

Warren Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



Warren Shire Council

Special Schedules

for the year ended 30 June 2023

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Warren Shire Council

Permissible income for general rates

	Notes	Calculation 2022/23 \$ '000	Calculation 2023/24 \$ '000
Notional general income calculation ¹			
Last year notional general income yield	a	5,135	5,268
Plus or minus adjustments ²	b	5	(4)
Notional general income	c = a + b	5,140	5,264
Permissible income calculation			
Or rate peg percentage	e	2.50%	3.70%
Or plus rate peg amount	i = e x (c + g)	129	195
Sub-total	k = (c + g + h + i + j)	5,269	5,459
Plus (or minus) last year's carry forward total	l	29	7
Less valuation objections claimed in the previous year	m	(23)	-
Sub-total	n = (l + m)	6	7
Total permissible income	o = k + n	5,275	5,466
Less notional general income yield	p	5,268	5,459
Catch-up or (excess) result	q = o - p	6	6
Carry forward to next year ³	t = q + r + s	6	6

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)*.
- (3) 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 2024.

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 2022–23 (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).

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

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 2023 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 2023'.

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.



Lawrissa Chan
Delegate of the Auditor-General for New South Wales

31 October 2023
SYDNEY

Warren Shire Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	2022/23 Required maintenance ^a \$ '000	2022/23 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	100	85	301	9,065	13,065	0.0%	60.0%	35.0%	5.0%	0.0%
	Buildings – specialised	100	90	217	11,233	16,966	20.0%	35.0%	30.0%	10.0%	5.0%
	Sub-total	200	175	518	20,298	30,031	11.3%	45.9%	32.2%	7.8%	2.8%
Other structures	Other structures	250	125	171	7,396	15,430	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	250	125	171	7,396	15,430	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Roads	4,000	2,500	3,640	132,800	194,887	8.0%	20.0%	33.0%	30.0%	9.0%
	Bridges	120	30	8	16,612	24,082	25.0%	45.0%	25.0%	4.0%	1.0%
	Footpaths	285	65	10	2,656	4,497	23.0%	15.0%	42.0%	15.0%	5.0%
	Sub-total	4,405	2,595	3,658	152,068	223,466	10.1%	22.6%	32.3%	26.9%	8.1%
Water supply network	Water supply network	425	285	466	9,249	20,561	20.0%	40.0%	20.0%	10.0%	10.0%
	Sub-total	425	285	466	9,249	20,561	20.0%	40.0%	20.0%	10.0%	10.0%
Sewerage network	Sewerage network	450	295	174	6,026	17,538	15.0%	15.0%	10.0%	20.0%	40.0%
	Sub-total	450	295	174	6,026	17,538	15.0%	15.0%	10.0%	20.0%	40.0%
Stormwater drainage	Stormwater drainage	55	35	28	2,896	5,233	40.0%	30.0%	20.0%	5.0%	5.0%
	Sub-total	55	35	28	2,896	5,233	40.0%	30.0%	20.0%	5.0%	5.0%
Open space / recreational assets	Swimming pools	450	40	36	1,741	1,933	90.0%	5.0%	5.0%	0.0%	0.0%
	Other Recreational	550	375	650	2,894	5,012	15.0%	40.0%	25.0%	15.0%	5.0%
	Sub-total	1,000	415	686	4,635	6,945	35.9%	30.3%	19.4%	10.8%	3.6%
Total – all assets		6,785	3,925	5,701	202,568	319,204	11.7%	24.7%	28.2%	21.6%	13.8%

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

Infrastructure asset condition assessment 'key'

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

Warren Shire Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2023	Indicator 2023	Indicators		Benchmark
			2022	2021	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	5,250	165.04%	265.32%	431.51%	> 100.00%
Depreciation, amortisation and impairment	3,181				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	6,785	2.99%	2.29%	0.84%	< 2.00%
Net carrying amount of infrastructure assets	227,080				
Asset maintenance ratio					
Actual asset maintenance	5,701	145.25%	151.58%	136.99%	> 100.00%
Required asset maintenance	3,925				

(*) 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 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹	187.72%	234.10%	52.10%	263.98%	6.52%	849.31%	> 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	2.91%	2.12%	3.87%	3.86%	3.50%	3.57%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	151.30%	150.91%	163.51%	214.00%	58.98%	80.53%	> 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.