–
Total	2,130	–	–	61	–	–	2,191	–
2014 S94 Developer Contributions Plan (former Marrickville)								
Traffic facilities	236	613	–	9	–	–	858	–
Open space	12,019	9,123	–	366	(1,165)	–	20,343	–
Community facilities	1,149	1,133	–	35	(46)	–	2,271	–
Administration	102	218	–	4	–	–	324	–
Total	13,506	11,087	–	414	(1,211)	–	23,796	–
CONTRIBUTION PLAN NUMBER (former Ashfield)								
Roads	333	61	–	9	–	–	403	–
Traffic facilities	1,003	133	–	27	(308)	–	855	–
Parking	80	–	–	2	–	–	82	–
Open space	10,602	1,232	–	288	(1,231)	–	10,891	–

continued on next page ...

Notes to the Financial Statements
for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

	as at 30/06/19						as at 30/06/20	
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
Community facilities	1,573	79	–	42	–	–	1,694	–
Plan preparation	900	98	–	25	(153)	–	870	–
Total	14,491	1,603	–	393	(1,692)	–	14,795	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER (former Marrickville)

s94A Levies	2,390	255	–	60	(1,012)	–	1,693	–
Total	2,390	255	–	60	(1,012)	–	1,693	–

CONTRIBUTION PLAN NUMBER (former Ashfield)

Other	1,722	462	–	49	(104)	–	2,129	–
Total	1,722	462	–	49	(104)	–	2,129	–

Notes to the Financial Statements

for the year ended 30 June 2020

Note 28(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	931	0.38%	0.46%	3.24%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	242,513				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	225,417	81.08%	87.01%	88.83%	>60.00%
Total continuing operating revenue ¹	278,002				
3. Unrestricted current ratio					
Current assets less all external restrictions	224,881	5.68x	3.04x	3.72x	>1.50x
Current liabilities less specific purpose liabilities	39,561				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	30,627	6.07x	5.84x	6.61x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	5,042				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	8,651	5.08%	4.48%	3.92%	<5.00%
Rates, annual and extra charges collectible	170,388				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	241,546	11.53	7.42	8.05	>3.00
Monthly payments from cash flow of operating and financing activities	20,951	mths	mths	mths	mths

(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

Notes to the Financial Statements
for the year ended 30 June 2019

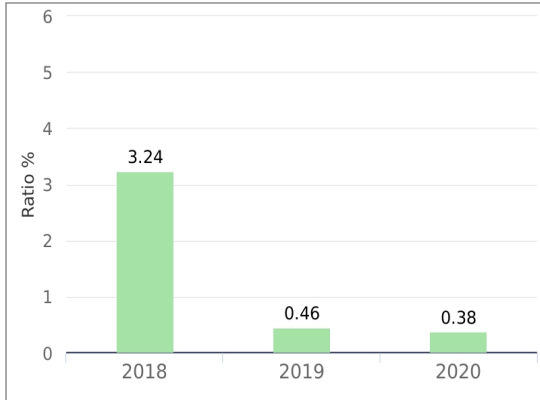
End of Audited Financial Statements

End of Audited Financial Statements

Notes to the Financial Statements
for the year ended 30 June 2020

Note 28(b). 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 2019/20 result

2019/20 ratio 0.38%

The Operating Performance Ratio remains above the 0.00% set out by the NSW Office of Local Government.

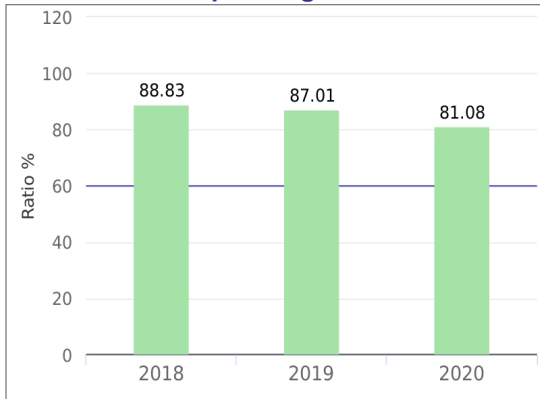
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 2019/20 result

2019/20 ratio 81.08%

Council continues to retain its Own Source Operating Revenue ratio well above the benchmark of 60%.

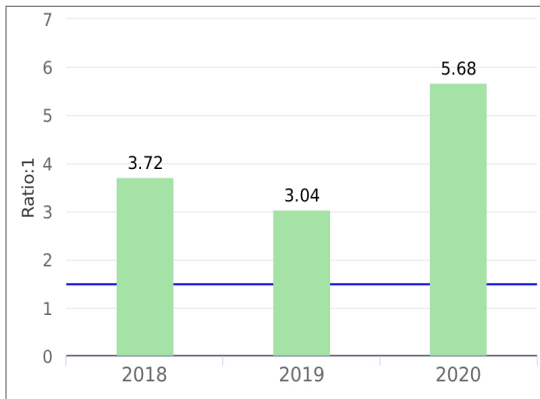
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 2019/20 result

2019/20 ratio 5.68x

Council has the capacity to meet its obligations after all internal and external restrictions are excluded. Council's Unrestricted Current ratio continues to track above the benchmark of 1.5.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

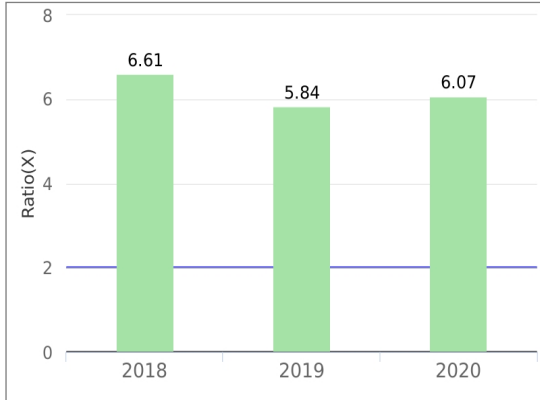
Ratio achieves benchmark

Ratio is outside benchmark

Notes to the Financial Statements
for the year ended 30 June 2020

Note 28(b). Statement of performance measures – consolidated results (graphs)

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 2019/20 result

2019/20 ratio 6.07x

Council's debt service cover ratio is well above the benchmark indicator of 2 and demonstrates its continued ability to service its loans.

