



General purpose financial statements

for the year ended 30 June 2021



Canterbury-Bankstown Council

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

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

66-72 Rickard Road
Bankstown NSW 22000

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

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

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

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

Canterbury-Bankstown Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report. The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government part of the Department of Planning, Industry and Environment.

Canterbury-Bankstown Council

General Purpose Financial Statements

for the year ended 30 June 2021

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

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* 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 26 October 2021.



Khal Asfour

Mayor

26 October 2021



Linda Downey

Deputy Mayor

26 October 2021



Matthew Stewart

General Manager

26 October 2021



Ken Manoski

Responsible Accounting Officer

26 October 2021

Canterbury-Bankstown Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
	Income from continuing operations			
244,349	Rates and annual charges	B2-1	247,572	237,851
15,495	User charges and fees	B2-2	17,584	19,369
13,582	Other revenue	B2-3	15,067	17,017
24,723	Grants and contributions provided for operating purposes	B2-4	25,210	24,590
35,025	Grants and contributions provided for capital purposes	B2-4	39,907	20,936
7,170	Interest and investment income	B2-5	6,173	9,076
4,179	Other income	B2-6	6,242	5,563
344,523	Total income from continuing operations		357,755	334,402
	Expenses from continuing operations			
146,919	Employee benefits and on-costs	B3-1	142,128	132,886
109,919	Materials and services	B3-2	103,287	102,933
470	Borrowing costs	B3-3	86	219
74,311	Depreciation, amortisation and impairment for non-financial assets	B3-4	74,974	75,111
11,714	Other expenses	B3-5	13,995	10,993
—	Net losses from the disposal of assets	B4-1	16,063	10,664
343,333	Total expenses from continuing operations		350,533	332,806
1,190	Operating result from continuing operations		7,222	1,596
1,190	Net operating result for the year attributable to Council		7,222	1,596
(33,835)	Net operating result for the year before grants and contributions provided for capital purposes		(32,685)	(19,340)

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

Canterbury-Bankstown Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		7,222	1,596
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	74,031	6,689
Total items which will not be reclassified subsequently to the operating result		74,031	6,689
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (other than equity instruments)		266	(3)
Total items which will be reclassified subsequently to the operating result when specific conditions are met		266	(3)
Total other comprehensive income for the year		74,297	6,686
Total comprehensive income for the year attributable to Council		81,519	8,282

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

Canterbury-Bankstown Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	64,567	45,278
Investments	C1-2	88,981	123,207
Receivables	C1-4	30,495	25,715
Inventories	C1-5	739	747
Current assets classified as 'held for sale'	C1-6	–	33
Other		6,554	4,601
Total current assets		191,336	199,581
Non-current assets			
Investments	C1-2	221,231	197,111
Receivables	C1-4	2,319	2,311
Infrastructure, property, plant and equipment	C1-7	3,586,727	3,515,841
Investment property	C1-8	7,750	7,550
Intangible Assets	C1-9	432	651
Right of use assets	C2-1	–	546
Total non-current assets		3,818,459	3,724,010
Total assets		4,009,795	3,923,591
LIABILITIES			
Current liabilities			
Payables	C3-1	28,838	29,873
Contract liabilities	C3-2	6,240	3,092
Lease liabilities	C2-1	–	601
Employee benefit provisions	C3-4	53,068	52,119
Provisions	C3-5	2,676	1,583
Total current liabilities		90,822	87,268
Non-current liabilities			
Payables	C3-1	450	439
Provisions	C3-5	22,743	21,623
Total non-current liabilities		23,193	22,062
Total liabilities		114,015	109,330
Net assets		3,895,780	3,814,261
EQUITY			
Accumulated surplus	C4-1	3,558,753	3,551,131
IPPE revaluation reserve	C4-1	336,494	262,463
Other reserves	C4-1	533	667
Council equity interest		3,895,780	3,814,261
Total equity		3,895,780	3,814,261

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

Canterbury-Bankstown Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21				as at 30/06/20			
		Accumulated surplus	IPPE revaluation reserve	Financial assets at FVOCI	Total equity	Accumulated surplus	IPPE revaluation reserve	Financial assets at FVOCI	Total equity
Opening balance at 1 July		3,551,131	262,463	667	3,814,261	3,552,249	255,774	523	3,808,546
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	-	(2,452)	-	-	(2,452)
Changes due to AASB 16 adoption		-	-	-	-	(115)	-	-	(115)
Restated opening balance		3,551,131	262,463	667	3,814,261	3,549,682	255,774	523	3,805,979
Net operating result for the year		7,222	-	-	7,222	1,596	-	-	1,596
Restated net operating result for the period		7,222	-	-	7,222	1,596	-	-	1,596
Other comprehensive income									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	74,031	-	74,031	-	6,689	-	6,689
Gain/(loss) on revaluation of financial assets at fair value through other comprehensive income (other than equity instruments)		400	-	(134)	266	(147)	-	144	(3)
Other comprehensive income		400	74,031	(134)	74,297	(147)	6,689	144	6,686
Total comprehensive income		7,622	74,031	(134)	81,519	1,449	6,689	144	8,282
Closing balance at 30 June		3,558,753	336,494	533	3,895,780	3,551,131	262,463	667	3,814,261

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

Canterbury-Bankstown Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
Receipts:				
244,349	Rates and annual charges		245,530	237,527
15,495	User charges and fees		20,777	16,222
7,170	Investment and interest revenue received		6,285	10,628
59,748	Grants and contributions		67,357	44,162
17,761	Other		16,297	22,686
Payments:				
(142,828)	Employee benefits and on-costs		(142,618)	(129,936)
(109,919)	Materials and services		(114,951)	(80,448)
—	Borrowing costs		(86)	(32)
—	Bonds, deposits and retention amounts refunded		(20)	(558)
(11,714)	Other		(1,959)	(41,143)
80,062	Net cash flows from operating activities	F1-1	96,612	79,108
Cash flows from investing activities				
Receipts:				
—	Sale of investment securities		36,536	17,167
—	Redemption of term deposits		109,810	144,474
1,226	Sale of infrastructure, property, plant and equipment		1,365	1,439
Payments:				
—	Purchase of investment securities		(30,377)	(18,602)
—	Acquisition of term deposits		(105,500)	(144,474)
(78,374)	Purchase of infrastructure, property, plant and equipment		(88,459)	(59,160)
—	Purchase of intangible assets		(97)	(265)
(77,148)	Net cash flows from investing activities		(76,722)	(59,421)
Cash flows from financing activities				
Payments:				
—	Principal component of lease payments		(601)	(861)
—	Net cash flows from financing activities		(601)	(861)
2,914	Net change in cash and cash equivalents		19,289	18,826
23,536	Cash and cash equivalents at beginning of year		45,278	26,452
26,450	Cash and cash equivalents at end of year	C1-1	64,567	45,278
275,858	plus: Investments on hand at end of year	C1-2	310,212	320,318
302,308	Total cash, cash equivalents and investments		374,779	365,596

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

Canterbury-Bankstown Council

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Canterbury-Bankstown Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 October 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note C1-8
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7
- (iii) estimated tip remediation provisions – refer Note C3-5
- (iv) employee benefit provisions – refer Note C3-4

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, 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.

The Consolidated Fund has been included in the financial statements of the Council.

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

- General purpose operations

Goods and Services Tax (GST)

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

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

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

Volunteer services

Councils most significant dependence on volunteer services occurs with its Meals on Wheels service. The aim of this service is to provide residents who are permanently, or in some cases temporarily, unable to cater for themselves and have no other reasonable or acceptable source of assistance.

Council's Meals on Wheels service has more than 160 dedicated and caring volunteers who support this service to deliver around 55,000 meals per year.

Council has not recognised these volunteer services in the financial statements as the service is not considered to be a core service for the Council. Council would be unlikely to provide this service without the assistance of the volunteers that carry out the service. The Meals on Wheels services in NSW are generally funded at a State Government level with councils often providing ancillary support services.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

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

AASB 1059 Service Concession Arrangements: Grantors is mandatory from 1 July 2020. Council does not expect any material impact to future Financial Statements from *AASB 1059 Service Concession Arrangements* as it does not generally enter into service concession arrangements.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

B Financial Performance

B1 Functions or activities

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

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.										
\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Safe and strong	9,348	9,869	17,868	17,802	(8,520)	(7,933)	6,486	7,318	48,794	40,322
Clean and green	80,432	73,371	81,459	77,292	(1,027)	(3,921)	2,203	1,663	25,093	20,572
Liveable and distinctive	33,136	29,049	30,838	30,457	2,298	(1,408)	4,120	3,412	–	–
Moving and integrated	16,206	16,815	65,043	70,658	(48,837)	(53,843)	24,390	14,624	2,275,253	2,270,345
Healthy and active	4,254	8,668	68,224	86,128	(63,970)	(77,460)	14,895	6,338	1,135,763	1,099,160
Prosperous and innovative	126	168	3,860	3,956	(3,734)	(3,788)	–	–	9,591	8,700
Leading and engaged	214,253	196,462	83,241	46,513	131,012	149,949	13,023	12,171	515,301	484,492
Total functions and activities	357,755	334,402	350,533	332,806	7,222	1,596	65,117	45,526	4,009,795	3,923,591

B1-2 Components of functions or activities

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

Safe and Strong

Includes costs relating children's services and community services such as community facilities, aged and disability, youth development and Aboriginal and Torres Strait islander services.

Clean and Green

Includes cost relating to environment and sustainability, flood emergency and stormwater management and waste recycling and street cleaning.

Liveable and Distinctive

Includes costs relating to provision of development services, future planning and regulation and compliance services and the planning and provision of town centres.

Moving and Integrated

Includes costs relating to carpark, footpaths, roads, streetscape and traffic management.

Healthy and Active

Includes costs related to leisure and aquatics, libraries, parks and open spaces and sport and recreation

Prosperous and Innovative

Includes costs relating to art and culture, events and economic development.

Leading and Engaged

Includes costs relating to community and engagement, customer experience and operational support, leadership and governance and property management.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2021	2020
Ordinary rates		
Residential	127,796	123,727
Business	45,745	44,675
Less: pensioner rebates (mandatory)	(3,902)	(3,954)
Rates levied to ratepayers	169,639	164,448
Pensioner rate subsidies received	1,894	2,011
Total ordinary rates	171,533	166,459
Special rates		
Town improvement	686	680
Rates levied to ratepayers	686	680
Total special rates	686	680
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	71,408	66,891
Stormwater management services	3,293	3,267
Waste management services (non-domestic)	1,553	1,397
Section 611 charges	225	216
Less: pensioner rebates (mandatory)	(1,888)	(1,839)
Annual charges levied	74,591	69,932
Pensioner subsidies received:		
– Domestic waste management	762	780
Total annual charges	75,353	70,712
Total rates and annual charges	247,572	237,851

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

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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

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

B2-2 User charges and fees

\$ '000	Timing	2021	2020
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services	2	1,016	747
Planning and building regulation	2	3,121	3,126
Registration fees	2	530	622
Regulatory fees	2	378	620
Section 10.7 certificates (EP&A Act)	2	727	548
Section 603 certificates	2	475	378
Total fees and charges – statutory/regulatory		6,247	6,041
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Child care	2	2,251	1,989
Restoration charges	2	2,970	3,689
Aquatic / fitness centre	1	4,200	5,640
Chargeable works	2	55	44
Ground/hall hire	1	988	1,179
Meals on wheels	2	248	257
Other	2	625	530
Total fees and charges – other		11,337	13,328
Total user charges and fees		17,584	19,369
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		5,187	6,819
User charges and fees recognised at a point in time (2)		12,397	12,550
Total user charges and fees		17,584	19,369

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 “over time”,
 (2) indicates income recognised under AASB 15 or AASB 1058 “at a point in time”.

Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

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

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

B2-3 Other revenue

\$ '000	Timing	2021	2020
Ex gratia rates	2	1,507	879
Fines	2	9,765	9,129
Legal fees recovery – rates and charges (extra charges)	2	598	473
Legal fees recovery – other	2	18	431
Insurance claims recoveries	2	176	726
External income – other	2	523	577
External income – trade waste	1	1,286	1,292
Compensation settlement - footbridge	2	–	2,250
Other	2	1,194	1,260
Total other revenue		15,067	17,017

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	1,286	1,292
Other revenue recognised at a point in time (2)	13,781	15,725
Total other revenue	15,067	17,017

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 “over time”,
- (2) indicates income recognised under AASB 15 or AASB 1058 “at a point in time”.

