

Mosman Municipal Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2022



Mosman Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Mosman Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2022

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Overview

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

Civic Centre, Mosman Square, MOSMAN, 2088

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.mosman.nsw.gov.au

Mosman Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2022

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 2022.

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.

Mosman Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2022

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

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

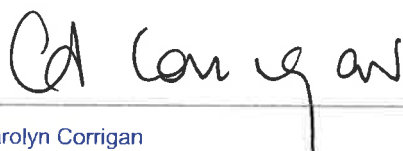
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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.

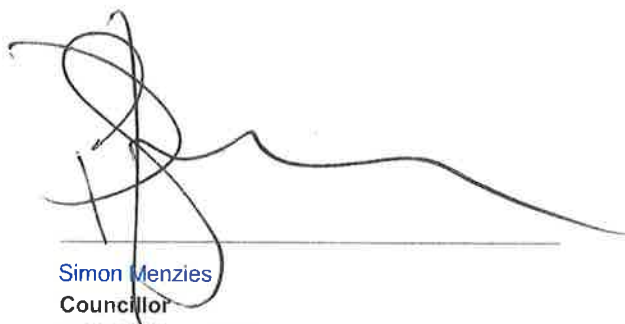
Signed in accordance with a resolution of Council made on 04 October 2022.



Carolyn Corrigan

Mayor

09 September 2022



Simon Menzies

Councillor

09 September 2022



Dominic Johnson

General Manager

09 September 2022



Vanessa Canepa

Acting Responsible Accounting Officer

09 September 2022

Mosman Municipal Council

Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
	Income from continuing operations			
28,823	Rates and annual charges	B2-1	28,816	28,269
9,615	User charges and fees	B2-2	7,578	8,060
3,214	Other revenues	B2-3	2,509	3,629
2,867	Grants and contributions provided for operating purposes	B2-4	3,211	2,938
3,849	Grants and contributions provided for capital purposes	B2-4	5,111	3,444
86	Interest and investment income		155	114
3,450	Other income	B2-5	3,346	3,748
51	Net share of interests in joint ventures and associates using the equity method		219	112
51,955	Total income from continuing operations		50,945	50,314
	Expenses from continuing operations			
18,807	Employee benefits and on-costs	B3-1	16,321	17,007
19,961	Materials and services	B3-2	18,738	20,032
198	Borrowing costs		246	272
5,630	Depreciation, amortisation and impairment of non-financial assets	B3-3	5,959	5,679
2,697	Other expenses	B3-4	2,629	3,619
500	Net loss from the disposal of assets		398	674
47,793	Total expenses from continuing operations		44,291	47,283
4,162	Operating result from continuing operations		6,654	3,031
4,162	Net operating result for the year attributable to Council		6,654	3,031
313	Net operating result for the year before grants and contributions provided for capital purposes		1,543	(413)

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

Mosman Municipal Council

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Net operating result for the year – from Income Statement		6,654	3,031
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	54,521	(15,946)
Other comprehensive income – joint ventures and associates		(1)	(2)
Total items which will not be reclassified subsequently to the operating result		54,520	(15,948)
Total other comprehensive income (loss) for the year		54,520	(15,948)
Total comprehensive income (loss) for the year attributable to Council		61,174	(12,917)

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

Mosman Municipal Council

Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,163	9,995
Investments	C1-2	11,000	5,000
Receivables	C1-4	2,269	3,090
Inventories		259	259
Total current assets		27,691	18,344
Non-current assets			
Receivables	C1-4	262	354
Infrastructure, property, plant and equipment (IPPE)	C1-5	531,971	476,871
Investment property	C1-6	50,210	50,059
Intangible assets		188	204
Right of use assets		834	949
Investments accounted for using the equity method	D2-3	1,344	1,164
Total non-current assets		584,809	529,601
Total assets		612,500	547,945
LIABILITIES			
Current liabilities			
Payables	C3-1	12,950	11,325
Contract liabilities	C3-2	1,738	1,084
Lease liabilities		214	138
Borrowings	C3-3	1,278	1,249
Employee benefit provisions	C3-4	3,949	4,358
Total current liabilities		20,129	18,154
Non-current liabilities			
Lease liabilities		662	841
Borrowings	C3-3	5,715	3,993
Employee benefit provisions	C3-4	226	363
Total non-current liabilities		6,603	5,197
Total liabilities		26,732	23,351
Net assets		585,768	524,594
EQUITY			
Accumulated surplus	C4-1	283,149	276,496
IPPE revaluation reserve	C4-1	302,619	248,098
Council equity interest		585,768	524,594
Total equity		585,768	524,594

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

Mosman Municipal Council

Statement of Changes in Equity

for the year ended 30 June 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		276,496	248,098	524,594	273,467	264,044	537,511
Net operating result for the year		6,654	–	6,654	3,031	–	3,031
Net operating result for year ended 30 June 2021		6,654	–	6,654	3,031	–	3,031
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	54,521	54,521	–	(15,946)	(15,946)
Joint ventures and associates		(1)	–	(1)	(2)	–	(2)
Other comprehensive income		(1)	54,521	54,520	(2)	(15,946)	(15,948)
Total comprehensive income (loss)		6,653	54,521	61,174	3,029	(15,946)	(12,917)
Closing balance at 30 June		283,149	302,619	585,768	276,496	248,098	524,594

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

Mosman Municipal Council

Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Cash flows from operating activities				
Receipts:				
28,718	Rates and annual charges		28,973	28,405
7,102	Grants and contributions		8,938	6,379
10,971	User charges and fees		8,197	8,817
5,603	Other		5,619	8,472
–	Bonds, deposits and retentions received		2,255	3,274
90	Interest received		123	108
Payments:				
(18,950)	Payments to employees		(16,867)	(17,153)
(14,361)	Payments for materials and services		(17,781)	(23,259)
(187)	Borrowing costs		(246)	(272)
–	Bonds, deposits and retentions refunded		(1,293)	(2,652)
(7,658)	Other		(2,219)	(2,556)
11,328	Net cash flows from operating activities	G1-1	15,699	9,563
Cash flows from investing activities				
Receipts:				
–	Sale of investments		6,000	8,000
–	Redemption of term deposits		35,000	49,000
–	Distributions received from joint ventures and associates		218	152
Payments:				
–	Purchase of investments		(6,000)	(8,000)
–	Acquisition of term deposits		(41,000)	(53,000)
–	Purchase of investment property		(180)	(494)
(13,339)	Payments for IPPE		(7,217)	(6,347)
(13,339)	Net cash flows from investing activities		(13,179)	(10,689)
Cash flows from financing activities				
Receipts:				
3,000	Proceeds from borrowings		3,000	–
Payments:				
(1,248)	Repayment of borrowings		(1,249)	(1,407)
–	Principal component of lease payments		(103)	(98)
1,752	Net cash flows from financing activities		1,648	(1,505)
(259)	Net change in cash and cash equivalents		4,168	(2,631)
9,478	Cash and cash equivalents at beginning of year		9,995	12,626
9,219	Cash and cash equivalents at end of year	C1-1	14,163	9,995
1,000	plus: Investments on hand at end of year	C1-2	11,000	5,000
10,219	Total cash, cash equivalents and investments		25,163	14,995

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

Mosman Municipal 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 04 October 2022. 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 infrastructure, property, plant and equipment – refer Note C1-5 Infrastructure, property, plant and equipment
- (ii) estimated fair values of investment properties – refer Note C1-6 Investment Properties
- (iii) employee benefit provisions – refer C3-4 Employee benefits provisions

Significant judgements in applying the Council's accounting policies

- (iv) Impairment of receivables

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

Council has made a significant judgement about the treatment of the Bridgepoint footbridge external signboard lease. The lease arrangement was entered into in 2020. It was originally classified as a VPA arrangement which required the income to be accounted for in the year in which the funds were received. Due to the timing of the payment, income was accounted for in the preceding period of the lease. Given the length of time the arrangement has been in place, it is more appropriate to treat the income as a lease payment. Under accounting standards, income is accounted for in the year the lease actually applies. As a consequence, the income which was received on 5 June 2022 which was predominantly related to a lease period in the 2022/23 financial year will be accounted for in the 2022/23 financial year.

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 (NSW), all money and property received by Council is held in the Council's Consolidated Fund.

The Consolidated Fund has been included in Council's financial statements.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council enjoys the assistance of volunteers in the Community Care and Art Gallery services. Council does not recognise these services in the Financial Statement as they would not be purchased if not donated.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but 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 2022 reporting period.

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

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

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions or activities										
A Safe, Caring and Inclusive Community	806	810	1,882	1,875	(1,076)	(1,065)	691	594	18,021	13,166
A Culturally Rich and Vibrant Community	482	846	3,888	4,011	(3,406)	(3,165)	273	356	23,688	19,685
An Attractive and Sustainable Environment	7,486	7,272	8,036	8,147	(550)	(875)	119	72	54,493	54,462
An Informed and Engaged Community	–	2	–	864	–	(862)	–	2	15	4
An Engaged, Business Friendly Community with Strong Civic Leadership	23,938	22,936	12,097	11,192	11,841	11,744	1,400	772	39,072	18,993
Well Designed, Liveable and Accessible Places	15,170	17,998	12,578	15,106	2,592	2,892	5,677	4,289	414,410	374,966
A Healthy and Active Village Lifestyle	3,063	450	5,810	6,087	(2,747)	(5,637)	162	297	62,801	66,669
Total functions and activities	50,945	50,314	44,291	47,282	6,654	3,032	8,322	6,382	612,500	547,945

B1-2 Components of functions or activities

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

A Caring and Inclusive Community

- Assist residents to feel connected to their community and each other
- Ensure support is available for people in need
- Promote opportunities to acknowledge and embrace diversity

A Culturally Rich and Vibrant Community

- Celebrate Mosman's unique identity and heritage
- Nurture cultural and creative endeavours
- Provide further opportunities to laugh, learn and play

An Attractive and Sustainable Environment

- Protect and enhance Mosman's natural areas and local biodiversity
- Use and encourage sustainable practices
- Effectively manage parklands for community use

An Informed and Engaged Community

- Actively involve the community in planning and delivering Mosman's future
- Deliver community information that is accurate and readily available
- Ensure the community knows how and why decisions are made

A Business-Friendly Community with Sound, Independent Civic Leadership

- Council delivers high quality, convenient service to customers
- Utilise local and regional partnerships to benefit Mosman
- Provide support for business precincts and the local economy

Well Designed, Livable and Accessible Places

- Enhance daily life by providing high quality public infrastructure and public spaces
- Value and strengthen the special aesthetic qualities of Mosman
- Improve access for everyone to, from and within Mosman