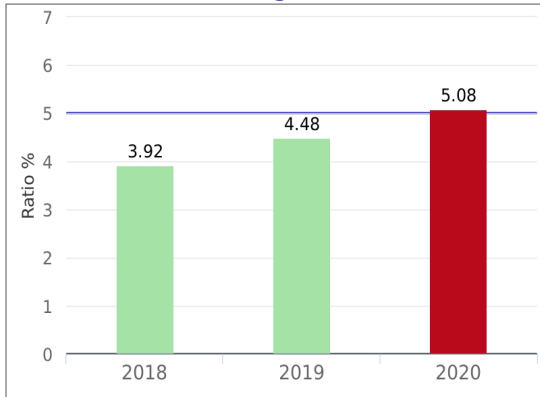
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2019/20 result

2019/20 ratio 5.08%

Whilst council actively pursues the recovery of Rates and Extra Charges, the global pandemic of FY20 has led to an increase in this ratio. Council expects this ratio to remain steady in FY21 with improvements beginning to occur in FY22.

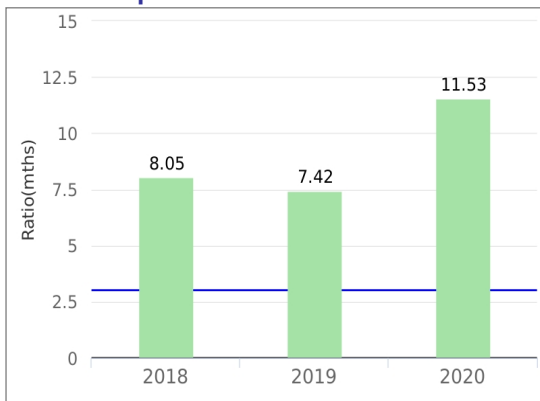
Benchmark: — < 5.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 2019/20 result

2019/20 ratio 11.53 mths

Council's Unrestricted Current ratio is above the benchmark of 3.

Benchmark: — > 3.00mths

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Inner West Council

To the Councillors of Inner West Council

Opinion

I have audited the accompanying financial statements of Inner West Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 23 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2020
SYDNEY



Clr Darcy Byrne
Mayor
Inner West Council
2-14 Fisher St
PETERSHAM NSW 2049

Contact: Caroline Karakatsanis
Phone no: 02 9275 7143
Our ref: D2021918/1743

30 October 2020

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2020 Inner West Council

I have audited the general purpose financial statements (GPFS) of the Inner West Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020 \$m	2019* \$m	Variance %
Rates and annual charges revenue	162.6	159.3	2.1
Grants and contributions revenue	52.6	35.2	49.4
Operating result from continuing operations	82.0	16.9	385.2
Net operating result before capital grants and contributions	46.5	(6.6)	804.5

Rates and annual charges revenue increased by \$3.3 million (2.1 per cent) to \$162.6 million in 2019–20 due to the annual rate peg increase applied to ordinary rates (2.7 per cent) and increase in base rate for domestic waste charges.

Grants and contributions revenue increased by \$17.4 million (49.4 per cent) to \$52.6 million in 2019–20 mainly due to:

- increase in developer and non-cash contributions received during the year
- a \$3.8 million increase in childcare grants received to support childcare services delivered during COVID-19 environment.

The Council’s operating result from continuing operations of \$82.0 million (including depreciation and amortisation expense of \$29.3 million) was \$65.1 million higher than the 2018–19 result. This increase resulted from the net impact of the following:

- net gain on the disposal of investment properties and other assets amounting to \$45.2 million
- increases in rates and annual charges and grants revenue by a total of \$20.7 million as described above.

The net operating result before capital grants and contributions of \$46.5 million was \$53.0 million higher than the 2018–19 result.

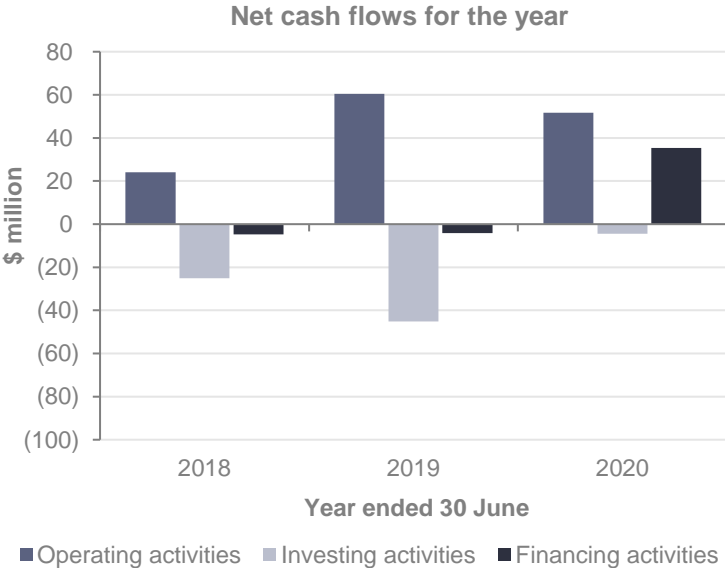
STATEMENT OF CASH FLOWS

Operating cash inflows are lower than last year mainly due to increased payments to suppliers and employees during the year.

