

Cobar Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

Cobar Shire Council

Special Schedules

for the year ended 30 June 2021

Contents

Page

Special Schedules:

Permissible income for general rates 3

Report on infrastructure assets as at 30 June 2021 4

Cobar Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	4,050	4,169
Plus or minus adjustments ²	b	14	-
Notional general income	c = a + b	4,064	4,169
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	106	83
Sub-total	k = (c + g + h + i + j)	4,170	4,252
Total permissible income	o = k + n	4,170	4,252
Less notional general income yield	p	4,169	4,252
Catch-up or (excess) result	q = o - p	-	-
Plus income lost due to valuation objections claimed ⁴	r	-	1
Carry forward to next year ⁶	t = q + r + s	-	1

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.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Cobar Shire Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance ^a \$ '000	2020/21 Actual maintenance \$ '000			1	2	3	4	5
Buildings	Buildings	2,333	10,682	570	477	32,288	53,010	21.0%	27.0%	31.0%	18.0%	3.0%
	Sub-total	2,333	10,682	570	477	32,302	53,010	21.0%	27.0%	31.0%	18.0%	3.0%
Other structures	Other structures	172	555	–	116	752	1,442	20.0%	20.0%	22.0%	25.0%	13.0%
	Sub-total	172	555	–	116	752	1,442	20.0%	20.0%	22.0%	25.0%	13.0%
Roads	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	3,648	15,751	1,370	1,388	92,905	121,526	48.0%	18.0%	21.0%	11.0%	2.0%
	Unsealed roads	1,131	6,460	1,680	3,746	134,731	148,868	9.0%	36.0%	51.0%	4.0%	0.0%
	Bridges	–	–	20	–	4,050	6,591	0.0%	79.0%	21.0%	0.0%	0.0%
	Footpaths	44	252	50	3	2,315	3,875	15.0%	40.0%	38.0%	6.0%	1.0%
	Other road assets	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	131	748	210	–	11,648	18,612	1.0%	4.0%	91.0%	4.0%	0.0%
	Sub-total	4,954	23,211	3,330	5,137	246,085	299,472	24.2%	27.7%	40.5%	6.8%	0.8%
Water supply network	Water supply network	4,940	16,487	760	597	21,162	38,882	33.0%	10.0%	14.0%	29.0%	14.0%
	Sub-total	4,940	16,487	760	597	21,491	38,882	33.0%	10.0%	14.0%	29.0%	14.0%
Sewerage network	Sewerage network	48	179	270	437	14,567	21,668	26.0%	49.0%	24.0%	1.0%	0.0%
	Sub-total	48	179	270	437	14,567	21,668	26.0%	49.0%	24.0%	1.0%	0.0%
Stormwater drainage	Stormwater drainage	–	–	40	–	4,896	8,022	7.0%	53.0%	40.0%	0.0%	0.0%
	Sub-total	–	–	40	–	4,896	8,022	7.0%	53.0%	40.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	120	–	1,515	2,956	2.0%	0.0%	98.0%	0.0%	0.0%
	Other	485	1,668	230	729	3,192	5,443	24.0%	20.0%	26.0%	22.0%	8.0%
	Sub-total	485	1,668	350	729	4,707	8,399	16.3%	13.0%	51.3%	14.3%	5.2%
Total – all assets		12,932	52,782	5,320	7,493	324,800	430,895	24.2%	27.2%	36.2%	10.0%	2.3%

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

Infrastructure asset condition assessment 'key'

Cobar Shire Council

Report on infrastructure assets as at 30 June 2021 (continued)

#	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

Cobar Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Prior periods		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	4,924	89.24%	72.11%	43.41%	>=100.00%
Depreciation, amortisation and impairment	5,518				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	12,932	3.88%	3.33%	2.49%	<2.00%
Net carrying amount of infrastructure assets	333,000				
Asset maintenance ratio					
Actual asset maintenance	7,493	140.85%	90.96%	86.12%	>100.00%
Required asset maintenance	5,320				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	52,782	12.25%	9.69%	8.78%	
Gross replacement cost	430,895				

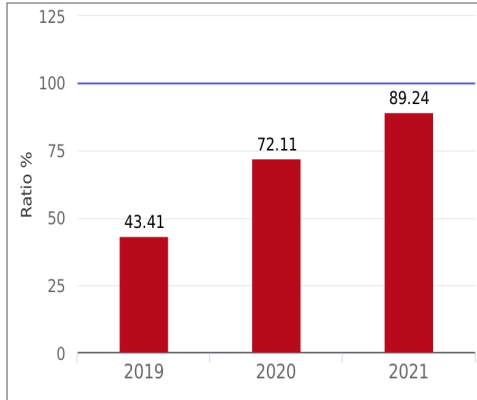
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Cobar Shire Council

Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result	
20/21 ratio	89.24%

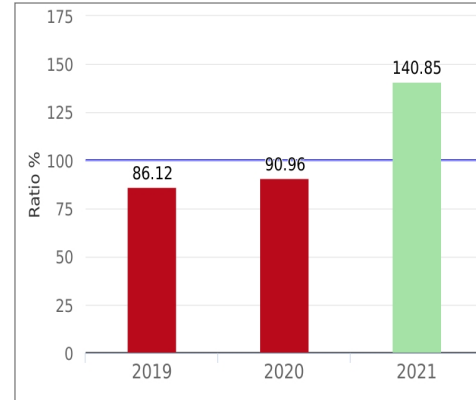
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result	
20/21 ratio	140.85%

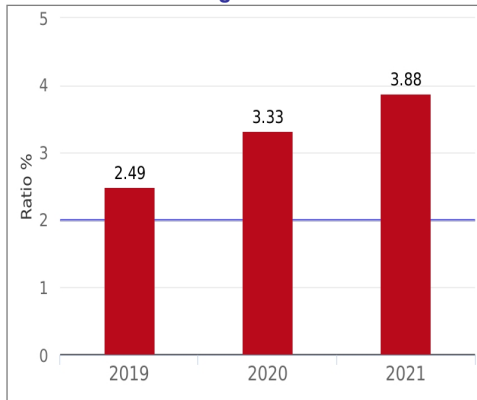
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
20/21 ratio	3.88%

Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
20/21 ratio	12.25%

Cobar Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	105.28%	88.54%	0.00%	0.00%	32.16%	0.00%	>=100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	2.68%	2.82%	22.99%	11.71%	0.33%	0.04%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	150.56%	93.29%	78.55%	75.84%	161.85%	99.64%	>100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	9.75%	10.09%	42.40%	10.97%	0.83%	0.11%	

(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.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Cobar Shire Council

To the Councillors of Cobar Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

Unaib Jeffrey

Delegate of the Auditor-General for New South Wales

29 October 2021

SYDNEY