A Healthy and Active Village Lifestyle

- Protect and enhance Mosman's village atmosphere
- Support active, healthy lifestyle
- Facilitate safe environments for everyday living

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2022	2021
Ordinary rates		
Residential	19,485	19,107
Business	1,980	1,936
Less: pensioner rebates (mandatory)	(110)	(115)
Rates levied to ratepayers	21,355	20,928
Pensioner rate subsidies received	54	58
Total ordinary rates	21,409	20,986
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	7,162	7,037
Stormwater management services	239	239
Section 611 charges	23	25
Less: pensioner rebates (mandatory)	(40)	(41)
Less: pensioner rebates (Council policy)	(7)	(7)
Annual charges levied	7,377	7,253
Pensioner subsidies received:		
– Domestic waste management	30	30
Total annual charges	7,407	7,283
Total rates and annual charges	28,816	28,269

Council has used 2022 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	2022	2021
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services	2	140	123
Total specific user charges		140	123
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Planning and building regulation	2	888	835
Regulatory fees	2	167	194
Section 10.7 certificates (EP&A Act)	2	120	114
Section 603 certificates	2	91	90
Total fees and charges – statutory/regulatory		1,266	1,233
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Recycling income (non-domestic)	1	58	–
Parking fees – on street	2	2,175	2,442
Parking fees – foreshore	2	1,403	1,579
Parking permits – foreshore and resident schemes	1	468	501
Restoration charges	1	176	153
Development related road and footpath fees	1	569	516
Community Services, Cultural Services and Library	2	365	433
Regulation Fees use of roads, footpaths and verges	1	408	445
Fees for use of parks, sports and other facilities	1	359	459
Other	2	191	176
Total fees and charges – other		6,172	6,704
Total other user charges and fees		7,438	7,937
Total user charges and fees		7,578	8,060
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		2,038	2,073
User charges and fees recognised at a point in time (2)		5,540	5,987
Total user charges and fees		7,578	8,060

Accounting policy

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

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

Where an upfront fee is charged such as parking permits - foreshore and resident scheme, the fee is recognised on a straight-line basis over the expected life of the permit.

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 over the term of the licence.

B2-3 Other revenues

\$ '000	Timing	2022	2021
Fines	2	2,330	3,365
Other	1	105	191
Workers compensation insurance incentives	1	74	73
Total other revenue		2,509	3,629

Timing of revenue recognition for other revenue

continued on next page ...

B2-3 Other revenues (continued)

\$ '000	Timing	2022	2021
Other revenue recognised over time (1)		179	264
Other revenue recognised at a point in time (2)		2,330	4,246
Total other revenue		2,509	4,510

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 2022	Operating 2021	Capital 2022	Capital 2021
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	185	327	–	–
Financial assistance – local roads component	2	335	115	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	599	350	–	–
Financial assistance – local roads component	2	200	123	–	–
Amount recognised as income during current year		1,319	915	–	–

Special purpose grants and non-developer contributions (tied)

Cash contributions

Previously specific grants:

Pensioners' rates subsidies:

Aged care	2	598	591	–	–
Child care	2	–	3	–	–
Economic development	1	–	2	–	–
Employment and training programs	1	–	33	–	–
Environmental programs	1	61	72	112	8
Heritage and cultural		10	–	–	–
Library	2	82	79	–	–
Library – special projects	1	79	69	–	61
LIRS subsidy	2	14	42	–	–
Recreation and culture	1	45	174	450	236
Storm/flood damage		–	–	25	–
Street lighting		107	–	–	–
Transport (roads to recovery)	1	88	–	–	–
Transport (other roads and bridges funding)	2	50	299	100	1,304
Other specific grants		–	–	56	–
Previously contributions:					
Community services	1	2	1	–	–
Heritage/cultural		–	–	2,554	–
Recreation and culture	1	–	–	323	65
Transport for NSW contributions (regional roads, block grant)	2	71	157	–	–
Other (youth programs)		3	–	–	–

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Total special purpose grants and non-developer contributions – cash		1,210	1,522	3,620	1,674
Non-cash contributions					
Recreation and culture	2	–	–	–	169
Total other contributions – non-cash		–	–	–	169
Total special purpose grants and non-developer contributions (tied)		1,210	1,522	3,620	1,843
Total grants and non-developer contributions		2,529	2,437	3,620	1,843
Comprising:					
– Commonwealth funding		1,715	1,886	550	412
– State funding		812	393	3,070	1,262
– Other funding		2	158	–	169
		2,529	2,437	3,620	1,843

Developer contributions

\$ '000	Notes	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	F4					
Cash contributions						
S 7.4 – contributions using planning agreements		2	682	501	–	–
S 7.12 – fixed development consent levies		2	–	–	1,491	1,601
Total contributions			682	501	1,491	1,601
Total grants and contributions			3,211	2,938	5,111	3,444
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			3,211	2,938	5,111	3,444
Total grants and contributions			3,211	2,938	5,111	3,444

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 2022	Operating 2021	Capital 2022	Capital 2021
Unspent grants and contributions				
Unspent funds at 1 July	63	173	1,346	116
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–

B2-4 Grants and contributions (continued)

\$ '000	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Add: Funds received and not recognised as revenue in the current year	283	63	1,694	1,346
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(15)	(173)	(144)	(116)
Unspent funds at 30 June	331	63	2,896	1,346
Unspent capital grants.				
Contributions				
Unspent funds at 1 July	160	1,657	2,408	—
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	752	1,601	1,491	—
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	(214)	(690)	(1,216)	—
Unspent contributions at 30 June	698	2,568	2,683	—

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 provision of a service or reaching milestone events when building new infrastructure assets. 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.

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

B2-4 Grants and contributions (continued)

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 Other income

\$ '000	Notes	2022	2021
Fair value increment on investment properties			
Fair value increment on investment properties		151	—
Total fair value increment on investment properties	C1-6	151	—
Rental income			
Investment properties			
Lease income (excluding variable lease payments not dependent on an index or rate)		1,745	1,666
Total Investment properties		1,745	1,666
Other lease income			
Other Property Leases		1,450	2,082
Total other lease income		1,450	2,082
Total rental income	C2-1	3,195	3,748
Total other income		3,346	3,748

Description

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.

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	13,309	13,323
Employee termination costs (where material – other than vested leave paid)	58	63
Employee leave entitlements (ELE)	1,049	1,679
Superannuation – defined contribution plans	1,457	1,399
Superannuation – defined benefit plans	128	225
Workers' compensation insurance	268	283
Fringe benefit tax (FBT)	52	35
Total employee costs expensed	16,321	17,007
Number of 'full-time equivalent' employees (FTE) at year end	149	157
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	164	167

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.

B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		30	42
– Aged services		177	165
– Art Gallery and Community Centre		168	232
– Bushcare		432	442
– Childrens Services		2	9
– Cleansing		211	144
– Companion Animal Control		25	23
– Communications and Events		160	97
– Consultancies		51	7
– Development assessment and urban planning		474	543
– Finance Contractors		13	34
– Infrastructure		2,077	2,880
– Internal audit		94	97
– Library		169	222
– Parks, gardens and civic spaces		1,993	1,650
– Plant running		91	73
– Recreational facilities		209	590
– Recruitment expenses		7	4
– Structures		1,992	1,871
– Swim Centre Management		180	178
– Tree pruning/removal		–	16
– Temp Staff and Agency Casuals		4	106
– Waste management		4,166	4,420
– Youth Services		14	31
– Other contractor and consultancy costs		171	234

B3-2 Materials and services (continued)

\$ '000	Notes	2022	2021
Audit Fees	E2-1	59	54
Infringement notice contract costs (SEINS)		286	396
Councillor and Mayoral fees and associated expenses	E1-2	201	197
Advertising		197	144
Bank charges		207	154
Computer software charges		1,343	1,204
Electricity and heating		481	325
Insurance		787	673
Postage		76	64
Street lighting		105	135
Subscriptions and publications		139	130
Telephone and communications		86	75
Travel expenses		365	376
Training costs (other than salaries and wages)		86	50
Other expenses		189	258
Catering		34	47
Equipment maintenance		30	19
Leases – property		55	49
Water		147	165
Plant Hire		–	–
Legal expenses:			
– Legal expenses: planning and development		436	716
– Legal expenses: other		257	386
Expenses from leases of low value assets		213	209
Printing		44	90
Other		5	6
Total materials and services		18,738	20,032

Accounting policy

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

B3-3 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2022	2021
Depreciation and amortisation			
Plant and equipment		182	175
Office equipment		142	109
Furniture and fittings		22	18
Land improvements (depreciable)		11	11
Infrastructure:	C1-5		
– Buildings – non-specialised		654	626
– Buildings – specialised		335	378
– Roads		2,416	2,407
– Footpaths		488	269
– Stormwater drainage		492	492
– Other open space/recreational assets		856	840
Right of use assets		115	115
Other assets:			
– Library books		230	224
Intangible assets		16	15
Total depreciation, amortisation and impairment for non-financial assets		5,959	5,679

Accounting policy

B3-3 Depreciation, amortisation and impairment of non-financial assets (continued)

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in C1-5 for IPPE assets

Impairment of non-financial assets

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

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

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

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

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

B3-4 Other expenses

\$ '000	Notes	2022	2021
Impairment of receivables			
Other		334	313
Total impairment of receivables	C1-4	334	313
Fair value decrement on investment properties			
Fair value decrement on investment properties		–	955
Total fair value decrement on investment properties	C1-6	–	955
Other			
Contributions/levies to other levels of government			
– Department of planning levy		222	219
– NSW fire brigade levy		740	887
– Waste levy		1,101	1,010
Donations, contributions and assistance to other organisations (Section 356)		232	235
Total other expenses		2,629	3,619

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 Performance against budget

B4-1 Material budget variations

Council's original budget was adopted by the Council on 01/06/2021 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	2022 Budget	2022 Actual	2022 ----- Variance -----	
Revenues				
Rates and annual charges	28,823	28,816	(7)	0% U
User charges and fees	9,615	7,578	(2,037)	(21)% U
Variation in User Charges and Fees was due to lower than budgeted income from commercial property leases and bus shelter advertising (\$1.4m). During the lockdown, Council has provided grant relief packages with a total value of \$0.640m to its commercial; lessees, licensees and waives rent and fees based on the reduction in turnover suffered by these businesses due to the impact of COVID -19. Changes in the accounting treatment relating to the lease of the Bridgepoint footbridge's signboard also accounted for \$0.657m of the variance.				
Furthermore, revenue from statutory and regulatory fees and Permits were also affected by the pandemic by \$0.292m and \$0.380 respectively.				
Other revenues	3,214	2,509	(705)	(22)% U
The unfavourable variance was mainly due to lower parking fines revenue than anticipated due to the impact of adverse weather and Covid lockdown restrictions (\$0.744m).				
Operating grants and contributions	2,867	3,211	344	12% F
Council received an advance FAG payment for the 2022-23 financial year of \$0.799m which was not anticipated in the original budget.				
Capital grants and contributions	3,849	5,111	1,262	33% F
Council received a \$2.3m capital grant from NSW public space legacy program which was higher than anticipated in the original budget.				
Interest and investment revenue	86	155	69	80% F
The impact of COVID-19 on the financial market was less than anticipated at the time the budget was prepared.				
Other income	3,450	3,346	(104)	(3)% U
Joint ventures and associates – net profits	51	219	168	329% F

Dividend and value increments received from Kimbriki's investment were higher than originally budgeted.

