

Annual Report 2017/18



Aboriginal and Torres Strait Islander statement

Inner West Council acknowledges the Gadigal and Wangal peoples of the Eora nation, who are the traditional custodians of the lands in which the Inner West Local Government Area is situated.

We celebrate the survival of Aboriginal and Torres Strait Islander cultures, heritage, beliefs and their relationship with the land and water. We acknowledge the continuing importance of this relationship to Aboriginal and Torres Strait Islander peoples living today, despite the devastating impacts of European invasion. We express our sorrow for past injustices and support the rights of Aboriginal and Torres Strait Islanders to self-determination.

Inner West Council understands our responsibilities and role in working with the Aboriginal community to promote cultural heritage and history address areas of disadvantage and protect and preserve the environment as well as sites of significance to Aboriginal peoples. In doing so we acknowledge that Aboriginal cultures continue to strengthen and enrich our community.

Today, diverse groups of Aboriginal and Torres Strait Islander peoples live and work across the Inner West Council area. We admire the resilience displayed in their significant achievements and in making immense contributions to both Council and the broader community.

Inner West Council is committed to embedding the values and perspectives of the Aboriginal and Torres Strait Islander communities to ensure we learn from the mistakes of our past and forge a positive future of long lasting value built on mutual respect, equality and opportunity.

Abbreviations

The following abbreviations are used in this document:

Abbreviation	Full term or explanation
COTA	Council on the Ageing
DA	Development application
DPE	NSW Department of Planning and Environment
EEO	Equal employment opportunity
EDGE	Ecologically distinct and globally endangered
EIS	Environmental Impact Statement
FACS	NSW Family and Community Services
FY	Financial Year
HR	Human Resources
ICT	Information and Communication Technology
IOSS	Internal Ombudsman Shared Service
IWC	Inner West Council
LATM	Local area traffic management
LGA	Local government area
NCAT	NSW Civil and Administrative Tribunal
RFT	Request for tender
RMS	Roads and Maritime Service
SEPP	State Environmental Planning Policy
SSROC	South Sydney Regional Organisation of Councils
STARS	Student transition achievement retention success
TfNSW	Transport for NSW
WSUD	Water sensitive urban design



Contents

Introduction	2
Mayor's Message	2
General Manager's Message	3
Inner West at a glance	4
Our elected Council	5
Our planning model	6
How to read the Annual Report	7
Section 1: Our achievements	9
Delivering on priorities	9
Priority 1: Planning and development	10
Priority 2: Transport	12
Priority 3: Social vitality, creativity and quality of life	14
Priority 4: Sustainability and the environment	16
Priority 5: One Council	18
Priority 6: Local business and industry	20
Priority 7: Advocacy	22
Priority 8: Local democracy	24
Tracking Council's performance	26
Overall performance against the budget	26
Year-end progress of Council activities and initiatives	27
Progress against capital works program	28
Performance by Service Area	30
Section 2: Statutory reporting information	49
Section 3: Audited financial statements	78



Introduction



Mayor's Message

It's been just over a year since the election of the new Inner West Council and we are continuing to build a local government that is progressive, effective and getting things done.

Since then, the new Council has delivered significant policy and infrastructure achievements for the people of the Inner West.

Here are some of the highlights:

- Laying the groundwork that has allowed us to invest \$65 million in park and recreation facilities over the next three years, including upgrading our sports grounds and creating Sydenham Green Skate Park, one of Sydney's best skating destinations, and further investment to fully fund the rebuilding of Ashfield Pool into a state-of-the-art facility to be enjoyed by generations to come.
- Leading the nation on environment and sustainability by entering into an innovative new power agreement to buy 25% of Council's electricity from renewable sources, and finalising investment of more than \$23 million to create the GreenWay, a pedestrian, cycling biodiversity corridor that stretches from the Cooks River to Iron Cove.
- Establishing EDGE to showcase the artists living and working in the Inner West in a cultural event to rival Vivid Sydney.
- Delivering a new category of liquor licence for craft breweries, making it easier for them to open, operate and grow.
- Extending the waste rebate to eligible pensioners across the entire LGA.

- Securing \$85 million in Council funding over four years for roads, footpaths, and stormwater drains.
- Implementing a four per cent savings target across all Council service units to drive efficiency and save ratepayers money
- Turning the parking meters off at night on the main streets in Balmain, Rozelle and Leichhardt, and committing to no new parking meters in the Inner West.
- Setting up a new independent ombudsman service to act as an impartial watchdog over Council's activities.

The election of the new democratic Council last year brought an end to a 16-month period of administration, following the merger of Ashfield, Leichhardt and Marrickville councils in May 2016.

We have taken big steps forward in modernising the new Council and making it work for you. But there's more that needs to be done.

We remain committed to protecting everything that was good about the former three councils, but we are also raising the bar, making Inner West Council more professional and more accountable to residents.

Darcy Byrne
Inner West Mayor



General Manager's Message

I am pleased to present Inner West Council's second Annual Report which records the achievements, programs, services and initiatives that we have undertaken to support local residents, business operators and the wider community as we continue the work of merging three councils into one.

Last September, we saw a new team of Councillors elected and a new Mayor appointed, forming the first elected Inner West Council.

We achieved a major milestone with the launch of our new TechOne applications to integrate our operational systems. The TechOne platform revolutionises the way we do business, replacing 20 different software systems with one integrated business platform that allows us to function as one organisation. It also opens the door to a new way of servicing our community by ensuring that customers can lodge and track the progress of their enquiries online in real time.

We have also commenced a monthly online capital works report to further increase transparency and accountability to our community.

Some of the infrastructure and service improvement highlights this year include full funding for a new state-of-the-art aquatic centre in Ashfield, \$65 million for parks, sporting fields and recreation facilities over the next three years, \$85 million over four years for roads, footpaths and stormwater drains and \$23 million to complete the GreenWay pedestrian, cycle and biodiversity corridor.

Other significant achievements for the year include the renewal of local roads, as well as other vital local infrastructure projects to improve our parks, sporting grounds and other facilities throughout the local government area. We are also leading the way in the areas of environment and sustainability as we work to build an ecologically sustainable Inner West.

As we look to the future, a key focus this financial year has been the development and adoption of a new suite of Integrated Planning and Reporting documents. These have cemented a solid framework for Inner West Council to deliver the best possible range of services to our community in a financially responsible way.

These plans – which include our Community Strategic Plan, Delivery Program, and Operational Plan and Budget – provide the direction, planning and focus to build upon the huge amount of work already completed to merge three councils into one. They also ensure our people are empowered and enabled to do great things for the community in an integrated organisation, supported by our values of flexibility, integrity, respect and spirit of team.

In June 2018, Council adopted a budget based on fiscal prudence, transparency and accountability, focusing on modernising and harmonising services and maintaining and renewing infrastructure. The budget delivers an estimated four per cent (\$5-7 million) in savings, driving efficiency and saving ratepayers' money.

