

Annual
Report

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Marrickville Library and Pavilion, Photo: Courtesy Inner West Council



Aboriginal and Torres Strait Islander Statement

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.

We celebrate the survival of Aboriginal and Torres Strait Islander cultures, heritage, beliefs and their relationship with the land and water. We acknowledge the continuing importance of this relationship to Aboriginal and Torres Strait Islander peoples living today, despite the devastating impacts of European invasion. We express our sorrow for past injustices and support the rights of Aboriginal and Torres Strait Islanders to self-determination.

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Mayor's message

In our second year since the election of the new Inner West Council, I'm pleased to report that we have continued to make major headway against our key priorities of environment, sport and recreation. Since then, the new Council has delivered significant policy and infrastructure achievements for the people of the Inner West. Here are some of the highlights from this past year:

Council facilities and infrastructure

- Increasing the infrastructure budget by 17% over four years and increasing the footpath budget by 7.4% to bring infrastructure up to scratch
- Delivering a spectacular upgrade of the heritage Fenwick Store in Birchgrove
- Major construction underway on the \$44 million Ashfield Aquatic Centre upgrade

Arts and culture

- Opening the new architecturally designed Marrickville Library, with a total collection of 85,000 books,

- including an art book collection
- Leading the inception of the St. Amore music festival to honour the great Inner West resident Richard Gill

Environment and sustainability

- Becoming the first Council in NSW to achieve 100% divestment from fossil fuels
- Signing an innovative new power agreement to procure 25% of Council's electricity from Moree Solar Farm
- Fast tracking a project to replace residential street lighting with sustainable LED lights
- Launching Solar my School locally to help Inner West schools install solar on their buildings
- Delivering a new reusable swap-and-go coffee cup scheme across Inner West cafes, reducing the one billion+ disposable coffee cups dumped in landfill each year

Sports and recreation

- Investing \$2 million in funding for the

- synthetic sports surface construction at Tempe Reserve
- Delivering three new netball courts in Haberfield
- Securing \$7 million for the upgrade of Dawn Fraser Baths
- Bringing Sydney FC home games to Leichhardt Oval and AFL back to Birchgrove Oval

We are continuing to build a local government that is progressive, effective and getting things done.



Inner West Mayor
Darcy Byrne



Chief Executive Officer's message

I commend this report to the community

CEO, Inner West Council
Michael Deegan



**Annual
Report****Section 1
Our
achievements**

The Annual Report highlights Council's key achievements for the 2018/19 financial year.

Full and detailed reports against each action in Council's Delivery Program 2018-22 and Operational Plan 2018/19 can be found on Council's website.



Community celebrations in Leichhardt to launch Perfect Match street artwork by Sid Tapia. Photo: Martin Anderson



Strategic direction 1: An ecologically sustainable Inner West

Acting on Climate Change

Inner West Council recognised the global climate emergency and has led the way on climate action, becoming the first council in New South Wales to reach 100% divestment from fossil fuels, ahead of its 2022 target.

Solar projects were delivered across the Inner West throughout the year, including the *Petersham Solar Project*, *Solar my School*, and *Go Solar* sessions for residents. As of July 2019, Council had commenced the contract to purchase solar power from the Moree Solar Farm, bringing Council's proportion of solar energy usage to approximately 25 per cent.

Inner West War on Waste 2018/19

Council partnered with Green Caffeine and Responsible Cafes to bring the reusable coffee cup revolution to the Inner West.

A new Community Recycling Centre opened in St Peters in June, ensuring Inner West residents have yet another option for disposing of problem waste such as paints, oils, gas bottles,

e-waste and batteries for free. The new Community Recycling Centre is open Saturday and Sunday, 8am - 1pm.

Supporting biodiversity and our tree canopy

Council has continued to deliver its tree planting, with 526 trees planted to date. Additionally, 1,993 plants have been provided free of charge to residents and schools.

Council supported volunteers at the Marrickville and Rozelle Bay community nurseries, who contributed 2,345 hours at 223 volunteer working bees, propagating 20,624 plants. Further, Council has provided 15,261 plants for planting in the Inner West, including plants for Council-maintained natural areas.

Designing and maintaining a water-sensitive city

Council has completed re-lining of 23 stormwater pipelines projects as well as 14 stormwater upgrade projects.

Additional major achievements included:

- Bay Run water sensitive urban design
- Darley Road water sensitive urban

design

- Blackmore Oval Wetlands
- Johnstone Street/Hosking Street drainage upgrade
- Riverside Crescent drainage improvements



Child planting community orchard, thumbs up. Photo: Courtesy Inner West Council



Strategic direction 2: Unique, liveable, networked neighbourhoods

Supporting our history, present and future

Inner West Council's Heritage Festival took place across April and May 2019, exploring the rich history of the Inner West and highlighting the people who have shaped our vibrant neighbourhoods. The 2019 festival, presented by Council under the auspices of the National Trust, had the theme Connecting People, Places and the Past.

This year Council also entered into a partnership with the University of Technology Sydney (UTS) to work on its heritage pub protection program. As part of their Conservation and Heritage studies, UTS students from the Faculty of Design, Architecture and Building will investigate the heritage significance of several pubs across the Inner West, in conjunction with Council's Strategic Planning department.

Renewing our city sustainably

This year Inner West Council's Cooks to Cove GreenWay Plan won the 2019 Australian Institute of Landscape Architecture (AILA) Award of Excellence for Urban Design.

More Inner West children can enjoy playgrounds while remaining cool and sun safe, with 13 new shade sail installations completed in playgrounds across all wards.

Council has completed 25 footpath renewals and reconstructions to address pedestrian access, improve accessible transport, and restore heritage footpaths using original paving.

Delivering connections to residents

Council has demonstrated a strong commitment to our public infrastructure through major streetscape improvements including Ashfield Town Centre and Darling Street, Balmain. Three regional road resurfacing projects were completed in addition to approximately 47 local road resurfacing projects.

To improve safety and amenity for road users, Council completed over 20 traffic and pedestrian facilities projects. Council also continued to deliver traffic calming, intersection reconstruction and safety works projects across Inner West.

The following projects were completed:

- Local Route 18 Cycleway

- Marrickville to Dulwich Hill Station
- Feasibility study for Wolli Creek pedestrian/cycleway bridge
- Design for Livingstone Rd Cycleway
- Design for Longport Street to Eliza Street Regional Cycleway

Caring for everyone

Inner West Council was awarded the Local Government Excellence Award in the category of Community Partnerships and Collaboration (population over 60,000) for the program "Reaching Out: Inner West Homelessness Outreach".



Strategic direction 3: Creative communities and a strong economy

EDGE – Celebrating our creative industries

The EDGE calendar of creative events and programs has bounced from success to success throughout the year – with activations reaching all corners of the Inner West.

The inaugural EDGE GreenWay attracted thousands of people from across Sydney. Council continues to partner with a range of creative industry professionals and organisations based in the Inner West and support the cultural ecosystem of the area. EDGE will continue in 2019 and 2020 at Sydenham, Newtown and Balmain.

Keeping it neighbourly

Inner West Council has established a ground-breaking Good Neighbour policy requiring all noise and amenity complaints about pubs, clubs and small bars to be mitigated not litigated. Under the new policy, Council officers will be required to convene a meeting with complainants and venue operators to discuss solutions rather than immediately launching compliance or legal action when complaints are received.

Supporting innovative creativity

Council adopted the recommendation for grant funding of \$43,795 to 10 local organisations. The live music grants program continues financial support to live music performance through the Musician Development Grants of up to \$5,000 and the Venue Capacity Building Grants of up to \$20,000.

The final last round of Stronger Communities grants were allocated in 2019, finalising over a million dollars of funding for community projects and organisations over a three-year period.

Enjoying our local events

Council's regular program of major events continued in 2018/19, with flagship events proving as successful as ever. A review of the events program is also underway to ensure Council can keep providing the best quality events for the community well into the future.



Celebrations in Marrickville to launch Perfect Match street artwork made possible through a partnership between Inner West Council, Settlement Services International and participating artists. Shohrat Tursun (musician), Emmanuel Asante and Raneen Shamon (artists mentored by Fintan Magee), Fintan Magee (artist), Dilnigar Alim (Dancer). Photo: Martin Anderson



Strategic direction 4: Caring, happy, healthy communities

New Marrickville Library and Pavilion

Construction of Marrickville's long-awaited new Library and Pavilion at Patyegarang Place was substantively completed in 2018/19 before opening to the public in August 2019.

The amazing new community space marks a new era in library services, housing 85,000 books in a beautiful structure that incorporates the heritage listed buildings of the old Marrickville Hospital with soaring new spaces.

The facility's show-stopping architecture encourages a seamless transition between indoor and outdoor public spaces, opening up the history of the site for all to explore. The new library delivers:

- More than 85,000 books
- New junior library and garden
- Art stack with over 4,000 art books
- Four meeting spaces
- Six study rooms
- 1,200 square metres of garden space

Engaging for inclusion in 2018/19

Council continued to engage on a Pride Centre – what services it could offer, how to make it safe and accessible, and the possibility of co-locating with relevant

stakeholders

Council has improved access for people with disability to Council's aquatic centres. This enables people to take advantage of new funding under the NDIS to become more active and healthy through using these facilities, for example the new lift and change equipment at the Leichhardt Pool and Aquatic Centre.

Council has partnered with sector organisations and NAPCAN to focus on respectful relationships, awareness, education and the provision of resources regarding the prevention of domestic violence.

Keeping the Inner West active and healthy

All aquatic centres across the Inner West have implemented a standard point of sale system to ensure consistent and accurate customer experiences, functionality and reporting between sites.

Council has endorsed a new program of installing synthetic surfaces at some sporting grounds in the Inner West to meet the growing demand from local families for more spaces to play.

Progress on Ashfield Aquatic Centre

A full refurbishment of the Ashfield

Aquatic Centre is now well underway, with the facility on track to reopen in late 2020.

This major infrastructure project will deliver new and greatly improved aquatic and fitness facilities for the Inner West community. The upgraded centre will also feature new community meeting spaces, extra parking, much needed disability access improvements, and more enjoyable outdoor areas with green space and covered seating.

Council's newest childcare centre

The new Leichhardt Park Children's Centre opened its doors in January 2019, increasing the supply of quality care and early learning experiences for the growing families of the Inner West.

Strategic direction 5: Progressive local leadership



Community takes the lead

Inner West Council's Local Democracy Groups, including Advisory Committees and Working Groups continued to meet regularly in 2019, supporting Council in its engagement on a diverse range of topics important to the community.

Integrating Council's systems and processes

Council has implemented an online booking system for Council venues to harmonise the systems of the former three councils. This enables the community to book Council's venues quickly and simply.

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 2018/19

Council's overall 2018/19 planned and actual income

Income/ Revenue	2018/19 budget (\$'000)	% of budgeted income	2018/19 actual (\$'000)	% of actual income
Rates and general revenue	157,097	58.6	159,297	58.6
User fees and charges	44,429	16.6	42,852	15.8
Interest income	5,167	1.9	6,508	2.4
Other income	24,484	9.1	27,009	10.0
Operating grants and contributions	10,904	4.1	11,731	4.3
Capital grants and contributions	25,907	9.7	23,446	8.6
Fair value increment on investment properties	-	-	449	0.2
Net share of interests in joint ventures and associates using the equity method	-	-	144	0.1
Total	267,988	100	271,436	100

Council's overall 2018/19 planned and actual expenditure

Expenditure	2018/19 budget (\$'000)	% of budgeted expenditure	2018/19 actual (\$'000)	% of actual expenditure
Employee costs	123,934	50.6	119,497	47
Materials and contractors	64,415	26.3	65,135	25.6
Borrowing costs	1,207	0.5	620	0.2
Other expenses	29,449	12.0	34,421	13.5
Depreciation and amortisation	26,129	10.7	26,594	10.5
Net losses from the disposal of assets	(181)	(0.1)	8,282	3.2
Revaluation decrement / impairment of IPP&E	-	-	-	-
Total	244,953	100	254,549	100

**Council's financial
performance ratios**

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

Ratio	What this means	Benchmark	2018/19 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	7.42 months
Debt Service Cover Ratio	This ratio measures the availability of operating cash to service debt.	Above 2x	5.84x
Operating Performance Ratio	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	Above 0%	0.46%
Own Source Revenue Ratio	This ratio measures fiscal flexibility. A lower result indicates a higher reliance on external funding sources.	Above 60%	86.65%
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	3.04x
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%	4.50%

Operational Service Area	2018/19 Planned Income from continuing operations (\$'000)	2018/19 Actual Income from continuing operations (\$'000)	2018/19 Planned Expenditure from continuing operations (\$'000)	2018/19 Actual Expenditure from continuing operations (\$'000)	2018/19 Planned Operating Result (\$'000)	2018/19 Actual Operating Result (\$'000)
Recreation and Aquatics	8,719	9,464	11,689	11,266	(2,969)	(1,802)
Children and Family Services	18,750	17,334	18,352	19,108	398	(1,774)
Community Events	92	140	1,220	3,718	(1,128)	(3,578)
Community Services and Culture	2,320	2,262	11,322	11,360	(9,002)	(9,098)
Corporate Support Services	136,448	144,167	66,545	65,481	69,903	78,686
Development Assessment	4,353	4,772	7,994	6,874	(3,641)	(2,102)
Environment & Sustainability	290	764	4,475	5,591	(4,185)	(4,827)
Footpaths, Roads, Traffic and Stormwater	19,816	17,234	40,891	34,097	(21,075)	(16,863)
Library and History Services	826	1,270	10,796	11,032	(9,970)	(9,762)
Regulatory Services	16,977	17,392	12,990	13,943	3,987	3,449
Resource Recovery	40,554	41,364	32,486	28,934	8,069	12,430
Strategic Planning	2,159	2,716	7,229	7,934	(5,070)	(5,218)
Trees, Parks and Sportfields	16,864	12,557	19,145	35,211	(2,281)	(22,654)
Total	268,168	271,436	245,135	254,549	23,035	16,887

Progress against the capital works program

More than \$82 million was allocated for capital works in the 2018/19 budget.

Capital Program Category	2018/19 budget (\$'000)	2018/19 actual (\$'000)	% 2018/19 budget spent
Recreations and Aquatics	14,231	5,040	35
Children and Family Services	1,179	1,598	136
Community Services and Culture*	3,180*	5,306	167
Corporate Support	17,293	14,382	83
Environment and Sustainability	60	125	209
Footpaths, Roads, Traffic and Stormwater	21,860	18,603	85
Trees, Parks and Sportfields*	22,301*	10,317	46
Library and History Services	2,765	1,333	48

* A transfer of \$240,000 occurred between 'Community Services and Culture' and 'Trees, Parks and Streetscapes' due to organisational changes.

Your rates at work

In the 2018/19 financial year, Council's capital works program included:



- Roads, traffic, kerb and gutter upgrade and renewal - \$9,023,000



- Parks and sporting grounds - \$10,136,000



- Town centre upgrades - \$2,932,000



- Footpaths upgrade and renewal - \$2,236,000



- Town halls and community venues upgrades - \$2,248,000



- Stormwater upgrade and renewal - \$2,579,000



- Aquatics facilities - \$5,040,000



- Library facilities - \$1,167,000





- Cycleways (design and build) - \$584,000




- Seawalls - \$181,000

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


Strategic direction 1: An ecologically sustainable Inner West



Project description	Planned 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Leichhardt Park Bushcare Upgrade	60	42	71%		Biodiversity protection fencing and planting project completed
Community recycling centre - construction	-	82	-		Complete
Sea Walls Capital	60	181	302%		Works at Yurulbin Park and St Mary Street rock face were completed in February
Stormwater Renewal - Capital	1,090	944	87%		Complete
Stormwater Upgrade - Capital	695	1,292	186%		Complete including Darley Road, Leichhardt and Johnston Street, Balmain East raingardens and Bay Run WSUD
Total	1,905	2,542	133%		

Strategic direction 2: Unique, liveable, networked neighborhoods



Project description	Planned 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Ashfield Park Lighting upgrade	590	41	7%		Tender assessment in progress
Ashfield Town Centre Upgrade	295	1,968	667%		Complete
Bike Route LR03 (Livingstone Rd to Frazer St) Construction	500	-	-		Design being finalised. Grant funding not available. Project construction deferred
Bike Route LR18 (Mvle Station to Dulwich Hill) Construction	600	291	48%		Complete

Strategic direction 2, continued:
Unique, liveable, networked neighborhoods

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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Booth Street Bridge - Investigation Design and Replace	840	122	15%	●	Design complete. Tenders for construction received
Capital program Footpaths Traffic and Storm Water	-	20	-	●	Complete
Car Park - Capital	260	323	124%	●	Lennox St Carpark Reconstruction and Upgrade works 90% Complete
Chester Street Footbridge - Replacement	300	504	168%	●	Complete
Cooks River Cycleway lighting design and upgrade	390	-	-	●	Design complete. Tenders for construction received
Cycleways - Capital	625	275	44%	●	Lennox St Carpark Reconstruction and Upgrade works 90% Complete
Footpaths Renewal	2,342	2,118	90%	●	Complete
Footpaths Upgrade	65	118	181%	●	Complete including bus stop modifications for accessible transport
Gateway Treatments (Ashfield Town Centre)	480	386	81%	●	Complete
Greenway capital budget	400	627	157%	●	Concept design completed. Detailed design commenced
Greenway Central Links Construction	7,650	126	2%	●	Development application lodged

Strategic direction 2, continued:
Unique, liveable, networked neighborhoods

● 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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Greenway Missing Link I – Cadigal Reserve Cycle Path	400	4	1%	●	Development application lodged
Greenway Missing Link J1 – Bridge under Parramatta Rd	450	7	2%	●	Development application lodged
Greenway Missing Link N – Leichhardt Northern Feeder	250	7	3%	●	Contractor engaged. Works to commence July
Kerb and Gutter Renewal	544	528	97%	●	Complete including Wood Street, Ashfield and George Street, Leichhardt
Lilyfield Road Cycleway	1,500	18	1%	●	Consultant engaged for design development
Local Roads Renewal	4,139	3,598	87%	●	Complete
Mvle - Riverside Cres Drainage Diversion	500	343	69%	●	90% Complete
New Ashfield Town Centre Public Toilet	100	51	50%	●	Detailed design complete and procurement commencing
Outdoor Dining Embellishments - Ashfield Town Centre	600	-	-	●	Completed as a component of the Ashfield Town Centre Upgrade
Regional Roads Renewal	425	269	63%	●	Complete including Marrickville Road
Restorations	-	554	-	●	Complete
Road Renewal - Arthur St - Road Reconstruction (Holden St to Milton St)	850	1,125	132%	●	Complete

Strategic direction 2, continued:
Unique, liveable, networked neighborhoods

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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Road Renewal - Dover St - Road Reconstruction	375	359	96%		Complete
Road Renewal - Habf, Ramsay Street Dalhousie Street to Wattle Street	420	299	71%		Complete
Road Renewal- D/H Keith St Macarthur Pde to Wardell Rd	320	270	84%		Complete
Roadside Furniture	100	238	238%		Complete including barrier kerb at Junction Street, Marrickville
Skate Park in Callan Park - Construction	476	15	3%		Council resolved to move the skate park to Leichhardt Oval #3. Skate park design is being coordinated with Leichhardt Park Plan of Management preparation and engagement.
Town Centres Upgrade	749	527	70%		Construction of Darling Street between Red Lion and Denison Street Rozelle 90% Complete. Consultants appointed and design in progress for Marrickville Rd East streetscape upgrade, Alex Trevilian Plaza upgrade and New Plaza at Darling St/Montague St, Balmain (old Telstra building).