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received 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.

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	3,927	4,020	–	–
Financial assistance – local roads component	2	1,325	1,334	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	4,200	4,257	–	–
Financial assistance – local roads component	2	1,423	1,416	–	–
Amount recognised as income during current year		10,875	11,027	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Child care	1 & 2	4,579	5,146	10	–
Employment and training programs	2	5	12	–	–
Recreation and culture	1 & 2	68	95	12	–
Health and safety	2	564	–	–	–
Storm/flood damage	1	–	15	881	–
Community related projects	2	506	397	–	–
Environmental improvement projects	1 & 2	3,986	3,106	–	–
Library – annual subsidy	2	964	917	–	–
Meals on wheels	1	383	386	–	–
Sport and recreation	1 & 2	–	–	5,737	861
Transport (3x3, flood works, roads to recovery)	2	–	–	1,811	1,851
Street lighting	2	1,064	1,064	–	–
Transport (other roads and bridges funding)	1 & 2	–	–	12,490	–
Previously contributions:					
Transport for NSW contributions (regional roads, block grant)	2	970	1,109	6,609	5,873
Other contributions	2	390	603	234	684
Cooks River Alliance	2	394	363	–	–
Regional Illegal Dumping (RID)	1	462	350	–	–
Total special purpose grants and non-developer contributions – cash		14,335	13,563	27,784	9,269
Total special purpose grants and non-developer contributions (tied)		14,335	13,563	27,784	9,269
Total grants and non-developer contributions		25,210	24,590	27,784	9,269
Comprising:					
– Commonwealth funding		11,770	11,743	18,049	3,183
– State funding		13,387	12,511	9,533	5,702
– Other funding		53	336	202	384
		25,210	24,590	27,784	9,269

Timing column disclosure

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 “over time”,
 (2) indicates income recognised under AASB 15 or AASB 1058 “at a point in time”.

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.4 – contributions using planning agreements		2	–	–	71	240
S 7.11 – contributions towards amenities/services		2	–	–	12,052	11,209
S 7.12 – fixed development consent levies		2	–	–	–	218
Total developer contributions – cash			–	–	12,123	11,667
Total developer contributions			–	–	12,123	11,667
Total contributions			–	–	12,123	11,667
Total grants and contributions			25,210	24,590	39,907	20,936
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			6,139	1,378	4,133	317
Grants and contributions recognised at a point in time (2)			19,071	23,212	35,774	20,619
Total grants and contributions			25,210	24,590	39,907	20,936

The timing column notation (above) identifies the revenue recognition pattern for material items of Council's revenue:

- (1) indicates income recognised under AASB 15 or AASB 1058 "over time",
 (2) indicates income recognised under AASB 15 or AASB 1058 "at a point in time".

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants				
Unspent funds at 1 July	7,150	7,034	1,335	1,031
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	8,096	6,770	–	848
Less: Funds recognised as an expense in the reporting year but not yet received in accordance with the conditions	–	–	(935)	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(6,741)	–	(325)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(215)	(6,654)	(114)	(544)
Unspent grants at 30 June	8,290	7,150	(39)	1,335

Capital grants include library local priority grant.
Operating grants include financial assistance grant (FAG) and waste and recycling grant

Unspent contributions

Unspent funds at 1 July	434	243	120,909	115,334
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	496	589	17,326	11,842
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(347)	(398)	(14,724)	(6,267)
Unspent contributions at 30 June	583	434	123,511	120,909

Contributions include developer contributions levied under s7.11, s7.12 and s7.4

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include specified events and specified program delivery. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

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

B2-4 Grants and contributions (continued)

Capital grants

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

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

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

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	474	732
– Cash and investments	5,699	8,344
Total interest and investment income (losses)	6,173	9,076
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	474	732
General Council cash and investments	2,614	4,896
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	2,236	2,618
Domestic waste management operations	849	830
Total interest and investment income	6,173	9,076

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2021	2020
Fair value increment on investment properties			
Fair value increment on investment properties		200	200
Total fair value increment on investment properties	C1-8	200	200
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		266	274
Total Investment properties		266	274
Other lease income			
Leaseback fees - council vehicles		580	612
Property lease - Room/Facility Hire		2,831	2,283
Property lease - Car parking		143	136
Property lease - Civic Tower		1,606	1,460
Property lease - Telecommunications		616	598
Total Other lease income		5,776	5,089
Total rental income	C2-2	6,042	5,363
Total other income		6,242	5,563

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	100,379	95,489
Employee termination costs	705	314
Employee leave entitlements (ELE)	15,821	16,400
Superannuation	11,449	11,578
Workers' compensation insurance ¹	2,863	(1,584)
Fringe benefit tax (FBT)	249	296
Training costs (other than salaries and wages)	829	872
Contract / temporary staff	12,973	12,919
Other	1,379	771
Total employee costs	146,647	137,055
Less: capitalised costs	(4,519)	(4,169)
Total employee costs expensed	142,128	132,886
Number of 'full-time equivalent' employees (FTE) at year end	1,276	1,284

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

(1) 2019/20 workers' compensation insurance, reversal of a previous provision for State Cover Mutual redemption \$2.4 Million

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		7,689	7,229
Contractor and consultancy costs			
– Contractors		9,228	7,814
– Family day care		1,674	1,765
– Mechanical services		705	443
– Programmed/responsive maintenance		29,530	31,857
– Security services		975	592
– Tipping fees		22,670	22,846
Audit Fees	E2-1	274	297
Previously other expenses:			
Administrative costs: – agents commission		1,291	1,139
Administrative costs: – corporate memberships		214	223
Administrative costs: – other		438	405
Advertising and promotions		1,215	923
Bank charges		380	271
Catering		99	215
Collection costs		251	335
Computer software charges		1,361	1,004
Consultants		3,528	2,560
Councillor and Mayoral fees and associated expenses	E1-2	583	654
Equipment (minor)		512	664
Insurance		3,951	2,648
Plant and vehicle costs: – registration and CTP		743	743
Plant and vehicle costs: – fuel		1,552	1,673
Postage		1,139	725
Printing and stationery		635	695
Street lighting		4,254	4,214
Subscriptions and publications		591	847
Sydney South Planning Panel		14	2
Telephone and communications		1,512	1,368
Utilities: – electricity		2,119	2,137
Utilities: – gas		541	628
Utilities: – water charges		1,434	1,857
Valuation fees		641	606
Other expenses		141	211
Legal expenses:			
– Legal expenses: planning and development		99	555
– Legal expenses: rates and annual charges		23	472
– Legal expenses: debt recovery		–	7
– Legal expenses: employee		23	8
– Legal expenses: other		602	1,014
Expenses from leases of low value assets		458	424
Variable lease expense relating to usage		198	862
Total materials and services		103,287	102,933

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2021	2020
(i) Interest bearing liability costs			
Interest on leases		7	32
Total interest bearing liability costs		7	32
Total interest bearing liability costs expensed		7	32
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	79	187
Total other borrowing costs		79	187
Total borrowing costs expensed		86	219

Accounting policy

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

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		5,731	5,788
Office equipment		179	186
Furniture and fittings		285	347
Infrastructure:	C1-7		
– Buildings		17,940	17,894
– Other structures		1,858	2,872
– Roads		25,462	25,103
– Bridges		684	683
– Footpaths		5,161	5,227
– Other road assets		680	680
– Stormwater drainage		6,537	6,663
– Other open space/recreational assets		6,144	5,059
Right of use assets	C2-1	546	801
Other assets:			
– Library books		1,013	992
– Information management – hardware		913	919
– Low value assets		51	21
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5, C1-7	1,474	1,474
Intangible assets	C1-9	316	402
Total gross depreciation and amortisation costs		74,974	75,111
Total depreciation and amortisation costs		74,974	75,111
Total depreciation, amortisation and impairment for non-financial assets		74,974	75,111

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

Impairment of non-financial assets

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

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

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

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

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

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		5	198
Total impairment of receivables	C1-4	5	198
Other			
Contributions/levies to other levels of government			
– Department of planning levy		571	561
– Emergency services levy (includes FRNSW, SES, and RFS levies)		5,075	4,510
– EPA		6,752	4,252
– Work cover		205	285
Donations, contributions and assistance to other organisations (Section 356)		1,387	1,187
Total other		13,990	10,795
Total other expenses		13,995	10,993

Accounting policy

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

Impairment expenses are recognised when identified.

B4 Gains or losses

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

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		159	313
Less: carrying amount of property assets sold/written off		(887)	(313)
Gain (or loss) on disposal		(728)	–
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		1,082	1,112
Less: carrying amount of plant and equipment assets sold/written off		(477)	(1,452)
Gain (or loss) on disposal		605	(340)
Gain (or loss) on disposal of infrastructure			
	C1-7		
Less: carrying amount of infrastructure assets sold/written off		(16,128)	(10,351)
Gain (or loss) on disposal		(16,128)	(10,351)
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		36,136	17,167
Less: carrying amount of investments sold/redeemed/matured		(36,039)	(17,154)
Gain (or loss) on disposal		97	13
Gain (or loss) on disposal of term deposits			
	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		109,810	144,474
Less: carrying amount of term deposits sold/redeemed/matured		(109,810)	(144,474)
Gain (or loss) on disposal		–	–
Gain (or loss) on disposal of non-current assets classified as ‘held for sale’			
	C1-6		
Proceeds from disposal – non-current assets ‘held for sale’		120	–
Less: carrying amount of ‘held for sale’ assets sold/written off		(33)	–
Gain (or loss) on disposal		87	–
Other assets			
Proceeds from disposal – Other assets		4	14
Gain (or loss) on disposal		4	14
Net gain (or loss) on disposal of assets		(16,063)	(10,664)

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 23/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
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REVENUES

Rates and annual charges	244,349	247,572	3,223	1%	F
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User charges and fees	15,495	17,584	2,089	13%	F
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The variance in user charges and fees was a favourable 13% compared to the original budget. The unpredictability of the Covid-19 pandemic made it difficult to accurately forecast income when the original budget was determined.

Council was conservative in setting its original budget and made adjustments to income forecasts during the year as part of its quarterly budget reviews. As a result there has been outperformance with a number of fees and charges including vehicular crossing design services \$628k, child care fees \$424k, recreation and community fees \$257k, planning and rating certificates \$384k, development and construction fees \$341k.

Other revenues	13,582	15,067	1,485	11%	F
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The variance in other revenues was a favourable 11% compared to the original budget. The unpredictability of the Covid-19 pandemic made it difficult to accurately forecast income when the original budget was determined.

Council was conservative in setting its original budget and made adjustments to income forecasts during the year as part of its quarterly budget reviews. As a result there has been outperformance with other revenues items including external income for BLAKC and parks \$307k, trade waste \$166k, and fines \$40k.

Council also came to agreement with the owners of Bankstown Airport regarding the calculation of ex gratia rates for leased properties on the airport site. This provided a once off adjustment in favour of council of \$627k.

Operating grants and contributions	24,723	25,210	487	2%	F
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Capital grants and contributions	35,025	39,907	4,882	14%	F
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Capital grants are only included in original budget if they are known or been approved at the time the original budget was resolved. Council are successful in obtaining additional capital grants during the financial year and report these to council and make adjustments to budget during the year through the quarterly budget reviews.

Examples of additional grants received included the Department of Industries Federal Funding program phase 2 \$5.5M and phase 2 of the local roads and community infrastructure program \$1M.

These increases were offset by lower than forecast capital developer contributions (\$1M).

Interest and investment revenue	7,170	6,173	(997)	(14)%	U
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The continued low interest rate environment has meant that as existing investment deposits matured they have been reinvested at the much lower prevailing rates. The impact of this was underestimated at the time of setting the original budget. Also Council's relief measures and lower cashflows during the year also contributed to actual income being lower than budget.

Given official rates have fallen to record lows, Council is likely to see a rapid decline in interest income over future financial years. Council made adjustments to forecast interest income during the year as part of quarterly budget review.

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
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Other income 4,179 6,242 2,063 49% **F**

The variance in other income was a favourable 49% compared to the original budget. The unpredictability of the Covid-19 pandemic made it difficult to accurately forecast income when the original budget was determined.

Council was conservative in setting its original budget and made adjustments to income forecasts during the year as part of its quarterly budget reviews. Lease income held up during the year better than expected despite covid and outperformed our original budget by \$1.97M.

Council also doesn't provide any original budget amount for change in fair value for investment properties. The actual was an increment of \$200k.