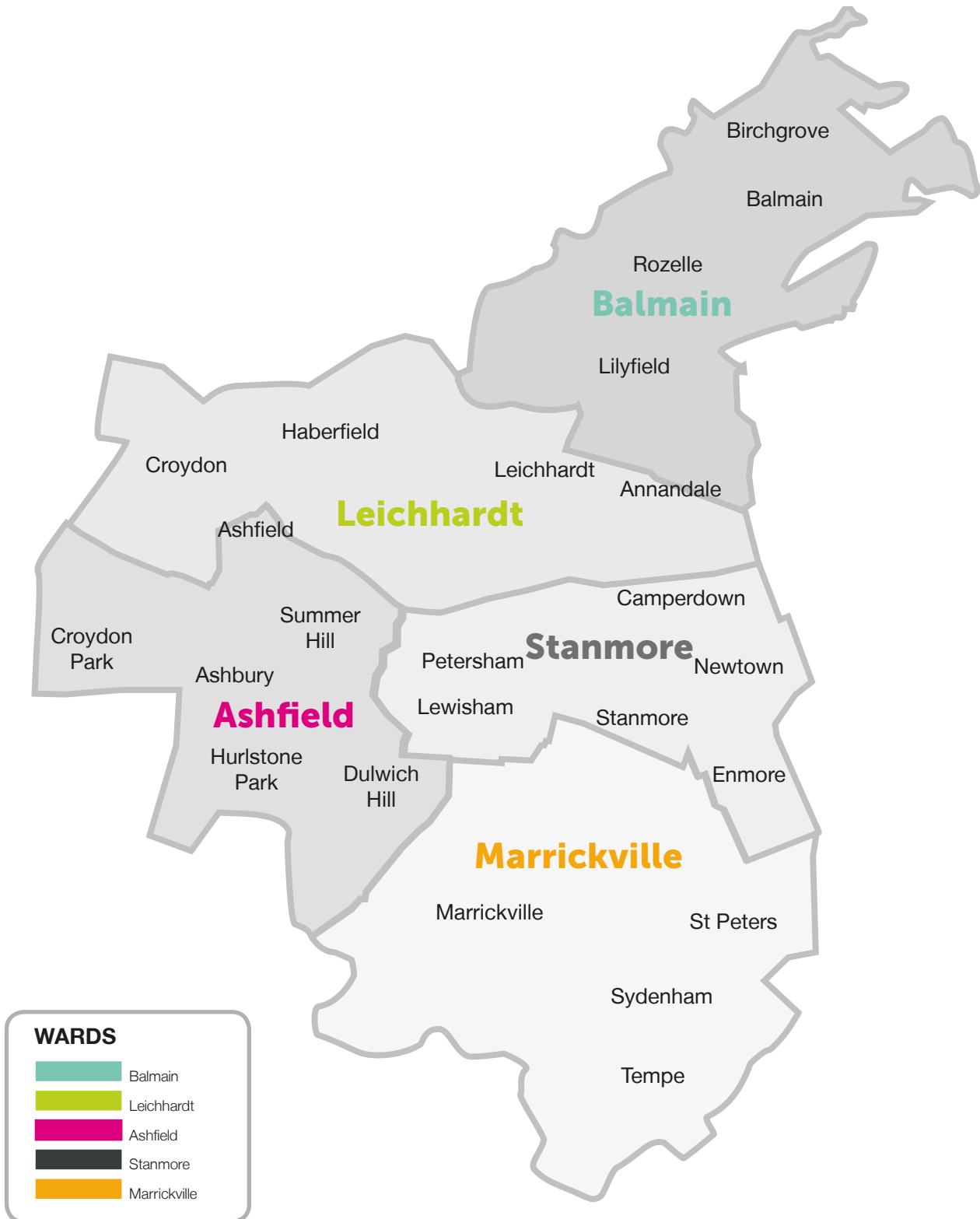
We look forward to continuing our work to build a new Inner West Council to serve the local community by delivering first class services and facilities which will strengthen and support our area.

Rik Hart
General Manager

Inner West at a glance

Located on the western edge of the Sydney CBD and framed by the Parramatta and Cooks rivers, the Inner West local government area is a place of culturally diverse, progressive inner city communities and neighbourhoods – each with unique character and heritage.
















The Council area is divided into five wards – Ashfield, Balmain, Leichhardt, Marrickville and Stanmore.



Our Elected Council

Inner West Council has 15 councillors in five wards: Ashfield, Balmain, Leichhardt, Marrickville and Stanmore.

In accordance with the Local Government Act, Councillors review the performance of Council and its service delivery, financial and management plans and annual budget, and make decisions regarding Council's policies and programs.

Balmain Ward	 <p>Mayor, Councillor Darcy Byrne (LAB) – Balmain Ward darcy.byrne@innerwest.nsw.gov.au 9392 5900</p>	 <p>Councillor John Stamolis (IND) – Balmain Ward john.stamolis@innerwest.nsw.gov.au 0408 448 285</p>	 <p>Councillor Rochelle Porteous (GRN) – Balmain Ward rochelle.porteous@innerwest.nsw.gov.au 0418 213 054</p>
Marrickville Ward	 <p>Deputy Mayor Councillor Victor Macri (IND) – Marrickville Ward victor.macri@innerwest.nsw.gov.au 0408 219 260</p>	 <p>Councillor Colin Hesse (GRN) – Marrickville Ward colin.hesse@innerwest.nsw.gov.au 0401 719 124</p>	 <p>Councillor Sam Iskandar (LAB) – Marrickville Ward sam.iskandar@innerwest.nsw.gov.au 0421 494 515</p>
Leichhardt Ward	 <p>Councillor Marghanita Da Cruz (GRN) – Leichhardt Ward marghanita.da.cruz@innerwest.nsw.gov.au 0490 788 943</p>	 <p>Councillor Lucille McKenna OAM (LAB) – Leichhardt Ward lucille.mckenna@innerwest.nsw.gov.au 0408 629 888</p>	 <p>Councillor Vittoria Raciti (LIB) – Leichhardt Ward vittoria.raciti@innerwest.nsw.gov.au 0481 910 660</p>
Stanmore Ward	 <p>Councillor Anna York (LAB) – Stanmore Ward anna.york@innerwest.nsw.gov.au 0435 656 772</p>	 <p>Councillor Pauline Lockie (IND) – Stanmore Ward pauline.lockie@innerwest.nsw.gov.au 0434 690 544</p>	 <p>Councillor Louise Steer (GRN) – Stanmore Ward louise.steer@innerwest.nsw.gov.au 0490 788 418</p>
Ashfield Ward	 <p>Councillor Julie Passas (LIB) – Ashfield Ward julie.passas@innerwest.nsw.gov.au 0419 206 855</p>	 <p>Councillor Tom Kiat (GRN) – Ashfield Ward tom.kiat@innerwest.nsw.gov.au 0403 491 018</p>	 <p>Councillor Mark Drury (LAB) – Ashfield Ward mark_drury@bigpond.com 0448 722 942</p>

Council and committee meetings

Council conducts its business and decision making in formal Council and committee meetings. These meetings are open to the public, except in specific circumstances. Inner West Council meetings are livestreamed on Council's website.

Council's committees

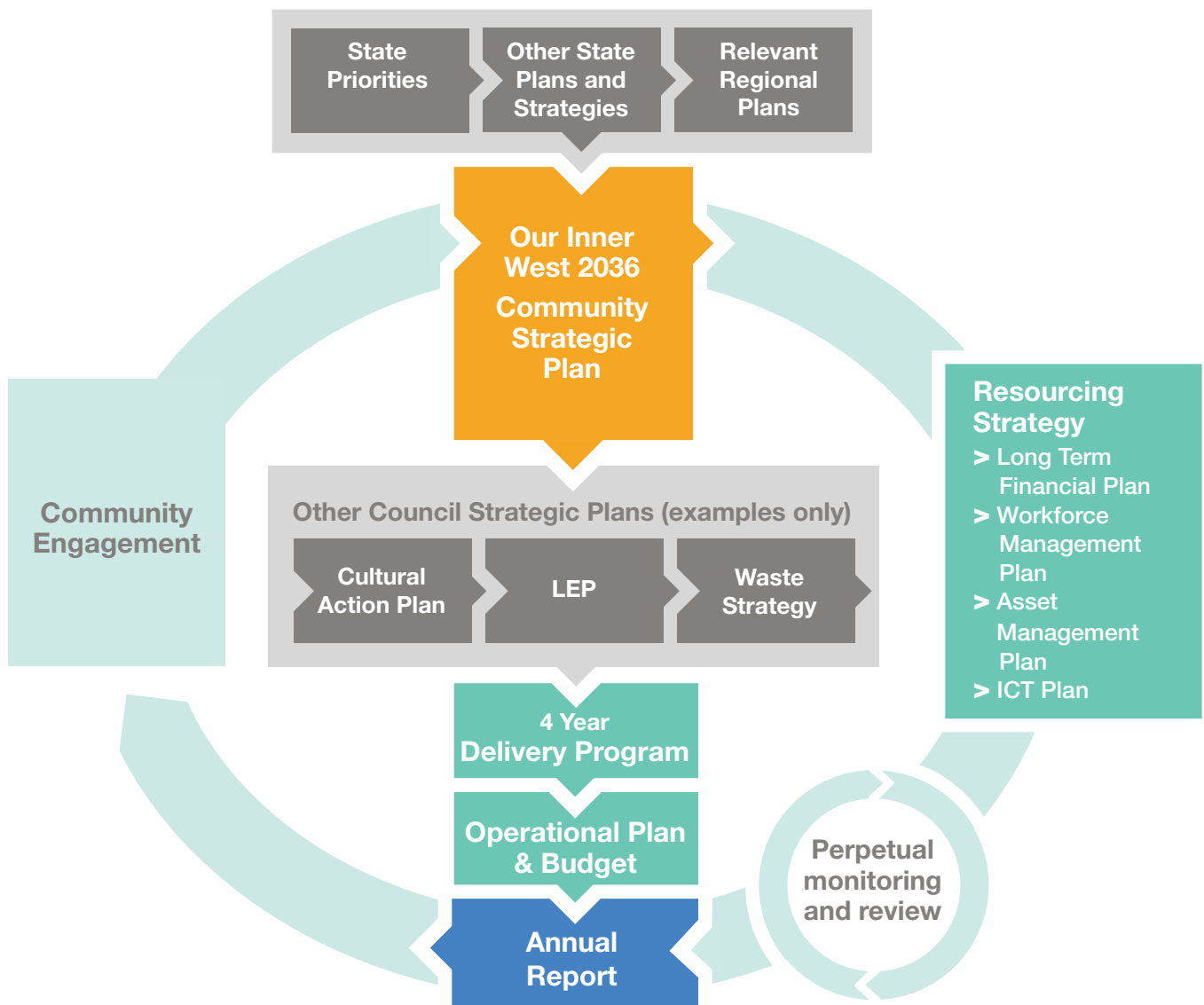
- Local Traffic Committee
- Aged Care Interagency
- Audit, Risk and Improvement Committee
- Bicycle Working Party
- Flood Management Advisory Committee
- Local Emergency Management Committee
- Sydenham to Bankstown Working Party