Strategic direction 2, continued:
Unique, liveable, networked neighborhoods




 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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Traffic and Parking Management	160	122	76%		Complete
Traffic Renewal	2,056	1,899	92%		Complete
Urban Amenity Improvement Program (Various Projects)	930	41	4%		Tenders issued for design consultant
Various -Shade sail additional-as per shade sail plan	400	391	98%		Shade sails completed at 13 sites
Waterfront Drive Upgrade	1,380	1,553	113%		Complete
Arts Projects	375	221	59%		New Arts projects started during the year. Progressing as per schedule
Total	33,236	19,360	58%		

Strategic direction 4:
Caring, happy, healthy communities

Project description	Planned 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Annette Kellerman Aquatic Centre	-	207	-		Complete
Birchgrove Park eastern pavillion renewal works	410	79	19		Tender commenced
Ashfield Aquatic Centre redevelopment	12,000	3,710	31%		Piling 50% complete

Strategic direction 4, continued:
Caring, happy, healthy communities

●
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

Camperdown Memorial Rest New toilet	597	73	12%	●	Tender released
Capital Pro- gram Library Services	1,170	911	78%	●	New Marrickville Library opened
Capital Program Aquatics	150	766	511%	●	LPAC - Progressing with early investi- gation and planning works. Annette Kell- erman Aquatic Centre - works to the pool tiles and mechanical equipment complete
Capital Pro- gram Trees Parks and Sportscares	1,802	1,184	66%	●	Air Raid shelter completed. Wicks Park new amenities block in progress to be completed by end of September 2019. Architect engaged for Pioneer Park's project
Dawn Fraser Pool upgrade works	2,081	358	17%	●	IDA approved. Tender procurement underway, expect to appoint the contractor in August
Haberfield Library upgrade works	840	119	14%	●	Progressing with detailed design, com- munity engagement and DA submission planned for July
Marrickville Library upgrade works	360	137	38%	●	Procurement under way for the lift, works to commence Sep- tember

Strategic direction 4, continued:
Unique, liveable, networked neighborhoods

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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Parks Capital and Assets Capital	5,946	5,252	88%		Projects completed include Mort Bay Park Lookout and Lighting Upgrades, Enmore Park Upgrade, Eve Sharpe Reserve improvements, Illoura Reserve Upgrade and Sydenham Green Landscape Interpretation and Pratten Park sports lighting renewal (demolition and design). Projects in construction for completion early 19-20 include Richard Murden Reserve Multi-use Courts and Douglas Grant Interpretive Memorials. The Synthetic Sports Turf Investigation and Feasibility study is complete and concept designs for priority sites commenced. Designs complete for Sutherland Playground upgrade and park lighting at Lambert Park and Tempe Reserve. Community engagement for Elizabeth Street Playground, Ashfield completed. Cooks River Parklands delayed completion due to utility approvals. Construction completed in August 2019.
Petersham Park grandstand upgrade works	700	777	111%		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

Strategic direction 4, continued: Unique, liveable, networked neighborhoods



Project description	Planned 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
St Peters Town Hall upgrade works	395	167	42%	●	Procurement under way for the lift, works to commence August
Total	26,451	13,737	52%		

Strategic direction 5: Progressive local leadership



Project description	Planned 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Affordable housing	-	2,840	-	●	Complete
Perpetual License	-	1,680	-	●	Complete
Capital program Community Services	-	164	-	●	Complete
Capital Program Children & Family Services	829	1,190	144%	●	Works at Deborah Little, Tilman, Leichhardt CCC, Camdenville and May Murray completed
Capital Program Property & Assets	1,155	1,612	140%	●	Aircon upgrade at Leichhardt oval and Ashfield Civic Centre complete. Telstra Building demolition to commence in late July
Finance Loan Repayments	5,434	4,238	78%	●	Complete
Fleet Management	6,401	3,398	53%	●	Heavy Plant & Equipment purchases have commenced and will continue in line with the service review
Information & Communication Technology	4,303	3,303	77%	●	

Strategic direction 5, continued
Progressive local leadership

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 2018/19 (\$'000)	Actual 2018/19 (\$'000)	% of budget spent	Status	Commentary
Intergration customer services	-	150	-		Complete
Leichhardt Town Hall renewal works	1,130	1,524	135%		External works complete
Mervyn Fletcher Community Centre renewal works	190	16	9%		Detailed design complete. Procurement commenced
Petersham Town Hall upgrade works	1,055	213	20%		Detailed design underway. Works to commence in stages on site, completed to date solar panels and lighting
S.H.A.R.E Building Summer Hill renewal works	350	408	117%		Complete
Steel Park Community Room	250	297	119%		Demolition complete, structural steel on site ready for installation
Thirning Villa Pratten Park renewal works	180	31	17%		Roof replacement contract awarded with works to be completed by June 2019
Total	21,277	21,066	99%		

Annual Report

Section 2 Statutory reporting information

This section includes reporting requirements prescribed by the Local Government Act 1993 and the Local Government (General) Regulation 2005. This includes a summary of Council's legal proceedings, details of contracts awarded by Council, financial assistance contributions to the community, written off rates and charges, and information relating to the Government Information (Public Access) Act 2009 (NSW).



Street Art: Anna Gareeva, Photo: Courtesy Inner West Council

Environmental upgrade agreements

Nil.

Report on special rate variation expenditure

1. In 2015-16 the former Ashfield Council was granted a Special Rate Variation (SRV) cumulative increase to its general income base by 38.4% over a 4 year period from 2015-16 to 2018-19 by IPART. This revenue was to be used to fund the Loan Repayments of the Ashfield Aquatic Centre upgrade works and key infrastructure renewal projects.

2. In 2015-16 Inner West Council (Marrickville) was granted a Special Rate Variation of 3% above the rate peg of 2.4% to fund its infrastructure renewal program over a ten year period.

SRV funds are quarantined when levied and allocated against eligible projects as a part of the budget process. All SRV funds that have been expensed during the 2018/19 have been done so in accordance in which the funds were intended to be spent. Any unspent SRV funds have been quarantined for future use.

Amount of rates and charges written off during the year

Category of rates and charges	Amount (\$'000)
Pensioner Rebate (s.575)	1,773
Voluntary Pensioner Rebates (domestic waste and stormwater)	3,443
Abandonments (s.600)	252
Postponed write-offs	8
Properties rateable to non-rateable	349
Total	\$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

Property	Summary of work	Cost of work	Council subsidy
Callan Park	Sports field upgrade including new earthworks, drainage, irrigation, turf, lighting and cricket nets on NSW Health land	\$1,639,662	\$1,639,662

Equal employment opportunity statement

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

- Recruiting specialised staff to drive diversity and inclusion activities
- Improving protocols and staff access to resources
- Staff training and support services focussing on skills development, awareness and education, including online and face-to-face delivery methods
- Affirmative action traineeship placements during 2018 -2019
- Development and networking opportunities for female workers, and targeted merit-based appointments of females into Senior leadership positions
- Continued Partnerships with external providers representing diverse EEO groups
- Continuing activities to reinvigorate internal 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 6 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/access-and-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.

Mayoral and Councillor Fees, Expenses and Provision of Facilities	Amount
Mayoral Allowance	\$56,860
Councillor Allowance (total for 15 Councillors)	\$377,399
Deputy Mayoral Allowance	\$10,000
Conferences and seminars	\$25,638
Training	\$2,177
Office equipment and consumables	\$13,526
Telephone calls	\$3,927
Interstate visits	-
Overseas visits	-
Expenses of spouse/partner	\$138
Provision of childcare	\$9,252
Total	\$498,917

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

Nil.

Statement of remuneration for the General Manager and Chief Executive Officer

Former General Manager – 1 July 2018 to 1 March 2019

Salary component	Amount
Base salary	\$312,677
Superannuation	\$17,368
Non-cash benefit	-
Leave on termination	\$72,726
FBT	-
Total	\$402,771

Chief Executive Officer – 25 February to 30 June 2019

Salary component	Amount
Base salary	\$145,201
Superannuation	\$7,107
Non-cash benefit	-
FBT	-
Total	\$152,308

Statement of remuneration for senior staff

In 2018/19 Inner West Council had three Deputy General Managers, classified as senior staff positions.

	Salary component	Amount
	Total base salaries	\$919,558
	Total superannuation	\$61,593
	Total value non-cash benefit	-
	Total leave on termination	\$34,069
	Total FBT for non- cash benefit	\$7,375
	Total	\$1,022,595

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 charges 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 regulation

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 \$62,412.65 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:

- Stallholder at various local community events including Marrickville Festival and Petersham World Animal Day
- Stallholder at large-scale events outside of the local government area including Dogs NSW's Dogs on Show event and the Sydney Royal Easter Show
- Delivery of free seminar and event for residents (SPAWts Afternoon)
- Proactive park patrol programs and regular face-to-face communication with residents educating on 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
- Distribution of educational and promotional materials including pop-out water bowls and 'pooch pouches'
- Development and distribution of educational materials including brochures and flyers
- Development and distribution of signs and A-frame noticeboards in targeted parks
- Free engraved pet tag program for residents
- Communication of responsible pet ownership messages via various media outlets (social and print media)

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 information stand at community events
- 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 via social media

Off leash areas

Off leash areas provided in the Council area are:

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

Use of companion animals fund money for management and control of companion animals

Activity	Cost
Impounding Fees	\$38,899
Responsible Pet Ownership	\$23,513
Total	\$62,412

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 2018-2019, 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.

Public Interest Disclosures training is scheduled for Public Interest Disclosures Officers across Council in September 2019.

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: 76 applications were received

Clause 7C: No applications were refused

Number of applications by type of applicant and outcome

Applicant Type	Access granted in full	Access granted in part	Access refused	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application Withdrawn
Media	-	-	-	-	-	-	-	-
MPs	-	-	-	-	-	-	-	-
Private sector	18	2	1	-	-	-	-	4
NFP	3	-	-	-	2	-	-	-
Legal	7	7	-	5	-	-	-	-
Public	14	5	6	-	-	-	-	4
Total	42	14	7	5	2	-	-	8
% of total (78)	54	18	9	6	2	-	-	11

Number of applications by type of application and outcome

Application Type	Access granted in full	Access granted in part	Access refused	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application Withdrawn
Personal	1	-	-	-	-	-	-	-
Other	41	14	7	5	-	-	-	8
Partly	-	-	-	-	-	-	-	-
Total	42	14	7	5	2	-	-	8
% (78)	54	18	9	6	2	-	-	11

Invalid applications	Number of applications
Invalid applications	8
Invalid applications that subsequently became valid	6

Matter listed in Schedule 1	Number	% of total		
Overriding secrecy laws	-	-		
Cabinet information	-	-		
Executive Council information	-	-		
Contempt	-	-		
Legal professional privilege	10	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	10	100%		
Public interest considerations against disclosure listed in section 14	Number	% of Total		
Responsible and effective government	1	6%		
Law enforcement and security	2	11%		
Individual rights, judicial processes and natural justice	13	72%		
Business interests of agencies and other persons	2	11%		
Environment, culture, economy and general matters	-	-		
Secrecy provisions	-	-		
Exempt documents under interstate Freedom of Information legislation	-	-		
Total	18	100%		
Timeliness	Number	% of total		
Decided within the statutory timeframe (20 days plus any extensions)	66	97%		
Decided after 35 days (by agreement with applicant)	2	3%		
Not decided within time (deemed refusal)	-	-		
Total	68	100%		
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	-	-	-	-
Review by Information Commissioner	-	-	-	-
Internal review following recommendation under section 93	-	-	-	-
Review by NCAT	3	-	3	100%
Total	3	-	3	-
% of total (3)	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 2018/19

Successful tenderer	Contract name /Purpose	Total Contract Amount (exc. GST)
Celsius Fire Services Pty Ltd	Maintenance and Repair to Fire Services	\$132,324
Chips Property Trade Services Pty Ltd	Plumbing Services Panel	Schedule of Rates

Successful tenderer	Contract name /Purpose	Total Contract Amount (exc. GST)
Katopa Holdings Pty Ltd	Emergency Exit Lighting Testing & Repairs	\$22,836 per annum
Matrix Group	Punch Park, Balmain Amenities / Clubhouse Upgrade Works	\$238,599
Murphy's Remedial Building Pty Ltd	Roof Repairs at Haberfield Library Haberfield	\$164,819
Pace Services Pty Ltd	Leichhardt Oval Function Room Mechanical Services	\$335,690
SDL Projects	Bridgewater Park, Rozelle New Accessible Toilet Block	\$303,250
Cardno (NSW/ACT Pty Ltd)	Integrated Transport Strategy for the Inner West Local Government Area.	\$175,824
CBD Mechanical	Electrical Services Panel	Schedule of Rates
Elton Consulting Group Pty Ltd	Local Housing Study and Strategy for the Inner West Local Government Area.	\$249,928
Enviro - LCS	Sanitary Services	\$107,440 per annum
Ernest and Young Australia	Internal Audit Services	Year 1 upper limit is \$275,000 including GST. Pricing: As per schedule of rates
Every Trade Building Services Pty Ltd	Petersham Park Grandstand Upgrade	\$1,333,256
Flash Plumbing Services	Plumbing Services Panel	Schedule of Rates
Glascott Landscape and Civil Pty Ltd	Cooks River Parklands Upgrade	\$2,628,902
Greenline Shade & Shelter Pty Ltd	Design and Construct Shade Sails Program	\$351,300
Homewood Consulting Pty Ltd	Provision of Tree Inventory Services	\$250,000
J R Burns Plumbing	Plumbing Services Panel	Schedule of Rates
John Isberg Plumbing	Plumbing Services Panel	Schedule of Rates
Kellyville Building Pty Ltd	Wick Park Amenities	\$450,613
Landscape Solution Australia Pty Ltd.	Waterfront Drive Sporting Ground Upgrade	\$1,495,930
Landscape Solutions Australia Pty Ltd	Sydenham Green Landscape Interpretation	\$416,045
Macsparx Electrical and Data	Electrical Services Panel	Schedule of Rates
Maico Property Services Pty Ltd	Upgrade of SHARE building at 135 Smith Street, Summer Hill NSW 2130	\$330,985
North Shore Paving Co Pty Ltd	Richard Murden Reserve Multipurpose Courts	\$785,467
Northern Contract Cleaning	Cleaning and Grounds Maintenance	\$658,066 per annum
NS Projects	Project Management Service - AAC	\$253,000
Pesteco Pty Ltd	Pest Services	\$32,020 per annum
Polytrade Recycling	Recycling Processing	\$137.50/ tonne of commingled recycling materials
Progressive Air Conditioning Engineering Pty Ltd	Ashfield Service Centre Mechanical Services Upgrade	\$561,393
Romba Pty Ltd	Blackmore Oval Shared Path and Lighting Upgrade	\$188,212
SDL Project Solutions	Steel Park Community Rooms	\$518,357
Servicelink Pty Ltd	Cleaning and Grounds Maintenance	\$1,108,332 per annum
SJ Electric Group NSW Pty Ltd	Electrical Services Panel	Schedule of Rates
Sydney Electrical and Data Pty Ltd	Mort Bay Park Lighting Upgrade	\$167,778
Sydney Electrical and Data Pty Ltd	Electrical Services Panel	Schedule of Rates
The Trustee for the Jezzini Trading Trust	Cleaning and Grounds Maintenance	\$634,640 per annum
Tract Consulting	The Engagement of Consultants for the Urban Amenity Improvement Program (UAIIP) for Leichhardt and Camperdown Precincts	\$427,606
Veolia Environmental Services (Australia) Pty Ltd	Garden Organics and Food Organics Processing	\$141/ tonne Garden Organics (GO), \$271.98/ tonne Food Organics (FOO), \$353.110/ tonne Street Sweeping Materials
Welsh & Major Architects Pty Ltd	Development of Seven Plans of Management for IWC	\$541,090
Wormald Fire Protection Pty Ltd	Maintenance and Repair to Fire Services	\$162,998

Grants, sponsorships, contributions and donations

Community wellbeing grants

	Grant Recipient	Amount
	New South Wales Federation of Community Language Schools Inc	\$7,500
	Innari Housing Inc	\$7,500
	Older Women's Network New South Wales Inc	\$7,488
	Olivetree Women's Network Incorporated	\$6,375
	Stepping Out Housing Programme Inc	\$6,375
	Haberfield Community Singers Inc	\$5,848
	Asylum Seekers Centre Incorporated	\$5,739
	Resourceful Australian Indian Network Inc	\$4,811
	South Marrickville Collective	\$4,500
	The Pollys Club Inc	\$4,463
	Family Planning NSW	\$3,828
	Participate Australia Limited	\$3,825
	Off the Wall Enterprise	\$3,500
	Ethnic Community Services Co-operative Limited	\$3,300
	B Miles Women's Foundation Incorporated	\$3,188
	Australian Unemployed Workers' Union	\$3,188
	The Shepherd Centre - For Deaf Children	\$3,188
	Parkinson's NSW Limited	\$3,188
	Plumtree Children's Services Inc	\$3,188
	The Ashfield Probus Club Incorporated	\$3,188
	NSW Chinese Association	\$3,188
	West Region Chinese Association Incorporated	\$2,848
	Girls Rock! Sydney	\$2,550
	Chinese Parents Association Children with Disabilities Incorporated	\$2,550
	Australian Federation of Chinese Organisations Incorporated	\$2,550
	Settlement Services International Limited	\$2,338
	Liberi Incorporated	\$1,458
	Home of Senior Chinese	\$1,000
	Canterbury City Community Centre	\$985
	Total	\$113,647

Community wellbeing small grants

	Grant Recipient	Amount
	Australian Red Cross	\$500
	Haberfield Public School P&C Association	\$500
	Rozelle Neighbourhood Centre	\$500
	St Johns Anglican Church Balmain	\$500
	Autism Spectrum Australia (Aspect)	\$485
	Total	\$2,485

Arts and culture grants

	Grant Recipient	Amount
	Lentil as Anything Ltd	\$7,000
	Legs on The Wall	\$7,000
	Heaps Gay	\$7,000

Grant Recipient	Amount
AIRspace Projects Inc	\$6,500
Sydney Improvisers Composers Kollektiv Orchestra	\$6,500
Articulate Project Space	\$5,500
Phuong Le	\$5,000
Settlement Services International Limited	\$5,000
MakerSpace & Company Foundation Limited	\$5,000
Screen Culture Association Inc	\$5,000
Marrickville West Public School Association	\$4,000
Storybombing Collective	\$5,000
Content and Cultural Projects	\$4,500
Music New Incorporated	\$4,000
Base-metal	\$4,000
Not Quite Newtown and Stencil Art Prize	\$4,000
Sydney Latin American Film Festival Inc	\$3,000
Bottega D'Arte Teatrale Incorporated	\$2,000
Village Church Annandale	\$2,000
Petersham Tongan Uniting Church	\$2,000
Ekushe Academy Australia Incorporated	\$2,000
Shannon Taylor O'Connor	\$1,500
Sydney Shaoxing Opera Troupe Inc	\$1,000
Australian Federation of Chinese Organisations Incorporated	\$1,000
Thomas Joseph Jackson	\$6,000
Sharon Jane Billinge	\$6,000
Company of Rogues	\$4,000
Andrew Stephen Robards	\$5,000
Anastasia Gladushchenko	\$5,000
George Catsi	\$3,500
Miss Fayroze Lutta	\$3,000
Gabrielle Lynne Bates	\$3,500
Ms Gabriella DiNallo	\$2,800
Kavita Godrei	\$3,000
Ciaran Michael Frame	\$2,000
Ms Caitlin Doyle-Markwick	\$1,000
Total	\$147,300

Environmental grants

Grant Recipient	Amount
Defy Design	\$7,500
Inner West Boomerang Bags	\$7,500
Inner West WIRES	\$6,740
Inner West Beekeepers	\$5,919
Australian Foundation for Disability	\$5,400
Tempe Public School Parents and Citizens Association Incorporated	\$4,300
Participate Australia	\$2,900
Unwise	\$2,190
Total	\$42,449

Environmental small grants

Grant Recipient	Amount
Australian Foundation for Disability	\$500
Alfalfa House Community Food Co-operative	\$500
Ferncourt Public School P&C	\$500
The Haberfield Association	\$500
Marrickville Public School P&C	\$500
Uniting (NSW.ACT)	\$500
Wear Aware	\$500
Australia St School P&C	\$250
Total	\$3,750

Community history and heritage grants

Grant Recipient	Amount
Fort Street High School Foundation	\$2,000
Individual Historian: Nicole Cama	\$5,000
Individual Historian: Ian Tyrell	\$5,000
Marrickville Heritage Society	\$5,000
Ms Susan Hawkeswood	\$3,000
The Ashfield Infants' Home	\$5,000
Total	\$25,000

Multicultural 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

Recreation grants

Grant Recipient	Amount
Australian Skateboarding Federation	\$6,500
Newtown Breakaways Football Club Inc	\$4,605
Asylum Seekers Centre Inc	\$3,200
Police Citizens Youth Clubs Marrickville	\$3,000
Soccajoeys Foundation	\$2,768
Burwood Football Club	\$2,750
Petersham Junior Rugby Club	\$2,500
Marrickville Cricket Club	\$2,500
Participate Australia Limited	\$2,006
ACC Cricket Club Inc	\$2,000

Grant Recipient	Amount
Australian Foundation for Disability	\$2,000
Total	\$33,829

Stronger community grants

Grant Recipient	Amount
The Big Issue	\$20,280
Boomalli Aboriginal Artist Co-Operative	\$50,000
Youth Off the Streets Limited	\$50,000
Rozelle Neighbourhood Centre	\$16,844
Newtown Neighbourhood Centre	\$25,382
Petersham Bowling Club	\$14,284
Twenty 10	\$10,700
Inner West Vietnamese Community Language School Inc.	\$13,000
Sydney Underground Film Festival	\$20,000
Milk Crate Theatre	\$30,000
AbSec (Aboriginal Child, Family and Community Care State Secretariat)	\$15,000
Asylum Seekers Centre	\$29,255
The Addison Road Centre	\$29,255
MakerSpace & Company	\$22,000
Community & Cultural Connections	\$14,975
Total	\$360,975

Other support

Recipient	Amount
Back to Balmain Committee	\$2,750
Bridge for Asylum Seekers Foundation	\$7,500
Canterbury City Community Centre	\$10,000 (17/18)
Friends of Maliana (Timor Leste)	\$8,103
Leichhardt Celebrity Brass	\$15,000
Leichhardt Espresso Chorus	\$30,745
Marrickville Youth Resource Centre	\$34,850
St Vincent de Paul Mary Mackillop Outreach	\$34,750
Summer Hill Community Centre	\$45,000
The Infants Home	\$13,000
The Polly's Club	\$3,589
Sydney Fringe	\$30,000
Writing NSW	\$21,000
Total	\$256,287

Open Inner West joint partners

In 2018/19, Council worked with program partners to deliver Open Inner West, a festival of diversity, held over 10 days in June.