EXPENSES

Employee benefits and on-costs 146,919 142,128 4,791 3% **F**

Materials and services 109,919 103,287 6,632 6% **F**

Borrowing costs 470 86 384 82% **F**

The actual remediation costs were lower than forecast in the original budget. New remediation actions were undertaken during the year that had a significant cost saving over actions originally budgeted for.

Depreciation, amortisation and impairment of non-financial assets 74,311 74,974 (663) (1)% **U**

Other expenses 11,714 13,995 (2,281) (19)% **U**

Council increased tip usage during the year leading to higher than original budget expenditure for EPA levies (\$3.3M). Adjustments were made to EPA levy budget throughout the year through the quarterly budget review process. This was partially offset by lower than budgeted costs for subsidies and donations \$754k and work cover levies \$223k.

Net losses from disposal of assets – 16,063 (16,063) ∞ **U**

Council did not provide any original budget amounts for any gains or losses on disposal of assets due to the uncertainty of forecast amounts. Losses on disposal of infrastructure not known until completion of capitalisation process and fair value revaluations.

Actual losses for Infrastructure \$12.2M, Buildings \$3.9M and Land \$0.6M were offset by gains for Motor Vehicles \$0.6M and Financial Assets \$0.1M.

STATEMENT OF CASH FLOWS

Cash flows from operating activities 80,062 96,612 16,550 21% **F**

The variance in cashflow from operating activities was a favourable 21% compared to the original budget. The unpredictability of the Covid-19 pandemic made it difficult to accurately forecast cashflow from operating income and operating expenditure when the original budget was determined.

Cashflow from operating income was higher than original budget by \$11.7M and cashflow from operating expenditure was \$4.8M lower than original budget.

Cash flows from investing activities (77,148) (76,722) 426 (1)% **F**

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	2,134	1,470
Cash-equivalent assets		
– Deposits at call	62,433	43,808
Total cash and cash equivalents	64,567	45,278

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	64,567	45,278
Balance as per the Statement of Cash Flows	64,567	45,278

Accounting policy

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

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Debt securities at amortised cost				
Long term deposits	82,111	168,500	113,421	141,500
Government and semi-government bonds	–	14,000	–	–
Total	82,111	182,500	113,421	141,500
Equity securities at fair value through other comprehensive income				
FRN's (with maturities > 3 months)	6,870	38,731	9,786	55,611
Total	6,870	38,731	9,786	55,611
Total financial investments	88,981	221,231	123,207	197,111
Total cash assets, cash equivalents and investments	153,548	221,231	168,485	197,111

Equity securities designated as at fair value through other comprehensive income

The investments shown designated as financial assets as at fair value through other comprehensive income represent investments that the Council intends to hold for the long-term strategic purposes.

Total investments sold during 2021 was \$26,883,057.96. Total investments matured was \$8,779,725.86. The total gain on sale relating to these investments was \$97,077.04.

C1-2 Financial investments (continued)

Accounting policy

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

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

Financial assets

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

Classification

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

- amortised cost, and
- fair value through other comprehensive income – equity instrument (FVOCI-equity).

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

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

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits, bonds 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.

Fair value through other comprehensive income – equity instruments

Council has investments in FRN's and Council has made an irrevocable election to classify these investments as fair value through other comprehensive income as they are not held for trading purposes. These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total cash, cash equivalents and investments	153,548	221,231	168,485	197,111
attributable to:				
External restrictions	28,772	173,856	26,035	164,461
Internal restrictions	116,634	47,375	133,778	32,650
Unrestricted	8,142	–	8,672	–
	153,548	221,231	168,485	197,111

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Self insurance claims	3,611	3,921
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External restrictions – included in liabilities

	3,611	3,921
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External restrictions – other

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

Contributions - developer - sec 7.11	88,646	92,150
Contributions – developer – sec 7.12	35,299	32,094
Contributions – developer – sec 7.4 planning agreements	1,431	1,360
Domestic waste management	57,661	47,179
Specific purpose unexpended grants & contributions	6,967	4,223
Storm water levy	5,503	6,734
Town centre improvement rate – special rate(d)	3,510	2,835

External restrictions – other

	199,017	186,575
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Total external restrictions

	202,628	190,496
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C1-3 Restricted cash, cash equivalents and investments (continued)

\$ '000	2021	2020
Internal restrictions		
Council has internally restricted cash, cash equivalents and investments as follows:		
Infrastructure - 15 Close Street Canterbury	917	—
Infrastructure – buildings	7,204	11,490
Infrastructure – land improvement	1,204	4,265
Infrastructure – other structures	6,059	6,045
Infrastructure – plant, vehicles, equipment & IT	6,840	9,585
Infrastructure – roads, footpaths & bridges	9,212	8,848
Infrastructure – SRV capital projects	12,687	13,101
Infrastructure – stormwater drainage	3,251	2,168
Infrastructure – strategic priorities	14,389	14,457
Liabilities – contingent insurance renewal	1,060	1,060
Liabilities – employee leave entitlements	22,310	20,848
Liabilities – holding deposits	6,742	6,661
Liabilities – workers compensation	1,356	—
New Council implementation fund	2,032	2,051
Stronger community fund	4,926	6,821
Other – carryover works	2,519	1,685
Other – council elections	2,229	1,629
Other - Councillor fund	210	150
Other – energy efficiency reserve	353	584
Other – Georges River footbridge maint. reserve	5,300	5,300
Other – grants program	250	250
Other – land investment fund	21,812	21,619
Other – operational contingency reserve	24,382	21,369
Other - operational library resource	583	261
Other – RMS M5 reserve	5,387	5,387
Other – Velodrome fund	795	794
Total internal restrictions	164,009	166,428
Total restrictions	366,637	356,924

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

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	12,379	1,631	10,047	1,585
Interest and extra charges	1,759	755	1,484	800
User charges and fees	2,276	–	3,174	–
Accrued revenues				
– Interest on investments	2,250	–	2,592	–
– Grants and contributions	3,718	–	1,514	–
– Other income accruals	1,374	–	802	–
Government grants and subsidies	4,864	–	3,931	–
Net GST receivable	2,040	–	2,336	–
Total	30,660	2,386	25,880	2,385
Less: provision of impairment				
User charges and fees	(165)	–	(165)	–
Other (provision for postponed rates)	–	(67)	–	(74)
Total provision for impairment – receivables	(165)	(67)	(165)	(74)
Total net receivables	30,495	2,319	25,715	2,311

\$ '000	2021	2020
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	239	329
+ new provisions recognised during the year	5	176
– amounts already provided for and written off this year	(9)	(264)
– amounts provided for but recovered during the year	(2)	(2)
Balance at the end of the year	233	239

Accounting policy

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

Impairment

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

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

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

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

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

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

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

C1-4 Receivables (continued)

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period. Council has recorded no significant impact on expected credit losses due to COVID.

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.

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

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

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Stores and materials	739	–	747	–
Total inventories at cost	739	–	747	–
Total inventories	739	–	747	–

Accounting policy

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.

C1-6 Non-current assets classified as held for sale

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Non-current assets held for sale				
Land	–	–	33	–
Total non-current assets held for sale	–	–	33	–
Total non-current assets classified as held for sale				
	–	–	33	–

Reconciliation of non-current assets held for sale and disposal groups – i.e. discontinued operations

\$ '000	2021 Assets 'held for sale'	2020 Assets 'held for sale'
Opening balance	33	–
Less: carrying value of assets/operations sold	(33)	–
<u>Plus new transfers in:</u>		
– Assets held for sale	–	33
Closing balance of held for sale non-current assets and operations	–	33

Accounting policy

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use and are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	Asset movements during the reporting period												At 30 June 2021		
	At 1 July 2020														
	\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	22,057	–	22,057	20,022	9,648	–	–	(8,759)	(1,621)	–	–	–	41,347	–	41,347
Plant and equipment	61,009	(37,431)	23,578	12,779	–	(477)	(5,731)	295	–	–	–	–	71,307	(40,863)	30,444
Office equipment	7,942	(7,201)	741	–	7	–	(179)	199	–	–	–	–	8,148	(7,380)	768
Furniture and fittings	6,168	(5,023)	1,145	–	22	–	(285)	74	–	–	–	–	6,264	(5,308)	956
Land:															
– Crown land	39,548	–	39,548	–	–	(887)	–	–	7,479	(5,983)	2,402	–	42,559	–	42,559
– Operational land	520,702	–	520,702	–	–	–	–	–	(7,615)	–	193	–	513,280	–	513,280
– Community land	204,462	–	204,462	–	3,358	–	–	–	136	–	730	–	208,686	–	208,686
– Land under roads (post 30/6/08)	959	–	959	–	–	–	–	–	–	–	–	–	959	–	959
Infrastructure:															
– Buildings	609,809	(322,266)	287,543	6,714	1,366	(3,903)	(17,940)	2,185	(12)	–	63,497	–	662,404	(322,954)	339,450
– Other structures	115,523	(52,036)	63,487	414	337	(1,926)	(1,858)	627	(19,501)	–	4,986	–	96,911	(50,345)	46,566
– Roads	1,317,024	(382,246)	934,778	15,528	3,631	(5,941)	(25,462)	2,771	–	–	–	–	1,329,927	(404,622)	925,305
– Bridges	58,126	(24,755)	33,371	–	–	–	(684)	–	–	–	–	–	58,126	(25,439)	32,687
– Footpaths	310,232	(104,600)	205,632	2,019	526	(782)	(5,161)	326	–	–	–	–	311,965	(109,405)	202,560
– Other road assets (including bulk earthworks)	17,314	(7,399)	9,915	1,496	400	(92)	(680)	515	–	–	–	–	19,557	(8,003)	11,554
– Bulk earthworks roads (non-deprec.)	562,501	–	562,501	–	–	–	–	–	–	–	–	–	562,501	–	562,501
– Bulk earthworks drainage (non-deprec.)	60,735	–	60,735	–	–	–	–	–	–	–	–	–	60,735	–	60,735
– Stormwater drainage	703,849	(260,929)	442,920	1,144	2,396	(293)	(6,537)	459	–	–	–	–	707,321	(267,232)	440,089
– Other open space/recreational assets	133,971	(46,582)	87,389	2,935	3,378	(3,191)	(6,144)	1,301	19,513	–	8,206	–	171,090	(57,703)	113,387
Other assets:															
– Library books	18,499	(15,531)	2,968	–	959	–	(1,013)	–	–	–	–	–	19,458	(16,544)	2,914
– Information management – hardware	17,322	(15,818)	1,504	–	791	–	(913)	6	–	–	–	–	18,118	(16,730)	1,388
– Low value assets	486	(486)	–	–	51	–	(51)	–	–	–	–	–	537	(537)	–
– Artworks	2,657	–	2,657	–	159	–	–	1	–	–	–	–	2,817	–	2,817
Reinstatement, rehabilitation and restoration assets (refer Note 13):															
– Tip assets	15,235	(7,986)	7,249	–	–	–	(1,474)	–	–	–	–	–	15,235	(9,460)	5,775
Total infrastructure, property, plant and equipment	4,806,130	(1,290,289)	3,515,841	63,051	27,029	(17,492)	(74,112)	–	(1,621)	(5,983)	80,014	–	4,929,252	(1,342,525)	3,586,727

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

C1-7 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019				Asset movements during the reporting period							At 30 June 2020		
	\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress		10,659	–	10,659	10,238	4,852	(792)	–	(2,900)	–	–	22,057	–	22,057
Plant and equipment		59,676	(35,958)	23,718	6,307	–	(660)	(5,788)	2	–	–	61,009	(37,431)	23,578
Office equipment		7,893	(7,015)	878	–	49	–	(186)	–	–	–	7,942	(7,201)	741
Furniture and fittings		6,150	(4,676)	1,474	–	18	–	(347)	–	–	–	6,168	(5,023)	1,145
Land:														
– Operational land		500,812	–	500,812	–	–	–	–	–	(1,546)	21,436	520,702	–	520,702
– Community land		219,586	–	219,586	–	–	(313)	–	–	(2,767)	(12,045)	204,462	–	204,462
– Crown land		37,970	–	37,970	–	–	–	–	–	4,280	(2,702)	39,548	–	39,548
– Land under roads (post 30/6/08)		959	–	959	–	–	–	–	–	–	–	959	–	959
Infrastructure:														
– Buildings		607,300	(305,427)	301,873	3,796	53	(586)	(17,894)	301	–	–	609,809	(322,266)	287,543
– Other structures		114,355	(49,485)	64,870	983	543	(344)	(2,872)	307	–	–	115,523	(52,036)	63,487
– Roads		1,304,171	(361,328)	942,843	19,829	3,472	(8,019)	(25,103)	1,757	–	–	1,317,024	(382,246)	934,778
– Bridges		58,068	(24,086)	33,982	84	–	(13)	(683)	1	–	–	58,126	(24,755)	33,371
– Footpaths		307,809	(99,736)	208,073	2,516	719	(664)	(5,227)	214	–	–	310,232	(104,600)	205,632
– Other road assets (including bulk earthworks)		16,934	(6,840)	10,094	543	51	(95)	(680)	2	–	–	17,314	(7,399)	9,915
– Bulk earthworks (non-depreciable)		562,501	–	562,501	–	–	–	–	–	–	–	562,501	–	562,501
– Stormwater drainage		702,710	(254,364)	448,346	654	576	(172)	(6,663)	180	–	–	703,849	(260,929)	442,920
– Other open space/recreational assets		132,504	(41,740)	90,764	1,633	450	(458)	(5,059)	58	–	–	133,971	(46,582)	87,389
– Bulk earthworks drainage (non-deprec.)		60,735	–	60,735	–	–	–	–	–	–	–	60,735	–	60,735
Other assets:														
– Library books		17,479	(14,539)	2,940	–	1,020	–	(992)	–	–	–	18,499	(15,531)	2,968
– Information management – hardware		16,473	(14,899)	1,574	–	849	–	(919)	–	–	–	17,322	(15,818)	1,504
– Low value assets		483	(465)	18	–	3	–	(21)	–	–	–	486	(486)	–
– Artworks		2,657	–	2,657	–	–	–	–	–	–	–	2,657	–	2,657
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets		15,235	(6,512)	8,723	–	–	–	(1,474)	–	–	–	15,235	(7,986)	7,249

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

C1-7 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

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

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.