Our planning model

Inner West Council is guided by an integrated planning framework that provides a mechanism for Council to respond to challenges and opportunities in a coordinated and strategic way.

Following the merger of Ashfield, Leichhardt and Marrickville councils, Council adopted an Operational Plan based on the former councils' strategic plans, to align its planning and reporting process across the organisation – reflected in this year's annual report. The Operational Plan outlines the key activities Council will undertake in the given financial year to achieve community objectives.

To guide planning from 2018/19 and beyond, Council has now developed a new suite of strategic documents delivering on the new Inner West Community Strategic Plan ('Our Inner West 2036').



How to read the Annual Report

The Annual Report outlines Council's key achievements and statutory responsibilities from 1 July 2017 to 30 June 2018. It is divided into three sections.

Section 1: Our achievements

This section highlights Council's achievements against priorities and initiatives in the Operational Plan and Budget 2017/18.

It also provides a summary of Council's financial performance across capital works programs and key service areas throughout the financial year.

Section 2: Statutory reporting

This section includes reporting requirements prescribed by the Local Government Act 1993 and the Local Government (General) Regulation 2005.

This includes a summary of Council's legal proceedings, details of contracts awarded by Council, financial assistance contributions to the community, written off rates and charges, and information relating to the Government Information (Public Access) Act 2009 (NSW).

Section 3: Audited financial statements

This section contains general purpose financial statements for the 2017/18 financial year.

This includes an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.





Section 1: Our achievements

The Annual Report highlights Council's key achievements for the 2017/18 year.

Full and detailed reports against each action in Council's Operational Plan 2017/18 can be found on Council's website.

Delivering on priorities

Inner West Council's Operational Plan and Budget 2017/18 identified eight priority areas and the key initiatives Council would undertake to support these priorities.

Priority 1:

Planning and development



One Local Environmental Plan

The creation of a new, integrated Local Environmental Plan for the Inner West is a complex task requiring the best possible information. We need a single consolidated local plan. Not only can we streamline our existing plans, we can also position the Inner West's planning controls to best manage change. This multi-year project has been initiated this year with a series of needs assessment studies.



Parramatta Road

Council secured grant funding from the Parramatta Road Urban Amenity Improvement Program for master planning and design. This funding comes with a provisional allocation of \$21 million for the construction and delivery of the improvement plans.



Increased spending on infrastructure

Keeping our assets in good condition to maintain their lifespan is a central part of sensible financial management. In 2017/18 Council allocated \$66 million to maintain our infrastructure and make the most of the \$1.78 billion in asset value this community owns. This is \$20 million more than the three former councils were able to deliver in a single year combined.

Initiative from Operational Plan 2017/18	Lead Service Area	Progress
Prepare a draft Inner West Urban Strategy	Strategic Planning	Progressing and on track This multi-year project is on track. The project management plan has been signed off and the project will commence on 1 July 2018.
Needs assessment study for open space and recreation	Recreation and Aquatics	Progressing and on track The draft Recreation Needs Study – A Healthier Inner West has been exhibited for public feedback.
Needs assessment study for community facilities	Strategic Planning	Progressing and on track
Needs assessment study for transport infrastructure	Strategic Planning	Progressing and on track
Undertake advocacy for the establishment of planning provisions that will promote affordable housing	Strategic Planning	Progressing and on track Voluntary Planning Agreements are being pursued that include the provision of affordable housing. Council has a city leading Affordable Housing Policy which sets targets of 15% on large private sites and 30% on government owned sites.
Develop an implementation framework for Parramatta Road Urban Transformation Strategy	Strategic Planning	Progressing and on track Council is working with a range of partners and land owners and has commenced work on a traffic and transport study.
Provide on-going advice and advocacy in relation to WestConnex through the WestConnex unit	Strategic Planning	Completed Council continued to support community to understand and contribute to improving the planning and development of WestConnex through a dedicated WestConnex Unit. A series of public meetings to discuss the serious impacts of WestConnex were convened. Council has also examined the EIS and developed detailed proposals in response.

Priority 2:

Transport



Improving roads and footpaths

In the 2017 Community Survey, our community said that some of the biggest gaps between importance and satisfaction were experienced with roads and footpaths.

Council has invested in maintaining roads and footpaths in 2017/18 to ensure these expensive assets continue to serve the community well. With roads and footpaths representing over 60% of the value of Inner West Council assets, keeping them in good condition with regular maintenance is a key strategy to maintaining the financial sustainability of Council.



Completing the GreenWay missing links

Council has continued the long term project of creating the GreenWay from the Cooks River to Iron Cove, with an ultimate goal to make it easy and safe to walk and ride the length of the route.

In late 2017 Council commenced community engagement on a GreenWay Master Plan, to guide the delivery of landscaping and infrastructure along the corridor over the next 10-15 years. The draft GreenWay Master Plan proposes new and upgraded areas along the GreenWay, including:

- A new bridge over the Cooks River
- Improved natural areas and public open spaces in the light rail corridor near Hercules Street in Dulwich Hill
- A new accessible shared path along the length of the corridor
- Creation of new natural areas and public open spaces in the light rail corridor near Lewisham West
- Safer crossings under major roads
- Upgraded parklands and new natural areas along the Hawthorne Canal

Initiative from Operational Plan 2017/18	Lead Service Area	Progress	
Prepare a draft Inner West Integrated Transport Plan	Strategic Planning	Progressing but behind schedule Programmed in the Delivery Program 2018-2022	●
Advocate for and provide advice on a Parramatta Road Public Transport Opportunity Feasibility Study	Strategic Planning	Completed Council continues to pursue opportunities to promote this study which advocates for further investigation into the potential for guided electric trams along Parramatta Road. TfNSW has not agreed to pursue the previously proposed joint preliminary feasibility study.	●
Develop and implement precinct parking strategies	Footpaths, Roads, Traffic and Stormwater	<p>Completed</p> <p>Resident Parking Schemes have been implemented in the following suburbs:</p> <ul style="list-style-type: none"> ➤ Annandale: William Street (between The Crescent and Rose Street) ➤ Leichhardt: Edith Street, (south of Marion Street); William Street ➤ Lewisham/Summer Hill: Lewisham Parking Precinct M16 ➤ Rozelle: Starling Street (between Brent Street and Mansfield Street); Moore Lane ➤ Stanmore: Cambridge Street ; Corunna Road ➤ St Peters: Edith Street; Short Street Precinct <p>Parking Reviews have been implemented in Newtown/Enmore, Stanmore and Marrickville precincts.</p>	●



Priority 3:

Social vitality, creativity and quality of life



Keeping our town centres beautiful and lively

Lively and attractive town centres are a part of the Inner West way of life, catering to diverse community needs beyond work and shopping. This year Ashfield Town Centre had many parts of its master plan put into place – with wider footpaths, new seating areas, efficient lighting, bus shelters and landscaping helping Ashfield make the most of its vitality and growth.