Grant Recipient	Amount
Settlement Services International	\$6,000
The Brown Council /2 Boys in Saris Auspiced by the Red Rattler	\$5,500
Alfira O'Sullivan (Suara Indonesia Dance)	\$5,000
Boomalli Aboriginal Artists Co-operative	\$5,000

Grant Recipient	Amount
Yorgo Kaporis / Dusha Balkana	\$5,000
Sydney Friendship Group Incorporated	\$5,000
N.a Mburuja & F Mshila T/A 2 Sydney Stylists Auspiced by STARTTS	\$5,000
Lucy Munevar Avendano With Lidia Luna	\$4,800
Destructive Steps Dance Association	\$4,000
Sydney Latin American Film Festival Inc	\$3,850
Barbara Konkolowicz - Polish Graduates Association	\$3,000
Solidarity Choir (auspiced by Folk Federation of New South Wales)	\$2,500
Culinary Tales	\$1,744
Brazilian Community Council of Australia Inc.	\$1,500
Jakalene Martin – Gamarada Boys	\$600
Resourceful Australian Indian Network Inc	\$600
Marianne Vivaldo - Ethnic Craft Group	\$600
Jack Wardana	\$300
Total	\$59,994

Legal expenses

Legal expenses category	Amount paid (\$'000)	Amount received (\$'000)
Planning and Building	567	-
Debt recovery	437	-
Other	88	449
Total	1,092	449

Legal proceedings progress and result summary

Land and Environment Court - Class 1

Property Address	Other Party	Summary	Results/Status
2C Gladstone Street, Newtown	Samcourt Pty Ltd	Demolition of existing structures, subdivision of the site into 16 allotments and construction of 16 individual shop top houses above basement parking	Appeal dismissed
3-7 Crystal Street, Petersham	Parker Logan Property Pty Ltd	Demolition of existing structure and construction of new part 4/part 5 storey mixed use development incorporating 2 levels of basement car parking, a commercial/retail tenancy and 4 serviced apartments on the ground floor and a new gated boarding house above	Appeal upheld
43-51 Addison Road, Marrickville	Perry Properties Pty Ltd	Demolition of existing structure and construction of a four-storey motel with 54 rooms over 1 level of basement car parking and a café/restaurant	Section 34 Agreement
236 Darling Street, Balmain	So Nash Pty Ltd	Deferred commencement consent conditions - revised plans - form of first floor veranda, deletion of floor lights and photovoltaics, finishes and privacy screening. Other issues are retaining of tree, proposed garage and provision of car parking	Appeal upheld
59 Trafalgar Street, Stanmore	Zhaohua Zhou & Jinhua Lu	Demolition of existing structures on site, subsequent construction of a three-storey boarding house comprising fifteen rooms (including one room for a caretaker) and associated landscaping works and parking for motorcycles and bicycles	Section 34 Agreement
2 Young Street, Balmain	Chelzi Pty Ltd	Alterations and additions to the rear of existing dwelling with car parking and car stacker, and associated works, including swimming pool	Section 34 Agreement
24 Cecil Street, Ashfield	Formzen Pty Ltd	Demolition of existing townhouses and replacing with multi residential apartment building	Appeal upheld
16 River Street, Birchgrove	Constantine Peter Panos	Alterations to existing cottage, including a new pool and an addition to the street. Proposed addition will	Appeal Upheld

Property Address	Other Party	Summary	Results/Status
		include off street parking for two vehicles and a lift to allow for disabled access into existing dwelling	
25 Coleridge Street, Leichhardt	Richard Solomon	Demolition of existing dwelling, erection of two attached dwellings and subdivision into two Torrens title lots	Section 34 Agreement
62 Constitution Road, Dulwich Hill	Mr Michael Abou Arrage	Modification of LEC order 10978 of 2015 to increase number of residential units from 13 to 17 as a result DA201500129 refused	Appeal dismissed
26-28 Salisbury Road, Stanmore	William Ronald Pomeroy	Demolition of existing semi-detached house and subsequent construction of three townhouses with rear lane facing garage and subdivision	Appeal dismissed
30 Salisbury Road, Stanmore	William Ronald Pomeroy	Demolition of existing residential flat building and construction of a four-storey residential flat building comprising ten strata title units with associated ground floor storage area and car parking	Appeal dismissed
368 Annandale Street, Annandale	Yapp Pty Ltd	Alterations and additions to the rear of the existing house and provision for a new garage area to the rear of the subject site with a roof top terrace garden	Section 34 Agreement
122 Victoria Street, Ashfield	Anandh Maistry	Alterations and additions to an existing residential flat building that enjoys existing use rights to provide 2 x 2 bedroom dwellings with associated parking	Section 34 Agreement
106 Carlton Crescent, Summer Hill	Carlton Crescent Development Pty Ltd	Modification of development consent DA10.2016.67.1 for the demolition of existing structures and construction of a multi dwelling housing development to reduce the building footprint, insert habitable space at level 2 of all townhouses, increase parking numbers from 28 to 33, increase landscaping and amendments to the internal layout and dwelling mix	Section 34 Agreement
69 Church Street, Lilyfield	Navarra Group Pty Ltd	Demolition of existing dwelling & erection of a multi-unit development for 3 dwellings with basement parking	Section 34 Agreement
731-735 Darling Street, Rozelle	IPM Holdings Pty Ltd	Demolition of existing at-grade car park and part of the existing retail building; retention of the heritage façade, entryways and awning; excavation to accommodate one basement level; construction of a four storey shop-top housing development including 16 residential units above ground floor retail; 366 square meters of retail floor space on the ground floor; 24 car spaces across the ground and basement levels and a ground floor loading dock	Appeal upheld
81 Station Street, Newtown	Marrickville Development No.3 Pty Ltd	Demolition of existing building, subdivision of the land into 2 lots and the construction of two semi-detached dwellings	Appeal upheld
6 Wortley Street, Balmain	Jan-Peter Lundevall	Demolition of the rear of the existing dwelling and construction of two storey additions to the existing dwelling, construction of a new detached dwelling at the rear of the site and associated landscaping and Torrens title subdivision to create two lots	Section 34 Agreement
27 Isabella Street, Balmain	Frances Van Der Velden & Sebastian Cox	Construction of part single part 2 storey dwelling, pool and associated landscape	Section 34 Agreement
14 Clifton Street, Balmain East	Mohammad Morad	Alterations and additions to the existing dwelling and boathouse	Appeal dismissed
96-98 May Street, St Peters	Kent Geeves	Boarding House development	Appeal dismissed
209 Livingstone Road, Marrickville	CD Architects	Partial demolition of existing building, retention of 3 facades and alterations and additions to convert the building into a 3 storey boarding house development containing 27 rooms in total (25 rooms plus 2 managers rooms)	Section 34 Agreement
38-48 Parramatta Road, Stanmore	Equity Land Holdings Pty Ltd	Demolition of existing building and construction of a 5 storey mixed use development comprising 2 commercial tenancies on the ground floor, 30 residential units and associated car parking, landscaping and strata subdivision	Section 34 Agreement
45 Union Street, Dulwich Hill	Peter Higgs	Conversion of an existing dwelling located over two lots into two semi-detached dwellings with rear garage	Section 34 Agreement
30 Frederick Street, Sydenham	Pai Hong Lim	Demolition of the existing dwelling house and the construction of 2 x semi-detached dwellings	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
1 Rayner Street, Lilyfield	Injaid Pty Ltd	Demolition of existing dwelling & outbuildings and construction of a boarding house comprising 14 rooms including an on-site manager's room	Appeal discontinued
52 Llewellyn Street, Balmain	Wilk Super No. 1 Pty Ltd	Alterations and additions to the existing dwelling including construction of additional storeys within the footprint of the existing rear extension, demolition of the garage and new carport and driveway crossing	Section 34 Agreement
50 Sloane Street, Summer Hill	Adrian Fahy	Alterations and additions to a dwelling house including a first-floor level and attic	Section 34 Agreement
23 Lord Street, Newtown	Michael Zagoridis & Emma Bowen	Deletion of whole of Part A - deferred commencement consent from Determination 2017/00519. Deletion of paragraph 3 of Part B from Determination 2017/00519. That subject to the deletion of the whole of Part A - deferred commencement consent and the deletion of paragraph 3 of Part B, the consent contained in Determination 2017/00519 is immediately operative	Section 34 Agreement
265-273 Illawarra Road, Marrickville	Hatziplis Holdings Pty Ltd	Demolition of existing improvements and construction of a six-storey mixed use development containing four retail/commercial tenancies at ground level and residential apartments above, with associated roof top terrace and two level basement car park	Section 34 Agreement
19 Margaret Street, Stanmore	Legge & Legge Architects Pty Ltd	Demolition of existing cottage, subdivision of the existing lot into two Torrens title lots and construction of two two storey plus attic Townhouses	Section 34 Agreement
136 Darling Street, Balmain East	John Gardiner	Subdivision of existing land into two lots and construction of a new two storey dwelling	Section 34 Agreement
124 Victoria Street, Dulwich Hill	Van Huynh	Demolition of existing dwelling, removal of three trees, Torrens title subdivision into two lots, construction of two semi-detached two storey dwellings and associated landscaping works including front fencing	Section 34 Agreement
75 Milton Street, Ashfield	Lizard Apple Pty Ltd	Demolition of existing structures and construction of a 3 storey boarding house with 1 level basement car parking	Appeal upheld
37 Edna Street, Lilyfield	Rudder Development Pty Ltd	Five lot Torrens title subdivision and construction of five dwelling houses	Section 34 Agreement
73 The Boulevarde, Dulwich Hill	NUPD Pty Ltd	Demolition of existing structures and construction of a part three/part four storey residential flat building comprising seven apartments, basement car park, associated landscaping and strata subdivision	Appeal discontinued
73 The Boulevarde, Dulwich Hill	Forte Construction Group Pty Ltd & FCG No.1 Pty Ltd	Appeal against Interim Heritage Order	Appeal dismissed
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	Ongoing
38-42 Frazer Street, Lilyfield	Conca D'Oro Lounge Pty Ltd	Use of park of the Le Montage function centre as a café with associated outdoor seating	Section 34 Agreement
113 Dobroyd Parade, Haberfield	Group HIS Pty Ltd	Private hospital including site preparation works including demolition of existing building structure and excavation, construction of private hospital building over 3 storeys above ground plus 2 basement levels for parking and associated signage, landscaping, stormwater management and utility services connections	Appeal Dismissed
39 Waratah Street, Haberfield	Tracy Mulherin	Alterations and additions to the existing dwelling, swimming pool and detached garage	Appeal discontinued by Applicant on 19 September 2018
15 Turner Street, Balmain	Mathew James Hafford	Alterations and additions to dwelling including an addition to the side of the house and internal modifications, a pool, removal of a tree, a new sliding gate at the street frontage and minor landscaping works	Section 34 Agreement
60 Reiby Street, Newtown	Terence Hancox	Alterations and additions to development consent, increasing the number of rooms from 7 to 10	Section 34 Agreement
6 Booth Street, Balmain	Shona MacLeod	Alterations and additions to existing dwelling and associated works, including landscape works and	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
		new vehicle parking space and associated access gates	
215-217 Parramatta Road, Haberfield	2628 Pty Ltd	Site consolidation, alterations and additions to existing building and change of use to a hotel	Section 34 Agreement
51-53 Albert Street, Petersham	Nicholas Prilis	Demolition of the existing buildings, subdivision and construction of 4 Torrens Title terrace residences over an excavated strata titled basement carpark	Section 34 Agreement
412-414 Illawarra Road, Marrickville	Chris Ahtypis and Efy Ahtypis	Demolition of existing commercial building, and the construction of a new mixed use building comprising ground floor retail unit, 10 apartments, and basement parking	Section 34 Agreement
113 Station Street, Newtown	George Andonovski	Alterations and additions to two dwellings, including a three storey addition to the rear, garage with studio above and subdivision	Section 34 Agreement
33 Ormond Street, Ashfield	Ormond View Pty Ltd	Construction of a 3-4 storey boarding house development containing 39 boarding rooms, managers room, basement car parking and associated landscaping	Section 34 Agreement
18 Collins Street, Annandale	Citywide Developments Pty Ltd	Ground and first floor alterations and additions to existing residence, and associated works	Section 34 Agreement
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	Ongoing
826-836 Princes Highway, Tempe	Taleb Family Trust No.2	Demolition of existing improvements and construction of a 3 storey building containing 22 serviced apartments with basement car parking and a ground floor level tenancy	Section 34 Agreement
324 Norton Street, Leichhardt	Norton Street Pty Ltd	Demolition of existing structures and construction of a four storey mixed use building comprising commercial space on the ground floor and five residential apartments on the first, second and third levels, and associated works, including car parking	Section 34 Agreement
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	Ongoing
39 Tintern Road, Ashfield	Dylan Zammit	Alterations and additions to the rear of the existing dwelling, including demolition of the existing car port, kitchen, dining, laundry and deck areas and construction of a new 2 storey addition, garage, landscaped garden, pool and rear deck	Appeal upheld
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 plans referred to condition 1 of Part B of the development consent	Ongoing
101-103 Lilyfield Road, Lilyfield	JRNN Pty Ltd (formerly APP Corporation Pty Ltd)	Demolition of existing structures, construction of a new 5 storey residential flat building comprising: 12 residential apartments, provision of a ground floor space to suit a future café or takeaway food premises, storage and rooftop garden communal open space area, new driveway and pedestrian access from Lilyfield Rd, 9 car parking spaces and 18 bicycle storage racks; and landscaping works	Section 34 Agreement
5 Phoebe Street, Balmain	David & Annaleise Howard-Jones	Satisfaction of deferred commencement conditions and deletion of condition 1(a) pertaining to required stormwater disposal, fee payment and schedule of external finishes	Section 34 Agreement
17 South Street, Marrickville	Louise Fuller	Retain existing dwelling and subdivide property into two Torrens title lots	Ongoing
18-20 Rose Street, Birchgrove	Michael Hodge	Demolition of the existing attached dwellings and construction of two attached dwellings with basement garages and associated works	Section 34 Agreement
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	Ongoing
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	Ongoing

Property Address	Other Party	Summary	Results/Status
31-33 New Canterbury Road, Petersham	MMK Asset Pty Ltd	Appeal against Order no 3, Order no 10 and Order no 11 issued on 31 August 2018	Appeal discontinued
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	Ongoing
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"	Ongoing as at 1 July Appeal upheld on 9 July 2019
217 Marion Street, Leichhardt	TJ Slattery Investments Pty Ltd ACN	Alterations and additions to an existing warehouse building and change of use to a dwelling and associated works	Ongoing
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	Ongoing
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	Ongoing
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	Ongoing
64-66 Victoria Road, Rozelle	Ooh! Media Limited	Digital conversion of an existing externally illuminated advertising sign	Ongoing
20 Hopetoun Street, Petersham	Jamiel Antoun	Raise approved garage roof by 1m and addition of new window to approved garage at high level	Section 34 Agreement
187 Evans Street, Rozelle	Strata Plan 58247	Appeal against Development Control Order to comply with planning approval in respect of the location of where the bins are stored	Appeal discontinued
742-744 Parramatta Road, Lewisham	Citrus Pty Ltd	Replacement of two (2) existing static signs with two (2) digital signs	Ongoing
109B Louisa Road, Birchgrove	Kyle Ellis & Greg Ellis	Extension to existing roof terrace	Section 34 Agreement
1-11 Hardie Avenue & 123A Smith Street, Summer Hill	S & R Properties Pty Ltd	Appeal against Council's deemed state of satisfaction about deferred commencement condition 1 of Part A of development consent 10.2016.169.1 arising from the Applicant's production of evidence to the consent authority on 10 October 2018	Appeal discontinued
70 Waterview Street, Balmain	Angus Wells	Construction of a double garage accessed via Alexander Street and associated works, including excavation and retaining wall works	Ongoing as at 1 July Section 34 Agreement on 10 July 2019
10-14 Arthur Street, Marrickville	Armenco Pty Ltd	To modify DA201400470 and for the demolition of existing improvements and construction of a part 6, par7 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	Ongoing
30 Terminus Street, Petersham	Elaine Richardson Architect	Proposed rear outdoor dining area at ground level and kids' play area at lower ground level (Railway Street & Carrington Lane)	Ongoing
44-46 Princes Highway, St Peters	David Macready	Delete condition 1a from development consent	Ongoing
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	Ongoing
631 King Street, Newtown	Sydney Park Hotel Trading Pty Ltd	Application for the proposed extended trading hours: Monday-Saturday 5:00am-3:00am and Sunday 10:00am-12:00am	Ongoing
44 MacKenzie Street, Rozelle	Bijma Wati	Alterations and additions to dwelling including ground floor elevated rear balcony with stairs to sub floor area	Ongoing
3-7 & 13-17 Regent Street, 287-309 Trafalgar Street &	Deicorp Projects Petersham Pty Ltd	Demolition and construction of 357 apartments over three sites and associated basement car parking. New registered club including fitout of club premises.	Appeal discontinued

Property Address	Other Party	Summary	Results/Status
16-20 Fisher Street, Petersham		Subdivision of site 3 to accommodate Fozzard Lane widening. Stratum subdivision of Site 1 and Site 3. Removal of existing trees and proposed public domain plan	
224 Annandale Street, Annandale	Daniel Molesworth and Briony Molesworth	Lower ground and first floor alterations and additions to the existing dwelling house and associated works	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	Directions hearing on 30 January 2019
Unit 3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Appeal against order to remove a louvre from the property	Directions hearing on 6 February 2019
Unit 3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Appeal against order to cease use of unit 3 as residential at the property	Appeal discontinued
29 Station Street, Newtown	Antoniades Architects	Additional unit to ground floor, vehicle turntable to parking area	Ongoing
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	Ongoing
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 child care centre	Ongoing
1-11 Hardie Avenue & 123A Smith Street, Summer Hill	S & R Properties Pty Ltd	Convert deferred commencement consent into an operational consent and change the route of the stormwater box culvert deviation	Appeal discontinued
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	Ongoing
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	Ongoing
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	Ongoing
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	Ongoing
62 Constitution Road, Dulwich Hill	Mr Michael Abou Arrage	Appeal against decision and orders of Commissioner Chilcott made on 7 December 2018	Appeal dismissed
140 Victoria Street, Dulwich Hill	Jack Akiki	Construction of a first floor attic above the garage at the rear of the site	Section 34 Agreement
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	Ongoing
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	Ongoing
122A Milton Street, Ashfield	Sonia Succar	Demolition of existing structures and construction of an 11 room boarding house	Ongoing
32 Albert Parade, Ashfield	Urban Link Pty Ltd	Demolition of existing structures and construction of a two storey boarding house over basement level parking	Ongoing
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	Ongoing
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	Ongoing