Useful lives of IPPE

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

Plant and equipment	Years	Buildings	Years
Office equipment	3 to 10	Buildings	20 to 60
Office furniture	5 to 10		
Vehicles	5	Stormwater assets	
Heavy plant/road making equipment	5 to 10	Drainage: pipes	120
Other plant and equipment	5 to 10	Drainage: culverts and channels	80
		Drainage: structures	100
		Water quality devices	5 to 50
Land improvement assets		Other Infrastructure assets	
Park and street furniture	10 to 80	Bulk earthworks	Infinite
Active sportsfields	20 to 80	Other structures	25 to 99
Golf course	50	Swimming pools	60
Lighting	20 to 40		
Irrigation	20	Other assets	
Playgrounds	20	Library books	5
Transportation assets		Information management hardware	3
Road pavement: surface	25 to 30		
Road pavement: base	75 to 90		
Kerb and gutter	75 to 90		
Traffic facilities	40		
Bridges: sub structure, super structure and			
Culvert	100		
Bridges: surface and rail	30		
Boardwalks	40		
Footpaths	10 to 80		

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. 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 IPPE 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 IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

C1-7 Infrastructure, property, plant and equipment (continued)

Land under roads

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

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

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.

C1-8 Investment properties

\$ '000	2021	2020
Owned investment property		
Investment property on hand at fair value	7,750	7,550
Total owned investment property	7,750	7,550
Owned investment property		
At fair value		
Opening balance at 1 July	7,550	7,350
Net gain/(loss) from fair value adjustments	200	200
Closing balance at 30 June	7,750	7,550

Accounting policy

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

C1-9 Intangible assets

Intangible assets are as follows:

\$ '000	2021	2020
Software		
Opening values at 1 July		
Gross book value	13,724	13,459
Accumulated amortisation	(13,073)	(12,671)
Net book value – opening balance	651	788
Movements for the year		
Purchases	97	265
Amortisation charges	(316)	(402)
Closing values at 30 June		
Gross book value	13,821	13,724
Accumulated amortisation	(13,389)	(13,073)
Total software – net book value	432	651
Total intangible assets – net book value	432	651

Accounting policy

IT development and software

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

C2 Leasing activities

C2-1 Council as a lessee

Council has leases for land and waste trucks. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

- Land - Lease agreements are peppercorn type agreements with RailCorp.
- Waste trucks - 10 years and 4 months lease agreements (ending 30 June 2031) for 14 waste trucks.

Vehicles

Council leases waste trucks with lease term of 10 years and 4 months. The lease payments are variable depending on the number of collections performed during the lease term and there is generally no renewal option. The payments relating to the lease components are therefore recognised as expenses in the income statement when the collections are made, i.e. no lease liability or right of use asset is recognised on inception of the lease.

(a) Right of use assets

\$ '000	Plant & Equipment	Total
2021		
Opening balance at 1 July	546	546
Depreciation charge	(546)	(546)
Balance at 30 June	—	—
2020		
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	1,335	1,335
Adjustments to right-of-use assets due to re-measurement of lease liability	12	12
Depreciation charge	(801)	(801)
Balance at 30 June	546	546

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	—	—	601	—
Total lease liabilities	—	—	601	—

C2-1 Council as a lessee (continued)

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2020					
Cash flows	601	–	–	601	601

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total lease liabilities relating to unrestricted assets	–	–	601	–
Total lease liabilities	–	–	601	–

(d) Income Statement

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

\$ '000	2021	2020
Interest on lease liabilities	7	32
Variable lease payments based on usage not included in the measurement of lease liabilities	396	862
Depreciation of right of use assets	546	801
Expenses relating to low-value leases	458	424
	1,407	2,119

(e) Statement of Cash Flows

Total cash outflow for leases	1,283	1,318
	1,283	1,318

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- Car parking
- Pedestrian facilities
- Community facilities
- Stormwater / Drainage
- Open space embellishment
- Roadway
- Bus terminal

The leases are generally have year-to-year hold over provisions and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

C2-1 Council as a lessee (continued)

Accounting policy

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties and plant and equipment assets; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

- investment property – where the asset is held predominantly for rental or capital growth purposes (refer note C1-8)
- property, plant and equipment – where the rental is incidental, or the asset is held to meet Councils service delivery objective (refer note C1-7).

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

Council has two investment properties that it leases to tenants on five year arrangements.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	266	274
Total income relating to operating leases for investment property assets	266	274

(ii) Assets held as property, plant and equipment

Council provides operating leases on buildings and vehicles for the purpose of rental return or Councils service delivery objectives. The table below relates to operating leases on assets disclosed in C1-7.

Lease income (excluding variable lease payments not dependent on an index or rate)	5,776	5,089
Total income relating to operating leases for Council assets	5,776	5,089

(ii) Maturity analysis of contractual lease income

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

< 1 year	294	285
1–2 years	263	293
2–3 years	250	263
3–4 years	–	250
Total undiscounted lease payments to be received	807	1,091

Accounting policy

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	15,409	–	17,292	–
Accrued expenses:				
– Salaries and wages	3,149	–	2,843	–
– Other expenditure accruals	1,940	–	1,425	–
Security bonds, deposits and retentions	6,192	450	6,223	439
Prepaid rates	2,008	–	1,672	–
Payroll liabilities	97	–	418	–
Other	43	–	–	–
Total payables	28,838	450	29,873	439
Total payables	28,838	450	29,873	439

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

\$ '000	2021	2020
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	5,000	5,000
Total payables	5,000	5,000

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,053	–	146	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	310	–	235	–
Unexpended capital contributions (to construct Council controlled assets)	(i)	–	–	141	–
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	144	–	37	–
Total grants received in advance		2,507	–	559	–
User fees and charges received in advance:					
Upfront fees – user fees and charges		1,920	–	679	–
Upfront fees – DA fees (where no determination has been made)	(iii)	1,473	–	1,854	–
Upfront fees - trade waste		340	–	–	–
Total user fees and charges received in advance		3,733	–	2,533	–
Total contract liabilities		6,240	–	3,092	–

Notes

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

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

(iii) Upfront user fees and charges received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

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

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	104	278
Operating grants (received prior to performance obligation being satisfied)	225	212
Total revenue recognised that was included in the contract liability balance at the beginning of the period	329	1,856

Significant changes in contract liabilities

The increase is due to significant grant funding and user fees and charges received in advance.

Accounting policy

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

C3-3 Borrowings

Financing arrangements

\$ '000	2021	2020
Total facilities		
Bank overdraft facilities ¹	500	500
Credit cards/purchase cards	100	100
Total financing arrangements	600	600
Drawn facilities		
– Credit cards/purchase cards	5	4
Total drawn financing arrangements	5	4
Undrawn facilities		
– Bank overdraft facilities	500	500
– Credit cards/purchase cards	95	96
Total undrawn financing arrangements	595	596

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.

C3-4 Employee benefit provisions

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Annual leave	12,748	–	12,401	–
Sick leave	9,608	–	9,937	–
Long service leave	29,919	–	29,006	–
Gratuities	207	–	199	–
ELE on-costs	586	–	576	–
Total employee benefit provisions	53,068	–	52,119	–

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	39,620	38,712
	39,620	38,712

Description of and movements in provisions

\$ '000	ELE provisions					Total
	Annual leave	Sick leave	Long service leave	ELE on-costs	Other employee benefits	
2021						
At beginning of year	12,401	9,937	29,006	576	199	52,119
Additional provisions	8,084	5,390	3,596	–	896	17,966
Amounts used (payments)	(7,803)	(4,484)	(2,627)	–	(896)	(15,810)
Remeasurement effects	66	(1,235)	(56)	10	8	(1,207)
Total ELE provisions at end of year	12,748	9,608	29,919	586	207	53,068
2020						
At beginning of year	10,647	11,089	28,085	599	198	50,618
Additional provisions	7,877	5,515	4,006	–	–	17,398
Amounts used (payments)	(6,631)	(4,927)	(3,076)	–	–	(14,634)
Remeasurement effects	508	(1,740)	(9)	(23)	1	(1,263)
Total ELE provisions at end of year	12,401	9,937	29,006	576	199	52,119

Accounting policy

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

Short-term obligations

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

Other long-term employee benefit obligations

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

C3-4 Employee benefit provisions (continued)

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.

C3-5 Provisions

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Other provisions				
Self insurance – workers compensation	1,168	3,799	677	2,758
Insurance claims below excess	1,508	–	906	–
Sub-total – other provisions	2,676	3,799	1,583	2,758
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	18,944	–	18,865
Sub-total – asset remediation/restoration	–	18,944	–	18,865
Total provisions	2,676	22,743	1,583	21,623

Description of and movements in provisions

\$ '000	Other provisions				
	Self insurance	Asset remediation	State Cover workers compensation	Mutual Insurance claims below excess	Net carrying amount
2021					
At beginning of year	3,435	18,865	–	906	23,206
Additional provisions	1,197	–	–	602	1,799
Amounts used (payments)	(1,331)	–	–	(352)	(1,683)
Remeasurement effects	1,666	79	–	352	2,097
Total other provisions at end of year	4,967	18,944	–	1,508	25,419
2020					
At beginning of year	3,855	18,688	2,408	1,361	26,312
Unwinding of discount	–	187	–	–	187
Additional provisions	1,704	–	–	–	1,704
Amounts used (payments)	(1,244)	(10)	–	–	(1,254)
Remeasurement effects	(880)	–	(2,408)	(455)	(3,743)
Total other provisions at end of year	3,435	18,865	–	906	23,206

C3-5 Provisions (continued)

Nature and purpose of provisions

Asset remediation

The asset remediation provision represents the present value estimate of future costs Council will incur to restore, rehabilitate and reinstate the tip and quarry as a result of past operations.

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Insurance claims below excess

Insurance provision for under excess claims for public liability, property and motor vehicles.

State Cover Mutual - workers compensation

Redemption amount based on the actuarially determined liabilities relating to the policies of insurance held with StateCover by the former Canterbury City Council. Council had previously taken up a provision on the basis that it had ceased to be a StateCover policyholder, and in accordance with StateCover's constitution (under clause 4.5) the Board could elect to commence a share redemption process which would require a payment by council of actuarially-determined outstanding liabilities.

The StateCover Board has elected not to commence the share redemption process for the Council Share held by the former Canterbury City Council. As such, Canterbury Bankstown Council retains the rights and obligations which attach to this Council Share, as described in clauses 4.3 and 4.4 of StateCover's constitution. Therefore the provision has now been reversed.

Accounting policy

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

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

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

Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within infrastructure, property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Self-insurance

Council has decided to self-insure for certain risks, including workers compensation. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note C1-3.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired. Council's financial assets are investments in FRN's.