Expenses

B4-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
Employee benefits and on-costs	18,807	16,321	2,486	13% F
Significant savings were achieved in employee costs with a staff replacement freeze and action to reduce excess leave liabilities.				
Materials and services	19,961	18,738	1,223	6% F
Borrowing costs	198	246	(48)	(24)% U
Actuals include the Interest on Right-of-Use leases assets (\$0.035m) which were originally budgeted for as operating leases under the Material & Services expense category.				
Depreciation, amortisation and impairment of non-financial assets	5,630	5,959	(329)	(6)% U
Other expenses	2,697	2,629	68	3% F
Net losses from disposal of assets	500	398	102	20% F

Actual loss on disposal of infrastructure asset renewals, mainly Roads, Stormwater and Open Spaces, were lower than originally budgeted.

Statement of cash flows

Cash flows from operating activities	11,328	15,699	4,371	39% F
Operating cash flow was better than budgeted because Council received an advance FAG payment, grants received for the Public space legacy program were also higher than expected, and proactive cost control generated expenditure savings. Savings included below budgeted employee costs achieved by carefully managing staffing level and leave to ensure they were aligned with service requirements.				
Cash flows from investing activities	(13,339)	(13,179)	160	(1)% F
Cash flows from financing activities	1,752	1,648	(104)	(6)% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2022	2021
Cash assets		
Cash on hand and at bank	1,163	1,995
Cash equivalent assets		
– Short-term deposits	13,000	8,000
Total cash and cash equivalents	14,163	9,995

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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Debt securities at amortised cost				
Long term deposits	11,000	–	5,000	–
Total	11,000	–	5,000	–
Total financial investments	11,000	–	5,000	–
Total cash assets, cash equivalents and investments	25,163	–	14,995	–

Accounting policy

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

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

Financial assets

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

Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

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

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

C1-2 Financial investments (continued)

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

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

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	25,163	14,995
Less: Externally restricted cash, cash equivalents and investments	(9,233)	(6,686)
Cash, cash equivalents and investments not subject to external restrictions	15,930	8,309

External restrictions

External restrictions – included in liabilities

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

Specific purpose unexpended grants – general fund	477	361
External restrictions – included in liabilities	477	361

External restrictions – other

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

Developer contributions – general	3,948	3,204
Specific purpose unexpended grants (recognised as revenue) – general fund	2,750	1,048
Domestic waste management	2,058	2,073
External restrictions – other	8,756	6,325
Total external restrictions	9,233	6,686

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2022	2021
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	15,930	8,309
Less: Internally restricted cash, cash equivalents and investments	(6,118)	(4,942)
Unrestricted and unallocated cash, cash equivalents and investments	9,812	3,367

Internal allocations

At 30 June, Council has internally allocated funds to the following:

Deposits, retentions and bonds	3,712	3,672
Employees leave entitlement	936	944
Capital works	145	145
Building Renewal	1,000	–
Plant and vehicle replacement	325	181
Total internal allocations	6,118	4,942

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

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

\$ '000	2022	2021
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	9,812	3,367

C1-4 Receivables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Rates and annual charges	522	239	545	331
Interest and extra charges	78	–	79	–
User charges and fees	800	–	881	–
Accrued revenues				
– Interest on investments	39	–	6	–
– Other income accruals	429	–	921	–
Government grants and subsidies	337	–	837	–
Loans to non-profit organisations	–	23	–	23
Net GST receivable	307	–	303	–
Total	2,512	262	3,572	354
Less: provision for impairment				
User charges and fees	(202)	–	(202)	–
Other debtors	(41)	–	(280)	–
Total provision for impairment – receivables	(243)	–	(482)	–
Total net receivables	2,269	262	3,090	354

\$ '000	2022	2021
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	482	482
– previous impairment losses reversed	(239)	–
Balance at the end of the year	243	482

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.

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.

C1-4 Receivables (continued)

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period						At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	1,708	—	1,708	2,478	560	—	—	(140)	—	4,606	—	4,606
Plant and equipment	1,358	(692)	666	174	5	—	(182)	—	—	1,528	(878)	650
Office equipment	849	(331)	518	46	64	—	(142)	—	—	897	(469)	428
Furniture and fittings	192	(71)	121	123	—	—	(22)	—	—	315	(93)	222
Art collection	5,886	—	5,886	—	9	—	—	—	—	5,895	—	5,895
Land:												
– Operational land	152,040	—	152,040	—	—	—	—	—	34,635	186,675	—	186,675
– Community land	31,282	—	31,282	—	—	—	—	—	—	31,282	—	31,282
– Crown land	39,656	—	39,656	—	—	—	—	—	—	39,656	—	39,656
Land improvements – depreciable	1,053	(154)	899	—	—	—	(11)	—	—	1,054	(165)	889
Infrastructure:												
– Buildings – non-specialised	50,494	(13,218)	37,276	110	34	—	(654)	28	2,023	53,479	(14,659)	38,820
– Buildings – specialised	23,349	(6,296)	17,053	27	—	(5)	(335)	—	1,685	24,745	(6,319)	18,426
– Roads	179,722	(87,622)	92,100	1,336	—	(184)	(2,416)	11	7,780	187,816	(89,186)	98,630
– Footpaths	22,362	(6,805)	15,557	1,096	—	(22)	(488)	—	—	23,083	(6,939)	16,144
– Stormwater drainage	69,021	(19,841)	49,180	139	—	(11)	(492)	—	5,266	75,103	(21,021)	54,082
– Other open space/recreational assets	46,848	(14,703)	32,145	357	—	(176)	(855)	100	3,132	52,983	(18,280)	34,703
– Other infrastructure	—	—	—	—	—	—	(1)	—	—	—	—	—
Other assets:												
– Heritage collections	13	—	13	—	—	—	—	—	—	13	—	13
– Library books	1,563	(817)	746	192	—	—	(230)	—	—	1,755	(1,047)	708
– Other	60	(35)	25	117	—	—	—	—	—	177	(35)	142
Total infrastructure, property, plant and equipment	627,456	(150,585)	476,871	6,195	672	(398)	(5,828)	(1)	54,521	691,062	(159,091)	531,971

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

C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	1,308	—	1,308	2,218	154	—	—	(1,972)	—	—	1,708	—	1,708
Plant and equipment	1,480	(794)	686	155	—	—	(175)	—	—	—	1,358	(692)	666
Office equipment	715	(282)	433	75	119	—	(109)	—	—	—	849	(331)	518
Furniture and fittings	312	(179)	133	6	—	—	(18)	—	—	—	192	(71)	121
Art collection	5,959	—	5,959	—	219	—	—	—	(292)	—	5,886	—	5,886
Land:													
– Operational land	152,040	—	152,040	—	—	—	—	—	—	—	152,040	—	152,040
– Community land	31,282	—	31,282	—	—	—	—	—	—	—	31,282	—	31,282
Land improvements – depreciable	1,053	(143)	910	—	—	—	(11)	—	—	—	1,053	(154)	899
– Crown land	39,656	—	39,656	—	—	—	—	—	—	—	39,656	—	39,656
Infrastructure:													
– Buildings – non-specialised	52,123	(13,806)	38,317	160	—	(15)	(626)	5	(565)	—	50,494	(13,218)	37,276
– Buildings – specialised	23,908	(6,671)	17,237	105	—	(314)	(378)	1,755	(1,352)	—	23,349	(6,296)	17,053
– Roads	194,378	(86,823)	107,555	1,028	—	(186)	(2,407)	135	(14,028)	—	179,722	(87,622)	92,100
– Footpaths	20,577	(5,382)	15,195	294	—	(18)	(269)	40	—	315	22,362	(6,805)	15,557
– Stormwater drainage	69,021	(19,879)	49,142	533	—	(3)	(492)	—	—	—	69,021	(19,841)	49,180
– Other open space/recreational assets	46,390	(14,394)	31,996	671	421	(136)	(840)	37	(24)	—	46,848	(14,703)	32,145
Other assets:													
– Heritage collections	13	—	13	—	—	—	—	—	—	—	13	—	13
– Library books	1,591	(853)	738	232	—	—	(224)	—	—	—	1,563	(817)	746
– Other	62	(31)	31	—	—	—	—	—	—	—	60	(35)	25
Total infrastructure, property, plant and equipment	641,868	(149,237)	492,631	5,477	913	(672)	(5,549)	—	(16,261)	315	627,456	(150,585)	476,871

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

C1-5 Infrastructure, property, plant and equipment (continued)

Accounting policy

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

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

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	30
Office furniture	10 to 20	Benches, seats etc.	20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Transportation assets		Stormwater assets	
Sealed roads: surface (asphalt)	35	Drains	80 to 100
Road pavement (road base)	90	Culverts	50 to 80
Road pavement (concrete)	100	Flood control structures	80 to 100
Kerb & gutter (concrete and sandstone)	90		
Footpaths (concrete)	90	Other infrastructure assets	
Footpaths (asphalt)	40	Swimming pools	50
		Other open space/recreational assets	20
		Other infrastructure	20

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. 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. Where Crown Reserves are under a lease arrangement they are accounted for under AASB 16 Leases, refer to Note C2-1 Council as Lessor

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.

C1-6 Investment properties

\$ '000	2022	2021
Owned investment property		
Investment property on hand at fair value	50,210	50,059
Total owned investment property	50,210	50,059

Owned investment property

At fair value

Opening balance at 1 July	50,059	50,520
Capitalised subsequent expenditure	–	494
Net gain/(loss) from fair value adjustments	151	(955)
Closing balance at 30 June	50,210	50,059

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.

C2 Leasing activities

C2-1 Council as a lessor

Operating leases

Council leases out a number of properties commercial tenant for retail and food premises, other businesses and community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-6) and/or IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

\$ '000	2022	2021
(i) Assets held as investment property		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	1,745	1,666
Total income relating to operating leases for investment property assets	1,745	1,666

Operating lease expenses

(ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	1,450	2,082
Total income relating to operating leases for Council assets	1,450	2,082

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*.