Property Address	Other Party	Summary	Results/Status
		of the subject premises for the purposes of residential accommodation	
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	Ongoing
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	Ongoing
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	Ongoing
94 Denison Street, Camperdown	Yan Xin Sun	Partial demolition of existing structures and construction of a two-storey detached dwelling house with associated parking	Ongoing
673-677 Darling Street, Rozelle	Karmel & Co Pty Ltd	Order made by Inner West Council on 25 February 2019 be revoked	Ongoing
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	Ongoing
30 Clarendon Road, Stanmore	Michelle Lyons	Appeal against conditions of consent	Ongoing
160-164 Livingstone Road, Marrickville	Mirvac Constructions Pty Ltd	Temporary use of part of the existing club building as construction offices for the Merrick and Co development site at 313-319 Marrickville Road until 31 December 2019	Appeal discontinued
23 Thompson Street, Marrickville	Geoff Penrose & Claire Penrose	Second storey addition to existing dwelling	Ongoing
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	Ongoing
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	Ongoing
429-449 New Canterbury Road, Dulwich Hill	888 New Canterbury Road Pty Ltd	Signage on the ground floor shopfront windows and awning fascia	Ongoing
185-187 Norton Street, Ashfield	Boulos Rofail	Modification application seeking to modify the development consent granted by the LEC (2017/332974) on 29 March 2018 to reconfigure the internal layout, update façade treatments, provide for an additional 10 boarding rooms and 5 parking spaces	Ongoing
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	Ongoing
122-138 Flood Street, Leichhardt	LIF Pty Ltd	Application to modify Land and Environment Court ordered development consent 10370 of 1993 for an extension of standard trading hours (proposed to be 7am to 10pm, 7 days a week) for major tenants, that have a floor space greater than 1,200m sq., within Marketplace Leichhardt	Appeal discontinued
131 Catherine Street, Leichhardt	Alan Lalich	Alterations and additions to existing rear balcony	Appeal discontinued
33 Gower Street, Summer Hill	Emag Apartments Pty Ltd	Construction of a residential flat building, basement car park and associated landscaping	Ongoing
Unit 3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Change of use from existing commercial unit to serviced apartment (tourist and visitor accommodation)	Ongoing

Land and Environment Court - Classes 2 and 3

Property Address	Other Party	Summary	Results/Status
40 Moodie Street, Rozelle	Natalie Lawrence and Aaron Lawrence	Appeal for order LGA/2018/221 to be modified to require the Respondent to pay for the cost of	Appeal discontinued

complying and costs incurred as a result of the retaining wall collapsing

Land and Environment Court - Class 4

Property Address	Other Party	Summary	Results/Status
35 Moonbie Street, Summer Hill	Eric Findlay	Enforcement proceedings regarding the keeping or housing of a pony at the premises	Ongoing
89 Fitzroy Street, Marrickville	Balmain Rentals Pty Ltd	Breach of section 4.3(a) of EPA by carrying out development for the purpose of a vehicle sales or hire premises at the premises in circumstances where the Use is prohibited by virtue of clause 2.3(1) and the Land Use Table for the IN1 - General Industrial zone in Marrickville LEP 2011	Orders made by Court

High Court

Property Address	Other Party	Summary	Results/Status
N/A	Sophia McGinn (Appellant)	Application for special leave to appeal against whole of the judgement of Court of Appeal given on 1 May 2018	Application dismissed

NCAT

Property Address	Other Party	Summary	Results/Status
N/A	David Tierney	Application for administrative review of GIPA request	Matter discontinued
N/A	Anthony Cosco	Application for administrative review of GIPA request	Matter discontinued

Local Court

Property Address	Other Party	Summary	Results/Status
2C Gladstone Street, Newtown	Bodega Collective Pty Ltd	Development without consent - Corporation	Defendant ordered to pay legal costs of \$2,500
2/283-285 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Occupy or use building without occupation certificate - corporation	Penalty withdrawn by Council
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures - corporation	Defendant fined \$6,500 and ordered to pay \$400 in Legal Costs
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures - corporation	Defendant fined \$6,500 and ordered to pay \$400 in Legal Costs
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures - corporation	Defendant fined \$6,500 and ordered to pay \$400 in Legal Costs
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures - corporation	Defendant fined \$6,500 and ordered to pay \$400 in Legal Costs
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures - corporation	Defendant fined \$6,500 and ordered to pay \$400 in Legal Costs
110 Addison Road, Marrickville	Ryan Addison	Fail to comply with conditions of approval - Individual	Defendant fined \$3,000
6 Hubert Street, Leichhardt	Ebuilt Carpentry & Building Pty Ltd	Unauthorised demolition taken place not according to conditions of consent.	Matter dismissed by Court
56 Railway Parade, Annandale	Jonathan Parker Heron Kelly	Development without consent - Individual	Penalty withdrawn by Council
13 Lilyfield Road, Rozelle	Darlings Bistro	Development without consent - Corporation	Defendant fined \$8,000 and ordered to pay \$3,500 in Legal Costs
37A Macauley Street, Leichhardt	Mark Johnson	Development without consent - class 1a or 10 building - Individual	Defendant fined \$300

Property Address	Other Party	Summary	Results/Status
38 Grove Street, Lilyfield	Byplan Australia Pty Ltd	Development without consent - class 1a or 10 building - Corporation	Defendant fined \$1000 and ordered to pay \$500 in Legal Costs
159A Denison Road, Dulwich Hill	Perestrelo Investments Pty Ltd	Fire safety statement not provided- 1 week overdue - Individual	Penalty withdrawn by Council
25-27 Cavendish Street, Enmore	Elias Daoud	Owner fails to maintain essential fire safety measures - Individual	Matter to be withdrawn by Council at Court on 17 July 2019
11 Liberty Street, Enmore	Robert Daoud	Fire safety statement not provided- 1 week overdue - Individual	Matter to be withdrawn by Council at Court on 17 July 2019
65 Marrickville Road, Marrickville	Yan Fen Kuang	Fire safety statement not provided- 1 week overdue - Individual	Defendant fined \$100
117 Probert Street, Newtown	A & J Holdings Pty Ltd	Fire safety statement not provided- 1 week overdue - Individual	Penalty withdrawn by Council
N/A	Alberto Bolognini	Breach of Section 16(1)(a) of Companion Animals Act	Court imposed control orders
N/A	Alexis King	Breach of Section 16(1)(a) of Companion Animals Act	Court imposed control orders and \$500 fine
44 Burwood Road, Concord	Humberto De Andrade	Fire safety statement not provided- 1 week overdue - Individual	Ongoing
117 Probert Street, Newtown	A & J Wong Holdings Pty Ltd	Fire safety statement not provided- 1 week overdue - Individual	Ongoing
3 283 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Development without development consent - any other case - Corporation	Ongoing

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

External Body Name	Purpose of participation
RecLink Australia	Council partners with RecLink 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 Rive 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
SSROC	Inner West Council chairs an SSROC Governance Officers Group to discuss and collaborate on corporate governance issues
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 (ERLGATSIF)	ERLGATSIF 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 and Sydney Justice of the Peace Office 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
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 Family and

External Body Name	Purpose of participation
	Community Services (Housing), Sydney Local Health District, Newtown Neighbourhood Centre, Missionbeat, Wesley Mission, Youth Off the Streets, NEAMI Way to Home, Launchpad and The Exodus Foundation
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	Lad to which it applies	Parties to agreement	Planning/ Development Status	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-on)
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 of roads, footpath & 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, & facilitate car sharing schemes.

VPA Status	Lad to which it applies	Parties to agreement	Planning/ Development Status	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-on)
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 2 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 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	2 affordable housing units Public domain works Public access agreement In addition to s.94 contributions
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.
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.

VPA Status	Lad to which it applies	Parties to agreement	Planning/ Development Status	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-on)
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 August 2018	3-7 & 13-17 Regent St,	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 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.</p> <ul style="list-style-type: none"> • Deicorp will provide a total of 24 car spaces to be allocated as public car spaces within the development • 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)
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.

Annual Report

Section 3 Audited financial statements

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

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



Bluesfest 2016, War Memorial Park, Leichhardt, Photo: Courtesy Inner West Council

General Purpose Financial Statements

for the year ended 30 June 2019

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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

General Purpose Financial Statements

for the year ended 30 June 2019

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 2019.

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.

Inner West Council

General Purpose Financial Statements

for the year ended 30 June 2019

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 29 October 2019.



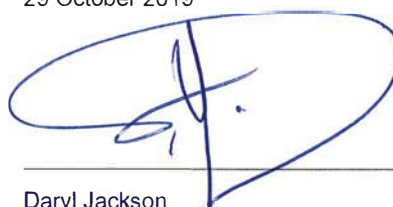
Darcy Byrne
Mayor
29 October 2019



Vittoria Raciti
Councillor
29 October 2019



Michael Deegan
General Manager
29 October 2019



Daryl Jackson
Responsible Accounting Officer
29 October 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000		Notes	Actual 2019	Actual 2018 ¹
		Income from continuing operations			
		<u>Revenue:</u>			
157,097		Rates and annual charges	3a	159,297	154,436
44,429		User charges and fees	3b	42,852	41,462
5,167		Interest and investment revenue	3c	6,508	6,315
24,484		Other revenues	3d	27,009	24,020
10,904		Grants and contributions provided for operating purposes	3e,3f	11,731	10,523
25,907		Grants and contributions provided for capital purposes	3e,3f	23,446	16,838
		<u>Other income:</u>			
—		Fair value increment on investment properties	10	449	—
—		Net share of interests in joint ventures and associates using the equity method	16	144	467
267,988		Total income from continuing operations		271,436	254,061
		Expenses from continuing operations			
123,934		Employee benefits and on-costs	4a	119,497	109,311
1,207		Borrowing costs	4b	620	860
64,415		Materials and contracts	4c	65,135	58,427
26,129		Depreciation and amortisation	4d	26,594	28,296
29,449		Other expenses	4e	34,421	32,186
(181)		Net losses from the disposal of assets	5	8,282	1,224
—		Revaluation decrement / impairment of IPP&E	4d	—	8,999
244,953		Total expenses from continuing operations		254,549	239,303
23,035		Operating result from continuing operations		16,887	14,758
23,035		Net operating result for the year		16,887	14,758
23,035		Net operating result attributable to council		16,887	14,758
(2,872)		Net operating result for the year before grants and contributions provided for capital purposes		(6,559)	(2,080)

⁽¹⁾ The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		16,887	14,758
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9(a)	14,896	103,212
Total items which will not be reclassified subsequently to the operating result		14,896	103,212
Total other comprehensive income for the year		14,896	103,212
Total comprehensive income for the year		31,783	117,970
 Total comprehensive income attributable to Council		 31,783	 117,970

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	Restated 2018 ¹	Restated 1 July 2017
ASSETS				
Current assets				
Cash and cash equivalent assets	6(a)	23,798	12,835	18,668
Investments	6(b)	118,330	142,488	145,588
Receivables	7	47,578	16,468	17,027
Inventories	8a	180	178	207
Other	8b	3,291	3,827	2,340
Total current assets		193,177	175,796	183,830
Non-current assets				
Investments	6(b)	79,683	61,991	40,550
Receivables	7	—	25,302	216
Infrastructure, property, plant and equipment	9(a)	2,156,465	2,128,084	2,051,441
Investment property	10a	28,489	28,040	28,040
Intangible assets	11	1,397	—	—
Investments accounted for using the equity method	16	3,637	3,493	3,025
Total non-current assets		2,269,671	2,246,910	2,123,272
TOTAL ASSETS		2,462,848	2,422,706	2,307,102
LIABILITIES				
Current liabilities				
Payables	12	35,898	30,208	25,579
Income received in advance	12	4,267	1,764	1,296
Borrowings	12	3,683	4,232	4,688
Provisions	13	32,433	27,898	30,950
Total current liabilities		76,281	64,102	62,513
Non-current liabilities				
Borrowings	12	5,416	9,104	13,356
Provisions	13	2,009	2,141	1,844
Total non-current liabilities		7,425	11,245	15,200
TOTAL LIABILITIES		83,706	75,347	77,713
Net assets		2,379,142	2,347,359	2,229,389
EQUITY				
Accumulated surplus	14a	2,182,843	2,165,956	2,151,198
Revaluation reserves	14a	196,299	181,403	78,191
Council equity interest		2,379,142	2,347,359	2,229,389
Total equity		2,379,142	2,347,359	2,229,389

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement

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 2019

		2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus Restated	IPP&E revaluation reserve Restated	Total equity Restated
\$ '000	Notes						
Opening balance		2,165,956	181,403	2,347,359	2,178,552	78,191	2,256,743
Correction of prior period errors	14b	–	–	–	(27,354)	–	(27,354)
Restated opening balance		2,165,956	181,403	2,347,359	2,151,198	78,191	2,229,389
Net operating result for the year		16,887	–	16,887	14,758	–	14,758
Restated net operating result for the period		16,887	–	16,887	14,758	–	14,758
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9(a)	–	14,896	14,896	–	103,212	103,212
Other comprehensive income		–	14,896	14,896	–	103,212	103,212
Total comprehensive income		16,887	14,896	31,783	14,758	103,212	117,970
Equity – balance at end of the reporting period		2,182,843	196,299	2,379,142	2,165,956	181,403	2,347,359

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

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 2019

<i>Original unaudited budget 2019</i>	<i>\$ '000</i>	Notes	<i>Actual 2019</i>	<i>Actual 2018</i>
Cash flows from operating activities				
<u>Receipts</u>				
157,097	Rates and annual charges		158,625	152,937
44,429	User charges and fees		46,111	56,246
5,167	Investment and interest revenue received		4,826	6,857
36,810	Grants and contributions		32,454	28,067
–	Bonds, deposits and retention amounts received		2,356	1,757
24,484	Other		36,387	6,689
<u>Payments</u>				
(123,934)	Employee benefits and on-costs		(114,322)	(112,136)
(64,415)	Materials and contracts		(67,362)	(67,975)
(1,207)	Borrowing costs		(626)	(865)
(29,449)	Other		(38,010)	(47,564)
48,982	Net cash provided (or used in) operating activities	15b	60,439	24,013
Cash flows from investing activities				
<u>Receipts</u>				
315,120	Sale of investment securities		162,017	266,502
182	Sale of infrastructure, property, plant and equipment		2,390	37,355
<u>Payments</u>				
(282,330)	Purchase of investment securities		(155,551)	(284,843)
(80,934)	Purchase of infrastructure, property, plant and equipment		(52,199)	(44,152)
–	Purchase of intangible assets		(1,896)	–
(47,962)	Net cash provided (or used in) investing activities		(45,239)	(25,138)
Cash flows from financing activities				
<u>Receipts</u>				
28,845	Proceeds from borrowings and advances		–	–
<u>Payments</u>				
(5,434)	Repayment of borrowings and advances		(4,237)	(4,708)
23,411	Net cash flow provided (used in) financing activities		(4,237)	(4,708)
24,431	Net increase/(decrease) in cash and cash equivalents		10,963	(5,833)
14,107	Plus: cash and cash equivalents – beginning of year	15a	12,835	18,668
38,538	Cash and cash equivalents – end of the year	15a	23,798	12,835
Additional Information:				
131,171	plus: Investments on hand – end of year	6(b)	198,013	204,479
169,709	Total cash, cash equivalents and investments		221,811	217,314

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 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 29 October 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated 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.

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 20 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

There have been no new accounting standards adopted by Council in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

AASB 9 Financial Instruments was adopted for the first time in the financial statements.

The impact adopting this standard has had no material impact on the reporting of Council's financial position or performance.

(b) 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.

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note 10
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (iii) employee benefit provisions – refer Note 13.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

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.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 16 Leases

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

Council has not made an assessment to the materiality of this new standard.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

The impact of AASB15 is expected to not be material for Inner West Council.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

There is not expected to be any material specific impacts of AASB1058 for Inner West Council.

Notes to the Financial Statements

for the year ended 30 June 2019

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	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current) ¹	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Children and Family Services	17,334	15,622	19,108	15,560	(1,774)	62	1,073	862	190	–
Community Events	140	119	3,718	3,129	(3,578)	(3,010)	–	–	–	–
Community Services and Culture	2,262	2,124	11,360	7,993	(9,098)	(5,869)	1,092	1,104	–	182
Corporate Support Services	144,167	139,596	65,481	102,124	78,686	37,472	5,536	6,569	1,272,157	2,390,653
Development Assessment	4,772	5,277	6,874	5,866	(2,102)	(589)	–	–	26	–
Environment and Sustainability	764	644	5,591	3,784	(4,827)	(3,140)	504	333	8	9
Footpaths, Roads, Traffic and Stormwater	17,234	13,034	34,097	25,226	(16,863)	(12,192)	3,056	1,479	1,032,701	24,751
Library and History Services	1,270	630	11,032	8,226	(9,762)	(7,596)	–	689	59	–
Recreation and Aquatics	9,464	10,122	11,266	10,752	(1,802)	(630)	1,146	–	54,578	77
Regulatory Services	17,392	14,448	13,943	12,668	3,449	1,780	–	–	8,018	6,336
Resource Recovery	41,364	39,749	28,934	27,570	12,430	12,179	–	–	1,444	698
Strategic Planning	2,716	3,476	7,934	4,784	(5,218)	(1,308)	750	–	–	–
Trees, Parks and Sportsfields	12,557	9,220	35,211	11,621	(22,654)	(2,401)	–	–	93,667	–
Other	–	–	–	–	–	–	–	(963)	–	–
Total functions and activities	271,436	254,061	254,549	239,303	16,887	14,758	13,157	10,073	2,462,848	2,422,706

(1) Total assets held (current and non-current) for 2018 have been restated

Notes to the Financial Statements

for the year ended 30 June 2019

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
- Strategic planning for 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

Notes to the Financial Statements

for the year ended 30 June 2019

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

- Road reserve signage and pavement markings
- 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 Council's service provider contracts for the two indoor recreational facilities to ensure that services and programming meet the needs of the 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, Dawn Fraser Baths 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.

Tree, 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.

Notes to the Financial Statements

for the year ended 30 June 2019

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

- 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.

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	82,507	78,218
Business	35,070	34,746
Less: pensioner rebates (mandatory)	(1,978)	(344)
Rates levied to ratepayers	115,599	112,620
Pensioner rate subsidies received	967	964
Total ordinary rates	116,566	113,584
Special rates		
Environmental levy	262	240
Urban street	181	181
Rates levied to ratepayers	443	421
Total special rates	443	421
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	42,238	37,302
Stormwater management services	1,771	1,754
Waste management services (non-domestic)	1,361	1,391
Section 611 charges	153	154
Less: pensioner rebates (Council policy)	(3,235)	(170)
Annual charges levied	42,288	40,431
Total annual charges	42,288	40,431
TOTAL RATES AND ANNUAL CHARGES	159,297	154,436

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 or, where earlier, upon receipt of the rates.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Domestic waste management services	284	218
Waste management services (non-domestic)	471	398
Total specific user charges	755	616
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building services – other	277	379
Private works – section 67	406	226
Regulatory/ statutory fees	346	348
Section 10.7 certificates (EP&A Act)	445	514
Town planning	5,544	5,696
Building services	83	23
Regulatory – compliance	1,581	1,416
Regulatory fees – other	1,510	889
Total fees and charges – statutory/regulatory	10,192	9,491
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aged care	–	66
Child care	16,413	14,898
Community centres	462	406
Leisure centre	4,762	5,667
Park rents	1,509	872
Parking fees	3,587	3,869
Hoarding fees	979	854
Meals on wheels	322	291
Pool (admissions)	2,893	3,104
Other	978	1,328
Total fees and charges – other	31,905	31,355
TOTAL USER CHARGES AND FEES	42,852	41,462

Accounting policy for user charges and fees

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 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	594	437
– Cash and investments	3,986	5,878
– Other	1,928	–
TOTAL INTEREST AND INVESTMENT REVENUE	6,508	6,315

Interest revenue is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	452	437
General Council cash and investments	4,128	5,128

Restricted investments/funds – external:

Development contributions		
– Section 7.11	1,928	750

Total interest and investment revenue	6,508	6,315
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Accounting policy for interest and investment revenue

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

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

\$ '000	Notes	2019	2018
(d) Other revenues			
Rental income – investment property	10	3,059	2,876
Rental income – other council properties		2,940	2,580
Ex gratia rates		486	475
Fines – parking		15,168	12,565
Fines – other		1,050	108
Legal fees recovery – other		449	582
Diesel rebate		17	18
Credit card transaction fee		228	218
Other		1,953	1,733
Street furniture income		162	492
Bus shelter income		1,497	1,313
Donations Received		–	1,060
TOTAL OTHER REVENUE		27,009	24,020

Accounting policy for other revenue

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Rental income is accounted for on a straight-line basis over the lease term.