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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 Council.

Council's objective is to maximise its return on cash and investments while maintaining an adequate level of liquidity and preserving capital. The finance team manage the cash and investments portfolio with the assistance of independent advisers. NSW Council has an investment policy which complies with s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by NSW Council and a monthly investment report is provided to NSW Council setting out the make-up and performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by the Councillors.

The fair value of cash and cash equivalents, receivables, investments and financial liabilities approximates the carrying amount.

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- 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 a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	64,567	45,278	64,567	45,278
Receivables	31,006	25,690	31,006	25,690
Investments				
– Term deposits	250,611	254,921	250,611	254,921
– Bonds	14,000	–	14,000	–
Fair value through other comprehensive income				
Investments				
– Equity securities at fair value through other comprehensive income	45,601	65,397	45,601	65,397
Total financial assets	405,785	391,286	405,785	391,286
Financial liabilities				
Measured at amortised cost				
Payables	27,280	28,640	27,280	28,640
Lease liabilities	–	601	–	601
Total financial liabilities	27,280	29,241	27,280	29,241

Fair value is determined as follows:

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

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	3,292	3,002
Impact of a 10% movement in price of investments		
– Equity / Income Statement	4,560	6,540

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

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

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

There are no significant concentrations of credit risk other than Council has significant credit risk exposures in its local area given the nature of Council activities.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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 recover these debts as a secured charge over the land; 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 payment.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	12,379	1,631	–	–	–	14,010
2020						
Gross carrying amount	10,047	1,585	–	–	–	11,632

D1-1 Risks relating to financial instruments held (continued)

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	14,079	521	101	252	4,083	19,036
Expected loss rate (%)	0.00%	0.00%	0.00%	3.81%	3.81%	0.87%
ECL provision	–	–	–	10	156	166
2020						
Gross carrying amount	12,374	436	208	–	3,615	16,633
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	4.56%	0.99%
ECL provision	–	–	–	–	165	165

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	1,642	20,638	5,000	–	27,280	27,280
Total financial liabilities		1,642	20,638	5,000	–	27,280	27,280
2020							
Trade/other payables	0.00%	1,662	21,978	5,000	–	28,640	28,640
Lease liabilities	0.00%	–	601	–	–	601	601
Total financial liabilities		1,662	22,579	5,000	–	29,241	29,241

D2 Fair value measurement

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

– Infrastructure, property, plant and equipment - Investment property - Financial Assets

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).

		Fair value measurement hierarchy					
\$ '000	Notes	Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through other comprehensive income		59,601	65,397	–	–	59,601	65,397
Total financial assets		59,601	65,397	–	–	59,601	65,397
Investment property							
Investment properties	C1-8	7,750	7,550	–	–	7,750	7,550
Total investment property		7,750	7,550	–	–	7,750	7,550
Infrastructure, property, plant and equipment							
Plant and equipment	C1-7	–	–	30,444	23,579	30,444	23,579
Office equipment		–	–	768	741	768	741
Furniture and fittings		–	–	956	1,145	956	1,145
Operational land		513,280	520,702	–	–	513,280	520,702
Community land		–	–	208,686	204,462	208,686	204,462
Crown land		–	–	42,559	39,548	42,559	39,548
Land under road (post 1 July 2008)		–	–	959	959	959	959
Other open space/recreational assets		–	–	113,387	87,389	113,387	87,389
Buildings		11,505	64,057	327,945	223,486	339,450	287,543
Other structures		–	–	46,566	63,487	46,566	63,487
Roads		–	–	925,305	934,778	925,305	934,778
Bridges		–	–	32,687	33,371	32,687	33,371
Footpaths		–	–	202,560	205,631	202,560	205,631
Bulk earthworks (non-depreciable)		–	–	623,236	623,236	623,236	623,236
Stormwater drainage		–	–	440,089	442,920	440,089	442,920
Other road assets		–	–	11,554	9,915	11,554	9,915
Library books		–	–	2,914	2,968	2,914	2,968
Information management – hardware		–	–	1,388	1,504	1,388	1,504
Artworks		–	–	2,817	2,657	2,817	2,657
Tip asset		–	–	5,775	7,249	5,775	7,249
Low value assets		–	–	–	–	–	–
Total infrastructure, property, plant and equipment		524,785	584,759	3,020,595	2,909,025	3,545,380	3,493,784

D2 Fair value measurement (continued)

Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. 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:

Financial assets

Council receives indicative market valuation advice from an independent external investment advisor. The indicative valuations are based upon recent comparable market based evidence.

Investment property

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

The last valuation was performed by Scott Fullarton Valuations Pty Ltd for 30 June 2021.

The investment valuations are included as level 2 of the fair value hierarchy.

Infrastructure, property, plant and equipment (IPPE)

Operational land

This asset class comprises all of Council's land classified as operational land under the NSW Local Government Act 1993. Level 2 inputs were used to value land held in freehold title and those with special use, which are restricted under the zoning objectives. Sale price of comparable land parcels in close proximity were adjusted for differences in key attributes such as size and configuration. The most significant inputs into this valuation approach are price per square metre.

The last valuation was undertaken at 30 June 2020 and was performed by Scott Fullarton Valuation Pty Ltd.

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

Community and Crown land

Valuations of all Council's community land and managed land were based on the land values provided by Scott Fullarton Valuation Pty Ltd. As these rates were not considered to be observable market evidence they have been classified as Level 3. When valuing the land, Scott Fullarton Valuation Pty Ltd considers the following:

- Property market conditions at the time of valuation
- Most valuable use of the land
- Location of the land
- Constraints on use such as zoning, heritage restrictions
- Land size, shape and land features such as slope and soil type
- Nearby development and infrastructure
- Views

The last valuation was undertaken at 30 June 2020 and was performed by Scott Fullarton Valuation Pty Ltd.

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

Roads, bridges, footpaths, drainage, other road assets and bulk earthworks

The condition based assessments of consumption of service potential have been carried out to determine fair value. The unit rates being key unobservable input, is determined using rates stipulated in contracts with third party suppliers. These assets were valued at 30 June 2018, using the cost approach, by experienced Council engineers and asset management staff.

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

Other open space/recreational assets

The condition based assessments of consumption of service potential have been carried out to determine fair value. The unit rates being key unobservable input, is determined using rates stipulated in contracts with third party suppliers. These assets were valued as at 30 June 2021, using the cost approach, by experienced Council engineers and asset management staff.

D2 Fair value measurement (continued)

Buildings and other structures

Buildings and major structures were valued by Scott Fullarton Valuations Pty Ltd as at 30 June 2021.

Minor other structures were valued as at 30 June 2021 by experienced Council engineers and asset management staff.

Specialised assets were valued using the cost approach. The approach estimated the replacement cost of each building. Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other inputs (such as estimates of residual value, useful life and asset condition) require extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued utilising level 3 inputs.

Plant and equipment, office equipment and furniture and fittings, library books and information management hardware

The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The key unobservable input to the valuation is the remaining useful life. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption and estimated remaining useful life.

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

Fair value measurements using significant unobservable inputs (level 3)

The valuation process for level 3 fair value measurements

Council engages external, independent, qualified valuers to determine the fair value of buildings, other structures and Community/Crown land. Experienced Council staff value all infrastructure assets and other assets every five years.

Measurements are based on information derived from condition assessments and information supplied by Council. The process estimates the net carrying amount for each asset taking into consideration the following factors:

Pattern of consumption, asset condition, unit rates and useful life.

The last valuation of roads, bridges, footpaths, bulk earthworks and drainage was completed as at 30 June 2018. Buildings, other structures and other open space/recreational assets were valued this year. Community and Crown Land assets were valued at 30 June 2020.

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

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

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Community and crown land	251,245	Market Approach, external valuation by Scott Fullarton Valuations Pty Ltd	Price per square metre
Land under roads(post 30/6/08)	959	Cost approach, adjoining blocks average m2 rate	Price per square metre
Other open space/recreational assets	113,387	Cost approach	Asset condition, remaining useful life
Buildings	327,945	Cost approach	Asset condition, remaining useful life
Other Structures	46,566	Cost approach	Asset condition, remaining useful life
Roads, bridges, footpaths and other road assets	1,172,106	Cost approach	Asset condition, remaining useful life
Bulk earthworks	623,236	Cost approach	Asset condition, remaining useful life
Stormwater drainage	440,089	Cost approach	Asset condition, remaining useful life
Library books	2,914	Cost approach	Asset condition, remaining useful life

D2 Fair value measurement (continued)

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Plant, office equipment, furniture & fittings	33,556	Cost used to approximate fair value	Gross replacement cost, useful life and residual value
Artworks	2,817	Cost used to approximate fair value	The level of appreciation of the asset
Tip asset	5,775	Cost approach	Asset condition, remaining useful life

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

\$ '000	Tip asset		Community & Crown Land		Land under Roads (30/6/08)		Other open space/recreational assets	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	7,249	8,723	244,009	257,556	959	959	87,389	90,764
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	–	–	(2,851)	(14,747)	–	–	8,206	–
Other movements								
Transfers from/(to) another asset class	–	–	7,615	1,513	–	–	19,513	58
Purchases (GBV)	–	–	3,358	–	–	–	7,614	2,084
Disposals (WDV)	–	–	(887)	(313)	–	–	(3,191)	(458)
Depreciation and impairment	(1,474)	(1,474)	–	–	–	–	(6,144)	(5,059)
Closing balance	5,775	7,249	251,244	244,009	959	959	113,387	87,389

\$ '000	Buildings		Other structures		Roads and grnd. Level carparks		Bridges	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	223,486	235,950	63,487	64,870	944,694	952,937	33,371	33,982
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	63,497	–	4,986	–	–	–	–	–
Other movements								
Transfers from/(to) level 2 FV hierarchy	52,551	–	–	–	–	–	–	–
Transfers from/(to) another asset class	(12)	106	(19,501)	307	–	1,759	–	1
Purchases (GBV)	10,266	2,249	1,378	1,526	24,340	23,895	–	84
Disposals (WDV)	(3,903)	(494)	(1,926)	(344)	(6,033)	(8,114)	–	(13)
Depreciation and impairment	(17,940)	(14,325)	(1,858)	(2,872)	(26,142)	(25,783)	(684)	(683)
Closing balance	327,945	223,486	46,566	63,487	936,859	944,694	32,687	33,371

D2 Fair value measurement (continued)

\$ '000	Footpaths		Bulk earthworks		Stormwater drainage		Library books	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	205,631	208,073	623,236	623,236	442,921	448,346	2,968	2,940
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	214	–	–	–	180	–	–
Purchases (GBV)	2,871	3,235	–	–	3,999	1,230	959	1,020
Disposals (WDV)	(782)	(664)	–	–	(293)	(172)	–	–
Depreciation and impairment	(5,161)	(5,227)	–	–	(6,537)	(6,663)	(1,013)	(992)
Closing balance	202,559	205,631	623,236	623,236	440,090	442,921	2,914	2,968

\$ '000	Plant/office equipment/ furniture/low value assets		Artwork		Total	
	2021	2020	2021	2020	2021	2020
Opening balance	26,968	27,662	2,657	2,657	2,909,025	2,958,655
Recognised in other comprehensive income – revaluation surplus	–	–	–	–	73,838	(14,747)
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	52,551	–
Transfers from/(to) another asset class	–	2	–	–	7,615	4,140
Purchases (GBV)	14,222	7,225	160	–	69,167	42,548
Disposals (WDV)	(477)	(660)	–	–	(17,492)	(11,232)
Depreciation and impairment	(7,157)	(7,261)	–	–	(74,110)	(70,339)
Closing balance	33,556	26,968	2,817	2,657	3,020,594	2,909,025

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

Buildings that were previously valued using a supported market evidence approach are now valued using other inputs (such as estimates) and require extensive professional judgement. As such, these assets have been transferred to level 3 hierarchy.

Highest and best use

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

D3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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

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

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

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

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

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

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

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

D3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$1,843,328.26. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2020.

Council's expected contribution to the plan for the next annual reporting period is \$1,880,586.

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

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

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

The share of any funding surplus or deficit that can be attributed to Council is \$1,222,000.

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

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

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

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2021.

(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 June 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) Other guarantees

Council has a bank guarantee of \$50,000 with Viva Energy Australia Pty Ltd for the Canterbury Town Centre Redevelopment recoverable works agreement. The Bank Guarantee will expire on 01 December 2021.

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.