C2-1 Council as a lessor (continued)

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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Prepaid rates	218	–	176	–
Goods and services – operating expenditure	2,058	–	1,101	–
Goods and services – capital expenditure	154	–	566	–
Accrued expenses:				
– Other expenditure accruals	357	–	281	–
Security bonds, deposits and retentions	10,163	–	9,201	–
Total payables	12,950	–	11,325	–

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

\$ '000	2022	2021
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	7,968	7,214
Total payables	7,968	7,214

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.

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

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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Grants and contributions received in advance:	(i)				
Unexpended capital grants (to construct Council controlled assets)	(i)	213	–	361	–
Unexpended operating grants (received prior to performance obligation being satisfied)		264	–	–	–
Total grants received in advance		477	–	361	–
User fees and charges received in advance:					
Lease Income Received in Advance		899	–	428	–
Facilities and Reserve Booking Received in Advance		56	–	36	–
Other		306	–	259	–
Total user fees and charges received in advance		1,261	–	723	–
Total contract liabilities		1,738	–	1,084	–

Notes

C3-2 Contract Liabilities (continued)

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

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

\$ '000	2022	2021
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	297	46
Operating grants (received prior to performance obligation being satisfied)	63	160
Total revenue recognised that was included in the contract liability balance at the beginning of the period	360	206

Accounting policy

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

C3-3 Borrowings

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Loans – secured ¹	1,278	5,715	1,249	3,993
Total borrowings	1,278	5,715	1,249	3,993

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1 Risks relating to financial instruments held.

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

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

(a) Changes in liabilities arising from financing activities

\$ '000	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	5,242	(1,249)	3,000	–	–	–	6,993
Lease liability (Note C2-1b)	979	(103)	–	–	–	–	876
Total liabilities from financing activities	6,221	(1,352)	3,000	–	–	–	7,869

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	6,649	(1,407)	–	–	–	–	5,242
Lease liability (Note C2-1b)	1,078	(99)	–	–	–	–	979
Total liabilities from financing activities	7,727	(1,506)	–	–	–	–	6,221

(b) Financing arrangements

continued on next page ...

C3-3 Borrowings (continued)

\$ '000	2022	2021
Total facilities		
Bank overdraft facilities ¹	90	90
Credit cards/purchase cards	55	55
Total financing arrangements	145	145
Drawn facilities		
– Credit cards/purchase cards	22	–
Total drawn financing arrangements	22	–
Undrawn facilities		
– Bank overdraft facilities	90	90
– Credit cards/purchase cards	33	15
Total undrawn financing arrangements	123	105

Additional financing arrangements information

Breaches and defaults

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

Security over loans

Loans are secured against rates income

Bank overdrafts

The bank overdraft is secured by a mortgage over rates revenue

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

Accounting policy

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

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

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

C3-4 Employee benefit provisions

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Annual leave	1,893	–	2,031	–
Long service leave	2,056	226	2,327	363
Total employee benefit provisions	3,949	226	4,358	363

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,529	2,000
	2,529	2,000

continued on next page ...

C3-4 Employee benefit provisions (continued)

Accounting policy

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

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

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

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

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

A comparison of carrying amounts and fair value for Council financial instruments at reporting date is shown in the table below

\$ '000	Carrying value 2022	Carrying value 2021	Fair value 2022	Fair value 2021
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	14,163	9,995	14,163	9,995
Receivables	2,531	3,444	2,531	3,090
Investments				
– Debt securities at amortised cost	11,000	5,000	11,000	5,000
Total financial assets	27,694	18,439	27,694	18,085
Financial liabilities				
Payables	12,950	11,325	12,950	11,325
Loans/advances	6,993	5,242	6,993	5,242
Total financial liabilities	19,943	16,567	19,943	16,567

Fair value is determined as follows:

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

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

Council's finance area manages the cash and Investments portfolio.

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.

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

- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

(a) Market risk – interest rate and price risk

\$ '000	2022	2021
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	125	150

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

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

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

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to 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	overdue rates and annual charges < 5 years	≥ 5 years	Total
2022				
Gross carrying amount	108	653	–	761
2021				
Gross carrying amount	59	817	–	876

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	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2022						
Gross carrying amount	827	634	–	168	384	2,013
Expected loss rate (%)	10.00%	10.00%	20.00%	20.00%	30.00%	14.65%
ECL provision	83	63	–	34	115	295
2021						
Gross carrying amount	859	859	5	69	1,258	3,050
Expected loss rate (%)	15.00%	10.00%	23.92%	19.91%	20.00%	15.78%
ECL provision	129	86	1	14	252	482

(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.

	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
\$ '000							
2022							
Payables	0.00%	10,163	—	—	—	10,163	12,950
Borrowings	4.93%	—	1,278	3,440	2,274	6,992	6,993
Total financial liabilities		10,163	1,278	3,440	2,274	17,155	19,943
2021							
Payables	0.00%	9,201	—	—	—	9,201	11,325
Borrowings	5.07%	—	1,447	3,184	802	5,433	5,242
Total financial liabilities		9,201	1,447	3,184	802	14,634	16,567

D2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

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

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

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Investment property	C1-6								
Retail, commercial office and residential		30/06/22	30/06/21	50,210	50,059	–	–	50,210	50,059
Total investment property				50,210	50,059	–	–	50,210	50,059
Infrastructure, property, plant and equipment	C1-5								
Plant and equipment		30/06/22	30/06/21	–	–	659	666	659	666
Office equipment		30/06/22	30/06/21	–	–	419	518	419	518
Furniture and fittings		30/06/22	30/06/21	–	–	222	121	222	121
Art collection		30/06/21	30/06/21	–	–	5,886	5,886	5,886	5,886
Operational land		30/06/22	30/06/18	–	–	186,675	152,040	186,675	152,040
Community land		30/06/20	30/06/20	–	–	70,938	70,938	70,938	70,938
Land improvements – depreciable		30/06/21	30/06/21	–	–	888	899	888	899
Buildings non-specialised		30/06/22	30/06/21	–	–	38,807	37,276	38,807	37,276
Buildings specialised		30/06/22	30/06/21	–	–	18,425	17,053	18,425	17,053
Roads		30/06/21	30/06/21	–	–	81,744	92,100	81,744	92,100
Footpaths		30/06/21	30/06/21	–	–	15,487	15,557	15,487	15,557
Stormwater drainage		30/06/19	30/06/19	–	–	48,197	49,180	48,197	49,180
Other open space/recreational assets		30/06/19	30/06/19	–	–	30,731	32,145	30,731	32,145
Heritage collections		30/06/22	30/06/21	–	–	13	13	13	13
Library books		30/06/22	30/06/21	–	–	708	746	708	746
Other assets		30/06/22	30/06/21	–	–	142	25	142	25
Total infrastructure, property, plant and equipment				–	–	499,941	475,163	499,941	475,163

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).

For all infrastructure assets Council uses a straight line pattern of consumption and brownfield approach.

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

D2-1 Fair value measurement (continued)

Investment property

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The key observable inputs to the valuation are:

- Current rental incomes,
- Rent reviews,
- Capitalisation rates,
- Price per square meter,
- Direct comparison to sales evidence,
- Zoning,
- Location,
- Land area and configuration, and
- Planning controls.

The fair value of the investment property is determined by an independent, qualified valuer on an annual basis. Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2022 the valuation of the investment property was performed by APV Valuations and Asset Management Pty Ltd, Valuer Michelle Cross.

Infrastructure, property, plant and equipment (IPPE)

Plant and Equipment, Office Equipment and Furniture and Fittings.

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

- Plant and Equipment: Motor vehicles, depot tools and machinery, parking meters and domestic waste service bins.
- Office Equipment: Computer Hardware.
- Furniture and Fittings: Chairs, desks and display systems.

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.

Art Collection

This class comprises Council's collection of art works. The collection was valued in May 2021 by Stella Downer Fine Art. Stella Downer is a member of the Australian Commercial Galleries association and is approved by the Department of Prime Minister and Cabinet's Cultural Gifts Program to value art works.

While it is possible to observe the broad market for works (such as auction house results or retrospective exhibitions) the valuations depend significantly on unobservable inputs such as the aesthetic value and quality of the individual works and its significance in the individual artist's oeuvre.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2022 and was performed by APV Valuers and Asset management Pty Ltd.

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

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

Community Land

Valuations of all Council's Community Land and Council managed land are based on either the land value provided by the Valuer-General or an average unit rate based on the land value for similar properties where the Valuer-General did not provide

D2-1 Fair value measurement (continued)

a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3.

The Valuer-General issued values with a base-date of 1 July 2019 to all Councils in New South Wales. Community land was therefore revalued in year ending 30 June 2020.

Land Improvements – Depreciable

This asset class largely comprises trees, plantings and landscaping not captured in the Open Space and Recreational Assets class. These assets may be located on parks, reserves and also within road reserves.

These assets are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of estimated remaining useful life.

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

Buildings: Non-Specialised and Specialised

As at June 30 2022 Buildings were valued by professionally qualified Registered Valuers from APV Valuations and Asset Management Pty Ltd, Valuer Michelle Cross. Specialised buildings have been valued using Level 3 inputs (such as estimates of useful life and asset condition) requiring extensive professional judgement. These judgements impact significantly on the final determination of fair value. The approach for specialised buildings estimated the replacement cost of each building and then componentised into significant parts. Building components are then split into two useful lives with proportioned replacement costs defined as the:

- Short Life – Where the end of life is when the asset requires renewal without full replacement of asset. The replacement cost of the short life is the amount required to conduct the renewal.
- Long Life – Where the end of life is when the asset is obsolete and requires complete replacement. This replacement cost is valued as the additional funds required for complete replacement after being added to the short life replacement cost amount.

The unit rates for non-specialised buildings were supported by market evidence (Level 2 inputs) and were not componentised or proportioned into a short and long life.

Non-specialised buildings used the market approach and specialised building used the cost approach.