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.

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	1,987	2,228	–	–
Financial assistance – local roads component	666	242	–	–
Payment in advance - future year allocation				
Financial assistance – general component	2,060	2,482	–	–
Financial assistance – local roads component	690	276	–	–
Total general purpose	5,403	5,228	–	–
Specific purpose				
Aged care	936	814	–	–
Child care	1,073	862	–	–
Environmental programs	207	333	265	–
Floodplain management	32	–	–	–
LEP/DCP	750	–	–	–
Library – per capita	548	489	–	200
LIRS subsidy	133	159	–	–
Recreation and culture	150	–	996	–
Street lighting	660	655	–	–
Transport (roads to recovery)	–	–	–	–
Transport (other roads and bridges funding)	–	–	754	665
Other	–	–	1,094	378
Community services	156	290	–	–
Total specific purpose	4,645	3,602	3,109	1,243
Total grants	10,048	8,830	3,109	1,243
Grant revenue is attributable to:				
– Commonwealth funding	6,548	5,228	–	–
– State funding	2,750	3,602	–	1,243
– Other funding	750	–	3,109	–
	10,048	8,830	3,109	1,243

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements		–	–	5,052	699
S 7.11 – contributions towards amenities/services		–	–	11,678	12,369
Total developer contributions – cash		–	–	16,730	13,068
Non-cash contributions					
S 7.4 – contributions using planning agreements		–	–	2,840	1,160
Total developer contributions non-cash		–	–	2,840	1,160
Total developer contributions	24	–	–	19,570	14,228
Other contributions:					
Cash contributions					
Roads and bridges		–	–	767	1,223
RMS contributions (regional roads, block grant)		1,093	1,335	–	–
Other		590	358	–	144
Total other contributions – cash		1,683	1,693	767	1,367
Total other contributions		1,683	1,693	767	1,367
Total contributions		1,683	1,693	20,337	15,595
TOTAL GRANTS AND CONTRIBUTIONS		11,731	10,523	23,446	16,838

Accounting policy for grants and contributions

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 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	72,209	82,939
Add: operating grants recognised in the current period but not yet spent	17,270	20,290
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	(78,834)	(31,020)
Unexpended and held as restricted assets (operating grants)	10,645	72,209

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	91,923	82,570
Employee termination costs	2,086	2,236
Travel expenses	42	42
Employee leave entitlements (ELE)	12,752	12,505
Superannuation	9,863	9,505
Workers' compensation insurance	2,010	1,820
Fringe benefit tax (FBT)	569	567
Training costs (other than salaries and wages)	249	134
Other	140	51
Total employee costs	119,634	109,430
Less: capitalised costs	(137)	(119)
TOTAL EMPLOYEE COSTS EXPENSED	119,497	109,311
Number of 'full-time equivalent' employees (FTE) at year end	1,036	1,038

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 18 for more information.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans	620	860
Total interest bearing liability costs expensed	620	860
<u>TOTAL BORROWING COSTS EXPENSED</u>	<u>620</u>	<u>860</u>

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.

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	9,853	9,787
Contractor and consultancy costs	71	—
– Agency Staff	13,223	10,515
– Consultants	2,953	3,226
– Contractors	26,757	23,245
Auditors remuneration ²	554	148
Legal expenses:		
– Legal expenses: planning and development	567	841
– Legal expenses: debt recovery	437	248
– Legal expenses: other	88	166
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	818	1,120
Tipping fees	9,814	9,131
Total materials and contracts	65,135	58,427
<u>TOTAL MATERIALS AND CONTRACTS</u>	<u>65,135</u>	<u>58,427</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
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Accounting policy for operating leases

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	466
Motor vehicles	141	232
Other	120	422
	<u>818</u>	<u>1,120</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	276	148
Remuneration for audit and other assurance services	<u>276</u>	<u>148</u>
Total Auditor-General remuneration	<u>276</u>	<u>148</u>

Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Internal Audit Services	278	—
Remuneration for audit and other assurance services	<u>278</u>	<u>—</u>
Total remuneration of non NSW Auditor-General audit firms	<u>278</u>	<u>—</u>
Total Auditor remuneration	<u>554</u>	<u>148</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		2,129	2,502
Office equipment		78	615
Furniture and fittings		128	194
Land improvements (depreciable)		3,362	3,688
Car parks (depreciable)		178	206
Infrastructure:			
– Buildings		6,806	5,861
– Roads		6,635	7,748
– Bridges		179	181
– Footpaths		1,235	1,601
– Other road assets		689	771
– Stormwater drainage		1,233	1,471
– Swimming pools		1,180	1,648
– Wharves		81	81
– Sea walls		388	394
– Kerb and gutter		1,410	991
Other assets:			
– Domestic waste vehicles		384	344
Intangible assets	11	499	–
Total gross depreciation and amortisation costs		26,594	28,296
Total depreciation and amortisation costs		26,594	28,296
Impairment / revaluation decrement of IPP&E			
Infrastructure:			
– Buildings		–	8,913
– Bulk Earthworks (Non Depreciable)		–	86
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		–	8,999
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	8,999
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E		26,594	37,295

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**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 9 for IPPE assets and Note 11 for intangible 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

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.

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	2019	2018
(e) Other expenses		
Advertising	1,149	779
Bad and doubtful debts	1,878	999
Bank charges	510	464
Computer software charges	4,112	3,943
Contributions/levies to other levels of government		
– NSW fire brigade levy	3,269	3,320
– SEINS processing fees	2,120	1,694
– Waste levy	4,273	4,131
Councillor expenses – mayoral fee (incl deputy mayor)	76	53
Councillor expenses – councillors' fees	351	282
Administration and committee fees	39	212
Donations, contributions and assistance to other organisations (Section 356)	2,088	2,213
Electricity and heating	3,230	2,392
Insurance	2,292	2,205
Postage	621	685
Printing and stationery	255	–
Street lighting	1,663	1,629
Subscriptions and publications	473	611
Telephone and communications	1,266	1,547
Valuation fees	350	344
Water rates	1,068	972
Gas	593	749
Other	2,745	2,962
Total other expenses	34,421	32,186
TOTAL OTHER EXPENSES	34,421	32,186

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 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		–	35,038
Less: carrying amount of property assets sold/written off		(3,331)	(35,364)
Net gain/(loss) on disposal		(3,331)	(326)
Plant and equipment			
	9(a)		
Proceeds from disposal – plant and equipment		1,460	2,113
Less: carrying amount of plant and equipment assets sold/written off		(1,554)	(1,933)
Net gain/(loss) on disposal		(94)	180
Infrastructure			
	9(a)		
Proceeds from disposal – infrastructure		–	204
Less: carrying amount of infrastructure assets sold/written off		(910)	(1,282)
Net gain/(loss) on disposal		(910)	(1,078)
Investments			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		–	266,502
Less: carrying amount of investments sold/redeemed/matured		–	(266,502)
Net gain/(loss) on disposal		–	–
Operational Land			
Proceeds from disposal – Operational Land		930	–
Less: carrying amount of Operational Land assets sold/written off		(65)	–
Net gain/(loss) on disposal		865	–
Aquatic Facilities			
Proceeds from disposal – Aquatic Facilities		–	–
Less: carrying amount of Aquatic Facilities assets sold/written off		(4,812)	–
Net gain/(loss) on disposal		(4,812)	–
Land improvements			
Proceeds from disposal – Land Improvements		–	–
Less: carrying amount of Land improvements assets sold/written off		–	–
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(8,282)	(1,224)

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	23,798	12,835
Total cash and cash equivalents	23,798	12,835

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 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	–	1,139	–	1,156
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	118,330	78,544	142,488	60,835
Total Investments	118,330	79,683	142,488	61,991
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	142,128	79,683	155,323	61,991
Financial assets at fair value through the profit and loss				
Mortgage backed securities	–	1,139	–	1,156
Total	–	1,139	–	1,156
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	105,130	10,000	139,467	4,078
NCD's, FRN's (with maturities > 3 months)	11,200	29,500	3,021	28,339
Fixed bonds (ADIs)	2,000	39,044	–	28,418
Total	118,330	78,544	142,488	60,835

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

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)

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

Council's financial assets measured at amortised cost comprise 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.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019 Current ¹	2019 Non-current	2018 Current ¹	2018 Non-current
Total cash, cash equivalents and investments	142,128	79,683	155,323	61,991
attributable to:				
External restrictions	25,914	79,683	38,431	61,991
Internal restrictions	53,566	–	46,535	–
Unrestricted	62,648	–	70,357	–
	142,128	79,683	155,323	61,991

(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	2019	2018
Details of restrictions		
External restrictions – other		
Developer contributions – general	63,212	54,109
Specific purpose unexpended grants	10,645	18,100
Domestic waste management	24,886	22,127
Stormwater management	730	501
Watershed	59	59
SRV Income	4,963	5,026
Mainstreet levy	240	240
3.5% levy reserve	862	260
External restrictions – other	105,597	100,422
Total external restrictions	105,597	100,422
Internal restrictions		
Employees leave entitlement	34,442	29,783
Deposits, retentions and bonds	16,374	13,994
FAG reserve	2,750	2,758
Total internal restrictions	53,566	46,535
TOTAL RESTRICTIONS	159,163	146,957

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	6,406	–	5,374	433
Interest and extra charges	1,428	–	853	197
User charges and fees	3,311	–	3,901	–
Accrued revenues				
– Interest on investments	1,177	–	16	–
– Other income accruals	3,381	–	1,202	–
Fines	8,010	–	6,336	–
Net GST receivable	2,637	–	2,642	–
Other debtors	24,921	–	198	24,672
Total	51,271	–	20,522	25,302
Less: provision of impairment				
Rates and annual charges	(341)	–	(414)	–
Interest and extra charges	(54)	–	(197)	–
User charges and fees	(519)	–	(1,176)	–
Fines	(2,779)	–	(2,267)	–
Total provision for impairment – receivables	(3,693)	–	(4,054)	–
TOTAL NET RECEIVABLES	47,578	–	16,468	25,302
Externally restricted receivables				
Domestic waste management	1,444	–	1,171	–
Stormwater management	74	–	78	–
Other				
– Developer Contributions ¹	24,672	–	–	–
– Urban centres levy	1	–	4	–
Total external restrictions	26,191	–	1,253	–
Unrestricted receivables	21,387	–	15,215	25,302
TOTAL NET RECEIVABLES	47,578	–	16,468	25,302

(1) This relates to in-kind contributions for the Marrickville Library.

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	4,054	3,088
+ new provisions recognised during the year	1,864	966
– 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 period	3,693	4,054

Accounting policy for receivables

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

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

Accounting policy under AASB 9 applicable from 1 July 2018

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

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

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

The Council recognizes 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.

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, or when the receivables are over 2 years past due, whichever occurs first.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	148	–	161	–
Trading stock	32	–	17	–
Total inventories at cost	180	–	178	–
<u>TOTAL INVENTORIES</u>	<u>180</u>	<u>–</u>	<u>178</u>	<u>–</u>

(b) Other assets

Prepayments	3,291	–	3,827	–
<u>TOTAL OTHER ASSETS</u>	<u>3,291</u>	<u>–</u>	<u>3,827</u>	<u>–</u>

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	3,471	–	4,005	–
<u>TOTAL INVENTORIES AND OTHER ASSETS</u>	<u>3,471</u>	<u>–</u>	<u>4,005</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.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment

	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount Restated	Accumulated depreciation	Net carrying amount Restated	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
\$ '000												
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:												
– Crown land	88,336	—	88,336	—	—	—	—	9,522	—	97,858	—	97,858
– Operational land	395,312	—	395,312	—	—	(65)	—	827	—	396,074	—	396,074
– Community land	177,258	—	177,258	—	—	—	—	(10,349)	—	166,909	—	166,909
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
– Buildings – specialised	—	—	—	—	—	—	—	—	—	—	—	—
– 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
– Kerb and gutter	186,959	(75,508)	111,451	793	—	(502)	(1,410)	—	7,286	194,584	(76,965)	117,619
– 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
– 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
– Stormwater drainage	174,452	(53,919)	120,533	3,181	—	—	(1,233)	—	—	177,633	(55,152)	122,481
– Aquatic Centres	66,174	(11,724)	54,450	—	—	(4,812)	(1,180)	(8,865)	4,303	55,122	(11,222)	43,900
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 2019

Note 9(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 for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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:

Council reassessed the useful lives of Property, Plant and Equipment which resulted in a change in useful lives in the following class of assets. This was undertaken for Buildings, Kerb & Gutter, Footpaths, Stormwater and seawalls. As a result of this the overall depreciation expense decreased from \$28.2 million to \$26 million.

Plant and equipment	Years	Property Assets	Years
Office equipment	5 to 10	Buildings	9 to 151
Office furniture	2 to 10	Aquatic Centres	10 to 75
Plant and Fleet	2 to 10		
Domestic Waste Vehicles	3 to 6	Play Spaces and Sporting Fields	Years
		Land Improvements Parks (depreciable)	5 to 124
Transport Assets	Years	Seawalls	20 to 100
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	100 to 200		
Traffic Devices	20 to 80		
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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment (continued)

Crown reserves

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

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

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

	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount Restated	Accumulated depn. and impairment	Net carrying amount Restated
\$ '000						
Domestic waste management						
Domestic waste vehicles	4,511	1,771	2,740	4,511	1,387	3,124
Total DWM	4,511	1,771	2,740	4,511	1,387	3,124
<u>TOTAL RESTRICTED I,PP&E</u>	4,511	1,771	2,740	4,511	1,387	3,124

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	28,489	28,040
Reconciliation of annual movement:		
Opening balance	28,040	28,040
– Net gain/(loss) from fair value adjustments	449	–
CLOSING BALANCE – INVESTMENT PROPERTY	28,489	28,040

(b) Valuation basis

The basis of valuation of investment property is fair value. This uses the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location, condition and subject to similar lease terms.

The 2019 revaluations were based on the 2018 independent assessments made by Scott Fullerton Valuers, increased by the value of the FY19 Consumer Price Index.

(c) Investment property income and expenditure – summary

Rental income from investment property:		
– Minimum lease payments	3,059	2,876
Direct operating expenses on investment property:		
– that generated rental income	(6)	–
Net revenue contribution from investment property	3,053	2,876
Fair value movement for year	449	–
Total income attributable to investment property	3,502	2,876

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	—	—
Net book value – opening balance	—	—
Movements for the year		
- Transfers from other asset classes	1,896	—
– Amortisation charges	(499)	—
Closing values at 30 June		
Gross book value	1,397	—
<u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</u>	<u>1,397</u>	<u>—</u>
The net book value of intangible assets represents:		
– Software	1,397	—
	<u>1,397</u>	<u>—</u>

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 five 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 2019

Note 12. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	12,943	–	8,655	–
Goods and services – capital expenditure	–	–	4,787	–
Accrued expenses:				
– Borrowings	19	–	25	–
– Salaries and wages	1,073	–	357	–
– Other expenditure accruals	4,210	–	1,292	–
Security bonds, deposits and retentions	16,645	–	14,289	–
Other	1,008	–	803	–
Total payables	35,898	–	30,208	–
Income received in advance				
Payments received in advance	4,267	–	1,764	–
Total income received in advance	4,267	–	1,764	–
Borrowings				
Loans – secured ¹	3,683	5,416	4,232	9,104
Total borrowings	3,683	5,416	4,232	9,104
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>43,848</u>	<u>5,416</u>	<u>36,204</u>	<u>9,104</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 19.

\$ '000	2019	2018
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(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	10,460	10,002
Total payables and borrowings	10,460	10,002

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

	as at 30/6/2018					as at 30/6/2019
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	13,336	(4,237)	–	–	–	9,099
TOTAL	13,336	(4,237)	–	–	–	9,099

	as at 30/6/2017					as at 30/6/2018
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	18,044	(4,708)	–	–	–	13,336
TOTAL	18,044	(4,708)	–	–	–	13,336

\$ '000	2019	2018
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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	2,000	2,000
Credit cards/purchase cards	549	549
Total financing arrangements	2,549	2,549

Undrawn facilities as at balance date:

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

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

Finance leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	9,647	–	8,841	–
Sick leave	600	–	–	–
Long service leave	19,232	1,902	16,568	1,841
Other leave	806	–	593	–
ELE on-costs	2,148	107	1,746	193
Sub-total – aggregate employee benefits	32,433	2,009	27,748	2,034
Other provisions				
Excess insurance	–	–	150	107
Sub-total – other provisions	–	–	150	107
<u>TOTAL PROVISIONS</u>	<u>32,433</u>	<u>2,009</u>	<u>27,898</u>	<u>2,141</u>

(a) Provisions relating to restricted assets

Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	32,433	2,009	27,898	2,141
<u>TOTAL PROVISIONS</u>	<u>32,433</u>	<u>2,009</u>	<u>27,898</u>	<u>2,141</u>

\$ '000	2019	2018
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(b) 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	19,485	16,969
	<u>19,485</u>	<u>16,969</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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

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.

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.

Note 14. 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) Correction of errors relating to a previous reporting period

Nature of prior-period error

As part of the process of consolidating the asset register onto the One Council system, Council identified Crown Land (valued at \$3.5m); Community Land (valued at \$29m) and Operational Land (valued at \$0.2m) which had not been previously recorded within its asset register. The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2017) and taking the adjustment through to accumulated surplus at that date. Council also identified Buildings (\$7.3m) and Aquatic Facilities (\$0.1m) that had not been previously recorded in its asset register. The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2017) and taking the adjustment through to accumulated surplus at that date.

Council also identified land parcels that had been incorrectly included in more than one asset class for the following asset classes:

- Community Land (\$47.8m)
- Crown Land (\$1.7m)
- Operational Land (\$13m)

These duplicate land parcels reduced retained earnings as at 1 July 2017. Council also identified duplicate building assets (\$4.8m) in the asset register. The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2017) and taking the adjustment through to accumulated surplus at that date. Within this

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

process, \$4.7m of increases in land value (as per the FY18 revaluation that was undertaken by Inner West Council) that flowed into the Asset Revaluation Reserve, which related to duplicate land parcels was also removed.