D3-1 Contingencies (continued)

(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 have not been possible.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

E People and relationships

E1 Related party disclosures

E1 Key management personnel (KMP)

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

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	3,123	3,053
Other long-term benefits	–	30
Total	3,123	3,083

Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000						
2021						
Real estate commission managing council properties	1	7	–		–	–
2020						
Real estate commission managing council properties	1	4	–		–	–

- 1 Council utilises LJ Hooker to manage Council properties and receives a commission based on monthly rental. A relative of a Council KMP is an employee of LJ Hooker. All transactions are at arm's length.

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	89	89
Councillors' fees	426	448
Other Councillors' expenses (including Mayor)	68	117
Total	583	654

E2 Other relationships

E2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	231	207
Remuneration for audit and other assurance services	231	207
Total Auditor-General remuneration	231	207
Non NSW Auditor-General audit firms		
(i) Non-assurance services		
Other services (workers compensation audits)	43	90
Remuneration for non-assurance services	43	90
Total remuneration of non NSW Auditor-General audit firms	43	90
Total audit fees	274	297

F Other matters

F1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	7,222	1,596
Adjust for non-cash items:		
Depreciation and amortisation	74,974	75,111
Net losses/(gains) on disposal of assets	16,063	10,664
Adoption of AASB 15/1058	–	(2,452)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(200)	(200)
Unwinding of discount rates on reinstatement provisions	–	187
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(4,781)	(2,280)
Increase/(decrease) in provision for impairment of receivables	(7)	(90)
Decrease/(increase) in inventories	8	130
Decrease/(increase) in other current assets	(1,953)	(2,021)
Increase/(decrease) in payables	(1,883)	(1,977)
Increase/(decrease) in other accrued expenses payable	821	1,063
Increase/(decrease) in other liabilities	38	(1,923)
Increase/(decrease) in contract liabilities	3,148	3,092
Increase/(decrease) in provision for employee benefits	949	1,501
Increase/(decrease) in other provisions	2,213	(3,293)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	96,612	79,108

F2-1 Commitments

Capital commitments (exclusive of GST)

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

Property, plant and equipment

Buildings	4,137	1,606
Infrastructure works	20,326	15,898
Information management	159	77
Plant and equipment	4,014	10,052
Total commitments	28,636	27,633

These expenditures are payable as follows:

Within the next year	28,636	27,633
Total payable	28,636	27,633

Sources for funding of capital commitments:

Section 7.11 and 64 funds/reserves	8,609	2,272
Externally restricted reserves	6,241	13,049
Internally restricted reserves	13,786	12,312
Total sources of funding	28,636	27,633

Details of capital commitments

Capital carryover works

F3-1 Events occurring after the reporting date

The COVID-19 pandemic is forecast to cost Council approximately \$3 million in 2021/22 through loss of income from government imposed shutdowns, income that was impacted by the crisis.

These impacts were foreshadowed as part of the 2021/22 budget documents and reported to Council as part of its annual Integrated Planning and Reporting requirements.

Council has also held more cash and cash equivalents on hand for operational needs as a buffer to any potential cashflow impacts from any delays in recouping council receivables, especially from rates and annual charges. At 30 June 2021 Council's Rates Outstanding ratio was higher than previous years (see note F5-1 of these financial statements).

Council monitors the impact of COVID-19 on its financials monthly and is reported separately to the Executive Leadership Team. Council will continue to monitor the impacts and make any necessary budget adjustments to Council through the quarterly budget review process as required.

Due to the recent lockdown which commenced in late June 2021, Council at its July 2021 and August 2021 regular council meetings, announced a number of Covid-19 relief measures. Council's services also had tighter restrictions on operations than foreshadowed at the time of setting the original budget. The relief measures and shutdowns are expected to be around \$3 million over and above that reported in the original budget, bringing the total Covid-19 loss of income for 2021/22 to approximately \$6 million. The revised Covid-19 budget impacts will be reflected in the first quarterly budget review.

At the time of preparation of these financial statements there is not expected to be any material impact on Council's 2020/21 budget over and above that already foreshadowed in the original budget plus additional relief measures resolved by Council.

F4 Statement of developer contributions as at 30 June 2021

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
225-249 Canterbury Road	4	-	-	-	-	-	4	-
Canterbury town centre	5,911	33	-	106	(2,964)	-	3,086	-
Community facilities	17,805	754	-	321	(385)	-	18,495	-
Environmental amenities	2,946	-	-	53	-	-	2,999	-
Open space	60,508	5,961	-	1,089	(7,415)	-	60,143	-
Other	167	-	-	3	-	-	170	-
Parking	1,621	-	-	29	-	-	1,650	-
Roads	73	535	-	1	-	-	609	-
Traffic facilities	415	-	-	7	-	-	422	-
Public domain	101	737	-	2	-	-	840	-
Administration	2,599	121	-	47	(2,539)	-	228	-
S7.11 contributions – under a plan	92,150	8,141	-	1,658	(13,303)	-	88,646	-
S7.12 levies – under a plan	32,094	3,911	-	578	(1,284)	-	35,299	-
Total S7.11 and S7.12 revenue under plans	124,244	12,052	-	2,236	(14,587)	-	123,945	-
S7.4 planning agreements	1,360	71	-	-	-	-	1,431	-
Total contributions	125,604	12,123	-	2,236	(14,587)	-	125,376	-

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.

F4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CANTERBURY DEVELOPMENT CONTRIBUTIONS PLAN 2013								
	4	-	-	-	-	-	4	-
225-249 Canterbury Road	17,760	425	-	320	(385)	-	18,120	-
Community facilities	2,946	-	-	53	-	-	2,999	-
Environmental amenities	60,110	3,186	-	1,082	(6,802)	-	57,576	-
Open space	167	-	-	3	-	-	170	-
Other	1,621	-	-	29	-	-	1,650	-
Parking	415	-	-	7	-	-	422	-
Traffic facilities	2,594	82	-	47	(2,539)	-	184	-
Administration								
Total	85,617	3,693	-	1,541	(9,726)	-	81,125	-
CANTERBURY TOWN CENTRE AND RIVERFRONT PRECINCT DEVELOPMENT CONTRIBUTIONS PLAN								
	5,911	33	-	106	(2,964)	-	3,086	-
Canterbury town centre								
Total	5,911	33	-	106	(2,964)	-	3,086	-
BANKSTOWN DEVELOPMENT CONTRIBUTIONS PLAN 2019								
	45	329	-	1	-	-	375	-
Community facilities	398	2,775	-	7	(613)	-	2,567	-
Open space	101	737	-	2	-	-	840	-
Public domain	73	535	-	1	-	-	609	-
Roads and active transport	5	39	-	-	-	-	44	-
Administration								
Total	622	4,415	-	11	(613)	-	4,435	-

F4-2 Developer contributions by plan (continued)

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Bankstown development contributions plan 2019	218	1,198	-	4	-	-	1,420	-
Canterbury development contributions plan 2013	3,718	745	-	67	-	-	4,530	-
Section 94A development contributions plan - Bankstown	28,158	1,968	-	507	(1,284)	-	29,349	-
Total	32,094	3,911	-	578	(1,284)	-	35,299	-

F4-3 S7.4 planning agreements

Planning agreements	1,120	-	-	-	-	-	1,120	-
Planning agreements – parking	240	71	-	-	-	-	311	-
Total	1,360	71	-	-	-	-	1,431	-

F5 Statement of performance measures

F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020	Indicators 2019	Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(16,817)	(5.29)%	(2.77)%	(1.74)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	317,648				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	292,438	81.79%	86.38%	86.95%	> 60.00%
Total continuing operating revenue ¹	357,555				
3. Unrestricted current ratio					
Current assets less all external restrictions	150,378	3.80x	4.12x	4.00x	> 1.50x
Current liabilities less specific purpose liabilities	39,565				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	58,243	84.78x	61.71x	143.57x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	687				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	16,524	6.29%	5.54%	4.90%	< 5.00%
Rates and annual charges collectable	262,560				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	315,178	14.53	14.24	14.21	> 3.00
Monthly payments from cash flow of operating and financing activities	21,686	mths	mths	mths	mths

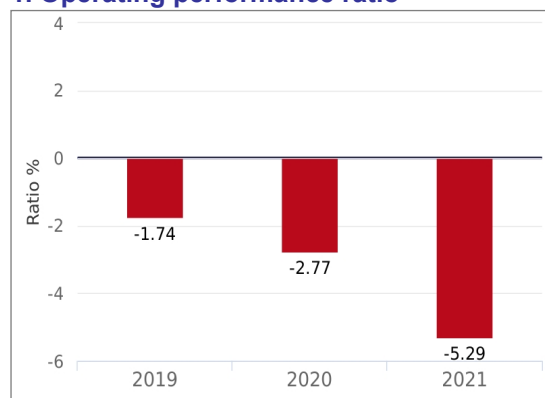
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

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

G Additional Council disclosures (unaudited)

G1-1 Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio (5.29)%

Council's operating performance ratio has decreased slightly from last financial year and remains below the benchmark for this ratio of >0.00%. Council's income in 2020/21 was negatively impacted by COVID-19. The result is favorable compared to the forecast result in Council's Long Term Financial Plan (-10.93%).

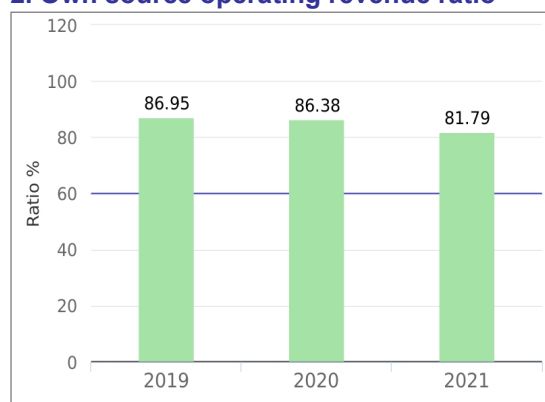
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2020/21 result

2020/21 ratio 81.79%

Council's own source revenue easily exceeds the benchmark for this ratio of greater than 60% and is similar to the performance of this ratio over recent years. This indicates that Council has a low reliance on external funding sources. It provides Council with greater financial flexibility and income determination.

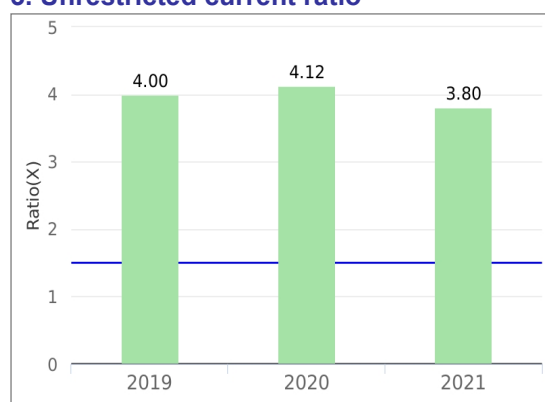
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2020/21 result

2020/21 ratio 3.80x

Council provides for the budgeting and maintenance of sufficient unrestricted working funds so as to meet its short term obligations as they fall due. This result exceeds the required industry benchmark of greater than 1.5x. Council's Financial Management Strategy incorporating its Long Term Financial Plan details the measures taken to maintain this ratio above the minimum industry benchmark.

Benchmark: — > 1.50x

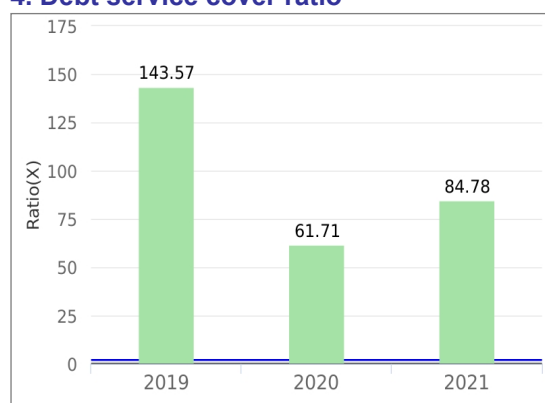
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 84.78x

Council retired the last of its long term debt obligations during 2017/18. Where appropriate Council will utilise debt to fund capital expenditure, subject to it fulfilling agreed economic, social or environmental benefits without effecting the existing recurrent operations and/or cashflows.