Cash outflows from investing activities decreased due to the offsetting impact of the proceeds from sale of investment property in the current year.

Financing activities in 2019–20 resulted to a cash inflow due to new borrowings drawn for the redevelopment of Ashfield Aquatic Centre.

The Statement of cash flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	125.1	105.6	• Externally restricted balances include cash reserves earmarked for specific purposes such as developer contributions and domestic waste management.
Internal restrictions	154.5	53.6	
Unrestricted	41.5	62.6	
Cash and investments	321.1	221.8	<ul style="list-style-type: none"> • Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. Increase in internally restricted cash were due to increase in funds set aside for investment property acquisitions and infrastructure renewals. • Unrestricted cash and investments provide liquidity for day-to-day operations. Unrestricted cash has decreased as more funds have been externally and internally restricted.

Debt

Total debt during 2019–20 increased to \$44.7 million (2018–19: \$9.1 million). The increase is mainly due to new loans secured in 2019–20 for the Ashfield Aquatic Centre redevelopment and recognition of lease liabilities.

PERFORMANCE

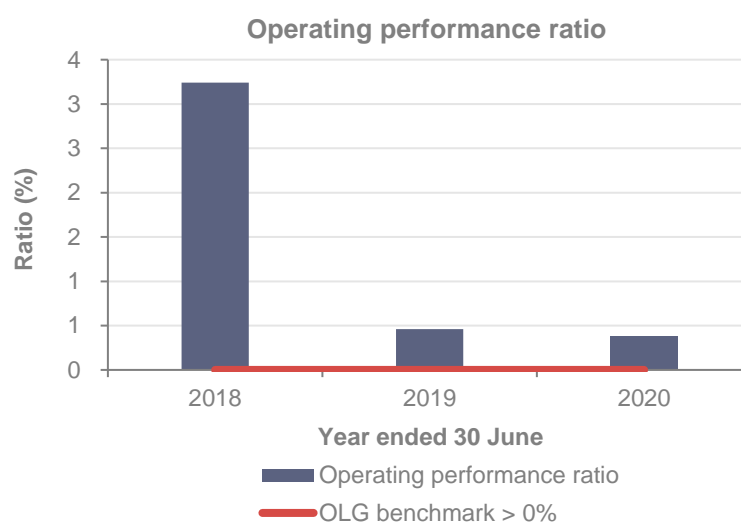
Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

The Council met the OLG benchmark for the current reporting period.

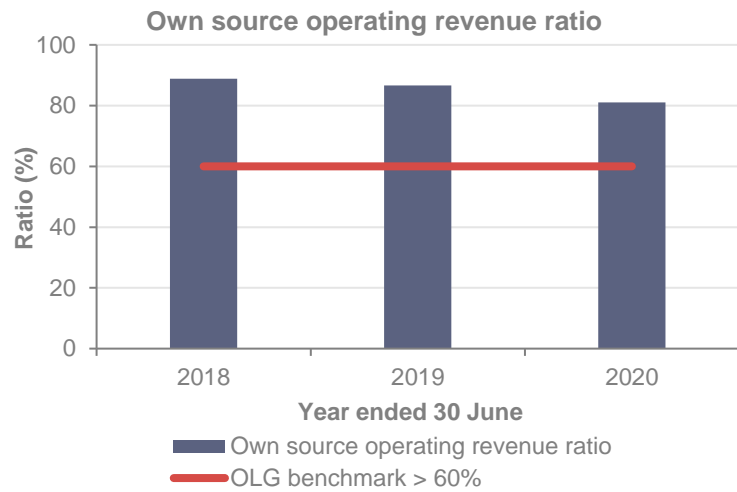
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

The Council's own source operating revenue ratio has remained steady over the past three years, and continues to meet the OLG benchmark.

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

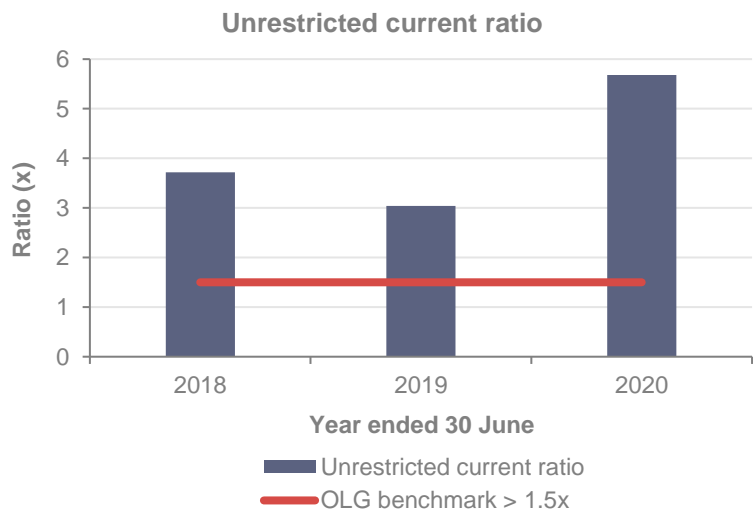


Unrestricted current ratio

The Council met the OLG benchmark for the current reporting period.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

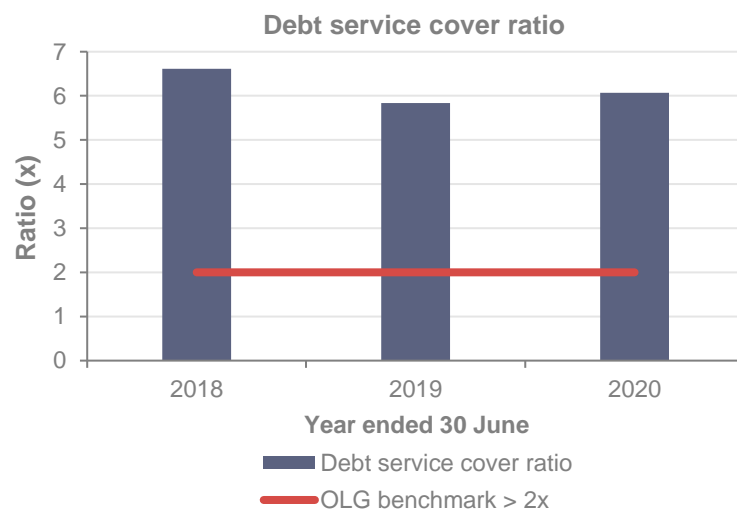
The uplift in the ratio for 2019–20 reflects the increase in cash and short-term investments held at end of year.