Changes to Accumulated Surplus at 1 July 2017 **\$'000**

Total Equity (as previously disclosed)	2,256,743
Buildings derecognised (duplicated)	(4,828)
Buildings previously not reported	7,288
Aquatics not previously recognised	47
Crown Land not previously recognised	3,494
Crown Land derecognised (duplicated)	(1,702)
Operational Land derecognised (duplicated)	(12,994)
Operational Land previously not recognised	220
Community Land derecognised (duplicated)	(47,837)
Community Land not previously recognised	28,958
Restated Total Equity	2,229,389

Changes to Infrastructure, Plant, Property and Equipment at 1 July 2017 **\$'000**

Total Assets (as previously disclosed)	2,078,795
Buildings derecognised (duplicated)	(4,828)
Buildings previously not reported	7,288
Aquatics not previously recognised	47
Crown Land not previously recognised	3,494
Crown Land derecognised (duplicated)	(1,702)
Operational Land derecognised (duplicated)	(12,994)
Operational Land previously not recognised	220
Community Land derecognised (duplicated)	(47,837)
Community Land not previously recognised	28,958
Restated Total Assets	2,051,441

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Statement of Financial Position

<i>\$ '000</i>	<i>Original Balance 1 July, 2017</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 1 July, 2017</i>
Changes to the Statement of Financial Position at 1 July 2017			
Infrastructure, property, plant and equipment	2,078,795	(27,354)	2,051,441
Total assets	2,334,456	(27,354)	2,307,102
Accumulated Surplus	2,178,552	(27,354)	2,151,198
Revaluation Reserve	78,191	–	78,191
Total equity	2,256,743	(27,354)	2,229,389

Adjustments to the comparative figures for the year ended 30 June 2018

Statement of Financial Position

<i>\$ '000</i>	<i>Original Balance 30 June, 2018</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 30 June, 2018</i>
Infrastructure, property, plant and equipment	2,160,168	(32,084)	2,128,084
Total assets	2,454,790	(32,084)	2,422,706
Accumulated Surplus	2,193,310	(27,354)	2,165,956
Revaluation reserve	186,133	(4,730)	181,403
Total equity	2,379,443	(32,084)	2,347,359

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

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2018. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

There has been no material impact on the Financial Statements of Inner West Council from these changes.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
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(a) Reconciliation of cash assets

Total cash and cash equivalent assets	6(a)	23,798	12,835
Balance as per the Statement of Cash Flows		23,798	12,835

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

Net operating result from Income Statement		16,887	14,758
Adjust for non-cash items:			
Depreciation and amortisation		26,594	28,296
Net losses/(gains) on disposal of assets		8,282	1,224
Non-cash capital grants and contributions		(2,840)	(1,160)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– investment property		(449)	–
– Revaluation decrements / impairments of IPP&E direct to P&L		–	8,999
Share of net (profits)/losses of associates/joint ventures using the equity method		(144)	(468)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(5,447)	(25,493)
Increase/(decrease) in provision for impairment of receivables		(361)	966
Decrease/(increase) in inventories		(2)	29
Decrease/(increase) in other current assets		536	(1,487)
Increase/(decrease) in payables		4,288	461
Increase/(decrease) in accrued interest payable		(6)	(5)
Increase/(decrease) in other accrued expenses payable		3,634	(1,614)
Increase/(decrease) in other liabilities		5,064	2,261
Increase/(decrease) in provision for employee benefits		4,660	(2,755)
Increase/(decrease) in other provisions		(257)	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		60,439	24,012

(c) Non-cash investing and financing activities

Developer contributions 'in kind'		2,840	1,160
Total non-cash investing and financing activities		2,840	1,160

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2019	2018	2019	2018
Joint ventures	144	467	3,637	3,493
Total	144	467	3,637	3,493

Joint Ventures

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2019	2018
CivicRisk Mutual	Joint Venture	Equity method	258	272
CivicRisk Metro	Joint Venture	Equity method	3,379	3,221
Total carrying amounts – material associates			3,637	3,493

(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	
	2019	2018	2019	2018	2019	2018	2019	2018
CivicRisk Mutual	258	272	4%	3%	4%	3%	6%	6%
CivicRisk Metro	3,379	3,221	23%	24%	23%	24%	17%	16%

(d) Summarised financial information for associates

\$ '000	CivicRisk Mutual		CivicRisk Metro	
	2019	2018	2019	2018
Statement of financial position				
Current assets				
Other current assets	9,028	6,917	10,154	8,129
Non-current assets	5,368	5,989	12,769	16,220
Current liabilities				
Other current liabilities	4,578	2,989	1,625	1,815
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	2,279	1,448	6,651	8,985
Net assets	7,539	8,469	14,647	13,549

Reconciliation of the carrying amount

Opening net assets (1 July)	14,959	12,980	13,549	11,611
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continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

\$ '000	<i>CivicRisk Mutual</i>		<i>CivicRisk Metro</i>	
	2019	2018	2019	2018
Profit/(loss) for the period	(1,524)	1,979	1,099	1,938
Closing net assets	13,435	14,959	14,648	13,549
Council's share of net assets (%)	3%	3%	23%	24%
Council's share of net assets (\$)	258	271	3,379	3,221

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 17. Commitments

\$ '000	2019	2018
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(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	43,958	2,697
Plant and equipment	384	752
Infrastructure	3,050	4,143
ICT	752	—
Other	2,578	1,465
Total commitments	50,722	9,057

These expenditures are payable as follows:

Within the next year	50,722	9,057
Total payable	50,722	9,057

Sources for funding of capital commitments:

Unrestricted general funds	50,722	9,057
Total sources of funding	50,722	9,057

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Commitments (continued)

\$ '000	2019	2018
(b) Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	761	416
Later than one year and not later than 5 years	2,588	247
Total non-cancellable operating lease commitments	3,349	663

Note 18. Contingencies and other assets/liabilities not recognised

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 Memebers
Division C	2.5% salaries
Division D	1.64 times member contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2018 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Contingencies and other assets/liabilities not recognised (continued)

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 \$1,626,903.56.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

* 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Contingencies and other assets/liabilities not recognised (continued)

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 2019

Note 19. 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	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	23,798	12,835	23,798	12,835
Receivables	47,578	41,770	47,578	41,770
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	196,874	203,323	200,149	204,479
Fair value through profit and loss				
Investments				
– 'Held for trading'	1,139	1,156	1,139	–
Total financial assets	269,389	259,084	272,664	259,084
Financial liabilities				
Payables	35,898	30,208	35,898	30,207
Loans/advances	9,099	13,336	9,099	13,336
Total financial liabilities	44,997	43,544	44,997	43,543

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 its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. 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
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)
2018				
Possible impact of a 10% movement in market values	25,734	25,734	(25,734)	(25,734)
Possible impact of a 1% movement in interest rates	2,573	2,573	(2,573)	(2,573)

(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.

Credit risk profile

Receivables – rates and annual charges

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	–	3,514	1,091	318	1,483	6,406
2018						
Gross carrying amount	–	5,807	–	–	–	5,807

(c) Liquidity risk

Payables 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 and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
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
2018							
Trade/other payables	0.00%	14,289	15,919	–	–	30,208	30,208
Loans and advances	5.16%	–	4,864	6,781	2,805	14,450	13,336
Total financial liabilities		14,289	20,783	6,781	2,805	44,658	43,544

Note 20. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 28 June 2018 and is unaudited.

While the Income Statement included in the 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations (continued)

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	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	157,097	159,297	2,200	1% F
User charges and fees	44,429	42,852	(1,577)	(4)% U
Interest and investment revenue	5,167	6,508	1,341	26% F
Council has diversified its investment strategy to include more ethical investment products in the portfolio which has contributed to better returns from the investments.				
Other revenues	24,484	27,009	2,525	10% F
Higher lease revenue driven by property and assets due diligence, higher than anticipated advertising revenue and unbudgeted cost recovery of removal of street furniture.				
Operating grants and contributions	10,904	11,731	827	8% F
Capital grants and contributions	25,907	23,446	(2,461)	(9)% U
Fair value increment on investment property	–	449	449	∞ F
Joint ventures and associates – net profits	–	144	144	∞ F
EXPENSES				
Employee benefits and on-costs	123,934	119,497	4,437	4% F
Borrowing costs	1,207	620	587	49% F
Council had budgeted for a loan for the Ashfield Pool capital project to be secured in FY19 (and the associated borrowing costs with it), this was secured in FY20.				
Materials and contracts	64,415	65,135	(720)	(1)% U
Depreciation and amortisation	26,129	26,594	(465)	(2)% U
Other expenses	29,449	34,421	(4,972)	(17)% U
IT Software costs are budgeted in Materials and Contracts, whilst the actuals are in Other Expenses. This classification difference is the variance to budget.				
Net losses from disposal of assets	(181)	8,282	(8,463)	4,676% U
In FY19 the Ashfield Pool was demolished (to enable renewal works) and the remaining carrying amount of this asset was disposed.				
Revaluation decrement / impairment of IPP&E	–	–	–	∞ F
STATEMENT OF CASH FLOWS				
Net cash provided from (used in) operating activities	48,982	60,439	11,457	23% F

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----
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In comparison to budget, Council paid less on employee benefits and on-costs during the year. This is the main factor in the favourable variance of cash in operating activities.

Net cash provided from (used in) investing activities	(47,962)	(45,239)	2,723	(6)%	F
Net cash provided from (used in) financing activities	23,411	(4,237)	(27,648)	(118)%	U

Council had budgeted for a loan for the Ashfield Pool capital project to be secured in FY19, this was secured in FY20.

Note 21. 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 2019

Note 21. Fair Value Measurement (continued)

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

		Fair value measurement hierarchy				
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	Total
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
– ‘Held for trading’		30/06/19	–	1,139	–	1,139
Total financial assets			–	1,139	–	1,139
Investment property						
Investment Property	10	30/06/19	–	28,489	–	28,489
Total investment property			–	28,489	–	28,489
Infrastructure, property, plant and equipment						
Crown Land	9(a)	30/06/16	–	–	97,858	97,858
Operational land		30/06/18	–	396,074	–	396,074
Community land		30/06/16	–	–	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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

2018	Notes	Fair value measurement hierarchy				Total ¹ Restated
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	
Recurring fair value measurements						
Financial assets						
Investments	6(b)					
– ‘Held for trading’		30/06/18	1,156	–	–	1,156
Total financial assets			1,156	–	–	1,156
Investment property						
Investment Property	10	30/06/18	–	28,040	–	28,040
Total investment property			–	28,040	–	28,040
Infrastructure, property, plant and equipment						
Crown Land	9(a)	30/06/16	–	–	88,336	88,336
Operational land		30/06/18	–	395,312	–	395,312
Community land		30/06/16	–	–	177,258	177,258
Land improvements – non-depreciable		30/06/18	–	–	4,259	4,259
Land improvements – depreciable		30/06/18	–	–	81,187	81,187
Car parks – non-depreciable		30/06/18	–	–	3,547	3,547
Car parks – depreciable		30/06/18	–	–	7,992	7,992
Buildings		30/06/18	–	–	234,234	234,234
Roads		30/06/18	–	–	161,141	161,141
Bridges		30/06/18	–	–	10,755	10,755
Footpaths		30/06/18	–	–	72,905	72,905
Kerb and Gutter		30/06/18	–	–	111,451	111,451
Other road assets		30/06/18	–	–	15,250	15,250
Bulk earthworks (non-depreciable)		30/06/18	–	–	512,259	512,259
Sea walls		30/06/18	–	–	27,250	27,250
Wharves		30/06/18	–	–	4,130	4,130
Stormwater drainage		30/06/18	–	–	120,533	120,533
Aquatic Centres		30/06/18	–	–	54,404	54,404
Domestic Waste Vehicles		30/06/18	–	–	3,124	3,124
Total infrastructure, property, plant and equipment			–	395,312	1,690,015	2,085,327

(1) The 2018 figures have been restated

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:

Investment property

The valuation of Council's investment property was undertaken at 30 June 2019 by Inner West Council, based on the FY18 market value (as valued by Scott Fullerton Valuations Pty Ltd) and increased by the FY19 Consumer Price Index.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

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.

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.

	Level 2 Operational land	Level 3 Remaining assets	Total Restated
\$ '000			
2018			
Opening balance	394,069	1,708,874	2,102,943
Transfers from/(to) another asset class	(3,175)	3,175	–
Purchases (GBV)	–	57,619	57,619
Disposals (WDV)	(35,000)	(437)	(35,437)
Depreciation and impairment	–	(24,639)	(24,639)
FV gains – other comprehensive income	39,418	14,469	53,887
FV gains – Income Statement ¹	–	(69,046)	(69,046)
Closing balance	395,312	1,690,015	2,085,327

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

<i>\$ '000</i>	<i>Level 2 Operational land</i>	<i>Level 3 Remaining assets</i>	<i>Total Restated</i>
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

(1) FV gains recognised in the Income Statement relating to assets still on hand at year end total

(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 2019

Note 22. Related Party Transactions

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)
- General Manager (1)
- Deputy General Managers (3)

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

\$ '000	2019	2018
Compensation:		
Short-term benefits	1,812	1,444
Post-employment benefits	86	79
Other long-term benefits	—	158
Termination benefits	107	259
Total	2,005	1,940

Note 23. 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 2019

Note 24. 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 30/6/2018	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	
	Opening Balance	Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
Roads	709	60	–	25	(53)	–	741	–
Traffic facilities	1,049	369	–	47	(404)	–	1,061	–
Parking	77	–	–	3	–	–	80	–
Open space	18,824	7,466	–	750	(2,519)	–	24,521	–
Community facilities	2,233	813	–	86	(410)	–	2,722	–
Open space and recreation	11,976	836	–	420	(3,730)	–	9,502	–
Community services and facilities	2,055	231	–	73	(118)	–	2,241	–
Transport and access	7,106	122	–	242	(17)	–	7,453	–
Administration	93	135	–	5	(131)	–	102	–
Plan preparation	855	93	–	30	(78)	–	900	–
S7.11 contributions – under a plan	44,977	10,125	–	1,681	(7,460)	–	49,323	–
S7.12 levies – under a plan	4,496	1,377	–	178	(1,939)	–	4,112	–
Total S7.11 and S7.12 revenue under plans	49,473	11,502	–	1,859	(9,399)	–	53,435	–
S7.4 planning agreements	4,636	5,227	2,840	68	(154)	–	9,777	–
Total contributions	54,109	16,729	2,840	1,927	(9,553)	–	63,212	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Statement of developer contributions (continued)

	as at 30/6/2018						as at 30/6/2019	
	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					
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN NUMBER 1 - Open Space and Recreation (former Leichhardt)								
Effective 18 January 2005	11,976	836	–	420	(3,730)	–	9,502	–
Total	11,976	836	–	420	(3,730)	–	9,502	–
CONTRIBUTION PLAN NUMBER 2 - Community Services and Facilities (former Leichhardt)								
Effective 23 August 2005	2,055	231	–	73	(118)	–	2,241	–
Total	2,055	231	–	73	(118)	–	2,241	–
CONTRIBUTION PLAN NUMBER 3 - Transport and Access (former Leichhardt)								
Effective 3 November 1999	7,106	122	–	242	(17)	–	7,453	–
Total	7,106	122	–	242	(17)	–	7,453	–
2004 S94 Developer Contributions Plan (former Marrickville)								
Roads	446	–	–	15	(53)	–	408	–
Traffic facilities	(178)	–	–	–	–	–	(178)	–
Open space	2,502	–	–	84	(686)	–	1,900	–
Total	2,770	–	–	99	(739)	–	2,130	–
2014 S94 Developer Contributions Plan (former Marrickville)								
Traffic facilities	190	242	–	10	(206)	–	236	–
Open space	7,677	5,708	–	347	(1,713)	–	12,019	–
Community facilities	812	711	–	36	(410)	–	1,149	–
Administration	93	135	–	5	(131)	–	102	–
Total	8,772	6,796	–	398	(2,460)	–	13,506	–
CONTRIBUTION PLAN NUMBER (former Ashfield)								
Roads	263	60	–	10	–	–	333	–
Traffic facilities	1,037	127	–	37	(198)	–	1,003	–
Parking	77	–	–	3	–	–	80	–
Open space	8,645	1,758	–	319	(120)	–	10,602	–

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Statement of developer contributions (continued)

	<i>as at 30/6/2018</i>		<i>Contributions received during the year</i>		<i>Interest earned in year</i>	<i>Expenditure during year</i>	<i>Internal borrowing (to)/from</i>	<i>as at 30/6/2019</i>	
	<i>Opening Balance</i>		<i>Cash</i>	<i>Non-cash</i>				<i>Held as restricted asset</i>	<i>Cumulative internal borrowings due/(payable)</i>
\$ '000									
Community facilities	1,421		102	–	50	–	–	1,573	–
Plan preparation	855		93	–	30	(78)	–	900	–
Total	12,298		2,140	–	449	(396)	–	14,491	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER (former Marrickville)

s94A Levies	2,258		1,089	–	98	(1,055)	–	2,390	–
Total	2,258		1,089	–	98	(1,055)	–	2,390	–

CONTRIBUTION PLAN NUMBER (former Ashfield)

Other	2,238		288	–	80	(884)	–	1,722	–
Total	2,238		288	–	80	(884)	–	1,722	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018 2017		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,130	0.46%	3.24%	4.42%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	247,397				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	234,699	86.65%	88.83%	74.64%	>60.00%
Total continuing operating revenue ¹	270,843				
3. Unrestricted current ratio					
Current assets less all external restrictions	141,072	3.04x	3.72x	3.29x	>1.50x
Current liabilities less specific purpose liabilities	46,336				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	28,344	5.84x	6.61x	5.21x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,857				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	7,439	4.50%	3.92%	3.05%	<5.00%
Rates, annual and extra charges collectible	165,170				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	138,928	7.42 mths	8.05 mths	8.60 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	18,713				

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

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

End of Audited Financial Statements

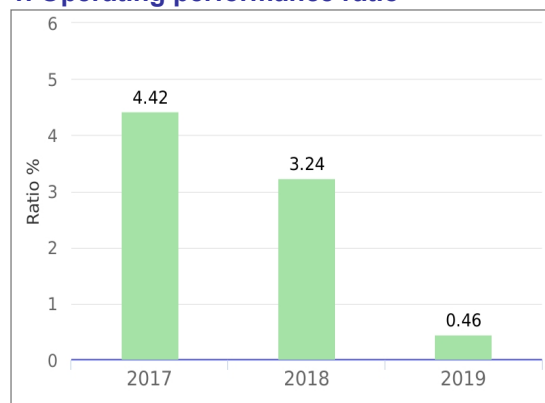
End of Audited Financial Statements

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(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 2018/19 result

2018/19 ratio 0.46%

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

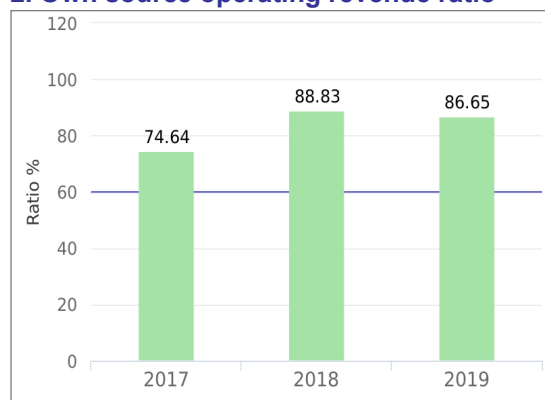
Benchmark: — > 0.00%

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

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 2018/19 result

2018/19 ratio 86.65%

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

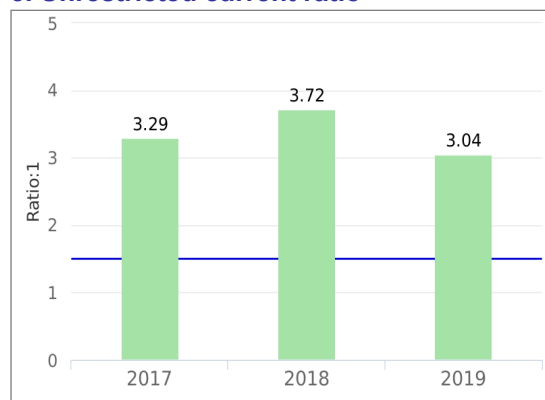
Benchmark: — > 60.00%

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

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 2018/19 result

2018/19 ratio 3.04x

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 #27

Ratio achieves benchmark

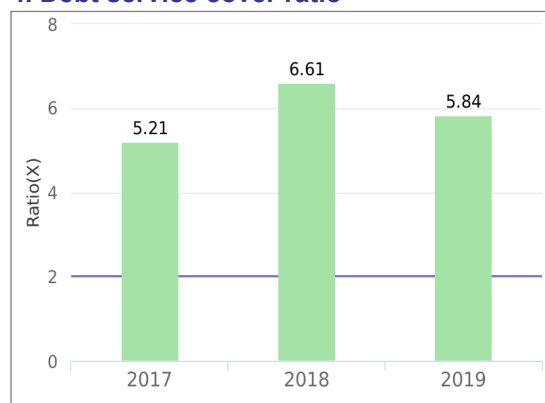
Ratio is outside benchmark

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(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 2018/19 result

2018/19 ratio 5.84x

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

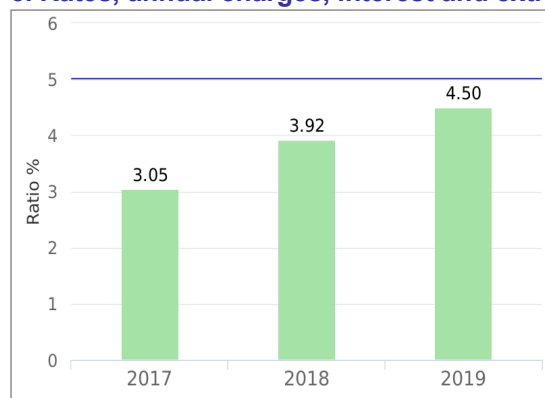
Benchmark: — > 2.00x

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

Ratio achieves benchmark

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 2018/19 result

2018/19 ratio 4.50%

Council actively pursues the recovery of Rates and Extra Charges as shown by the lower than Local Government Benchmark.