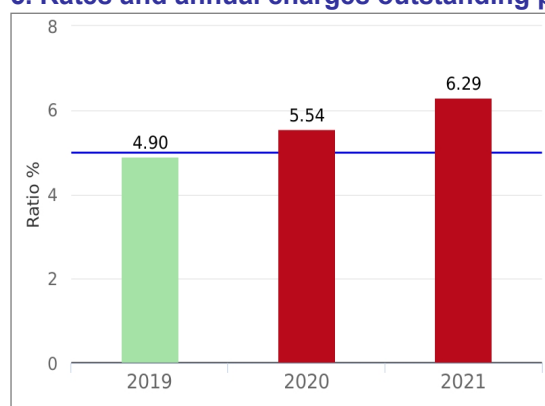
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio 6.29%

This ratio aims to measure the adequacy of Council's debt collection efforts in relation to rates and Annual charges. The ratio has increased from the previous year and now sits above the benchmark for metropolitan councils. In response to the COVID-19 pandemic Council has introduced a comprehensive relief package to support the community from the effects of the pandemic including a number of rates relief measures. Rates and Annual charges are considered a secure debt as the charges are held against the relevant rateable property.

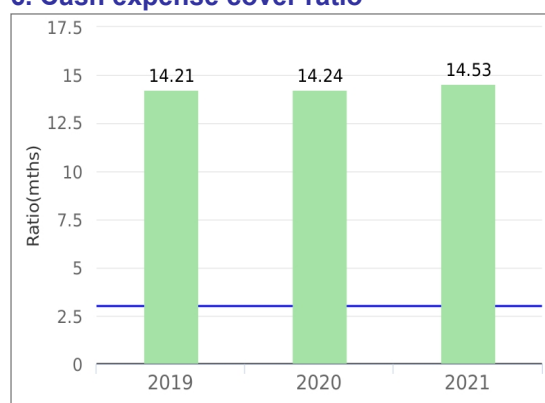
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2020/21 result

2020/21 ratio 14.53 mths

Council holds adequate cash reserves to meet its ongoing liabilities as and when they fall due including reserves for operational contingencies. These cash reserves allow Council to meet immediate expenditure obligations without the need for additional cash inflows. Council's Financial Management Strategy incorporating the Long Term Financial Plan maintains a healthy cash expense coverage ratio over the life of the plan.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Canterbury-Bankstown Council

To the Councillors of the Canterbury-Bankstown Council

Opinion

I have audited the accompanying financial statements of the Canterbury-Bankstown Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 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.



Reiky Jiang
Delegate of the Auditor-General for New South Wales

28 October 2021
SYDNEY



Mr Khal Asfour
Mayor
Canterbury-Bankstown Council
PO Box 8
BANKSTOWN NSW 1885

Contact: Reiky Jiang
Phone no: 02 9275 7281
Our ref: D2122436/ 1708

28 October 2021

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2021 Canterbury-Bankstown Council

I have audited the general purpose financial statements (GPFS) of the Canterbury-Bankstown Council (the Council) for the year ended 30 June 2021 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 2021 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

	2021 \$m	2020 \$m	Variance %
Rates and annual charges revenue	247.6	237.9	↑ 4.1
Grants and contributions revenue	65.1	45.5	↑ 43.1
Operating result from continuing operations	7.2	1.6	↑ 350
Net operating result before capital grants and contributions	(32.7)	(19.3)	↓ 69.4

The Council's operating result from continuing operations (\$7.2 million including depreciation and amortisation expense of \$75.0 million) was \$5.6 million higher than the 2019–20 result. The increases in revenue of \$23.4 million were partially offset by the increases in expenses of \$17.7 million.

The net operating result before capital grants and contributions (\$32.7 million loss) was \$13.4 million lower than the 2019–20 result. This is mainly attributed by the \$19.0 million increase in capital grants.

Rates and annual charges revenue (\$247.6 million) increased by \$9.7 million (4.1 per cent) in 2020–21 due to:

- the allowable rating increase of 2.6 per cent set by IPART
- increase in rateable properties.

Grants and contributions revenue (\$65.1 million) increased by \$19.6 million (43.1 per cent) in 2020–21 due to:

- \$19.0 million increase in capital grants in 2020–21. Major programs include the Local Roads and Communities Infrastructure program of \$8.0 million, Black Spot program of \$5.0 million and Transport Safer Roads program of \$2.6 million
- \$0.5 million increase in developer contributions received during the year.

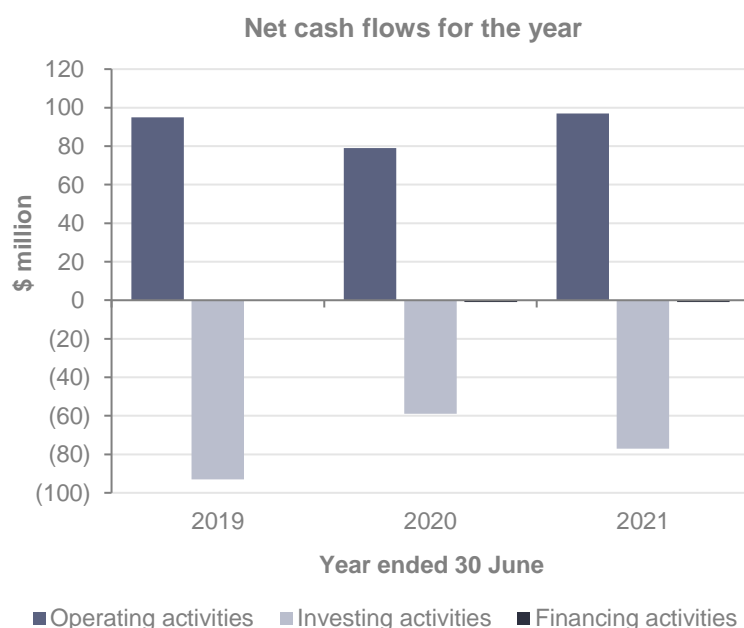
Total expenses (\$350.5 million) increased by \$17.7 million (5.3 per cent) in 2020–21 due to:

- higher employee costs of \$9.2 million
- \$5.4 million increase in net losses from disposal of assets.

STATEMENT OF CASH FLOWS

The Council's cash and cash equivalents balance was \$64.6 million. The net cash flow for the year was an increase of \$19.3 million.

- Council had a net operating cash inflow of \$96.6 million. This was mainly made up of \$245.5 million receipts from rates and annual charges and \$67.4 million from grants and contributions. These receipts were partially offset by \$142.6 million of employee related costs and \$115.0 million payment for materials and services.
- Council spent \$76.7 million on investing activities, primarily due to \$88.5 million purchase of infrastructure, property, plant and equipment during the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	374.8	365.6	<ul style="list-style-type: none"> Externally restricted funds mainly include developer contributions and domestic waste management funds. The increase is primarily due to \$10.5 million higher domestic waste management fund.
Restricted cash and investments:			
• External restrictions	202.6	190.5	<ul style="list-style-type: none"> The main reason for the decrease in internally restricted funds is due to a decrease of \$1.9 million in the Stronger community fund.
• Internal restrictions	164.0	166.4	

Debt

Council has an overdraft facility of \$0.5 million which is unused.

PERFORMANCE

Performance measures

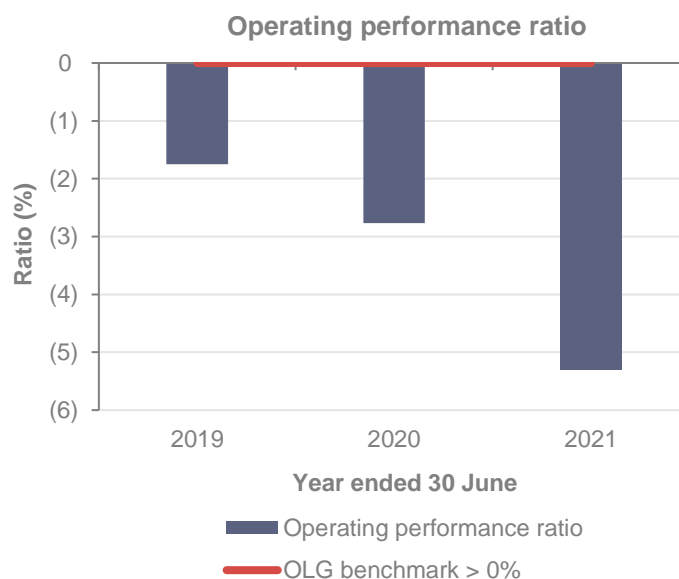
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

Operating performance ratio

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

The Council did not meet the OLG benchmark for the current reporting period.

The decrease in the ratio was mainly due to lower user charges and other revenues due to the impact of COVID-19.

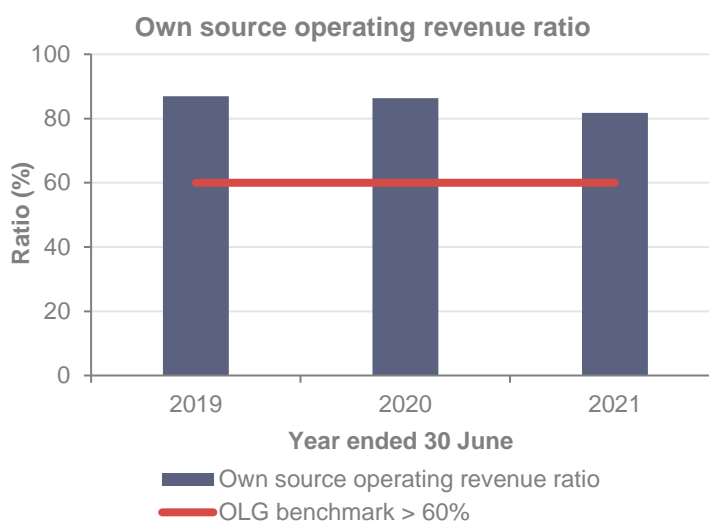


Own source operating revenue ratio

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

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

The ratio was 81.79 per cent in 2021, which is slightly lower than prior year.

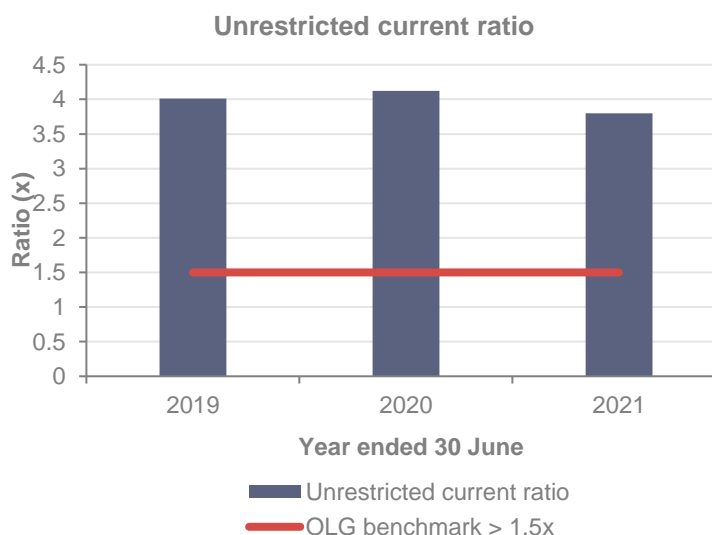


Unrestricted current ratio

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

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

The 2021 ratio indicates the Council had \$3.80 of unrestricted assets available to service every dollar of its unrestricted current liabilities.

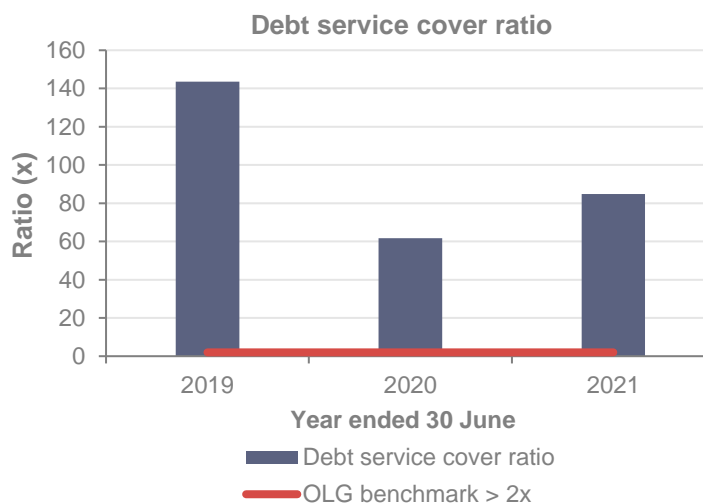


Debt service cover ratio

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

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

Council's debt service cover ratio increased from 61.71 in 2020 to 84.78 in 2021. The increase is due to the Council having higher operating result than prior year. The lease liability at year end has been fully paid off.