Inputs include:

- Gross replacement cost
- A breakdown of building component costs (such as sub-structure, fit-out, electrical services)
- Short and long life splits with proportioned replacement cost
- Useful lives for short and long life
- Condition ratings

Typical useful lives and unit rates (includes overheads):

Buildings Asset Component	Average Short Life Useful Life (Years)	Average Long Life Useful Life (Years)	Average Unit Rate
Council Works Depot – Sub-Structure	94	150	\$425,590/each
Library – Structure	75	125	\$1,316,950/each
Childcare Centres – Fit-Out	43	100	\$153,000/each
Council Offices/Administration Centre – Floor Coverings	23	N/A	\$382,941/each
Specialised Buildings – Services (Hydraulic)	59	150	\$168,136/each
Multistorey Car Park – Services (Electrical)	60	150	\$521,050/each
Cultural Facilities – Fit-Out	51	107	\$402,025/each
Other – Roof	52	100	\$85,216/each

Public Roads, Footpaths and Carparks

Includes: Road pavements and surfaces, steps, footpaths, pram ramps, retaining walls and kerb and gutter, physical traffic devices, lines and signs and street furniture and road related carparks.

D2-1 Fair value measurement (continued)

Gross replacement cost for road assets were valued by professionally qualified Registered Valuers from Cardno Pty Ltd as at 30 June 2021. Due to the specialised nature of roads assets, valuations were undertaken predominately using the cost approach. Unit rates include all materials, labour and overheads and were estimated from inputs including similar projects costs, direct quotations, unit rate databases and published cost guides. The unit rates have been tailored to suit Mosman. The cost approach is deemed a level 3 input.

The condition and useful lives of the assets were assessed and calculated based on site inspections, observed asset performance and professional engineering judgment.

In this reporting period, condition inspections were carried out on the following road asset types:

- Road Pavements
- Footpaths, Pram Ramps and Steps
- Kerb and Gutter
- Retaining Walls
- Fences/Handrails
- Physical Traffic Devices
- Lines and Signs
- Car Parks
- Street Furniture

Typical useful lives and unit rates (includes overheads):

Public Road and Footpath Asset Component	Useful Life (Years)	Unit Rate
Concrete Road Pavement (Reinforced 200mm thick)	100	\$272.1/m2
Asphalt Road Pavement (50AC)	35	\$35.54/m2
Sandstone Kerb & Gutter	90	\$525.13/m
Concrete Roundabout	40	\$430.27/m2
Gabion Retaining Wall	150	\$288.15/m2
Double Barrier Line	5	\$3.36/m
'Warning' Traffic Sign	20	\$354.75/each
Concrete Footpath (75 mm thick)	90	\$100.61m2
Asphalt Footpath (25 mm thick)	40	\$76.1/m2

Carpark Asset Component	Useful Life (Years)	Unit Rate
Lane and Parking Space Line Marking	5	\$3.36/m
Pay and Display Machine	20	\$12,287.68/each
Kerb Wheelstops (Timber)	15	\$184.35/m

Stormwater Drainage

Includes: Converters, headwalls, endwalls, pits and access-holes (collectively categorised as 'nodes'), pipes, culverts, drains, Stormwater Quality Improvement Devices (SQIDs) and rainwater re-use tanks.

Gross replacement cost for stormwater drainage assets were valued by Morrison Low as at 30 April 2019. Fair value has been generated this financial year based on the cost (fair value) approach. Unit rates include the costs of materials, labour and overheads. Inputs used to calculate the unit rate included costs from similar projects, direct quotations, panel contractor rates, published cost guides and reference rates. SQID unit rates were developed based on first principles estimating and takes into account excavation, site establishment as well as the supply and installation costs. It also includes an additional 20% to the base unit rate to allow for 'normal' construction and installation overheads. The 2019 construction index was applied to the existing unit rates to update their replacement value.

Drains unit rates are based on similar projects, published cost guides and the 2019 construction index. Drains of the same dimensions have been given the same unit rate. The condition and useful lives of the assets were also assessed and calculated by Morrison Low based on site observations, including CCTV surveys, and Morrison Low's experience in valuation projects for other Council's stormwater assets.

D2-1 Fair value measurement (continued)

Stormwater Drainage Asset Component	Useful Life (Years)	Unit Rate
Stormwater Quality Improvement Devices (Model Type: Rocla Cleansall 1200)	80	\$234,192/each
Concrete Pipe (375mm diameter, 0-1m depth) based on trenching method	150	\$409.83/m
Box Culvert (1800 width x 1200 height)	150	\$4762.05/m
Converter (600mm length)	150	\$824/each
Surface Inlet Pit (450mmx450mm, 1 m depth)	150	\$1,735/each
Rainwater Re-use Tank	80	Average \$701,247/each

Other Open Space/Recreational Assets

Includes:

- Jetties and seawalls (collectively categorised as 'marine assets'),
- Parks, bushlands, reserves, playgrounds, unmade roads and sporting fields (collectively categorised as 'parks and open space assets')

Gross replacement cost for marine assets were valued by Morrison Low Pty Ltd as at 30 June 2021 in accordance with accepted Australian Accounting Standards. Unit rates for marine assets were estimated using construction costs from recent projects, indexation of previous unit rates, Rawlinson's Construction Guide, bench marking and costs from first principals. They were then adjusted for condition and comparability.

The condition, useful lives and remaining useful lives of the assets were assessed and calculated by Morrison Low based on site observations.

Gross replacement cost for Mosman parks and open space assets were valued by APV Valuer and Asset Management Pty Ltd as at 1 July 2018.

Unit rates for parks and open space assets were estimated based on APV Valuers and Asset Management industry experience. Inputs include recent costings from parks and open space works, quoted prices, cost guides and unit rate databases.

The gross replacement costs were increased by indexing unit rates when there was limited information. Regular inventory and condition audits have been undertaken by experienced Council Officers.

The condition and useful lives of the assets were assessed and calculated by a suitably qualified employee of APV Valuers and Asset Management based on site observations, professional knowledge and comparison to similar assets from other Council areas. Useful lives were updated to reflect current asset performance.

Fair values for Open Space assets have been generated on the cost approach.

Typical useful lives and unit rates (includes overheads):

Open Space/Recreational and Other Structures Asset Component	Useful Life (Years)	Unit Rate
Timber Deck	46	\$450/m2
Concrete Deck	65	\$800/m2
Concrete Seawall	59	\$2,230/m
Steel Turning Board	19	\$60,000/each
Oval Lights	25	\$45,716/each
Park ID Signs	30	\$6,640/each
Shade Sail	10	\$178/m2
Dinghy Racks Steel	25	\$17,143/each

D2-1 Fair value measurement (continued)

Heritage Collections and Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption and estimated remaining useful life.

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

Other Assets

Other assets are banner poles erected on Military Road and side streets. They are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. 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)

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

\$ '000	Plant and equipment		Office equipment		Furniture and fittings		Art collection	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	666	686	518	433	121	133	5,886	5,959
Total gains or losses for the period								
Other movements								
Purchases (GBV)	166	155	52	194	123	4	9	219
Depreciation and impairment	(182)	(175)	(142)	(109)	(22)	(16)	—	—
Closing balance	650	666	428	518	222	121	5,895	6,178

\$ '000	Operational Land		Community Land		Land improvements depreciable		Buildings non-specialised	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	152,040	152,040	70,938	70,938	899	910	37,277	38,317
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	34,635	—	—	—	—	—	2,023	(559)
Other movements								
Transfers from/(to) another asset class	—	—	—	—	—	—	28	—
Purchases (GBV)	—	—	—	—	—	—	146	167
Disposals (WDV)	—	—	—	—	—	—	—	(15)
Depreciation and impairment	—	—	—	—	(11)	(11)	(654)	(633)
Closing balance	186,675	152,040	70,938	70,938	888	899	38,820	37,277

D2-1 Fair value measurement (continued)

\$ '000	Buildings specialised		Roads		Footpaths		Stormwater drainage	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	17,053	17,237	92,100	107,555	15,557	15,195	49,180	49,142
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	1,685	(1,354)	7,780	(14,030)	–	352	5,266	–
Other movements								
Transfers from/(to) another asset class	–	1,755	11	–	–	–	–	–
Purchases (GBV)	28	99	1,337	1,163	1,097	297	139	534
Disposals (WDV)	(5)	(314)	(184)	(186)	(22)	(18)	(11)	(3)
Depreciation and impairment	(335)	(370)	(2,414)	(2,402)	(488)	(269)	(492)	(493)
Closing balance	18,426	17,053	98,630	92,100	16,144	15,557	54,082	49,180

\$ '000	Other open space recreational		Heritage collections		Library books		Other assets	
	2022	2021	2022	2021	2022	2021	2022	2021
Opening balance	32,146	31,996	13	13	746	738	25	31
Total gains or losses for the period								
Recognised in other comprehensive income – revaluation surplus	3,132	(24)	–	–	–	–	–	–
Other movements								
Transfers from/(to) another asset class	100	36	–	–	–	–	–	–
Purchases (GBV)	357	1,114	–	–	192	232	117	–
Disposals (WDV)	(176)	(136)	–	–	–	–	–	–
Depreciation and impairment	(856)	(840)	–	–	(230)	(224)	–	(6)
Closing balance	34,703	32,146	13	13	708	746	142	25

D2-1 Fair value measurement (continued)

\$ '000	Total	
	2022	2021
Opening balance	475,165	491,323
Recognised in other comprehensive income – revaluation surplus	54,521	(15,615)
Transfers from/(to) another asset class	139	1,791
Purchases (GBV)	3,763	4,178
Disposals (WDV)	(398)	(672)
Depreciation and impairment	(5,826)	(5,548)
Closing balance	527,364	475,457

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 future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service employer contribution rates are:

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

* For 180 Point Members, Employers are required to contribute 7% of salaries for the year ending 30 June 2022 (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 \$40.0 million for 1 July 2020 to 30 June 2022, apportioned according to each employer's share of the accrued liabilities as at 30 June 2020. 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 2022 was \$105,910. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2021.

Council's expected contribution to the plan for the next annual reporting period is \$71,011.64.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 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 key economic long term assumptions used to calculate the present value of accrued benefits are:

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

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

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 2022

(ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

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

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

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.