Caring for our heritage

The Inner West is brimming with heritage including buildings, facilities and streetscapes. Council takes its role as custodian of Inner West heritage seriously and this year took steps to maintain this heritage, including:

- Upgrade of Dawn Fraser Baths
- Upgrade of St Peters Town Hall
- Upgrade of Leichhardt Town Hall
- Support for a film celebrating Leichhardt Oval



Looking after our pre-schoolers and working families

Council provides high quality childcare centres that provide the very best care for our pre-schoolers. In the past year Council has completed construction for new childcare centres at Steel Park and Leichhardt Park.



Supporting diversity

In June 2018, Open Inner West returned. A collaboration between Council and community, the festival celebrated diverse cultures across the Inner West, with Council supporting activities through a grants program. The annual festival features ten days of cultural events, film screenings and performance.



Providing great places to swim and cool down

High quality aquatic centres are an investment in making our community sustainable and liveable. New centres provide an integrated range of exercise and recreation options. Every aquatic centre also provides us with a place to go and cool down on hot days.

Aquatic centre upgrades are very long term projects. In 2017/18 the Ashfield Aquatic Centre development application was approved and the old centre was closed for redevelopment at the end of the swim season in April 2018. Now we are ready to start building.



Making the most of our open spaces

Shared spaces for recreation become more important as our population grows and housing becomes denser. All Inner West parks have to provide multiple benefits - providing beautiful places to be in and look at, places to play and exercise for ourselves, families and pets, and places for organised games. Council plans for parks so that they can deliver these multiple benefits. Council's draft Recreation Needs Study: A Healthier Inner West was placed on public exhibition this year.

Keeping our parks great means that every year some are upgraded. In 2017/18 parks upgrades included:

- Improvement works at Pioneers Memorial Park (Leichhardt)
- Upgraded paths, seating and landscaping at Petersham Park
- A new skate space, basketball court and lighting upgrades at Sydenham Green
- Playing field upgrades and new lighting at Glover Street and Callan Park (Lilyfield)
- Upgrade of Illoura Reserve (Balmain East)
- Seating terraces and bleacher renewal at Camperdown Park

Upgrades can have many components and are staged over a number of years – meaning there are more improvements to come for many of these Inner West parks.

Initiative from Operational Plan 2017/18	Lead Service Area	Progress
Coordinate implementation of the Disability Inclusion Action Plan	Community Services and Culture	<p>Progressing and on track</p> <p>Intensive support on improving accessibility at new facilities including Leichhardt Park Aquatic Centre, Annette Kellerman Aquatic Centre, Patyegarang Place – Marrickville Library and the design of the new Ashfield Aquatic centre.</p>
Work with regional partners to progress the activation of Parramatta Road as a creative and cultural destination	Community Services and Culture	<p>Completed</p> <p>Council supports small enterprises in the creative sector and links artists and businesses to empty spaces as a strategy to activate key precincts across the Inner West. The 2018 Open Studio trail included studios and artist run initiatives along Parramatta Road as well as tours by artists on foot, bicycle and heritage buses.</p>
Develop a Healthy Ageing Plan for the Inner West	Community Services and Culture	<p>Not progressing</p> <p>Council has commenced a city wide Wellbeing Survey which will inform policy on the best facilities, spaces and programs to support wellbeing of older residents and the creation of active healthy communities.</p>
Coordinate the development of a Recreation Policy and Strategy	Recreation and Aquatics	<p>Completed</p> <p>The draft Recreation Needs Study - A Healthier Inner West has identified opportunities. The next stage, the development of the Recreation Policy and Strategy, is underway.</p>
Encourage partnerships to support family and domestic violence initiatives in the Inner West	Community Services and Culture	<p>Completed</p> <p>Council is working with FACS around the Child Protection and Domestic Violence Intersection Project. The study will investigate work practices, policies, values and attitudes across the domestic violence and child protection workforce, in order to identify opportunities for sustainable collaboration.</p> <p>A Love Bites working group had been established to deliver workshops across the Inner West.</p>

Priority 4:

Sustainability and the environment



Working for the environment

Council continues to support the important work of environmental volunteers throughout the Inner West. Not only is volunteer work good for our local ecosystems, it also builds a sense of community and increases the overall wellbeing of participants.

Volunteers were active at 12 biodiversity sites supervised by Council staff this year, with Council's native plant nurseries also benefiting from 500 volunteer hours to grow 700 plants. Additionally, more than 4,300 plants were given away to residents and schools, supporting the community to further green our suburbs.

Council has also continued its wide range of environmental workshops, tours and events to promote the importance of a healthy natural environment and support the community to take action.



Investing in sustainability

With more than 75% of its investment portfolio now divested from fossil fuels, Inner West Council has the highest divestment of any Council in NSW. Council has pushed this milestone a step further this year, resolving to develop a Climate and Renewables Plan with a 100% divestment target.

By continuing to divest from fossil fuels and expanding rooftop solar, Inner West Council will continue to punch above its weight in the Australian environmental debate, making it a leader in local government nationally.

Initiative from Operational Plan 2017/18	Lead Service Area	Progress
Collate baseline data and information that informs the development of an urban ecology strategy (water, biodiversity, soils)	Environment and Sustainability	<p>Completed</p> <p>Relevant existing baseline data for an urban ecology strategy has been collated.</p>
Coordinate the development of a climate adaptation plan to guide the update of relevant Council policies and plans to reflect and respond to climate risks	Environment and Sustainability	<p>Not due to start</p> <p>Superseded by the Inner West Climate and Renewables Strategy included in the Delivery Program 2018-2022</p>
Work with property teams across Council on the delivery of new recycling and reuse infrastructure for Council	Environment and Sustainability	<p>Not due to start</p> <p>Programmed in the Delivery Program 2018-2022 with an initiative to “develop and operate a second Inner West Council Community Recycling Centre”</p>



Priority 5:

One Council



Making the most of amalgamation

History was made on 12 May 2016 when the former Ashfield, Leichhardt and Marrickville councils were amalgamated by the NSW Government to form the new Inner West Council.

This year Council made the most of the opportunity to study old ways of doing things, cherry pick all that was good and bring in a new way of doing business in a modern, high performing, customer focused organisation serving the needs of the local community.

Services that have been harmonised and improved include:

