

# Warren Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2021

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# Warren Shire Council

## Special Schedules

for the year ended 30 June 2021

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## Warren Shire Council

### Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2021/22 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	4,901	5,034
Plus or minus adjustments <sup>2</sup>	b	5	3
<b>Notional general income</b>	c = a + b	<b>4,906</b>	<b>5,037</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	128	101
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>5,034</b>	<b>5,138</b>
Plus (or minus) last year's carry forward total	l	3	3
<b>Sub-total</b>	n = (l + m)	<b>3</b>	<b>3</b>
<b>Total permissible income</b>	o = k + n	<b>5,037</b>	<b>5,141</b>
Less notional general income yield	p	5,034	5,135
<b>Catch-up or (excess) result</b>	q = o - p	<b>2</b>	<b>5</b>
Plus income lost due to valuation objections claimed <sup>3</sup>	r	–	23
<b>Carry forward to next year <sup>4</sup></b>	t = q + r + s	<b>2</b>	<b>28</b>

#### 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.
- (3) 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.
- (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

#### Warren Shire Council

To the Councillors of Warren Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Warren 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](http://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 'Manuel Moncada', with a stylized flourish extending from the end.

Manuel Moncada

Delegate of the Auditor-General for New South Wales

7 October 2021  
SYDNEY

## Warren Shire Council

## Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	2020/21 Required maintenance <sup>a</sup> \$ '000	2020/21 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
							1	2	3	4	5
Buildings	Buildings – non-specialised	50	75	150	4,827	7,816	2.0%	58.0%	37.0%	3.0%	0.0%
	Buildings – specialised	50	75	268	8,110	12,408	31.0%	36.0%	20.0%	12.0%	1.0%
	<b>Sub-total</b>	<b>100</b>	<b>150</b>	<b>418</b>	<b>12,937</b>	<b>20,224</b>	<b>19.8%</b>	<b>44.5%</b>	<b>26.6%</b>	<b>8.5%</b>	<b>0.6%</b>
Other structures	Other structures	80	80	262	6,243	12,530	10.0%	70.0%	10.0%	5.0%	5.0%
	<b>Sub-total</b>	<b>80</b>	<b>80</b>	<b>262</b>	<b>6,243</b>	<b>12,530</b>	<b>10.0%</b>	<b>70.0%</b>	<b>10.0%</b>	<b>5.0%</b>	<b>5.0%</b>
Roads	Sealed roads	440	1,000	1,373	88,040	132,460	15.0%	25.0%	42.0%	15.0%	3.0%
	Unsealed roads	350	1,100	1,147	23,733	29,925	45.0%	10.0%	42.0%	0.0%	3.0%
	Bridges	30	25	9	14,594	20,580	35.0%	55.0%	5.0%	0.0%	5.0%
	Footpaths	95	60	48	2,352	3,866	24.0%	4.0%	70.0%	0.0%	2.0%
	<b>Sub-total</b>	<b>915</b>	<b>2,185</b>	<b>2,577</b>	<b>128,719</b>	<b>186,831</b>	<b>22.2%</b>	<b>25.5%</b>	<b>38.5%</b>	<b>10.6%</b>	<b>3.2%</b>
Water supply network	Bores	–	5	–	487	1,080	24.0%	12.0%	10.0%	49.0%	5.0%
	Mains	120	100	215	3,478	10,093	2.0%	63.0%	19.0%	13.0%	3.0%
	Pumping Stations	65	90	99	1,246	1,706	60.0%	19.0%	14.0%	7.0%	0.0%
	Reservoirs	15	15	12	3,649	5,374	44.0%	25.0%	0.0%	8.0%	23.0%
	<b>Sub-total</b>	<b>200</b>	<b>210</b>	<b>326</b>	<b>8,860</b>	<b>18,253</b>	<b>21.1%</b>	<b>44.7%</b>	<b>12.4%</b>	<b>13.1%</b>	<b>8.7%</b>
Sewerage network	Treatment Plant	35	25	69	2,097	5,183	25.0%	0.0%	0.0%	75.0%	0.0%
	Mains	130	140	32	4,113	6,983	5.0%	20.0%	20.0%	55.0%	0.0%
	Pumping Stations	20	30	62	1,003	2,290	75.0%	5.0%	15.0%	0.0%	5.0%
	<b>Sub-total</b>	<b>185</b>	<b>195</b>	<b>163</b>	<b>7,213</b>	<b>14,456</b>	<b>23.3%</b>	<b>10.5%</b>	<b>12.0%</b>	<b>53.5%</b>	<b>0.8%</b>
Stormwater drainage	Stormwater drainage	35	35	21	2,689	4,768	60.0%	25.0%	15.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>35</b>	<b>35</b>	<b>21</b>	<b>2,689</b>	<b>4,768</b>	<b>60.0%</b>	<b>25.0%</b>	<b>15.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	15	20	35	1,553	3,123	100.0%	0.0%	0.0%	0.0%	0.0%
	Other Recreational	35	285	527	2,575	4,127	35.0%	50.0%	10.0%	5.0%	0.0%
	<b>Sub-total</b>	<b>50</b>	<b>305</b>	<b>562</b>	<b>4,128</b>	<b>7,250</b>	<b>63.0%</b>	<b>28.5%</b>	<b>5.7%</b>	<b>2.8%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>1,565</b>	<b>3,160</b>	<b>4,329</b>	<b>170,789</b>	<b>264,312</b>	<b>23.2%</b>	<b>29.6%</b>	<b>31.7%</b>	<b>12.3%</b>	<b>3.2%</b>

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

## Warren Shire Council

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

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#### 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



## Warren Shire Council

### Report on infrastructure assets as at 30 June 2021

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>12,954</b>	<b>431.51%</b>	131.39%	101.67%	>= 100.00%
Depreciation, amortisation and impairment	<b>3,002</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>1,565</b>	<b>0.84%</b>	0.90%	0.81%	< 2.00%
Net carrying amount of infrastructure assets	<b>185,892</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>4,329</b>	<b>136.99%</b>	132.75%	161.97%	> 100.00%
Required asset maintenance	<b>3,160</b>				

(\*) 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.

## Warren 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	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>	<b>308.75%</b>	148.71%	<b>31.03%</b>	51.32%	<b>2,593.78%</b>	15.84%	>= 100.00%
Depreciation, amortisation and impairment							
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard	<b>0.72%</b>	0.76%	<b>2.05%</b>	2.25%	<b>1.44%</b>	2.25%	< 2.00%
Net carrying amount of infrastructure assets							
<b>Asset maintenance ratio</b>							
Actual asset maintenance	<b>139.38%</b>	127.51%	<b>155.24%</b>	153.02%	<b>83.59%</b>	201.60%	> 100.00%
Required asset maintenance							

(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.