

Tenterfield Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

"Quality Nature, Quality Heritage and Quality Lifestyle"



Tenterfield Shire Council

Special Schedules

for the year ended 30 June 2021

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Tenterfield Shire Council

Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2021/22 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	4,598	4,715
Notional general income	c = a + b	4,598	4,715
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	120	94
Sub-total	k = (c + g + h + i + j)	4,718	4,809
Plus (or minus) last year's carry forward total	l	2	2
Sub-total	n = (l + m)	2	2
Total permissible income	o = k + n	4,720	4,811
Less notional general income yield	p	4,718	4,825
Catch-up or (excess) result	q = o - p	1	(14)
Carry forward to next year ⁶	t = q + r + s	1	(14)
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.

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



INDEPENDENT AUDITOR'S REPORT
Special Schedule – Permissible income for general rates
Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Tenterfield 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 'CHarper', with a long horizontal stroke extending to the right.

Chris Harper
Director, Financial Audit

Delegate of the Auditor General for New South Wales

3 November 2021
SYDNEY

Tenterfield Shire Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance ^a \$ '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	2,208	653	66	66	15,279	32,950	3.0%	15.0%	48.0%	32.0%	2.0%
	Sub-total	2,208	653	66	66	15,279	32,950	3.0%	15.0%	48.0%	32.0%	2.0%
Other structures	Other structures	–	–	35	35	3,166	4,960	22.0%	43.0%	21.0%	13.0%	1.0%
	Sub-total	–	–	35	35	3,166	4,960	22.0%	43.0%	21.0%	13.0%	1.0%
Roads	Bridges	6,394	7,533	28	28	48,059	89,420	12.0%	49.0%	11.0%	19.0%	9.0%
	Footpaths	12	–	4	4	2,458	3,374	54.0%	39.0%	6.0%	1.0%	0.0%
	Bulk earthworks	–	–	–	–	93,764	93,764	100.0%	0.0%	0.0%	0.0%	0.0%
	Roads	11,776	2,867	2,412	2,413	216,453	268,892	58.0%	18.0%	11.0%	11.0%	2.0%
	Sub-total	18,182	10,400	2,444	2,445	360,734	455,450	57.6%	20.5%	8.7%	10.2%	2.9%
Water supply network	Water supply	5,588	12,537	517	517	23,859	58,657	9.0%	6.0%	59.0%	5.0%	21.0%
	Sub-total	5,588	12,537	517	517	23,859	58,657	9.0%	6.0%	59.0%	5.0%	21.0%
Sewerage network	Sewerage network	349	–	313	313	21,680	34,215	13.0%	43.0%	39.0%	5.0%	0.0%
	Sub-total	349	–	313	313	21,680	34,215	13.0%	43.0%	39.0%	5.0%	0.0%
Stormwater drainage	Stormwater drainage	654	330	–	–	3,736	8,373	24.0%	33.0%	13.0%	26.0%	4.0%
	Sub-total	654	330	–	–	3,736	8,373	24.0%	33.0%	13.0%	26.0%	4.0%
Open space / recreational assets	Swimming pools	855	–	–	–	361	1,409	1.0%	4.0%	4.0%	91.0%	0.0%
	Open Space & Recreation	73	–	448	448	1,099	1,151	39.0%	38.0%	13.0%	10.0%	0.0%
	Sub-total	928	–	448	448	1,460	2,560	18.1%	19.3%	8.0%	54.6%	0.0%
Total – all assets		27,909	23,920	3,823	3,824	429,914	597,165	46.3%	20.4%	17.7%	11.1%	4.5%

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

Infrastructure asset condition assessment 'key'

1 **Excellent/very good** No work required (normal maintenance)
 2 **Good** Only minor maintenance work required
 3 **Satisfactory** Maintenance work required

4 **Poor** Renewal required
 5 **Very poor** Urgent renewal/upgrading required

Tenterfield 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	
Buildings and infrastructure renewals ratio ¹					
Asset renewals ¹	9,883	151.93%	102.03%	236.55%	>= 100.00%
Depreciation, amortisation and impairment	6,505				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	27,909	6.24%	5.10%	4.57%	< 2.00%
Net carrying amount of infrastructure assets	447,119				
Asset maintenance ratio					
Actual asset maintenance	3,824	100.03%	100.01%	100.01%	> 100.00%
Required asset maintenance	3,823				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	23,920	4.01%	3.74%	3.86%	
Gross replacement cost	597,165				

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

(1) Includes renewal works in Work In Progress (WIP).

(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.

Tenterfield 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 ¹							
Asset renewals ¹	172.18%	118.02%	105.06%	0.00%	0.00%	76.62%	>= 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	5.47%	4.28%	23.42%	22.21%	1.61%	0.97%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	100.03%	100.00%	100.00%	100.00%	100.00%	100.11%	> 100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	2.26%	2.29%	21.37%	18.22%	0.00%	0.00%	
Gross replacement cost							

(1) Includes renewal works in Work In Progress (WIP).

(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.