Debt service cover ratio

The Council met the OLG benchmark for the current reporting period.

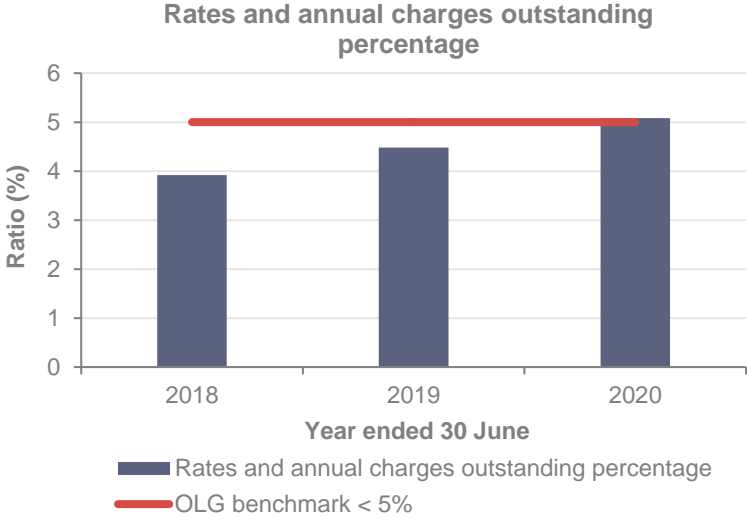
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding per centage

The Council did not meet the OLG benchmark for the current reporting period due to the COVID-19 pandemic, which has affected the capacity of some ratepayers to meet instalment payments.

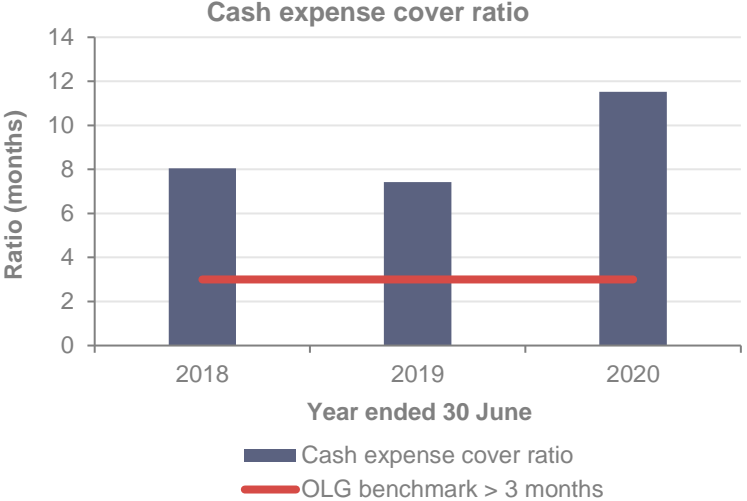
The 'rates and annual charges outstanding per centage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metro councils.



Cash expense cover ratio

The Council met the OLG benchmark for the current reporting period.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

- Council's completed asset renewal projects for the year amounted to \$7.5 million compared to \$38.9 million in the previous year. The decrease was caused by a lower number of completed projects in the current year.
- During 2019–20, \$42.3 million was capitalised as new assets (\$4.9 million in 2018–19), which included the completion of the Marrickville library and hub, and the receipt of non-cash contribution (i.e. affordable housing units) from a developer.

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$0.2 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 17.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council recognised right-of-use assets and lease liabilities of \$0.5 million at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 14.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Elizabeth Richardson, Acting General Manager
John Gordon, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Inner West Council

SPECIAL SCHEDULES
for the year ended 30 June 2020



Special Schedules

for the year ended 30 June 2020

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Permissible income for general rates

\$ '000	Notes	2020/21 Former Ashfield Council	2020/21 Former Leichhardt Council	2020/21 Former Marrickville Council	2020/21 Inner West Council	2019/20 Former Ashfield Council	2019/20 Former Leichhardt Council	2019/20 Former Marrickville Council	2019/20 Inner West Council
Notional general income calculation ¹									
Last year notional general income yield	a	28,223	44,376	49,510	122,109	27,261	43,489	48,100	118,850
Plus or minus adjustments ²	b	(1)	(13)	43	29	349	69	113	531
Notional general income	c = a + b	28,222	44,363	49,553	122,138	27,610	43,558	48,213	119,381
Permissible income calculation									
Or rate peg percentage	e	2.60%	2.60%	2.60%		2.70%	2.70%	2.70%	
Less expiring special variation amount	g	–	–	(1,541)	(1,541)	–	–	–	–
Or plus rate peg amount	i = e x (c + g)	734	1,153	1,248	3,135	745	1,176	1,302	3,223
Sub-total	k = (c + g + h + i + j)	28,956	45,516	49,260	123,732	28,355	44,734	49,515	122,604
Plus (or minus) last year's carry forward total	l	178	166	6	350	53	(144)	41	(50)
Less valuation objections claimed in the previous year	m	–	–	–	–	(7)	(48)	–	(55)
Sub-total	n = (l + m)	178	166	6	350	46	(192)	41	(105)
Total permissible income	o = k + n	29,134	45,682	49,266	124,082	28,401	44,542	49,556	122,499
Less notional general income yield	p	29,099	45,620	49,308	124,027	28,223	44,376	49,510	122,109
Catch-up or (excess) result	q = o – p	35	63	(42)	56	178	166	46	390
Plus income lost due to valuation objections claimed	r	–	–	57	57	–	–	–	–
Less unused catch-up ⁵	s	3	–	–	3	–	–	(40)	(40)
Carry forward to next year ⁶	t = q + r + s	38	63	15	116	178	166	6	350

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.