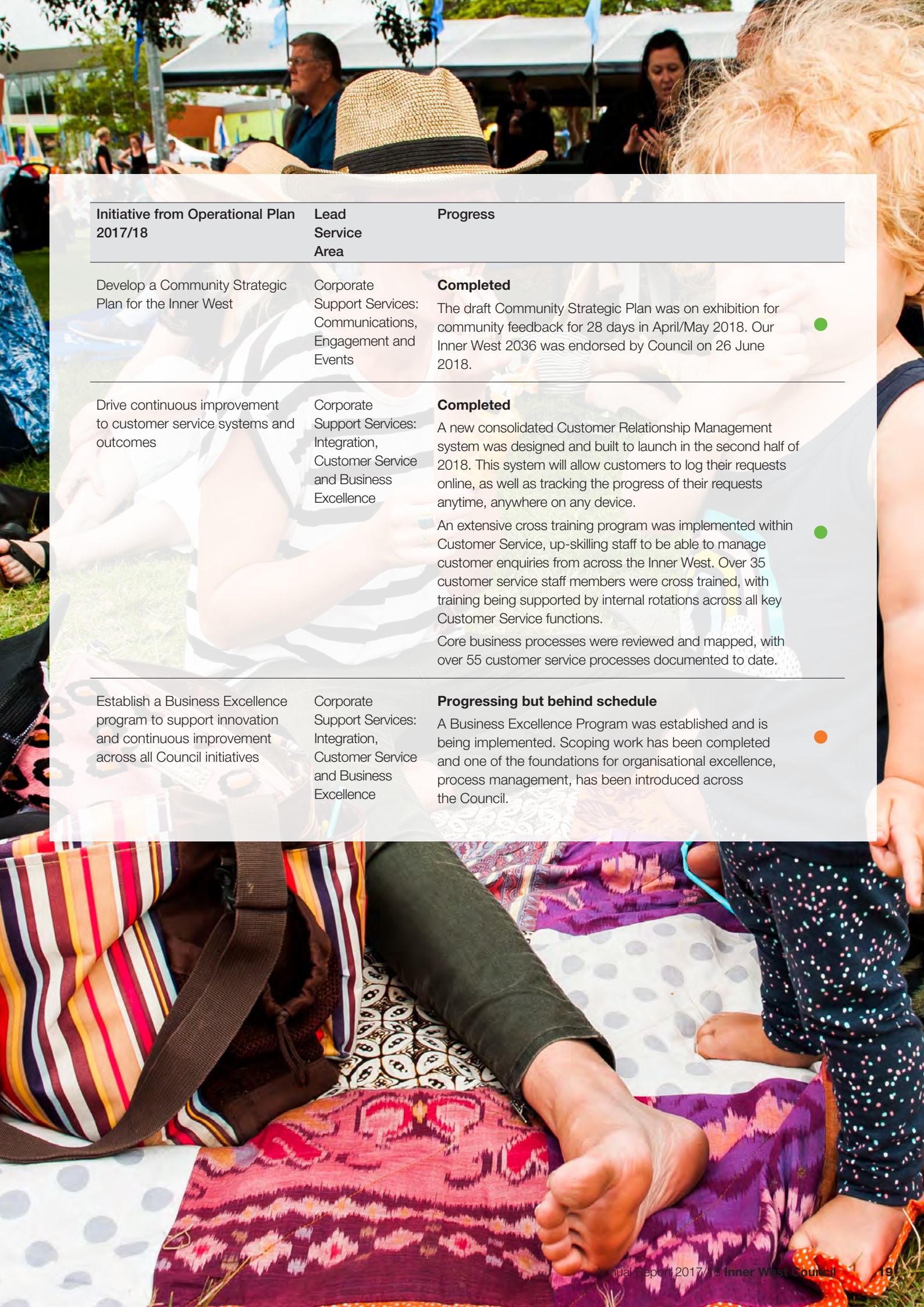
- Implementation of a consistent pensioner rebate system, resulting in savings for eligible pensioners of up to \$485 on their rates bills
- Consistent service delivery at aquatic facilities, with redevelopment of the state of the art Ashfield Aquatic Centre underway, major update of Leichhardt Park Aquatic Centre Master Plan and major funding injection for heritage restoration of Dawn Fraser Pool. The quality of Council aquatic centre management was confirmed when the Annette Kellerman Aquatic Centre was named the Aquatic and Recreation Institute NSW Facility of the Year, the industry's highest accolade, in June 2018.
- A new library management system so that all members can borrow and return items from any branch. Fee harmonisation reduced library fees for some members and abolished fines for children.
- A new Internal Ombudsman Shared Service was established
- All outdoor dining fees were abolished bringing consistency across the entire Council area.
- Installed cutting edge technology to make our systems the most efficient and effective for local government in NSW
- Taken big steps towards documenting all our assets using the same approach

These big steps forward will help us in moving even more quickly, and cost effectively, towards our community's goals in the future.



Joining the dots

Council understands the Inner West. This year Council developed its first Community Strategic Plan, working with community and stakeholders to set out a vision for the future. With the adoption of a new four year Delivery Program based on the community's vision and strategic directions, Council and the community are already working hand in hand to creating the best Inner West for the future.



Initiative from Operational Plan 2017/18	Lead Service Area	Progress
Develop a Community Strategic Plan for the Inner West	Corporate Support Services: Communications, Engagement and Events	<p>Completed</p> <p>The draft Community Strategic Plan was on exhibition for community feedback for 28 days in April/May 2018. Our Inner West 2036 was endorsed by Council on 26 June 2018.</p>
Drive continuous improvement to customer service systems and outcomes	Corporate Support Services: Integration, Customer Service and Business Excellence	<p>Completed</p> <p>A new consolidated Customer Relationship Management system was designed and built to launch in the second half of 2018. This system will allow customers to log their requests online, as well as tracking the progress of their requests anytime, anywhere on any device.</p> <p>An extensive cross training program was implemented within Customer Service, up-skilling staff to be able to manage customer enquiries from across the Inner West. Over 35 customer service staff members were cross trained, with training being supported by internal rotations across all key Customer Service functions.</p> <p>Core business processes were reviewed and mapped, with over 55 customer service processes documented to date.</p>
Establish a Business Excellence program to support innovation and continuous improvement across all Council initiatives	Corporate Support Services: Integration, Customer Service and Business Excellence	<p>Progressing but behind schedule</p> <p>A Business Excellence Program was established and is being implemented. Scoping work has been completed and one of the foundations for organisational excellence, process management, has been introduced across the Council.</p>

Priority 6:

Local business and industry



Supporting microbreweries

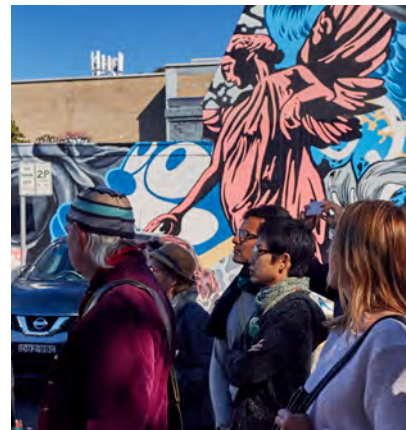
Supporting the establishment and growth of microbreweries is one of the key strategies progressed this year. Following advocacy from Inner West Council and craft brewers, the NSW Government has agreed to allow local breweries to operate as small bars with up to 100 patrons, making it easier for microbreweries to open, operate and grow.

Inner West Council is also working with local microbreweries, tourism operators and government agencies to promote “craft brewery trails” in the area.



Working with partners to overcome barriers

Council will boost the economy of Newtown’s King Street by delivering late night retail trading, legalising arts and music in shop fronts and untangling confusing red tape, working with the City of Sydney and Newtown Precinct Business Association to unite King Street.



Adding value through public art

The Inner West has become a focus for high quality public art, which Council and partners have supported with substantial investment over many years.

Council’s Perfect Match program has now supported the creation of over 75 murals. These artworks perform many roles – from deterring graffiti to fostering a love of art. Council will continue to support the creative community and add value to our extensive street art collection by declaring the Inner West to be Sydney’s Street Art Capital.

Council will support EDGE Inner West to bring people into existing Inner West arts based businesses, building on the value already established in our public artworks with a program of street activations, light installation and live music.

Initiative from Operational Plan 2017/18	Lead Service Area	Progress
Prepare an Inner West Economic Development Strategy	Strategic Planning	<p>Progressing and on track</p> <p>Project has been established and there is an Economic Development Strategic Project Reference Team in place.</p>
Undertake research and quantitative data analysis on retail zones and consumer behaviour to identify service and market gaps that may present new business opportunities and business growth	Strategic Planning	<p>Complete</p> <p>Study was undertaken of consumer behaviour in Norton Street.</p>
Promote the Inner West as a hub for small bars, live music and creative industry businesses to encourage a vibrant day and night time economy	Strategic Planning	<p>Complete</p>
Promote tourism opportunities within the LGA	Strategic Planning	<p>Complete</p> <p>Activities undertaken by Chambers of Commerce included promotion and events targeting the day tripper and visiting family and friends tourism markets.</p> <p>Evaluation of the cruise ship initiative indicated that the contribution to the local economy from cruise ship passengers was much less than forecast and, without exception, businesses reported good to excellent trading without the cruise ship passenger trade. Council is recommending that the cruise ship bus project not be continued.</p>

Priority 7:

Advocacy



Size supports advocacy

Inner West Council is stronger, larger and more populous than its former councils - making it a more effective and formidable advocate for the community.

In 2017/18, Council undertook successful campaigns with and for the local community:

- Stopping over-development in the Sydenham to Bankstown corridor
- Stopping a WestConnex dive site in Leichhardt
- Securing over \$10 million in grant funding for the GreenWay
- Giving more support to live music and craft breweries
- Protecting valuable industrial land in Leichhardt
- Working to put an end to Ausgrid over-pruning practices
- Securing a \$22.5 million injection for Parramatta Road renewal and improvements



Inclusive community engagement

The Inner West community is actively engaged in decisions that shape the area's future.