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

\$ '000	2022	2021
Compensation:		
Short-term benefits	1,211	1,212
Other long-term benefits	132	49
Total	1,343	1,261

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2022	2021
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	46	44
Councillors' fees	145	142
Other Councillors' expenses (including Mayor)	10	11
Total	201	197

E2 Other relationships

E2-1 Audit fees

\$ '000	2022	2021
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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	59	54
Remuneration for audit and other assurance services	59	54
Total Auditor-General remuneration	59	54

Non NSW Auditor-General audit firms

Total audit fees	59	54
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F Other matters

F1-1 Statement of Cash Flows information

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

\$ '000	2022	2021
Net operating result from Income Statement	6,654	3,031
Add / (less) non-cash items:		
Depreciation and amortisation	5,959	5,679
(Gain) / loss on disposal of assets	398	674
Non-cash capital grants and contributions	–	(169)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investment property	(151)	955
Share of net (profits)/losses of associates/joint ventures using the equity method	(219)	(112)
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	1,152	(575)
Increase / (decrease) in provision for impairment of receivables	(239)	16
(Increase) / decrease of inventories	–	(34)
(Increase) / decrease of contract asset	–	39
Increase / (decrease) in payables	957	(693)
Increase / (decrease) in other accrued expenses payable	76	(8)
Increase / (decrease) in other liabilities	1,004	602
Increase / (decrease) in contract liabilities	654	305
Increase / (decrease) in employee benefit provision	(546)	(147)
Net cash flows from operating activities	15,699	9,563

(b) Non-cash investing and financing activities

Other dedications artworks	–	169
Total non-cash investing and financing activities	–	169

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2022	2021
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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

Unspent Specific Purpose Capital Grants	2,897	1,286
Admin Building Lift Upgrade	280	–
Allan Border Oval Pavilion	2,209	4,130
Mosman Square Design	2,585	–
Vista Ventilation Design	–	22
Total commitments	7,971	5,438

These expenditures are payable as follows:

Within the next year	7,971	5,438
Total payable	7,971	5,438

Sources for funding of capital commitments:

Unrestricted general funds	2,009	22
Sect 64 and 94 funds/reserves	1,065	1,130
Unexpended grants	2,897	1,286
New loans (to be raised)	2,000	3,000

Details of capital commitments

Council is obliged to perform certain capital works because it is holding unspent grants. Works to be completed in FY23 include LRCI program (including Boronia House works) and Open Space Legacy works (including Mosman Square).

Work is underway on the Allan Border Oval Pavilion. \$2,110k has been spent to date; \$1,655k will be spent in FY 23

F3-1 Events occurring after the reporting date

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

F4 Statement of developer contributions as at 30 June 2022

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
S7.12 levies – under a plan	2,408	1,491	–	–	(1,217)	–	2,682	–
Total S7.11 and S7.12 revenue under plans	2,408	1,491	–	–	(1,217)	–	2,682	–
S7.4 planning agreements	796	682	–	–	(212)	–	1,266	–
Total contributions	3,204	2,173	–	–	(1,429)	–	3,948	–

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.

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN – OPEN SPACE & CAR PARKING								
Open space	2,408	1,491	–	–	(1,217)	–	2,682	–
Total	2,408	1,491	–	–	(1,217)	–	2,682	–

F5 Statement of performance measures

F5-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 20212020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1, 2}	1,905	4.19%	3.03%	0.81%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	45,464				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	42,253	83.55%	87.29%	89.53%	> 60.00%
Total continuing operating revenue ¹	50,575				
3. Unrestricted current ratio					
Current assets less all external restrictions	18,458	2.02x	1.36x	1.37x	> 1.50x
Current liabilities less specific purpose liabilities	9,155				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	8,110	5.08x	4.15x	2.99x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,598				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	839	2.81%	3.25%	3.90%	< 5.00%
Rates and annual charges collectable	29,831				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	25,163	7.59	3.80	3.55	> 3.00
Monthly payments from cash flow of operating and financing activities	3,313	months	months	months	months

(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

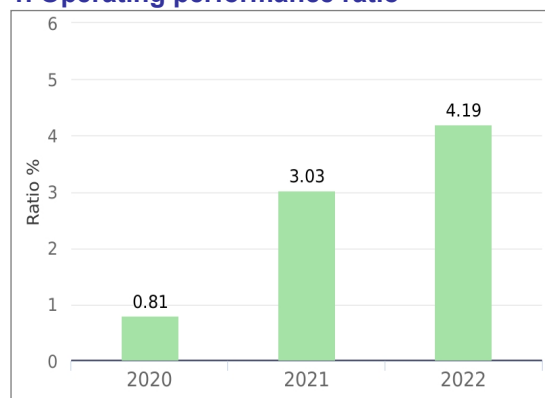
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

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 2021/22 result

2021/22 ratio 4.19%

Council has recorded a strong financial performance this year and its operating performance ratio is well above the historical average for the last three financial years. Council maintains an operating performance ratio well above the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 0.00

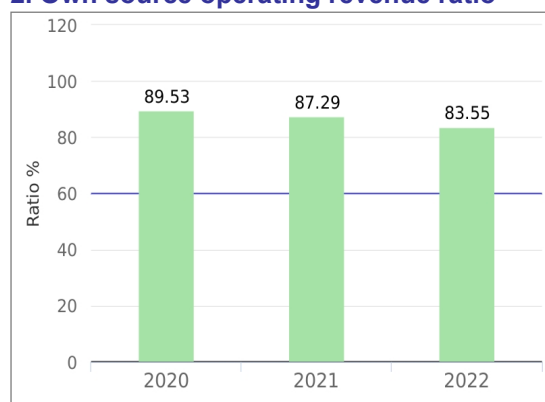
Benchmark: — > 0.00%

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 2021/22 result

2021/22 ratio 83.55%

Council consistently maintains this ratio well above the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 60%. It proves that the Council has a great reliance on own source of funding for its operations.

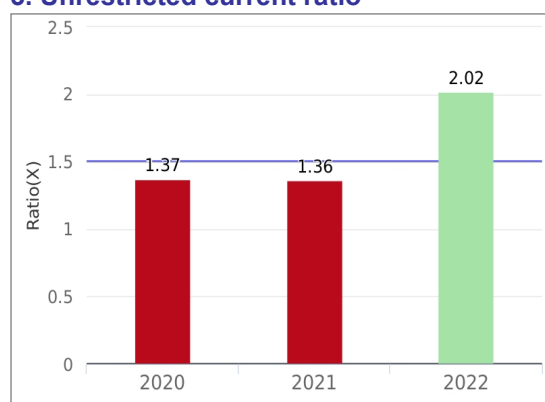
Benchmark: — > 60.00%

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 2021/22 result

2021/22 ratio 2.02x

Council's unrestricted current ratio is 2.02 compared to the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 1.50. Council has maintained this ratio above the benchmark and has sufficient liquid funds to meet its obligations.

Benchmark: — > 1.50x

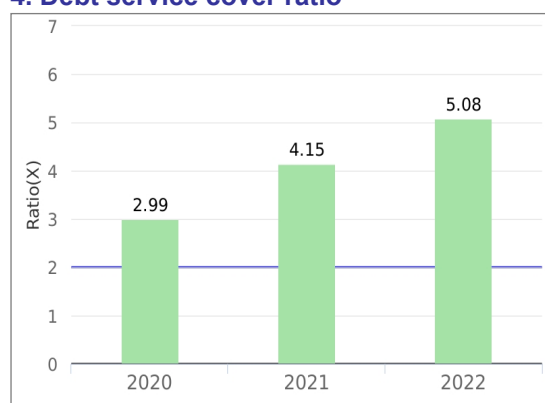
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 5.08x

Council's debt service cover ratio is in a very strong position and has been for the last few years. Council debt cover ratio is above the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 2.00.

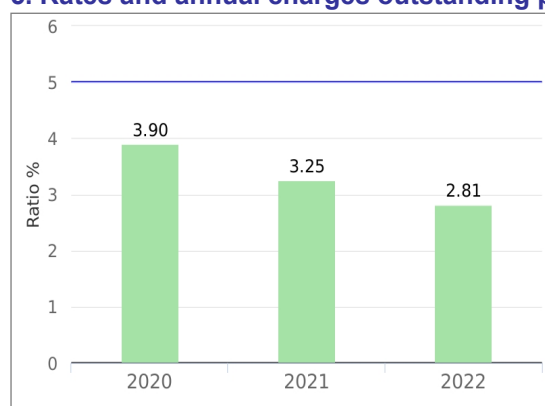
Benchmark: — > 2.00x

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 2021/22 result

2021/22 ratio 2.81%

Outstanding rates, charges and fees are 2.81% which is well below the average for the past two years and the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 5.00%. Council consistently maintains this ratio within the benchmark which shows that debt management process are working well.

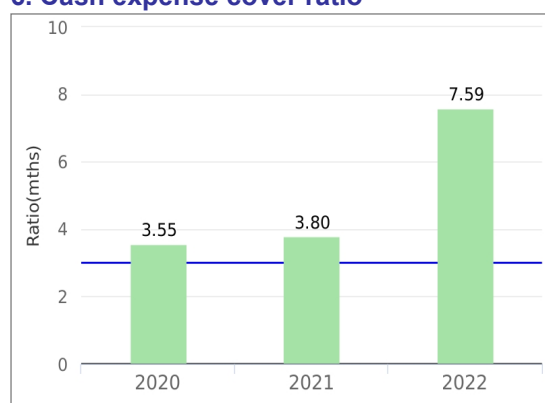
Benchmark: — < 5.00%

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 2021/22 result

2021/22 ratio 7.59 months

Council's cash expense cover ratio is well above the benchmark set by Local Government Code of Accounting Practice and Financial Reporting 2021/22 which is 3 months. This shows that council could meet its payment obligations without additional cashflow.

Benchmark: — > 3.00months

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

Mosman Municipal Council

To the Councillors of Mosman Municipal Council

Opinion

I have audited the accompanying financial statements of Mosman Municipal 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 2022, the Statement of Financial Position as at 30 June 2022, 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 2022, 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 2022 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 B4-1 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.

A handwritten signature in black ink, appearing to read 'Unaib Jeffrey', with a long horizontal stroke extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

27 October 2022
SYDNEY



Cr Carolyn Corrigan
Mayor
Mosman Council
PO Box 211
SPIT JUNCTION NSW 2088

Contact: Unaib Jeoffrey
Phone no: 02 9275 7450
Our ref: D2220730/1762

27 October 2022

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2022
Mosman Council**

I have audited the general purpose financial statements (GPFS) of the Mosman Council (the Council) for the year ended 30 June 2022 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 2022 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

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	28.8	28.3	↑ 1.8
Grants and contributions revenue	8.3	6.4	↑ 30
Operating result from continuing operations	6.7	3.0	↑ 120
Net operating result before capital grants and contributions	1.5	(0.4)	↓ (475)

Rates and annual charges revenue (\$28.8 million) increased by \$0.5 million (1.8 per cent) in 2021–22 due to the rate peg increase of 2.0 per cent.

Grants and contributions revenue (\$8.3 million) increased by \$1.9 million (30 per cent) in 2021–22 due to Council receiving a heritage/cultural grant of \$2.5 million from the State Government in 2021-22. A similar grant was not received in 2020-21.