Permissible income for general rates (continued)

- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates

Inner West Council

To the Councillors of Inner West Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Inner West Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

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

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'C. Karakatsanis', written in a cursive style.

Caroline Karakatsanis
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

30 October 2020
SYDNEY

Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance ³	2019/20 Actual maintenance ⁴	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 ¹	Estimated cost to bring to the agreed level of service set by Council ²					\$ '000	\$ '000	1	2	3
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings	24,468	24,468	11,238	8,887	275,539	375,567	44.9%	30.1%	18.5%	6.0%	0.5%
	Sub-total	24,468	24,468	11,238	8,887	275,647	375,567	44.9%	30.1%	18.5%	6.0%	0.5%
Roads	Roads	64,892	64,892	16,787	15,687	158,068	283,885	16.7%	38.5%	22.0%	12.7%	10.1%
	Traffic Devices	62	62	-	-	-	39,765	42.3%	43.5%	14.1%	0.1%	0.1%
	Bridges	765	765	-	-	10,972	15,995	18.7%	55.9%	20.6%	4.1%	0.7%
	Footpaths	4,144	4,144	1,464	1,520	82,260	119,861	26.3%	41.5%	28.7%	3.2%	0.3%
	Other road assets	656	656	966	1,005	14,177	21,758	23.0%	55.7%	18.3%	3.0%	0.0%
	Bulk earthworks	-	-	-	-	512,259	512,259	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and gutter	29,303	29,303	-	-	116,464	194,578	3.6%	44.7%	36.6%	13.3%	1.8%
	Car parks - Depreciable	2,036	2,036	-	-	7,986	11,215	49.1%	28.5%	4.3%	13.6%	4.5%
	Car Parks -Non Depreciable	-	-	-	-	3,547	3,547	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	101,858	101,858	19,217	18,212	905,792	1,202,863	52.5%	23.9%	15.1%	5.7%	2.8%
Stormwater drainage	Stormwater drainage	8,065	8,065	1,820	1,546	121,665	178,106	8.3%	69.8%	17.4%	4.0%	0.5%
	Sub-total	8,065	8,065	1,820	1,546	121,666	178,106	8.3%	69.8%	17.4%	4.0%	0.5%
Open space / recreational assets	Swimming pools	656	656	1,252	2,000	42,453	55,124	83.1%	13.9%	1.8%	1.2%	0.0%
	Sub-total	656	656	1,252	2,000	42,453	55,124	83.1%	13.9%	1.8%	1.2%	0.0%
Other infrastructure assets	Seawalls	817	817	21	2	26,473	37,424	22.6%	53.7%	21.6%	1.0%	1.1%
	Wharves	838	838	-	-	3,866	6,077	18.4%	46.7%	21.1%	13.8%	0.0%
	Land Improvements - Depreciable	3,732	3,732	5,085	7,512	80,363	114,901	42.2%	37.5%	17.1%	3.0%	0.2%
	Land Improvements - Non Depreciable	-	-	-	-	4,286	4,286	93.2%	0.0%	6.8%	0.0%	0.0%
	Sub-total	5,387	5,387	5,106	7,514	114,988	162,688	38.1%	40.6%	18.0%	2.9%	0.4%
TOTAL - ALL ASSETS		140,434	140,434	38,633	38,159	1,460,546	1,974,348	46.8%	30.3%	15.8%	5.3%	1.9%

(1) "Satisfactory Standard" refers to the estimated cost for the renewal of condition 4&5 assets i.e. the replacement value of condition 4&5 assets.

(2) The agreed service level is the estimated cost for renewal of condition 4&5 assets i.e. the replacement value of condition 4&5 assets.

Report on Infrastructure Assets - Values (continued)

as at 30 June 2020

(3) "Required Maintenance" for Roads and Stormwater Drainage is the amount identified for maintenance including related operational costs in Council's budget. For other Infrastructure Assets it is the amount identified for maintenance including related operational costs plus a minor adjustment to the Required Maintenance. For Buildings and Open Space/Recreational Assets it is based on the recalculated 2019/20 requirements.

(4) "Actual Maintenance" is the amount of maintenance and related operational expenditure spent in the current year to maintain Council's assets.

Infrastructure asset condition assessment 'key'

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

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2020	2020	2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	7,493	34.56%	166.21%	64.09%	>=100.00%
Depreciation, amortisation and impairment	21,684				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	140,434	9.62%	9.29%	10.27%	<2.00%
Net carrying amount of infrastructure assets	1,460,546				
Asset maintenance ratio					
Actual asset maintenance	38,159	98.77%	97.65%	78.33%	>100.00%
Required asset maintenance	38,633				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	140,434	7.11%	7.35%	3.78%	
Gross replacement cost	1,974,348				

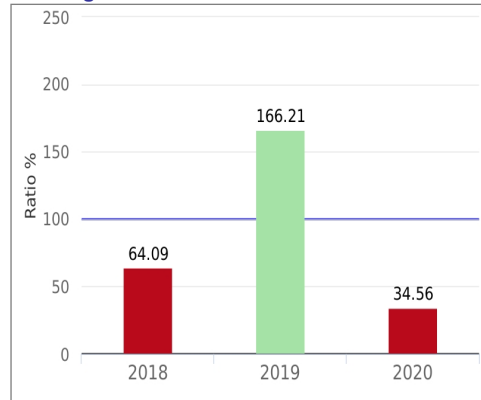
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Report on Infrastructure Assets (continued)
as at 30 June 2020