This year Council engaged across all geographic and demographic areas, with more than 60 projects including the new Community Strategic Plan, the GreenWay, and a number of master plans, planning proposals, cycleways, neighbourhood improvements and community facilities projects.

More than 42,000 people visited Council's Your Say Inner West online engagement hub, and Council continued to engage at Your Say Inner West outreach stalls at major events across the area. Fourteen public meetings were held across the Inner West, informing the community about major NSW Government projects.

Independent researcher Micromex conducted the annual community satisfaction survey on behalf of Council, determining an overall increase in satisfaction from last year and a rating of 'moderately high' for Council's community engagement; with 58% of respondents stating it was 'good' to 'excellent'.

Initiative from Operational Plan 2017/18

Lead Service Area

Progress

Undertake advocacy for the establishment of planning provisions that will promote affordable housing

Strategic Planning

Progressing and on track



Advice and advocacy in relation to WestConnex

Strategic Planning

Complete



Lobby for Extended Producer responsibility schemes for problem waste

Environment and Sustainability

Complete

Council continues to work within the region, state and nationally to lobby for improved product stewardship.



Priority 8:

Local democracy



Improving transparency in reporting: capital works monthly reporting

Information on the progress of each item in the Capital Works Program is now available on Council's website and is updated monthly. This provides a much more transparent and detailed reporting to our community so that everyone can get the most up to date information.

Embracing partnerships: The Internal Ombudsman Shared Service

The Internal Ombudsman Shared Service, shared between Inner West, City of Parramatta and Cumberland councils, began on 25 September 2017.

The service acts as an impartial watchdog over Council's activities. It is open to residents, staff, local businesses, ratepayers, community groups and Councillors who have concerns or complaints about unethical behaviour by Council, misconduct, corrupt conduct or maladministration.

The launch of the shared service reflects the three councils' commitment to operate to a high standard of ethical conduct and decision-making, administrative conduct and procedures, and to strive for a corruption free organisation.



Return to democracy

The election of the first Inner West Council in September 2017 was a milestone – and an elected Council makes a big difference. By responding to community needs, Inner West councillors have quickly demonstrated how local decisions can drive real change.

A sample of the actions driven forward by the elected Council in 2017/18 include:

- Support for local businesses by turning off main street parking meters after 7pm in Leichhardt, Rozelle and Balmain
- Advocacy for the community on WestConnex
- Support for marriage equality and provision for the complimentary use of Council venues for couples for 100 days following the change in marriage laws
- Support for EDGE Inner West, bringing people into existing Inner West arts based businesses
- Lobbying for sensible development and amplifying community voices on the number and scale of developer initiated proposals in the Inner West
- Recognition that dogs are part of the Inner West's unique pub culture - consulting with publicans and community on common sense systems to welcome dogs back into local pubs while upholding food safety standards

Initiative from Operational Plan 2017/18

Lead Service Area

Progress

Support and implement best practice community engagement processes

Corporate Support Services: Communications, Engagement and Events

Complete



Deliver information through a range of communication channels to make the community fully aware and engaged in decision making on major issues

Corporate Support Services: Communications, Engagement and Events

Complete

Social media use was extended and the website is being redesigned to improve customer experience. Print media continues to be used effectively.



Co-ordinate effective local government election in September 2017

Corporate Support Services: Integration, Customer Service and Business Excellence

Complete



Tracking Council's performance

Council adopted its 2017/18 Operational Plan and Budget with a focus on improving financial reporting and demonstrating to the community how Council services are funded.

This section outlines Council's year-end financial performance against the adopted budget, including summaries of financial performance across capital works programs and key service areas throughout the financial year.

The 2017/18 actuals differ significantly from the adopted budget due to various structure and project alignments that occurred during the financial year. These changes were made as a part of the Quarterly Budget Review process and submitted to Council for adoption each quarter.

Throughout the 2017/18 financial year, some service areas held a number of vacant permanent positions which provided a favourable employee cost variance to the budget. While these positions were being recruited on a permanent basis, some were backfilled with contractors leading to an unfavourable variance to budget for Material and Contractors.

Council comprehensively revalued its entire infrastructure portfolio during the 2017/18 financial year. The revaluation resulted in a downward revaluation (expense) primarily driven by the valuation harmonisation of Council's buildings assets. In the previous financial year, a desktop valuation was conducted to account for Council's buildings assets. To ensure ongoing accuracy and continuity of building valuations information, a comprehensive valuation was conducted by a qualified Valuer that resulted in the downward valuation as at 30 June 2018. This adjustment was not expected and thus not included in the original budget.

Overall performance against the budget

Council's overall 2017/18 planned and actual income

Income/revenue	2017/18 Budget (\$'000)	% of budgeted income	2017/18 Actual (\$'000)	% of actual income
Rates and general revenue	153,381	61.4	153,473	60.4
User fees and charges	43,510	17.4	41,720	16.4
Interest income	5,042	2	6,057	2.4
Other income	24,100	9.7	24,020	9.5
Operating grants and contributions	12,855	5.1	11,486	4.5
Capital grants and contributions	10,699	4.3	16,838	6.6
Net gain on capital sales	51	0	468	0.2
Total	249,638	100	254,062	100

Council's overall 2017/18 planned and actual expenditure

Expenditure	2017/18 Budget (\$'000)	% of budgeted expenditure	2017/18 Actual (\$'000)	% of actual expenditure
Employee costs	126,368	52	109,311	45.7
Materials and contractors	61,675	25.4	62,241	26.0
Borrowing costs	906	0.4	860	0.4
Other expenses	27,777	11.4	28,372	11.9
Depreciation and amortisation	26,130	10.8	28,296	11.8
Net losses from the disposal of assets	0	0	1,224	0.5
Revaluation increment / impairment of Infrastructure, Property, Plant and Equipment	0	0	8,999	3.7
Total	242,856	100	239,303	100

Council's financial performance measures

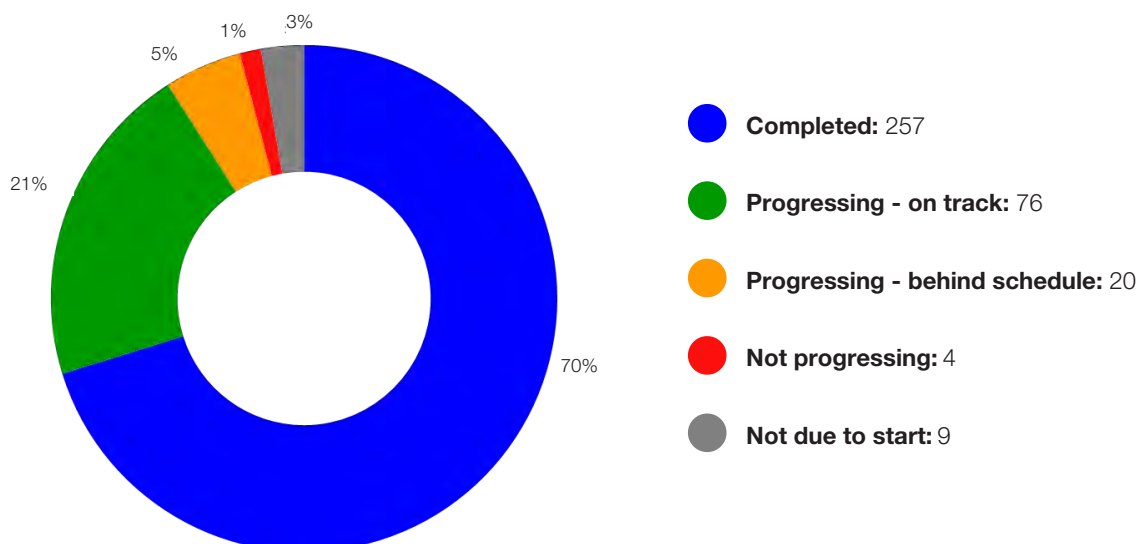
Inner West Council continues to perform strongly against local government benchmarks for financial performance. In 2017/18, Council met or exceeded benchmarks for the NSW Office of Local Government's key financial performance indicators.