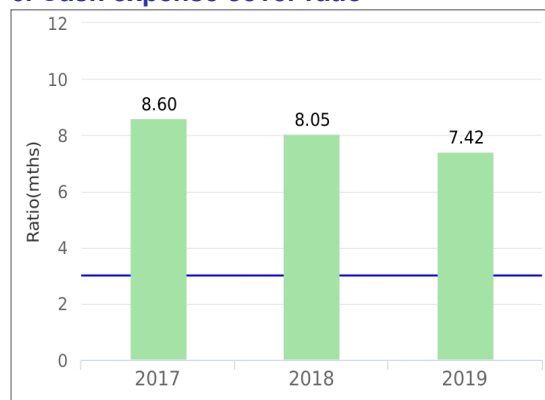
Benchmark: — < 5.00%

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

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2018/19 result

2018/19 ratio 7.42 mths

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

Benchmark: — > 3.00mths

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

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Inner West Council

To the Councillors of the Inner West Council

Opinion

I have audited the accompanying financial statements of Inner West Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2019, 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' (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 2019 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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

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.

My opinion does not 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 20 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 Services

Delegate of the Auditor-General for New South Wales

31 October 2019
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: D1925777/1743

31 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
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 2019 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 2019 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

	2019 \$m	2018 \$m	Variance %
Rates and annual charges revenue	159.3	154.4	 3.2
Grants and contributions revenue	35.2	27.4	 28.5
Operating result for the year	16.9	14.8	 14.2
Net operating result before capital grants and contributions	(6.6)	(2.1)	 214.3

Rates and annual charges revenue was \$159.3 million (\$154.4 million for the year ended 30 June 2018). The increase of \$4.9 million (3.2 per cent) in 2018–2019 was mainly due to standard rate increase of 2.3 per cent and a slight increase in the number of rateable properties.

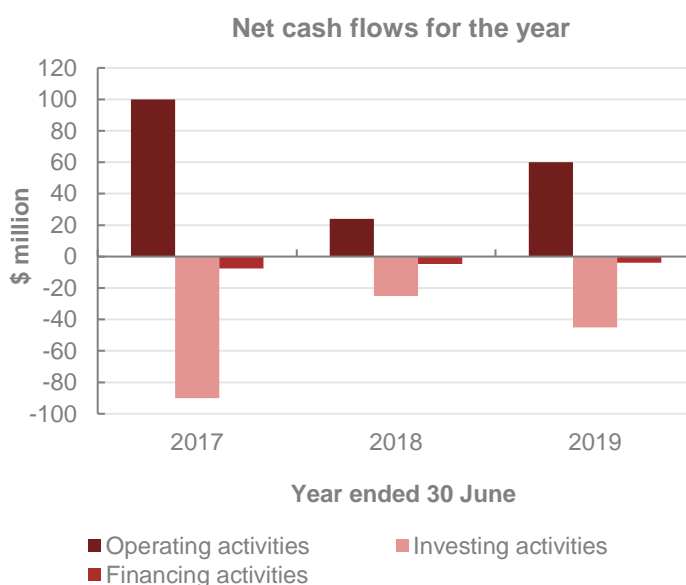
Grants and contributions revenue was \$35.2 million (\$27.4 million for the year ended 30 June 2018). The increase of \$7.8 million (28.5 per cent) in 2018–2019 was mainly due to the increase in the \$7.4 capital developer contributions.

Council's operating result was \$16.9 million (\$14.8 million for the year ended 30 June 2018). The increase of \$2.1 million (14.2 per cent) in 2018–2019 was mainly due to the increase in rates and annual charges and grants and contributions.

The net operating result before capital grants and contributions was a deficit of \$6.6 million (\$2.1 million deficit for the year ended 30 June 2018). The increased deficit of \$4.5 million (214.3 per cent) was mainly due to an increase in the employee benefits and on-costs of \$10.2 million and material and contracts of \$6.7 million. This was offset by an increase in rates and annual charge of \$4.9 million and no revaluation decrement/impairment of Infrastructure assets compared to \$9 million in the prior year.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents and investment was \$221.8 million (\$217.3 million for the year ended 30 June 2018). There was a net increase in cash and cash equivalents and investments of \$4.5 million at 30 June 2019.
- Net cash provided by operating activities has increased.
- Net cash used in investing activities increased by \$20.1 million. This was due to a decrease in receipts from sale of infrastructure, property, plant and equipment (IPPE) and increase in purchase of IPPE offset by an increase in net sale of investment securities.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	105.6	100.4	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased due to developer contributions (\$9.1 million).
Internal restrictions	53.6	46.5	
Unrestricted	62.6	70.4	
Cash and investments	221.8	217.3	<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. Council's internal restrictions are mainly for employee leave entitlements and deposits, retentions and bonds. The increase relates to employee leave entitlements (\$4.7 million). Unrestricted cash and investments was \$62.6 million, which is available to provide liquidity for day-to-day operations of the Council. Unrestricted cash has decreased as more funds have been externally and internally restricted.

Debt

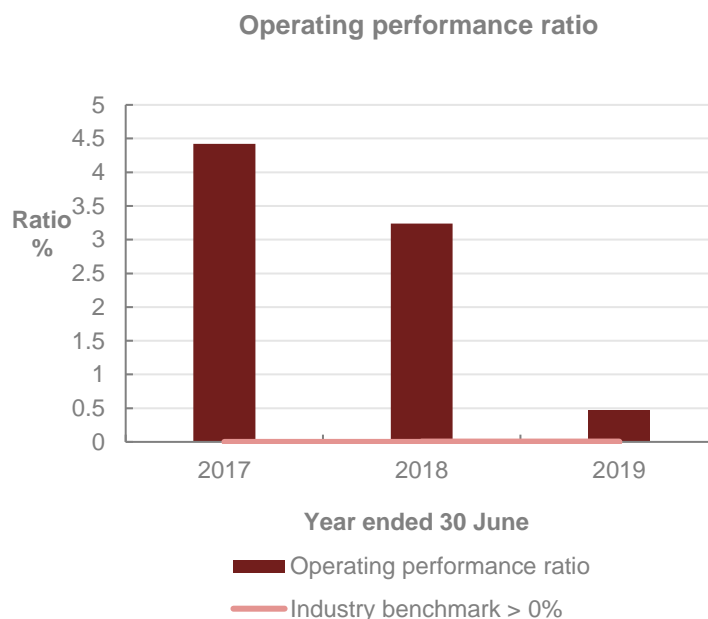
Total debt during 2018–19 decreased to \$9.1 million (2017–18: \$13.3 million). This is in line with the existing loan amortisation schedules.

PERFORMANCE

Operating performance ratio

Council operating performance ratio of 0.5 per cent is above the benchmark. An increase in employee benefits and on-cost and material and contracts contributed to the lower ratio in 2019.

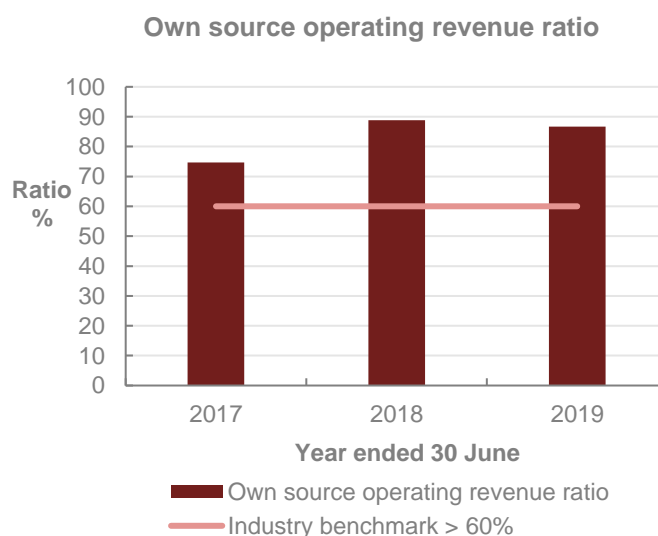
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater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



Own source operating revenue ratio

Council's 'Own source operating revenue ratio' of 86.65 per cent exceeds the benchmark and has remained relatively consistent from the previous year.

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 the former OLG is greater than 60 per cent.

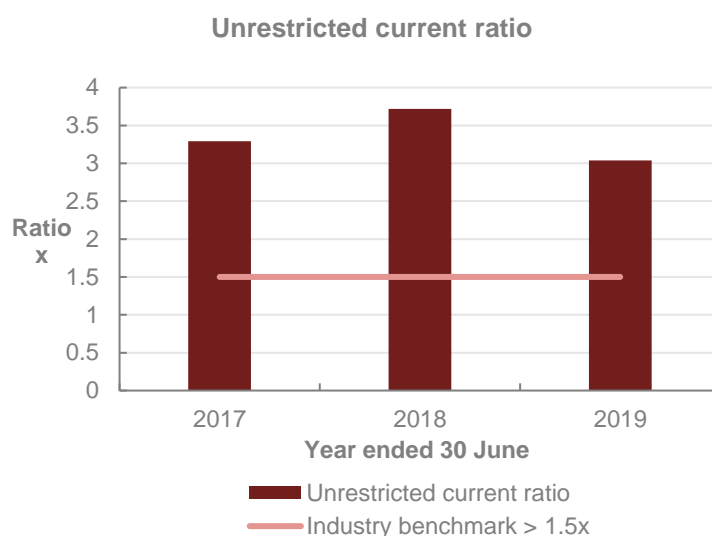


Unrestricted current ratio

Council 'Unrestricted current ratio' of 3.04 exceeds the industry benchmark.

The slight decrease in the ratio is mainly due to a decrease in unrestricted cash and investments and an increase in the employee entitlement provision and payables.

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 the former OLG is greater than 1.5 times.

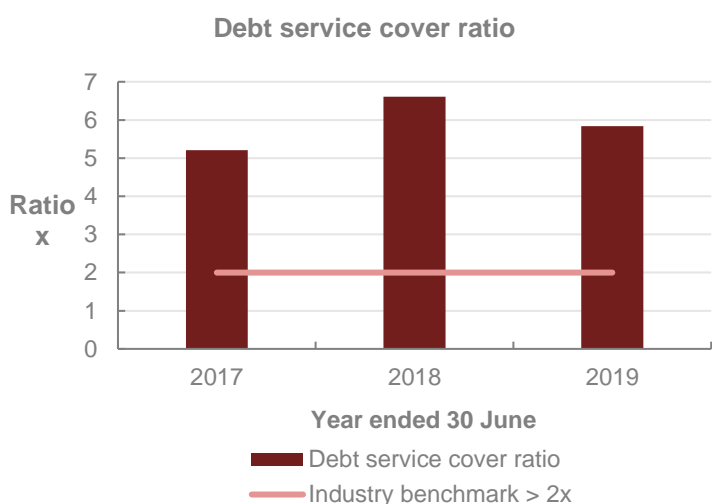


Debt service cover ratio

The Council's debt service cover ratio of 5.84 times exceeds the industry benchmark.

The ratio indicates that Council has sufficient operating cash available to service its debts, essentially indicating that Council generates sufficient cash from its operations to fund its debt obligations.

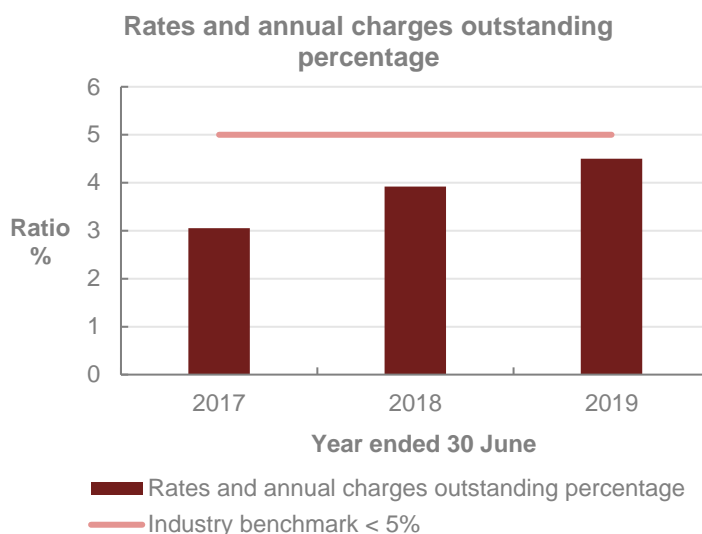
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Rates and annual charges outstanding percentage

Council 'Rates and annual charges outstanding percentage' is within the benchmark set for metropolitan councils.

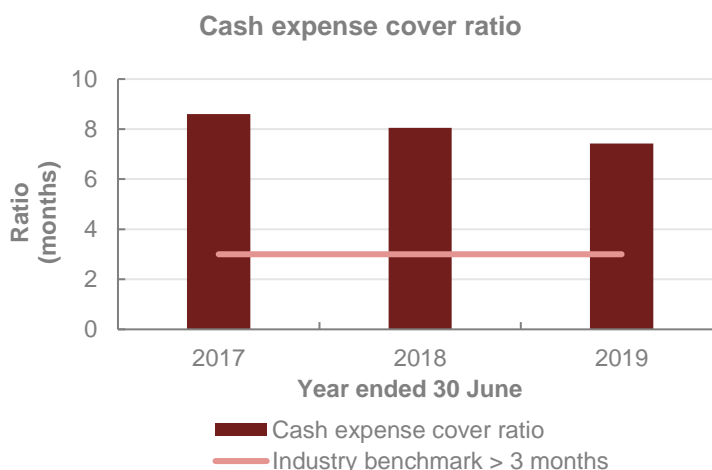
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 5 per cent for metro councils.



Cash expense cover ratio

The cash expense cover ratio of 7.42 months exceeded the industry benchmark of greater than 3 months. Council have consistently exceeded the benchmark over the past three years.

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 the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

The Council has renewed \$47.3 million of assets in the 2018–19 financial year, compared to \$18.1 million of assets in the prior year. This included \$11.8 million on footpaths, \$8.9 million on buildings and \$7.7 million on roads.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none">• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 14.</p>

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 Services

Delegate of the Auditor-General for New South Wales

cc: Michael Deegan, 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 2019

Special Schedules

for the year ended 30 June 2019

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Permissible income for general rates

		2019/20 Former Ashfield Council	2019/20 Former Leichhardt Council	2019/20 Former Marrickville Council	2019/20 Inner West Council	2018/19 Former Ashfield Council	2018/19 Former Leichhardt Council	2018/19 Former Marrickville Council	2018/19 Inner West Council
\$ '000									
Notional general income calculation ¹									
Last year notional general income yield	a	27,261	43,489	48,100	118,850	24,943	42,490	47,232	114,665
Plus or minus adjustments ²	b	349	69	113	531	41	(168)	(213)	(340)
Notional general income	c = a + b	27,610	43,558	48,213	119,381	24,984	42,322	47,019	114,325
Permissible income calculation									
Special variation percentage	d	0.00%	0.00%	0.00%		9.30%	0.00%	0.00%	
Or rate peg percentage	e	2.70%	2.70%	2.70%		0.00%	2.30%	2.30%	
Plus special variation amount	h = d x (c + g)	—	—	—	—	2,324	—	—	2,324
Or plus rate peg amount	i = e x (c + g)	745	1,176	1,302	3,223	—	973	1,081	2,054
Sub-total	k = (c + g + h + i + j)	28,355	44,734	49,515	122,604	27,308	43,295	48,100	118,703
Plus (or minus) last year's carry forward total	l	53	(144)	41	(50)	1	25	41	67
Less valuation objections claimed in the previous year	m	(7)	(48)	—	(55)	—	(23)	—	(23)
Sub-total	n = (l + m)	46	(192)	41	(105)	1	2	41	44
Total permissible income	o = k + n	28,401	44,542	49,556	122,499	27,309	43,297	48,141	118,747
Less notional general income yield	p	28,223	44,376	49,510	122,109	27,261	43,489	48,100	118,850
Catch-up or (excess) result	q = o - p	178	166	46	390	48	(192)	41	(103)
Plus income lost due to valuation objections claimed	r	—	—	—	—	7	48	—	55
Less unused catch-up ⁵	s	—	—	(40)	(40)	(2)	—	—	(2)
Carry forward to next year ⁶	t = q + r + s	178	166	6	350	53	(144)	41	(50)

(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.

(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.

Permissible income for general rates (continued)

⁽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 2020.

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 27 (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' (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 2019 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 2019'.

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, unless it is not appropriate to do so.

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.

My opinion does not 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'.

Caroline Karakatsanis
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

31 October 2019
SYDNEY

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost				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 assets agreed level of service set by Council ²	2018/19 Required maintenance ³	2018/19 Actual maintenance ⁴			1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings	24,954	24,954	10,900	9,901	245,140	337,613	38.7%	33.2%	20.7%	6.9%	0.5%
	Sub-total	24,954	24,954	10,900	9,901	245,140	337,613	38.7%	33.2%	20.7%	6.9%	0.5%
Roads	Roads	65,569	65,569	17,838	17,531	130,666	282,956	14.0%	39.1%	23.7%	13.2%	10.0%
	Traffic Devices	62	62	—	—	31,141	39,614	42.1%	43.7%	14.1%	0.1%	0.0%
	Bridges	765	765	—	—	11,151	15,995	18.7%	55.9%	20.6%	4.1%	0.7%
	Footpaths	4,169	4,169	1,424	2,042	83,474	119,560	25.8%	41.7%	29.0%	3.2%	0.3%
	Other road assets	656	656	939	985	14,758	21,649	22.6%	56.0%	18.4%	3.0%	0.0%
	Bulk earthworks	—	—	—	—	512,259	512,259	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and gutter	29,866	29,866	—	—	117,619	194,584	3.5%	44.6%	36.6%	13.4%	1.9%
	Car parks - Depreciable	2,040	2,040	—	—	8,138	11,193	48.9%	28.5%	4.3%	13.7%	4.6%
	Car Parks -Non Depreciable	—	—	—	—	3,547	3,547	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	103,127	103,127	20,201	20,558	912,753	1,201,357	51.9%	24.0%	15.5%	5.8%	2.8%
Stormwater drainage	Stormwater drainage	8,079	8,079	1,764	1,387	122,478	177,630	7.8%	70.2%	17.4%	4.0%	0.6%
	Sub-total	8,079	8,079	1,764	1,387	122,478	177,630	7.8%	70.2%	17.4%	4.0%	0.6%
Open space / recreational assets	Swimming pools	665	665	2,043	2,043	43,900	55,121	87.0%	10.7%	1.3%	0.9%	0.1%
	Sub-total	665	665	2,043	2,043	43,900	55,121	87.0%	10.7%	1.3%	0.9%	0.1%
Other infrastructure assets	Seawalls	817	817	21	9	26,863	37,423	22.6%	53.7%	21.6%	1.0%	1.1%
	Wharves	880	880	—	—	4,049	6,308	17.8%	45.4%	22.9%	13.9%	0.0%
	Land Improvements - Depreciable	3,700	3,700	8,954	8,954	83,241	114,176	41.7%	37.7%	17.3%	3.0%	0.3%
	Land Improvements - Non Depreciable	—	—	—	—	4,259	4,259	93.2%	0.0%	6.8%	0.0%	0.0%
	Sub-total	5,397	5,397	8,975	8,963	118,412	162,166	37.7%	40.7%	18.2%	2.9%	0.5%
TOTAL - ALL ASSETS		142,222	142,222	43,883	42,852	1,442,683	1,933,887	45.3%	30.9%	16.4%	5.5%	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.

(3)

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

(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 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	38,853	166.21%	64.09%	168.76%	>=100.00%
Depreciation, amortisation and impairment	23,376				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	142,222	9.29%	10.27%	10.63%	<2.00%
Net carrying amount of infrastructure assets	1,530,170				
Asset maintenance ratio					
Actual asset maintenance	42,852	97.65%	78.33%	100.00%	>100.00%
Required asset maintenance	43,883				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	142,222	7.35%	3.78%	3.55%	
Gross replacement cost	1,933,887				

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

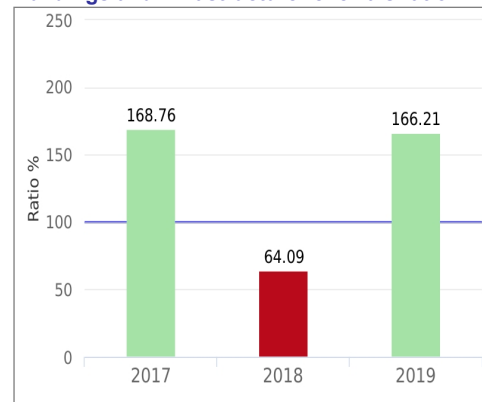
(1) Excludes Work In Progress (WIP)

(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 2019

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

18/19 ratio 166.21%

*The ratio increase is attributable to a significant increase in asset renewals undertaken in 2019 compared to 2018. Continuing the focus on asset renewals will ensure the benchmark is achieved in the future.