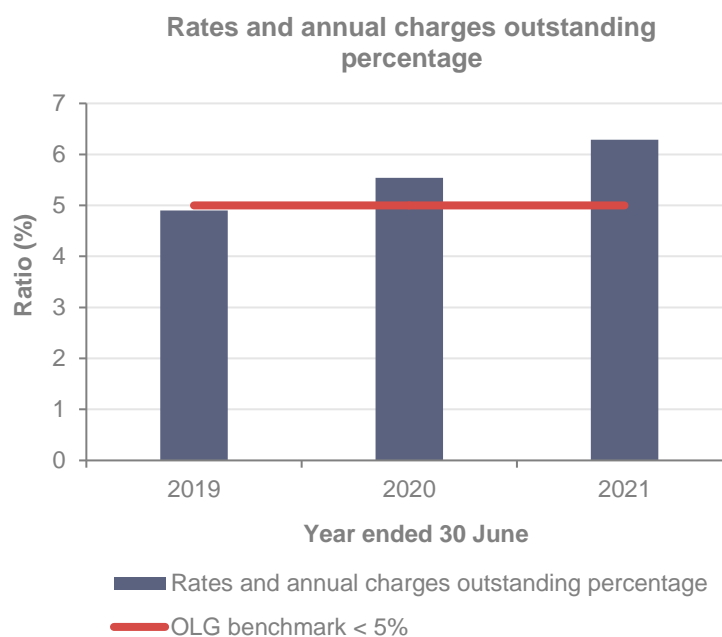


Rates and annual charges outstanding percentage

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 OLG is less than 5 per cent for metropolitan councils.

The Council did not meet the OLG benchmark for the current reporting period. Council's rates and annual charges outstanding ratio has increased from 5.54 per cent in 2020 to 6.29 per cent in 2021.

In response to the COVID-19 pandemic, Council has introduced a relief package to support the community, including a number of rates relief measures. The rates and annual charges receivable at year end increased by \$2.4 million.

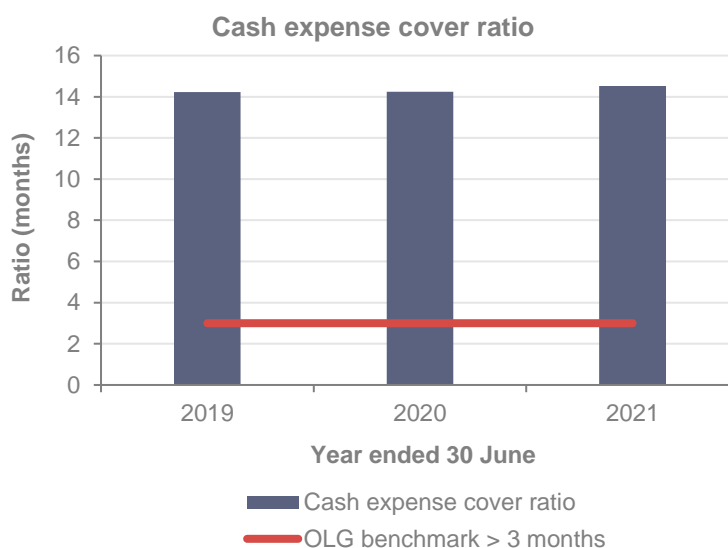


Cash expense cover ratio

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

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

The ratio indicates the Council holds enough cash to meet expenditure for the next 14.53 months without additional cash inflow.



Infrastructure, property, plant and equipment renewals

The Council had \$63.1 million of asset renewals for the year ended 30 June 2021, which was \$16.5 million higher than prior year. This increase is mainly due to:

- the renewals of capital works in progress were \$9.8 million higher than prior year for the upgrade of Canterbury Town Centre and local area road bridge widening
- the renewals of plant and equipment were \$6.5 million higher than prior year due to the purchase of garbage trucks and motor vehicles
- the renewals of buildings were \$2.9 million higher than prior year
- the renewals of other open space/recreational assets were \$1.3 million higher than prior year
- these were offset by \$4.3 million decrease in renewals of roads.

OTHER MATTERS

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.



Reiky Jiang
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Matthew Stewart, General Manager
Mr Steve Kent, Chair of Audit, Risk and Improvement Committee
Ms Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment



Special Schedules

for the year ended 30 June 2021



Canterbury-Bankstown Council

Special Schedules

for the year ended 30 June 2021

Contents	Page
Special Schedules:	
Permissible income for general rates (Merger Councils)	3
Report on infrastructure assets as at 30 June 2021	7

Canterbury-Bankstown Council

Permissible income for general rates

\$ '000	Notes	2020/21 Canterbury	2020/21 Bankstown	2020/21 Canterbury-Banks town Council	2021/22 Canterbury	2021/22 Bankstown	2021/22 Canterbury-Bank stown Council
Notional general income calculation ¹							
Last year notional general income yield	a	70,722	98,324	169,046	72,862	101,449	174,311
Plus or minus adjustments ²	b	383	552	935	90	(28)	62
Notional general income	c = a + b	71,105	98,876	169,981	72,952	101,421	174,373
Permissible income calculation							
Or rate peg percentage	e	2.60%	2.60%		2.00%	2.00%	
Or plus rate peg amount	i = e x (c + g)	1,849	2,571	4,420	1,459	2,028	3,487
Sub-total	k = (c + g + h + i + j)	72,954	101,447	174,401	74,411	103,449	177,860
Plus (or minus) last year's carry forward total	l	(100)	11	(89)	(3)	10	7
Less valuation objections claimed in the previous year	m	(2)	–	(2)	(7)	(1)	(8)
Sub-total	n = (l + m)	(102)	11	(91)	(10)	9	(1)
Total permissible income	o = k + n	72,852	101,458	174,310	74,401	103,458	177,859
Less notional general income yield	p	72,862	101,449	174,311	75,277	103,720	178,997
Catch-up or (excess) result	q = o – p	(10)	9	(1)	(876)	(262)	(1,138)
Plus income lost due to valuation objections claimed	r	7	1	8	12	25	37
Carry forward to next year ⁶	t = q + r + s	(3)	10	7	(864)	(237)	(1,101)

Notes

(1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.

(2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.

(6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Canterbury-Bankstown Council

To the Councillors of the Canterbury-Bankstown Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of the Canterbury-Bankstown Council (the Council) for the year ending 30 June 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

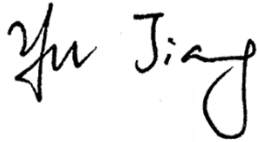
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang

Delegate of the Auditor-General for New South Wales

28 October 2021
SYDNEY

Canterbury-Bankstown Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard			2020/21 Required maintenance ^a	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000					1	2	3	4	5
Buildings	Buildings	15,872	15,872	15,872	9,944	9,354	339,450	662,404	2.4%	18.4%	70.6%	7.7%	0.9%
	Sub-total	15,872	15,872	15,872	9,944	9,354	339,450	662,404	2.4%	18.4%	70.6%	7.7%	0.9%
Other structures	Other structures	82	82	82	831	242	41,614	83,083	7.7%	15.0%	76.8%	0.5%	0.0%
	Sub-total	82	82	82	831	242	41,614	83,083	7.7%	15.0%	76.8%	0.5%	0.0%
Roads	Roads	–	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	22,787	22,787	22,787	9,277	4,801	567,001	806,669	18.0%	40.5%	30.2%	11.3%	0.0%
	Bridges	2,906	2,906	2,906	581	161	32,687	58,126	1.0%	60.0%	19.0%	20.0%	0.0%
	Footpaths	–	–	–	4,679	10,786	202,560	311,965	9.0%	40.0%	51.0%	0.0%	0.0%
	Other road assets	–	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	1,759	1,759	1,759	5,988	2,666	932,362	1,105,318	14.3%	45.0%	39.4%	1.3%	0.0%
	Sub-total	27,452	27,452	27,452	20,525	18,414	1,734,607	2,282,078	14.5%	43.1%	37.2%	5.1%	0.0%
Stormwater drainage	Stormwater drainage	1,932	1,932	1,932	1,547	1,536	500,823	768,054	3.2%	50.2%	45.6%	0.9%	0.1%
	Sub-total	1,932	1,932	1,932	1,547	1,536	500,823	768,054	3.2%	50.2%	45.6%	0.9%	0.1%
Open space / recreational assets	Swimming pools	–	–	–	138	–	4,952	13,828	0.0%	0.0%	100.0%	0.0%	0.0%
	Other recreational assets	6,816	6,816	6,816	10,555	9,286	113,387	171,090	28.8%	35.3%	21.9%	12.1%	1.9%
	Sub-total	6,816	6,816	6,816	10,693	9,286	118,339	184,918	26.6%	32.7%	27.7%	11.2%	1.8%
Total – all assets		52,154	52,154	52,154	43,540	38,832	2,734,833	3,980,537	10.8%	39.3%	44.8%	4.9%	0.3%

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

Infrastructure asset condition assessment 'key'

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

Canterbury-Bankstown Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	50,272	77.98%	62.02%	61.59%	>= 100.00%
Depreciation, amortisation and impairment	64,466				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	52,154	1.92%	1.47%	1.51%	< 2.00%
Net carrying amount of infrastructure assets	2,715,446				
Asset maintenance ratio					
Actual asset maintenance	38,832	89.19%	89.15%	87.12%	> 100.00%
Required asset maintenance	43,540				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	52,154	1.31%	1.03%	1.06%	
Gross replacement cost	3,980,537				

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

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

Canterbury-Bankstown Council

Report on infrastructure assets as at 30 June 2021

<p>Buildings and infrastructure renewals ratio</p> <table border="1"><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2019</td><td>61.59</td></tr><tr><td>2020</td><td>62.02</td></tr><tr><td>2021</td><td>77.98</td></tr></tbody></table> <p>Benchmark: — >= 100.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	Year	Ratio %	2019	61.59	2020	62.02	2021	77.98	<p>Buildings and infrastructure renewals ratio</p> <p>Commentary on result</p> <p>20/21 ratio 77.98%</p> <p>Council continues to increase its asset renewal funding. The increase in this ratio is due to funding from Federal Government on Roads to Recovery projects. Council assets are being managed in accordance with Asset Management Plans.</p>
Year	Ratio %								
2019	61.59								
2020	62.02								
2021	77.98								
<p>Infrastructure backlog ratio</p> <table border="1"><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2019</td><td>1.51</td></tr><tr><td>2020</td><td>1.47</td></tr><tr><td>2021</td><td>1.92</td></tr></tbody></table> <p>Benchmark: — < 2.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	Year	Ratio %	2019	1.51	2020	1.47	2021	1.92	<p>Infrastructure backlog ratio</p> <p>Commentary on result</p> <p>20/21 ratio 1.92%</p> <p>Council has continued to increase funding for renewal and maintenance. Council has been able to meet the industry benchmark of below 2% for the past three years.</p>
Year	Ratio %								
2019	1.51								
2020	1.47								
2021	1.92								
<p>Asset maintenance ratio</p> <table border="1"><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2019</td><td>87.12</td></tr><tr><td>2020</td><td>89.15</td></tr><tr><td>2021</td><td>89.19</td></tr></tbody></table> <p>Benchmark: — > 100.00%</p> <p>Source of benchmark: Code of Accounting Practice and Financial Reporting</p>	Year	Ratio %	2019	87.12	2020	89.15	2021	89.19	<p>Asset maintenance ratio</p> <p>Commentary on result</p> <p>20/21 ratio 89.19%</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p> <p>Council's asset maintenance is slightly below the industry benchmark of 100%.</p>
Year	Ratio %								
2019	87.12								
2020	89.15								
2021	89.19								
<p>Cost to bring assets to agreed service level</p> <table border="1"><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2019</td><td>1.06</td></tr><tr><td>2020</td><td>1.03</td></tr><tr><td>2021</td><td>1.31</td></tr></tbody></table> <p>Benchmark: —</p>	Year	Ratio %	2019	1.06	2020	1.03	2021	1.31	<p>Cost to bring assets to agreed service level</p> <p>Commentary on result</p> <p>20/21 ratio 1.31%</p> <p>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.</p> <p>With increased funding for renewal and maintenance, the cost to bring assets to an agreed service level has been increasing over the past three years in line with Asset Management Plans.</p>
Year	Ratio %								
2019	1.06								
2020	1.03								
2021	1.31								