Buildings and infrastructure renewals ratio



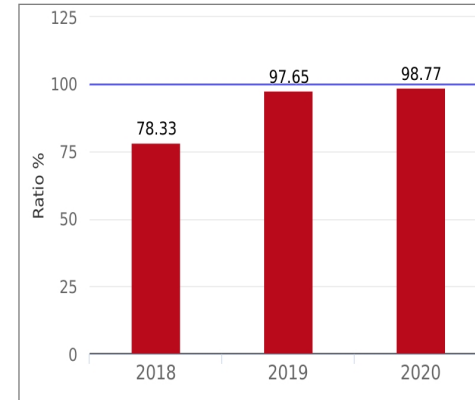
Buildings and infrastructure renewals ratio

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

Commentary on result	
19/20 ratio	34.56%

Benchmark: — $\geq 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

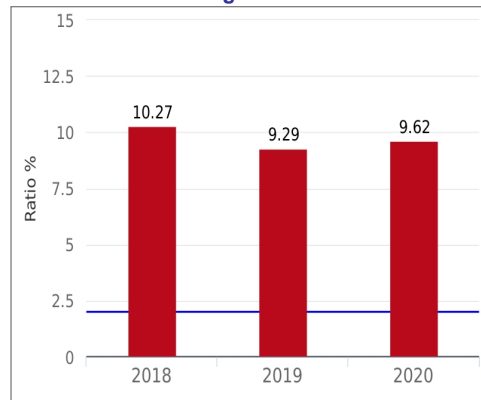
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
19/20 ratio	98.77%

The year-on-year trend shows that this ratio is heading in the right direction of being above the benchmark.

Benchmark: — $> 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

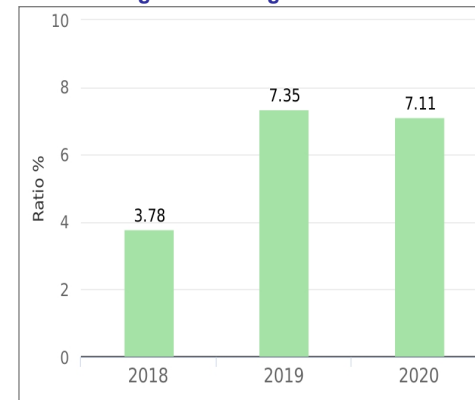
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
19/20 ratio	9.62%

The percentage has increased by approximately 0.2% compared to 2019. Although the ratio was expected to be lower due to the increase of renewal works undertaken, there are still some anomalies in the asset condition ratings which will have an impact on this ratio. Future asset condition audits will improve the confidence in the asset condition ratings.

Benchmark: — $< 2.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ 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	
19/20 ratio	7.11%

Percentage value is consistent with FY19; noting a slight reduction compared to FY18.