Measure	What this means	Benchmark	2017/18 result	
Operating performance ratio	This ratio measures Council's achievement of containing operating expenditure within operating revenue.	above 0%	3.24%	●
Own source operating revenue ratio	This ratio measures fiscal flexibility. A lower result indicates a higher reliance on external funding sources.	above 60%	88.83%	●
Unrestricted current ratio	This ratio assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	above 1.5x	3.72x	●
Debt service cover ratio	This ratio measures the availability of operating cash to service debt.	above 2x	6.61x	●
Rates, annual charges, interest and extra charges outstanding percentage	This ratio is used to assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	below 5%	3.92%	●
Cash expense cover ratio	This ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow.	above 3 months	9.3 months	●

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Year-end progress of Council activities and initiative

The following chart provides a year-end progress snapshot of the key initiatives and continuing activities adopted in the Operational Plan 2017/18.



Progress against capital works program

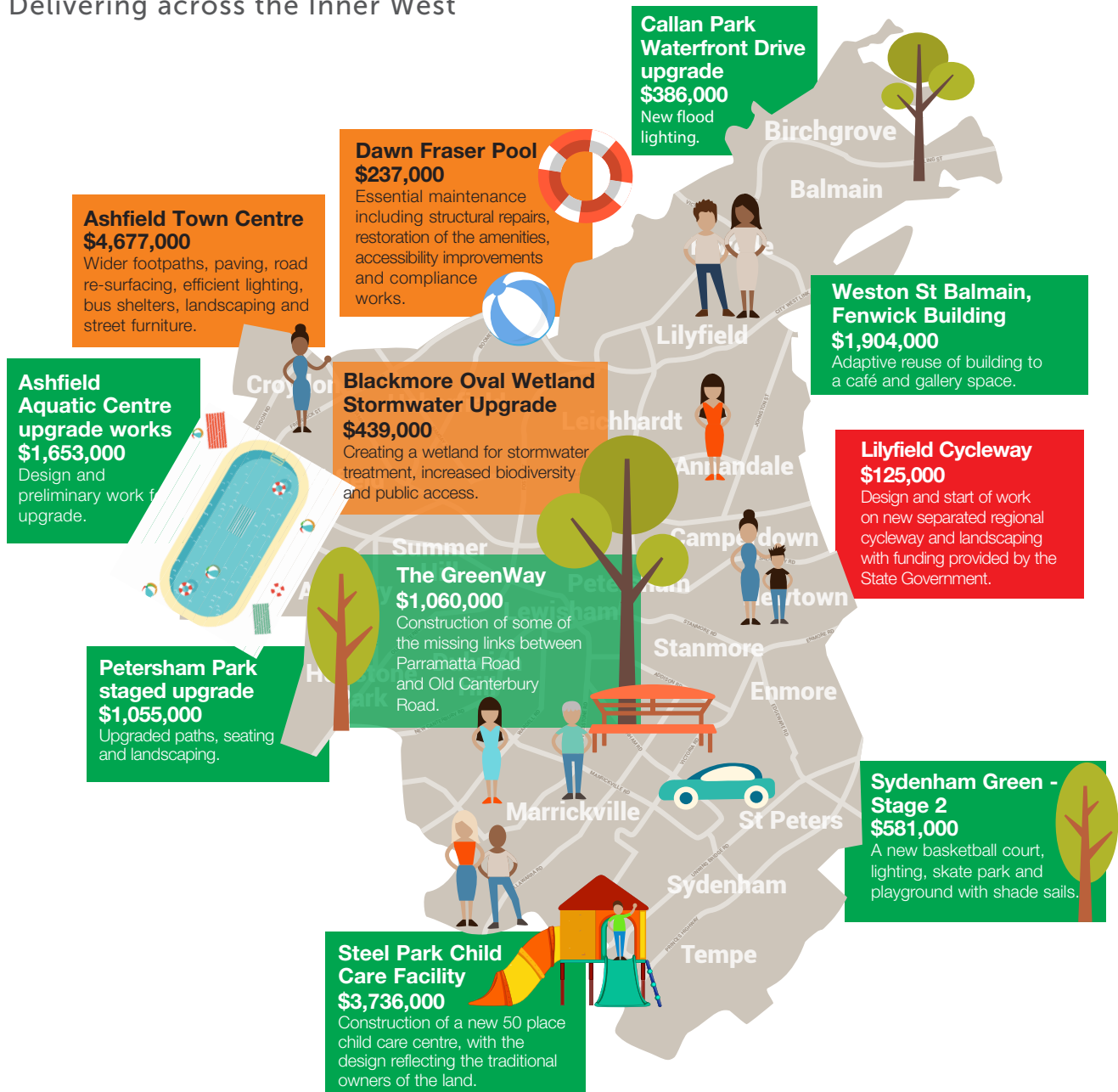
In 2017/18 a record \$66 million was allocated to capital works to deliver more than 58 major projects and programs throughout the year. Almost 70% of this budget was spent during the year, and over 87% of it was committed during the year.

Spending included over \$21 million to improve footpaths, roads and stormwater, and nearly \$10 million on trees, parks and sporting grounds.

More than 80% of capital works projects were complete or progressing to schedule at the end of the year. More details of Council's capital works projects can be found in the Performance by Service Area section of this report. Monthly, up-to-date capital works progress updates are also available on Council's website.

Program Category	2017/18 budget (\$'000)	2017/18 actual (\$'000)	% 2017/18 budget spent	2017/18 Committed Expenditure (\$'000)	% 2017/18 budget Committed
Footpaths, Roads, Traffic and Stormwater	23,554	17,326	74%	21,337	90.5%
Trees, Parks and Sportsfields	12,071	7144	59%	9,775	81%
Corporate Support	29,852	21,904	73%	26,127	88%
Community Services and Culture	0	31	NA	55	NA
Total	65,477	44,433	68%	57,294	87.5%

Delivering across the Inner West



Project status:

- **Green:** Planning, design and/or construction progressing as per schedule
- **Amber** Planning, design and/or construction delayed with respect to the original schedule
- **Red:** Planning, design and/or construction on hold or cancelled

Performance by Service Area

Services at Inner West Council are delivered by 12 key service areas:

- Children and Family Services
- Community Events
- Community Services and Culture
- Development Assessment
- Environment and Sustainability
- Footpaths, Roads, Traffic and Stormwater
- Library and History Services
- Recreation and Aquatics
- Regulatory Services
- Resource Recovery
- Strategic Planning
- Trees, Parks and Sports Fields

The delivery of these services is supported by the Corporate Support Services area, including: Finance; ICT; Legal; Human Resources; Procurement and Fleet; Integration, Customer Service and Business Excellence; and Communications and Engagement.

Budget performance overview by Service Area

Operational Service Area	INCOME		EXPENDITURE		OPERATING RESULT	
	2017/18 Planned Income from continuing operations (\$'000)	2017/18 Actual Income from continuing operations (\$'000)	2017/18 Planned Expenditure from continuing operations (\$'000)	2017/18 Actual Expenditure from continuing operations (\$'000)	2017/18 Planned Operating Result (\$'000)	2017/18 Actual Operating result (\$'000)
Children and Family Services	18,199	15,622	18,075	15,560	124	62
Community Events	90	119	1,204	3,129	-1,114	-3,010
Community Services and Culture	2,112	2,124	9,663	7,993	-7,551	-5,869
Development Assessment	3,926	5,277	6,439	5,866	-2,513	-589
Environment and Sustainability	499	644	4,240	3,784	-3,741	-3,140
Footpaths, Roads, Traffic & Stormwater	16,010	13,034	37,888	25,226	-21,878	-12,192
Library and History Services	573	630	9,999	8,226	-9,426	-7,596
Recreation and Aquatics	10,278	10,122	11,572	10,752	-1,294	-630
Regulatory Services	16,695	14,448	13,166	12,688	3,529	1,780
Resource Recovery (includes domestic waste charge)	40,907	39,749	35,124	27,570	5,783	12,179
Strategic Planning	1,117	3,476	4,281	4,784	-3,164	-1,308
Trees, Parks and Sports Fields	7,381	9,220	19,299	11,621	-11,918	-2,401
Corporate Support Services	131,851	139,597	71,906	102,124	59,945	37,473
Total	249,638	254,062	242,856	239,303	6,782	14,759