*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.

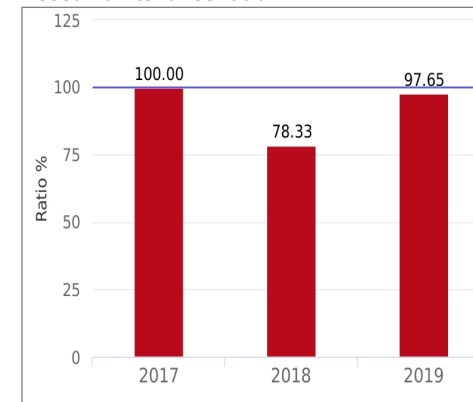
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

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

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

18/19 ratio 97.65%

The ratio shows that the actual maintenance has increased from last year's figure where the gap to the benchmark has reduced from approximately 22% to 2%.

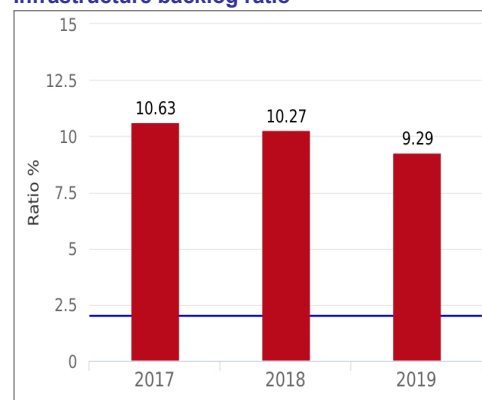
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

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

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

18/19 ratio 9.29%

The percentage has decreased by approximately 0.7% compared to 2018. 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.

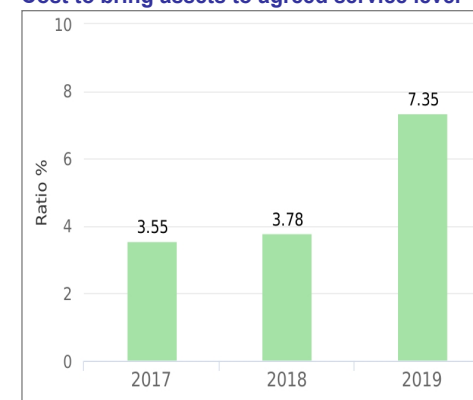
Benchmark: — $< 2.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Cost to bring assets to agreed service level



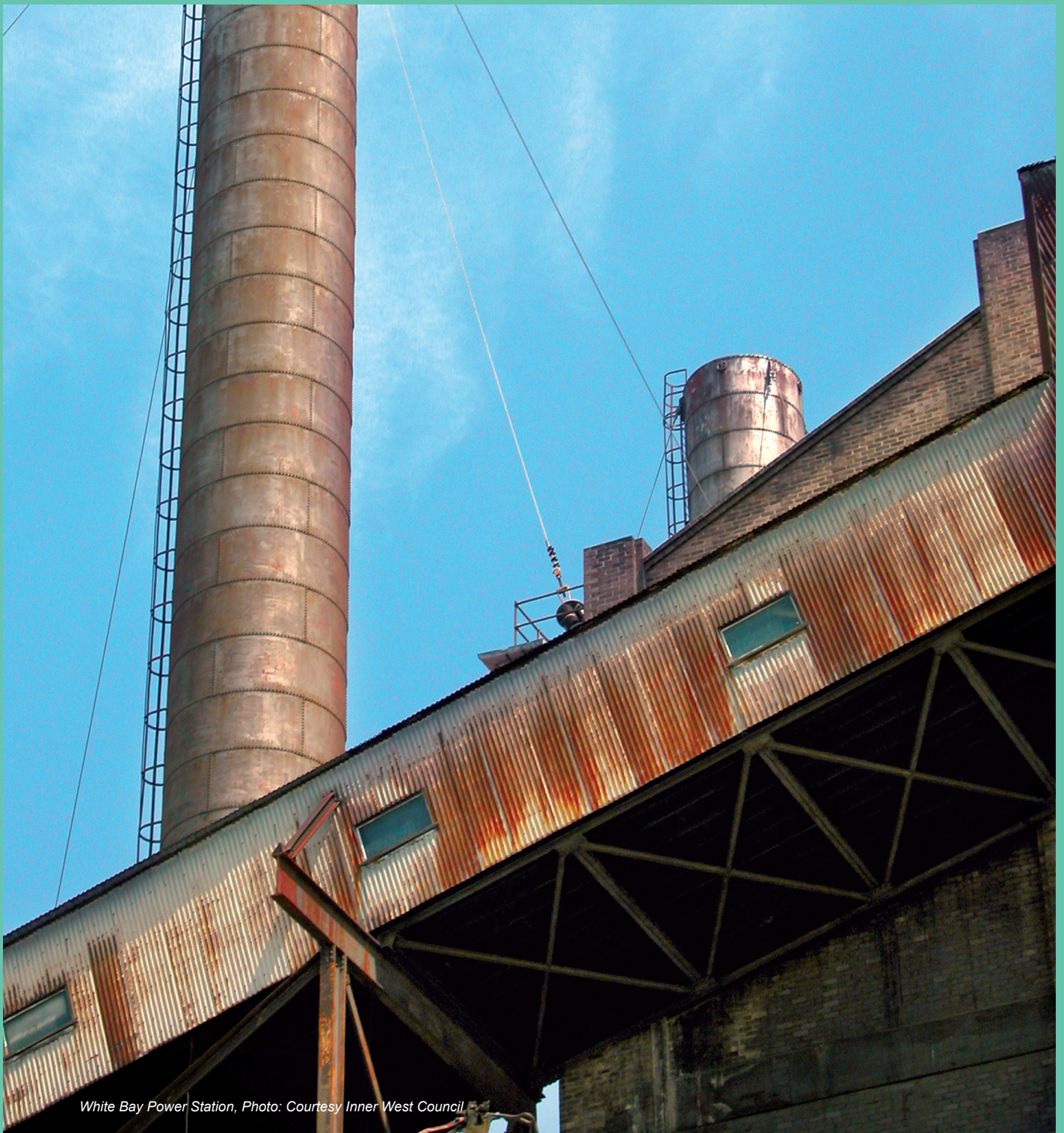
Cost to bring assets to agreed service level

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

18/19 ratio 7.35%

Percentage value is consistent with previous years with a slight reduction compare to 2018.



White Bay Power Station, Photo: Courtesy Inner West Council



Strategic direction 1: An ecologically sustainable Inner West

Measure	Target	Actual 18/19
Number of operational vehicles and plant owned and operated by Inner West Council	Decrease	196
% 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.	21%
% Council's operational energy from renewable sources including onsite solar generation	25% of Council's operational energy by 2018/19	25%
% 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	39%
Maintain number of bushcare volunteers	1,400 volunteers	1,360 volunteers
Maintain number of plants supplied each year from community native plant nurseries for planting within Inner West	21,000 plants	15,261 plants
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	189.8kg
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	189.8kg
Tonnes of carbon emissions generated by Inner West Council	Trending down (23,000 tonnes per year in 2017)	20,000 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	26% reduction
Recovery of green waste (garden organics) from the waste stream per resident each year	Trending up (37 kg in 2017)	37.7kg
% 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.	120 tonnes E-waste recovered. 253.41 tonnes chemicals recovered
% Inner West Council investments in fossil fuels	Trending downwards (26% 2017/18)	0%
Applications for tree pruning or removal on private land	90% of tree applications assessed within 20 days	45%
Council trees assessed or maintained annually	100%	100%
Undertake community tree giveaways events	Minimum one event held per year Minimum of 300 trees provided to the community per year	350 trees provided
Community satisfaction with tree management	Increase or maintain (3.12 in 2017)	3.3
Community satisfaction with environmental education programs and initiatives	Increase or maintain (3.3 in 2017)	3.4
Community satisfaction with removal of illegally dumped rubbish	Increase or maintain (3.4 in 2017)	3.5
Community satisfaction with protecting the natural environment	Increase or maintain (3.4 in 2017)	3.6
Community satisfaction with encouraging recycling	Increase or maintain (3.7 in 2017)	3.7
Community satisfaction with household garbage collection	Maintain (4.3 in 2017)	4.1



Strategic direction 2: Unique, liveable, networked neighbourhoods

Measure	Target	Actual 18/19
Number of building complaints	Decreasing	Decreased since 17/18
Manage the building assets portfolio to maintain agreed service levels (capacity, utilisation, risk, condition, function)	Service levels are improved	Baseline 2020
Brothels operate as authorised uses in a safe and healthy manner	100%	100%
Patrols of parks and reserves for companion animal education and to identify legislative breaches	18 park patrols per week	26.8 park patrols per week
School safety patrols	25 school patrols per week during the school terms (60% of Inner West schools)	28.58 school patrols per week
Increase % of formal pre-DA applications	30% of total DAs lodged have a formal pre-DA application	43.4% of the total number of DAs lodged have a formal Pre-DA
Inspections of shared accommodation and entertainment venues	75% of registered premises inspected each year	73% of registered premises inspected
Outstanding Notice and Orders Certificate	100% issued within three working days	80% issued within three working days
Regular patrols of restricted parking areas	75 per week	82 per week
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	86% of registered premises/systems inspected
Reduce average determination timeframes for Development Applications from 85 day average in 2017	75 days (average)	Average 109 days
Completion timeframes of applications for pre-lodgement advice	Maintain 28 day average	Average 65 days
Environmental audits of medium to high risk industries	Three industries audited per year	Target Completed
Increase % of Inner West Building Certification services delivered by Council to support efficient service delivery from 12% in 2017	By 30 June 2022: Inner West Council issues 30% of building certificates for development in Inner West	Inner West Council issues 16.6% of Building Certification Services for development in Inner West
Review, update and improve education materials, website information, application forms and guidelines (for Regulatory and Building Services)	Review and update every quarter	Reviewed and updated every quarter
Manage the Council property portfolio to best practice	Number of leases, licences and agreements in holdover is decreased	55%
Increase the 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)	8 units have been transferred in total (Inc. 4 from 17/18)
Increase number of trees on Council owned land including street trees	Increase (900 planted each year in 2017)	1000
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%
Street sweeping cycles	Street sweeping of main streets is undertaken seven days per week; Street sweeping of residential streets is undertaken on a 40 working day cycle; and	Nil

Measure	Target	Actual 18/19
Verge mowing cycles	Verge maintenance (mowing) is undertaken on a 20 working day cycle from October to March and a 40 working day cycle from April to September.	Nil
Community satisfaction with managing development in the area	Increase (2.83 in 2017)	2.8
Community satisfaction with management of parking	Increase (2.74 in 2017)	2.9
Community satisfaction with cycleways	Increase (3.00 in 2017)	3.0
Community satisfaction with long term planning for Council area	Increase (2.97 in 2017)	3.0
Community satisfaction with protection of low rise residential areas	Increase (2.95 in 2017)	3.2
Community satisfaction with maintaining footpaths	Increase (3.08 in 2017)	3.2
Community satisfaction with maintaining local roads excluding major routes	Increase (3.17 in 2017)	3.2
Community satisfaction with traffic management and road safety	Increase (3.18 in 2017)	3.3
Community satisfaction with graffiti removal	Increase (3.38 in 2017)	3.3
Community satisfaction with protection of heritage buildings and items	Increase (3.23 in 2017)	3.4
Community satisfaction with appearance of your local area	Maintain (3.51 in 2017)	3.6
Community satisfaction with stormwater management and flood mitigation	Maintain (3.48 in 2017)	3.6
Community satisfaction with maintenance and cleaning of town centres	Maintain (3.67 in 2017)	3.7

Strategic direction 3: Creative communities and a strong economy



Measure	Target	Actual 18/19
Maintain threshold number of participants in Open Studio Trail	100	2 trails with 66 participants
Maintain number of exhibitions at Chrissie Cotter Gallery	25 each year	25 exhibitions delivered
Community satisfaction with festival and events program	Maintain or increase (3.73 in 2017)	3.5
Community satisfaction with supporting local artists and creative industries	Increase (3.39 in 2017)	3.7
Community satisfaction with supporting local jobs and businesses	Increase (3.36 in 2017)	4.3



Strategic direction 4: Caring, happy, healthy communities

Measure	Target	Actual 18/19
Visits to Dawn Fraser Pool	Maintain at 38,000 each year	38,000 visits
Visits to Fanny Durack Aquatic Centre, Petersham each year	Maintain at 55,000 each year	75,000 visits
Visits to Annette Kellerman Aquatic centre, Marrickville each year	Maintain at 430,000 each year	480,000 visits
Visits to Leichhardt Park Aquatic centre each year	Maintain at 700,000 each year	750,000 visits
Number of visits to Inner West Council aquatic centres each year	Increase, after opening of new Ashfield Aquatic Centre in 2021/22, to 1,700,000 (1,500,000 in 2016/17)	1,343,000 visits
Visits to Ashfield Aquatic Centre each year	Increase, after opening of the new centre in 2021/22 to 475,000 from 315,000 in 2016/17	Nil – site under construction
Occasional Care utilisation	85%	40%
Long Day Care utilisation	97%	90%
Parent satisfaction with long day care service	95% satisfied	95%
% of stallholders participating in Council organised events that are Inner West residents or businesses	Maintain at 80%	64%
% of performers participating in Council organised events that are Inner West residents	Maintain at 80%	72%
Maintain % of regular hirers focusing on multicultural and culturally diverse activities	25%	42%
% of Inner West Council social and cultural policies harmonised	95%	60%
Maintain number of regular annual hirers of Council venues and facilities	120	191 regular hirers
Number of seniors participating in wellbeing activities	Trending upward	19,349 per annum
Maintain threshold number of Magic Yellow Bus park visitations	5 per week	6.63 per week
Number of e-resources loans/uses each year	Increase from 130,000	335,365 loans/uses
Number of library and history sessions delivered each year and participants	Maintain at 3,000 sessions with 36,000 participants	2,515 sessions with 56,849 participants
Number of historical programs delivered each year and participants	Maintain at 30 events with 1,100 participants	24 events, 2950 attendees
History Week and Heritage Festival participants	Maintain at 3,500 participants	28 events, 2065 attendees
Number of library events delivered each year and participants	Maintain at 700 events with 8,000 participants	80 events with 3,600 participants
Annual turnover of library stock	5.5 times per item	4.16 times per item
Number of visits to Inner West Council libraries each year	Maintain (1,000,000 in 2017)	1,000,000 visits
Number of public PC computer bookings each year	Maintain at 100,000	160,086
Number of library members	Maintain at 100,000 library members	102,350 members
Number of Wi-Fi log-ins by the public at libraries each year	Maintain at 250,000	111,587
Number of items borrowed from Inner West Council Libraries each year	Maintain at one million	1,312,456 loans
Visits to Robyn Webster Sports Centre, Tempe each year	Maintain	52,739 visits

Measure	Target	Actual 18/19
Visits to Debbie and Abbey Borgia Recreation Centre, Marrickville each year	Maintain	514,227 visits
Area of Council open space, excluding golf courses, per resident	Increase or maintain (12.3m ² in 2017)	11.9m ²
Community satisfaction with swimming pools and aquatic centres	Maintain (3.82 in 2017)	4.0
Community satisfaction with availability of sporting ovals, grounds and facilities	Maintain (3.82 in 2017)	4.1
Community satisfaction with library services	Maintain (3.97 in 2017)	4.1
Community satisfaction with maintenance of local parks, playgrounds and sporting fields	Maintain (3.94 in 2017)	4.4

Strategic direction 5: Progressive local leadership



Measure	Target	Actual 18/19
Number of visits to Your Say Inner West	Increase by 3% each year (43,900 in 17/18)	58,400 visits
Online customer transactions	Trending upwards	11,984 (since CRM launch at 29/10/18)
Manage the building assets portfolio to reduce the buildings backlog	Less than 0.02	0.074
Council property portfolio management produces an increased net return	Trending upwards	12% outgoings recouped 50% commercial rent received
Number of projects on Your Say Inner West on which the community has the opportunity to engage	More than 40 projects each year	65 projects
Inner West Council social media followers (Facebook, Instagram, Twitter)	Increase by 2.5% each year (18,750 at 30/6/2018)	27,281 followers
Inner West Council website page views	Increase by 2.5% each year (2,700,000 in 2017)	4,742,000 views
% of grant recipients meeting acquittal requirements	98%	100%
% of Council Grants and Fee Scale Policy implemented	100%	100%
Customer calls abandoned in queue	Less than 4%	0.19%
Inner West Council customer calls answered within sixty seconds	80% (70% in 2017)	48%
Customer calls answered in 120 seconds	90%	56%
Customer contact issue resolved at first point of contact	85%	83%
Customer calls answered in 180 seconds	95%	63.8%
Average wait time at customer service counter	Less than three minutes	5 Minutes 44 seconds
Debt Service Ratio	Greater than 0% and less than or equal to 20% average over three years	5.8x
Infrastructure Backlog Ratio	Less than 2% (9.57% in 2106/ 2017)	9.1%
Asset Maintenance Ratio Benchmark: Greater than 100% average over three years	Meets or improves on benchmark (100% in 2017)	97.7%
Building and Infrastructure Renewals Ratio Benchmark: Greater than 100% average over three years	Meets or improves on benchmark (145.5% in 2017)	165.5%

Measure	Target	Actual 18/19
Debt Service Cover ratio: Benchmark: Greater than two times	Meets or improves on benchmark (5 times in 2017)	5.8x
Own Source Revenue Ratio Benchmark: Greater than 60% average over three years	Meets or improves on benchmark (74.64% in 2017)	86.7%
Operating Performance Ratio Benchmark: Greater than 0%	Operating Performance Ratio Benchmark: Greater than 0% (4.42% in 2017) NB: OP Measure - Greater than or equal to break even over 3 years (4.42% over 3 years)	0.4%
Inner West Council has a high performance and values based culture	Increase or maintain staff engagement and satisfaction scores from previous survey benchmark data (60% in 2017) NB: DP Measure: Staff satisfaction with working for IWC: increase or maintain: 60%)	84%
Compliance with legislative requirements for IWC staff performance framework	95% of eligible staff have a performance plan completed during performance year	100%
Increased number of staff with development plans and capability building opportunities	95% of staff have an individual development plan completed	100%
IWC provides a safe and healthy workplace for all workers	Number of Workers Compensation claims is trending downwards	Workers compensation total hours lost reduced from 3656 to 1143 in this policy year
Industrial harmony maintained during workplace change	Time lost through industrial action trending downwards	0
Reduce number of Desktop Operating Environments	1 Desktop Operating Environment (from 3 in 2017)	1
Reduce number of Print Management Providers	1 Print Management Provider (from 5 in 2017)	1
Reduce number of Telecommunication Providers	1 Telecommunication Provider (from 2 in 2017)	2
Reduce number of Corporate Business Systems Applications	1 Corporate Business System (from 3 in 2017)	3
Reduce number of Council Data Networks	1 Council Data Network (from 4 in 2017)	4
Reduce number of Council Data Centres	2 Council Data Centres (from 5 in 2017)	5
Deliver well planned and coordinated projects	100% expenditure of annual capital budget	80% expenditure
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	1
Community agrees that Council manages its finances well	Increase (2.92 in 2017)	3.0
Community agrees that Council offers good value for money	Increase (2.98 in 2017)	3.1
Community agrees that they have enough opportunities to participate in Council community consultation	Increase (3.00 in 2017)	3.1
Community satisfaction with Council's integrity and decision making	Increase (3.04 in 2017)	3.1
Overall community satisfaction with Council's performance	Increase (3.5 in 2017)	3.6
Community satisfaction with Council contact	Increase (3.75 in 2017)	3.7
Community satisfaction with Council's community engagement	Increase (3.6 in 2017)	3.7