INNER

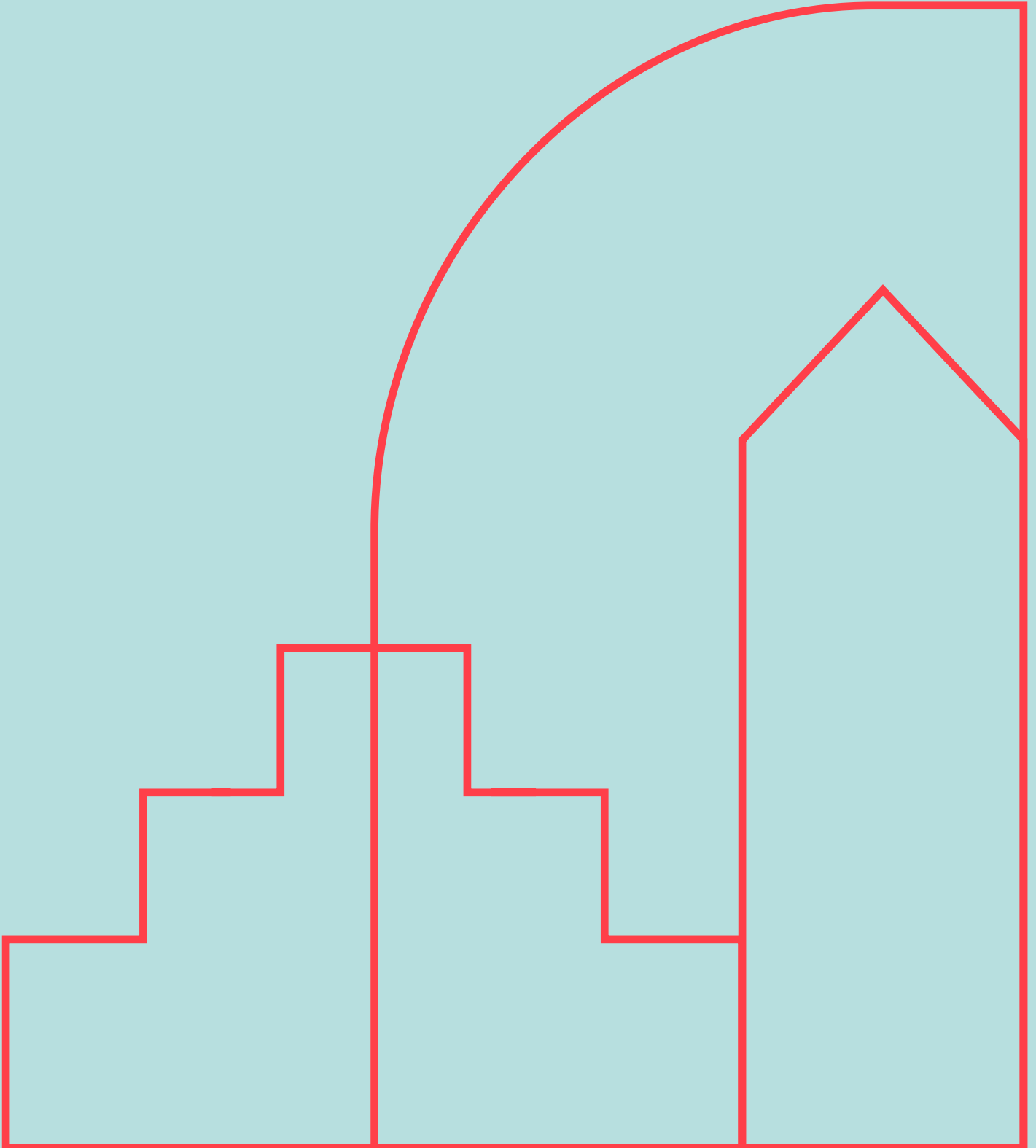
WEST

Annual Report

Appendix:
Performance indicators
P149

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20





Strategic direction 1: An ecologically sustainable Inner West

Measure	Target	Actual 19/20
Number of operational vehicles and plant owned and operated by Inner West Council	Decrease	416, decrease of 39 items since this time last year.
% of bulky household items picked up by Inner West Council reused, recycled or recovered	By 30 June 2022: 50% recovery rate (reused, recycled or recovered) from 10% in 2016/17 as reported by processing facility NB. 12% baseline in DP	34%
% Council's operational energy from renewable sources including onsite solar generation	25% of Council's operational energy by 2018/19	26%
% of residential waste collected in red-lid bins that is food and garden organic matter	By 30 June 2022: Reduce by 25% (average of 10kg per week in each red lid bin) from 39% in 2016/17 to 29% of waste in red-lidded bins	38.5%
Number of bushcare volunteers	Maintain at 1,400 volunteers	1019 volunteer attendances. No volunteer working bees held between 17 March and 31 May 2020 due to COVID.
Number of plants supplied each year from community native plant nurseries for planting within Inner West	Maintain at 21,000 plants	15,090 – numbers vary between years depending on needs of natural areas managed by Council and demand from community for plants for schools and private property.
Kg of residential waste collected in red-lid bins that could be recycled (other than organic matter)	By June 2022 Reduce to 183kg per resident per year from 244kg in 2016/17	14.9kg 3,010,000kg/200,811 residents
Kg of total waste stream to landfill per resident	By June 2022: Trending down to 150kg per resident per year from 199kg in 2016/17	185.5kg
Tonnes of carbon emissions generated by Inner West Council	Trending down (23,000 tonnes per year in 2017)	16,000 tonnes
Tonnes of waste collected from illegal dumping	By 30 June 2022: Reduce by 25% to 2,045 tonnes per year from 2,727 tonnes in 2016/17	737 tonnes
Recovery of green waste (garden organics) from the waste stream per resident each year	Trending up (37 kg in 2017)	35.43kg
% of e-waste and chemical waste recovered, recycled or safely disposed	By 30 June 2022: 90% of e-waste and chemical waste is recovered, recycled or safely disposed.	90% 99.5% from drop offs
% Inner West Council investments in fossil fuels	Trending downwards (26% 2017/18)	0% carried over from 18/19
Applications for tree pruning or removal on private land	90% of tree applications assessed within 20 days	60%
Council trees assessed or maintained annually	100%	100%
Number of community tree giveaways events annually	Minimum one event held per year Minimum of 300 trees provided to the community per year	Cancelled*

* figures have been impacted due to the Covid-19 pandemic



Strategic direction 2: Unique, liveable, networked neighbourhoods

Measure	Target	Actual 19/20
Patrols of parks and reserves for companion animal education and to identify legislative breaches	18 park patrols per week	Companion Animal Services undertook 992 patrols for an average of just over 19 patrols per week
School safety patrols during school terms	25 school patrols per week (60% of Inner West schools)	928 patrols were undertaken or 93% of the target. This result was in part due to the effective closure of schools for Covid.
Increase % of formal pre-DA applications	30% of total DAs lodged have a formal pre-DA application	39.3% of DAs have PreDAs for 2019/2020
Inspections of shared accommodation and entertainment venues	75% of registered premises inspected each year	This activity was not completed due to Covid-19*
Outstanding Notice and Orders Certificates issued within three working days	100%	99%
Regular patrols of restricted parking areas	75 per week	5535 patrols were conducted for an average of 106pw (33% over target)
Inspections of registered premises and systems (food premises; mobile food vendors; skin penetration premises; public swimming pools; vapour recovery at service stations; and regulated systems, e.g. cooling towers)	100% of registered premises/systems inspected each year	*impacted by Covid-19
% of Swimming Pool Inspections and Swimming Pool Compliance Certificates Issued	20%	35 Swimming Pool Compliance Certificates Issued
Average determination timeframes for Development Applications	75 days (average)	112.7 average days, processing times increased January – June 2020 as a large backlog of older applications were cleared and staff transitioned to One Council system
Completion timeframes of applications for prelodgement advice	Maintain 28 day average	46 average days
Environmental audits of medium to high risk industries	Three industries audited per year	100% - Vapour Recovery, Underground Petroleum Storage Systems (UPSS), Mechanical Repair Premises
Number of affordable housing units transferred to Council or a Community Housing provider	By 30 June 2022: At least 20 affordable housing units transferred to Council or a Community Housing Provider (4 in 2017)	19
Number of trees on Council owned land including street trees	Increase (900 planted each year in 2017)	200*
Undertake regular maintenance of Council's parks, reserves, sporting grounds and facilities	95% of maintenance tasks are undertaken in accordance with the scheduled cycle times	95%