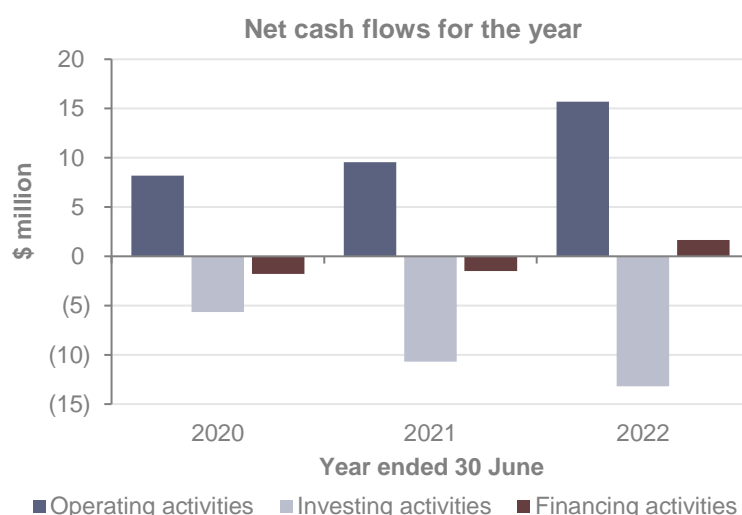
The Council's operating result from continuing operations (\$6.7 million including depreciation and amortisation expense of \$6.0 million) was \$3.7 million higher than the 2020–21 result. The increase was primarily attributable to higher grants and contributions revenue (above) as well as combined savings in materials and services of \$1.3 million.

The net operating result before capital grants and contributions (\$1.5 million) was \$1.9 million higher than the 2020–21 result.

STATEMENT OF CASH FLOWS

The Council's cash balance (\$14.1 million) increased by 4.2 million in 2021-22 due to:

- Increased cash flows from operating activities of \$6.1 million including higher receipts from grants and contributions combined with lower payments for materials and services.
- Decreased cash flows from investing activities of \$2.5 million including higher purchases of term deposits.
- Increased cash flows from financing activities of \$3.2 million including the proceeds from borrowings.



FINANCIAL POSITION

Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	25.2	15.0	External restrictions include unspent specific purpose grants, developer contributions, and domestic waste management funds. The increase is primarily attributable to an increase in specific purpose unexpended grants and developer contributions
Restricted and allocated cash, cash equivalents and investments:			Balances are internally restricted due to Council policy or decisions for forward plans including the capital works program. The increase is primarily attributable to a increase in the capital works reserve.
• External restrictions	9.2	6.7	
• Internal allocations	6.2	4.9	
• Unrestricted	9.8	3.4	

Debt

Borrowings have increased from \$5.2 million in 2020-21 to \$7.0 million in 2021-22 due to the drawdown of funds for the Allan Border Oval capital works project. The loans are secured over the general rating income of Council.

Council has an undrawn bank overdraft facility of \$0.1 million.

PERFORMANCE

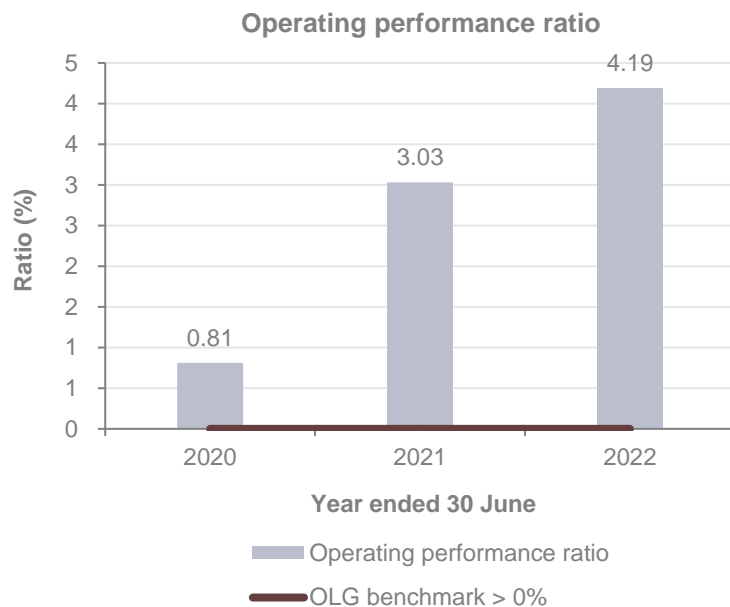
Performance measures

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 and Environment.

Operating performance ratio

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

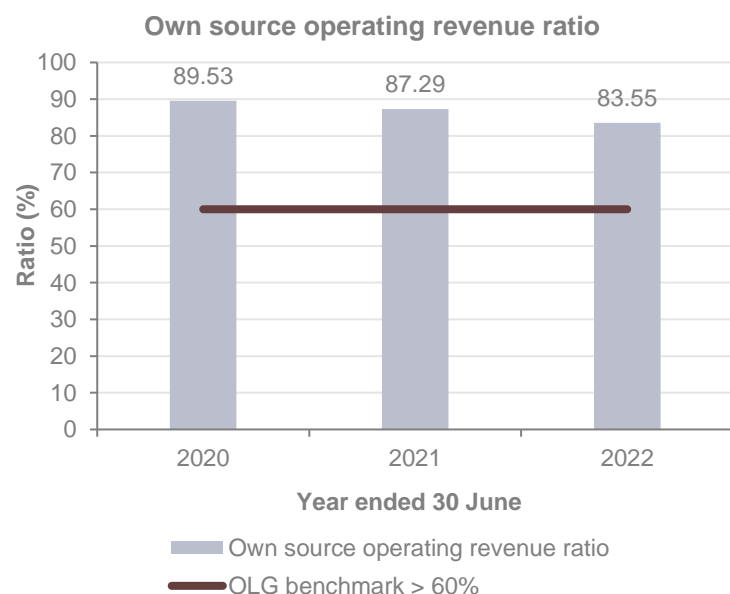
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.



Own source operating revenue ratio

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

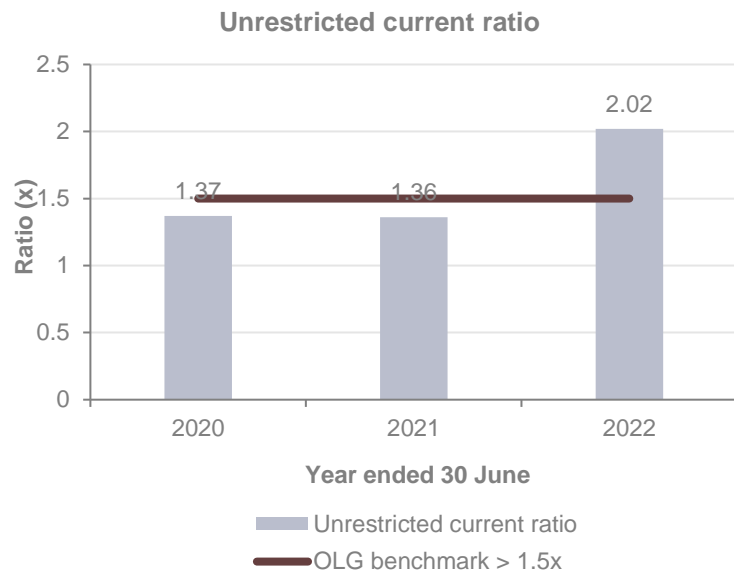
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

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

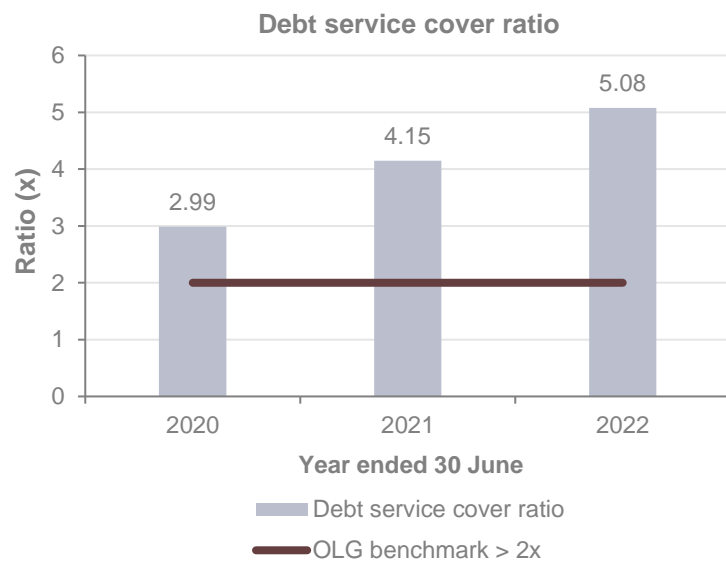
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

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

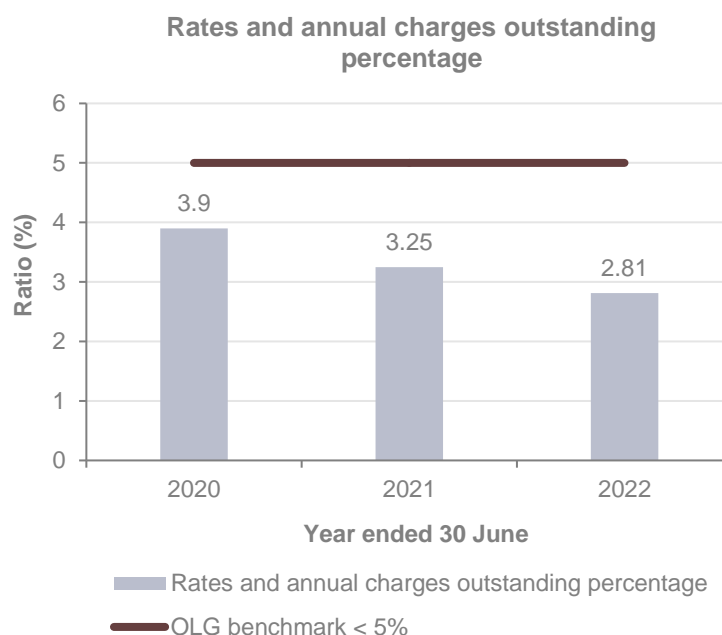
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

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

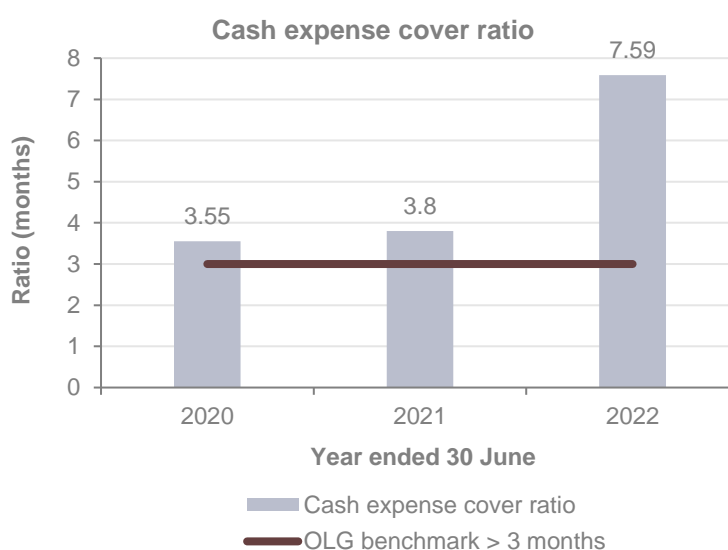
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



Cash expense cover ratio

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

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



Infrastructure, property, plant and equipment renewals

Council spent \$6.0 million on asset renewals in 2021-22 compared to \$5.5 million in 2020-21. Asset renewals are defined as the replacement of existing assets as opposed to the acquisition of new assets.