* figures have been impacted due to the Covid-19 pandemic



Appendix: Performance indicators

Measure	Target	Actual 19/20
Street sweeping cycles	Street sweeping of main streets is undertaken seven days per week; residential streets is undertaken on a 40 working day cycle	Main Street/shopping centres are serviced daily - 7 days a week, 365/366 days a year. Residential streets with no grass are cleaned/serviced on a 40 "working day" annual cycle
Verge mowing cycles	Verge maintenance is undertaken on a 20 working day cycle from October to March and a 40 working day cycle from April to September.	Seasonal programs - Winter program runs from April to October inclusive on a 40 "working day" cycle. Summer program runs from November to March inclusive on a 20 "working day" cycle

Strategic direction 3: Creative communities and a strong economy

Measure	Target	Actual 19/20
Number of participants in Open Studio Trail	Maintain threshold at 100	90*
Number of exhibitions at Chrissie Cotter Gallery	Maintain at 25 each year	15*

* figures have been impacted due to the Covid-19 pandemic

Strategic direction 4: Caring, happy, healthy communities

Measure	Target	Actual 19/20
Visits to Dawn Fraser Pool annually	Maintain at 38,000 each year	0 - closed
Visits to Fanny Durack Aquatic Centre, Petersham annually	Maintain at 55,000 each year	60,552 visits
Visits to Annette Kellerman Aquatic centre, Marrickville annually	Maintain at 430,000 each year	380,952 visits
Visits to Leichhardt Park Aquatic centre annually	Maintain at 700,000 each year	770,000 visits
Number of visits to Inner West Council aquatic centres annually	Increase, after opening of new Ashfield Aquatic Centre in 2021/22, to 1,700,000 (1,500,000 in 2016/17)	1,249,504 visits
Visits to Ashfield Aquatic Centre annually	Increase, after opening of the new centre in 2021/22 to 475,000 from 315,000 in 2016/17	17,834 visits from 17 October 2020 opening date to 6 November 2020
Occasional Care utilisation	85%	23%*
Long Day Care utilisation	97%	73.11%*
% of stallholders participating in Council organised events that are Inner West residents or businesses	Maintain at 80%	82%
% of performers participating in Council organised events that are Inner West residents	Maintain at 80%	84%
% of regular hirers focusing on multicultural and culturally diverse activities	Maintain at 25%	39%

Measure	Target	Actual 19/20
% of Inner West Council social and cultural policies harmonised	95%	100%
Number of regular annual hirers of Council venues and facilities	Maintain at 120	174
Number of seniors participating in wellbeing activities	Trending upward	Covid-19 affected
Number of Magic Yellow Bus park visitations	Maintain threshold at 5 per week	Covid-19 affected
Number of e-resources loans/uses each year	Increase from 130,000	103,818
Number of library and history sessions delivered each year and participants	Maintain at 3,000 sessions with 36,000 participants	Covid-19 affected
Number of historical programs delivered each year and participants	Maintain at 30 events with 1,100 participants	Covid-19 affected
History Week and Heritage Festival participants	Maintain at 3,500 participants	Covid-19 affected
Number of library events delivered each year and participants	Maintain at 700 events with 8,000 participant	Covid-19 affected
Annual turnover of library stock	5.5 times per item	1.23
Number of visits to Inner West Council libraries each year	Maintain (1,000,000 in 2017)	1,200,000 New people counters were installed in the libraries in September 2019. This number estimates the number of attendees for the first quarter. The branch libraries were closed during the Covid-19 period. The neighbourhood libraries have been closed since March.
Number of public PC computer bookings each year	Maintain at 100,000	95,859
Number of library members	Maintain at 100,000 library members	104,203
Number of Wi-Fi log-ins by the public at libraries each year	Maintain at 250,000	547,801 This is a reflection in the number of community members bringing their own devices to the library. The increase in this number is linked to the decrease in the number of people using a public computer.
Number of items borrowed from Inner West Council Libraries each year	Maintain at one million	982,139*
Visits to Robyn Webster Sports Centre, Tempe each year	Maintain	40,980 visits
Visits to Debbie and Abbey Borgia Recreation Centre, Marrickville each year	Maintain	56,427 visits

* figures have been impacted due to the Covid-19 pandemic



Strategic direction 5: Progressive local leadership

Measure	Target	Actual 19/20
Number of visits to Your Say Inner West	Increase by 3% each year (43,900 in 17/18)	79,800
Online customer transactions	Trending upwards	37%
Number of projects on Your Say Inner West on which the community has the opportunity to engage	More than 40 projects each year	53
Inner West Council social media followers (Facebook, Instagram, Twitter)	Increase by 2.5% each year (18,750 at 30/6/2018)	Facebook 21,170 - 32% increase. Instagram - 38% increase. Twitter - 7.2%
Inner West Council website page views	Increase by 2.5% each year (2,700,000 in 2017)	5,734,909 - 21% increase from 18/19 at 4,741,546
Customer calls abandoned in queue	Less than 4%	13.4%
Customer calls answered within sixty seconds	80% (70% in 2017)	47%
Customer calls answered in 120 seconds	90%	56%
Customer contact issue resolved at first point of contact	85%	85%
Customer calls answered in 180 seconds	95%	63%
Average wait time at customer service counter	Less than three minutes	2 minutes 54 seconds
Undertake seasonal and casual sports fields allocations in accordance with the policy	100% allocations in accordance with the policy	100%
Council website has accessibility information for all parks	Information for all parks available on website	100%
Engage the Inner West Sports Forum key stakeholders in the recreation and open space planning processes	Minimum two forums held per year	On hold*

* figures have been impacted due to the Covid-19 pandemic