A short-term benchmark of Council's strategic asset management is to assess the rate at which Council's assets are being renewed against the rate at which they are depreciating. In 2021-22, asset renewals of \$6.0 million represented 106 per cent of Council's \$5.5 million depreciation expense. This result was 8 per cent higher than the 2020-21 result of 98 per cent.

Asset renewals in 2021-22 were carried out in accordance with Council's capital works program and were primarily related to road and footpath assets as well as the Allan Border Oval capital works project.

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.



Unaib Jeoffrey
Delegate of the Auditor-General for New South Wales

cc: Mr Dominic Johnson, General Manager
Ms Louise Scambler, Chair of the Audit, Risk and Improvement Committee
Mr Michael Cassel, Secretary of the Department of Planning and Environment

Mosman Municipal Council

SPECIAL SCHEDULES
for the year ended 30 June 2022



Mosman Municipal Council

Special Schedules

for the year ended 30 June 2022

Contents	Page
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Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2022	7

Mosman Municipal Council

Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
Notional general income calculation ¹			
Last year notional general income yield	a	21,096	21,531
Plus or minus adjustments ²	b	16	—
Notional general income	c = a + b	21,112	21,531
Permissible income calculation			
Or rate peg percentage	e	2.00%	2.30%
Or plus rate peg amount	i = e x (c + g)	422	495
Sub-total	k = (c + g + h + i + j)	21,534	22,026
Plus (or minus) last year's carry forward total	l	31	34
Sub-total	n = (l + m)	31	34
Total permissible income	o = k + n	21,565	22,060
Less notional general income yield	p	21,531	22,031
Catch-up or (excess) result	q = o - p	35	29
Carry forward to next year ⁴	t = q + r + s	35	29

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 (NSW)*.
- (4) 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

Mosman Municipal Council

To the Councillors of Mosman Municipal Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Mosman Municipal Council (the Council) for the year ending 30 June 2023.

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 2021–22 (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 2022 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, Special Schedule 'Report on infrastructure assets as at 30 June 2022'.

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 'Unaib Jeffrey', with a long, sweeping horizontal stroke extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

27 October 2022
SYDNEY

Mosman Municipal Council

Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2021/22 Required maintenance ^a	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – specialised	–	–	410	523	18,425	24,744	59.7%	17.8%	22.5%	0.0%	0.0%
	Council offices	–	–	189	1,154	9,273	11,758	99.4%	0.1%	0.5%	0.0%	0.0%
	Council works depot	–	–	41	23	2,010	2,566	78.0%	22.0%	0.0%	0.0%	0.0%
	Library	–	–	115	16	4,511	7,166	26.0%	36.3%	37.7%	0.0%	0.0%
	Cultural facilities	–	–	275	48	11,683	17,094	68.4%	27.9%	3.6%	0.0%	0.0%
	Other buildings	–	–	144	59	1,407	869	29.8%	50.0%	20.1%	0.0%	0.0%
	Childcare centres	–	–	17	–	547	1,074	2.0%	65.5%	32.5%	0.0%	0.0%
	Multistorey car park	–	–	208	63	9,390	12,939	12.3%	87.7%	0.0%	0.0%	0.0%
	Sub-total	–	–	1,399	1,886	57,246	78,210	56.1%	31.7%	12.1%	0.0%	0.0%
Roads	Sealed roads	92	92	1,201	1,131	51,034	73,313	22.4%	57.2%	20.1%	0.3%	0.0%
	Footpaths	80	80	104	246	15,265	22,426	25.1%	59.6%	13.9%	1.4%	0.0%
	Other road assets	208	208	45	1	10,248	15,113	29.7%	38.3%	29.9%	2.1%	0.1%
	Kerb and Gutter	114	114	32	17	14,298	34,113	10.4%	52.0%	37.0%	0.6%	0.0%
	Retaining Walls	135	135	38	22	19,072	37,849	11.9%	44.8%	42.2%	0.9%	0.1%
	Physical Traffic Devices	19	19	83	7	1,643	3,193	35.5%	40.4%	22.8%	1.4%	0.0%
	Lines and Signs	7	7	25	17	1,221	2,544	25.3%	49.1%	25.1%	0.5%	0.0%
	Street Furniture	131	131	13	3	1,993	4,805	28.4%	27.6%	39.5%	4.3%	0.3%
	Sub-total	786	786	1,541	1,444	114,774	193,356	19.5%	51.5%	28.1%	0.9%	0.0%
Stormwater drainage	Stormwater quality improvement devices	–	–	68	3	3,593	3,833	14.0%	18.9%	67.1%	0.0%	0.0%
	Rainwater re-use tank	–	–	20	–	1,178	1,402	40.6%	59.4%	0.0%	0.0%	0.0%
	Open conduits (drains)	1	1	37	1	2,086	3,432	18.7%	39.1%	42.1%	0.0%	0.1%
	Closed conduits (pipes)	87	87	67	17	39,851	50,988	4.7%	52.7%	41.8%	0.6%	0.2%
	Nodes (pits)	1	1	68	129	7,374	9,562	3.7%	86.1%	9.8%	0.4%	0.0%
	Sub-total	89	89	260	150	54,082	69,217	6.5%	54.9%	38.0%	0.5%	0.2%

Mosman Municipal Council

Report on infrastructure assets as at 30 June 2022 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2021/22 Required maintenance ^a	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000			1	2	3	4	5
Open space / recreational assets	Marine structures	89	89	47	18	6,621	15,480	16.8%	13.2%	68.7%	1.1%	0.3%
	Sporting fields	—	—	599	393	5,600	6,328	69.2%	22.8%	8.1%	0.0%	0.0%
	Parks & reserves	13	13	829	2,002	11,801	14,120	8.0%	19.4%	71.9%	0.7%	0.0%
	Other	—	—	882	547	10,681	13,081	0.9%	35.0%	64.2%	0.0%	0.0%
	Sub-total	102	102	2,357	2,960	34,703	49,009	16.8%	22.0%	60.6%	0.5%	0.1%
Total – all assets		977	977	5,557	6,440	260,805	389,792	24.2%	44.5%	30.7%	0.6%	0.1%

(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

Mosman Municipal Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021 2020		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals ¹	5,386	102.77%	100.44%	126.70%	>= 100.00%
Depreciation, amortisation and impairment	5,241				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	977	0.37%	0.54%	0.52%	< 2.00%
Net carrying amount of infrastructure assets	265,411				
Asset maintenance ratio					
Actual asset maintenance	6,440	115.89%	133.06%	119.78%	> 100.00%
Required asset maintenance	5,557				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	977	0.25%	0.34%	0.34%	
Gross replacement cost	389,792				

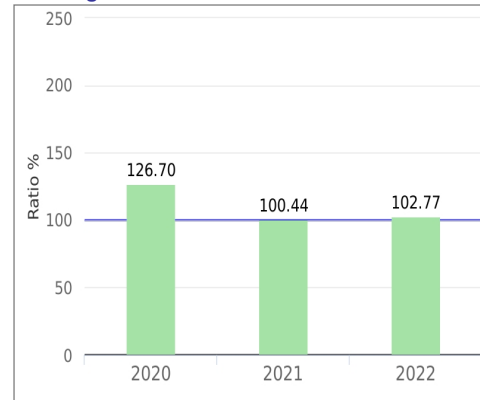
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Mosman Municipal Council

Report on infrastructure assets as at 30 June 2022

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

21/22 ratio 102.77%

Council continues its commitment to the community to renew its infrastructure assets.

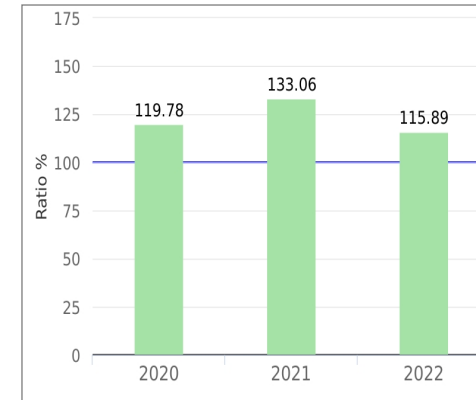
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

21/22 ratio 115.89%

Council continues its commitment to the community to maintain its infrastructure assets.

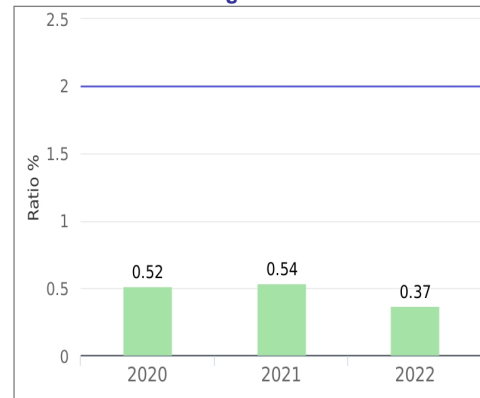
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

21/22 ratio 0.37%

Council active capital work program ensures this ratio is well within the benchmark.

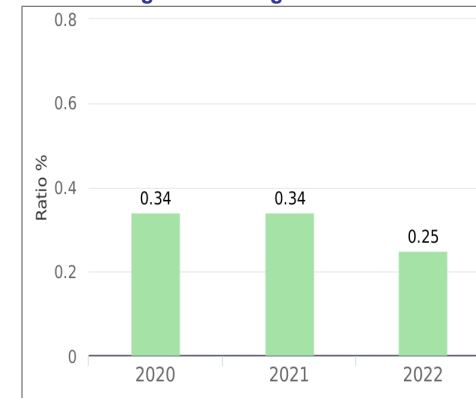
Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

21/22 ratio 0.25%

Council active capital work program ensures this ratio is well within the benchmark.