Children and Family Services

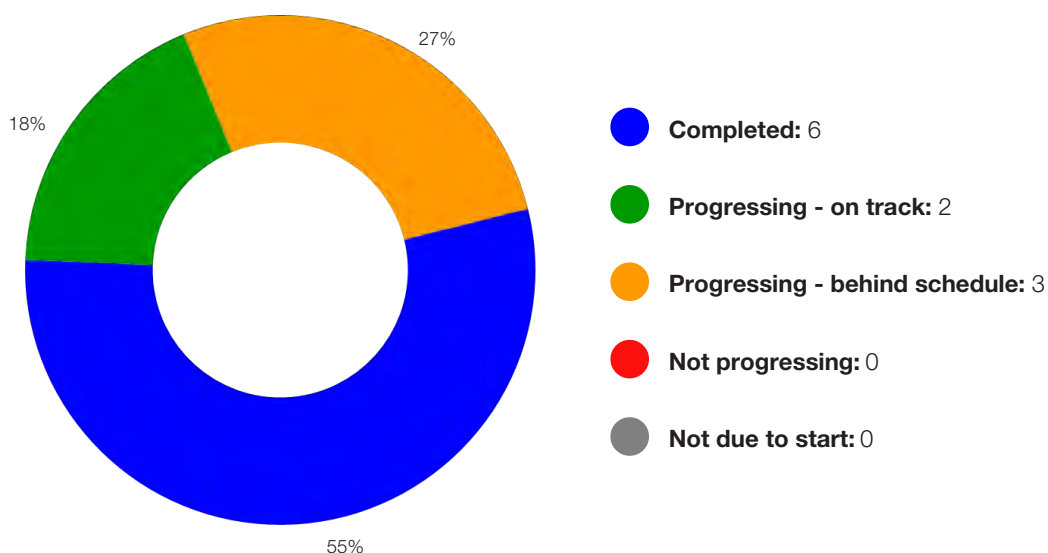
Actual income against the 2017/18 Budget

Income / revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and General revenue	7,654	30.0	8,013	33.8
User fees and charges	17,372	67.0	14,892	62.8
Other income	34	0	13	0.1
Operating grants and contributions	793	3.0	717	3.0
Transfer from statutory reserves	0	0	83	0.3
Total	25,853	100	23,718	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	15,463	60.0	11,718	49.4
Materials and contractors	1,439	5.5	3,255	13.7
Borrowing costs	34	0	0	0
Other expenses	765	3.0	587	2.5
Depreciation and amortisation	373	1.4	379	1.6
Plant hire charges	86	0.3	86	0.4
Overhead charges	7,693	29.8	7,693	32.4
Total	25,853	100	23,718	100

Year-end progress of activities and initiatives



Community Events

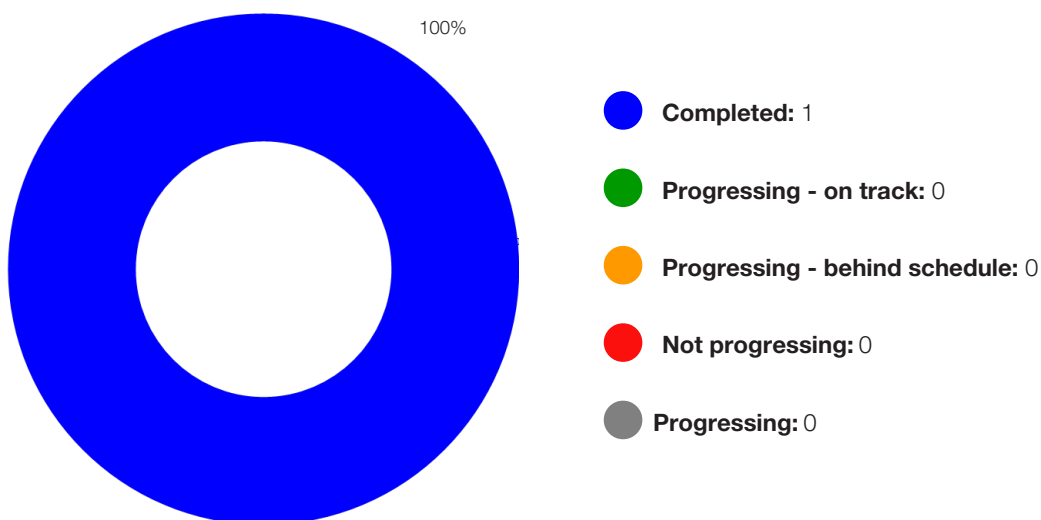
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	1,367	93.8	1,359	92.0
User fees and charges	54	3.7	78	5.3
Other income	24	1.6	40	2.7
Operating grants and contributions	12	0.8	0	0
Transfer from statutory reserves	0	0	0	0
Total	1,457	100	1,477	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	451	31.0	563	38.1
Materials and contractors	566	39.0	566	38.3
Borrowing costs	0	0	0	0
Other expenses	187	13.0	95	6.4
Depreciation and amortisation	0	0	0	0
Plant hire charges	0	0	1	0.1
Overhead charges	253	17.0	252	17.1
Total	1,457	100	1,477	100

Year-end progress of activities and initiatives



Community Services and Culture


Actual income against the 2017/18 Budget

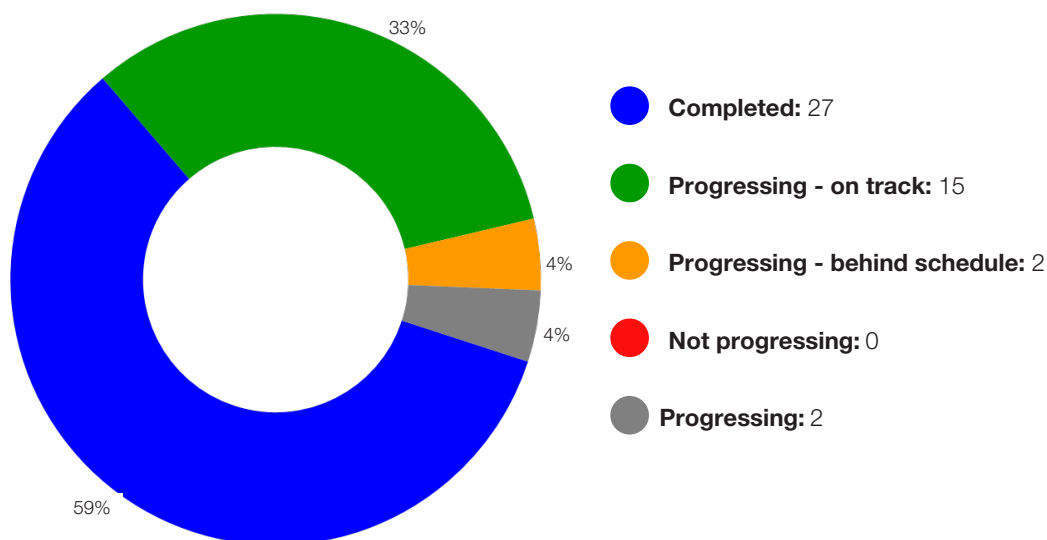
Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	9,687	79	9,185	77.2
User fees and charges	634	5	714	6.0
Other income	122	1	74	0.6
Operating grants and contributions	1,356	11	1,344	11.3
Transfer from statutory reserves	461	4	586	4.9
Total	12,260	100	11,903	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	5,337	44	4,984	41.9
Materials and contractors	2,372	19	1,758	14.8
Borrowing costs	0	0	0	0
Other expenses	662	5	1,251	10.5
Depreciation and amortisation	1,292	11	1,304	11.0
Plant hire charges	171	1	172	1.4
Overhead charges	2,426	20	2,434	20.4
Total	12,260	100	11,903	100

Capital Works budget and expenditure

Capital Program Corporate Support	Project status	2017/18 budget (\$'000)	Actual (\$'000)	% spent	Commentary
Arts Projects		NA	31	NA	Underway - Bay Run Mural. Underway - Expression of Interest for an Artist Residency
Total Community Services and Culture		-	31		



Development Assessment

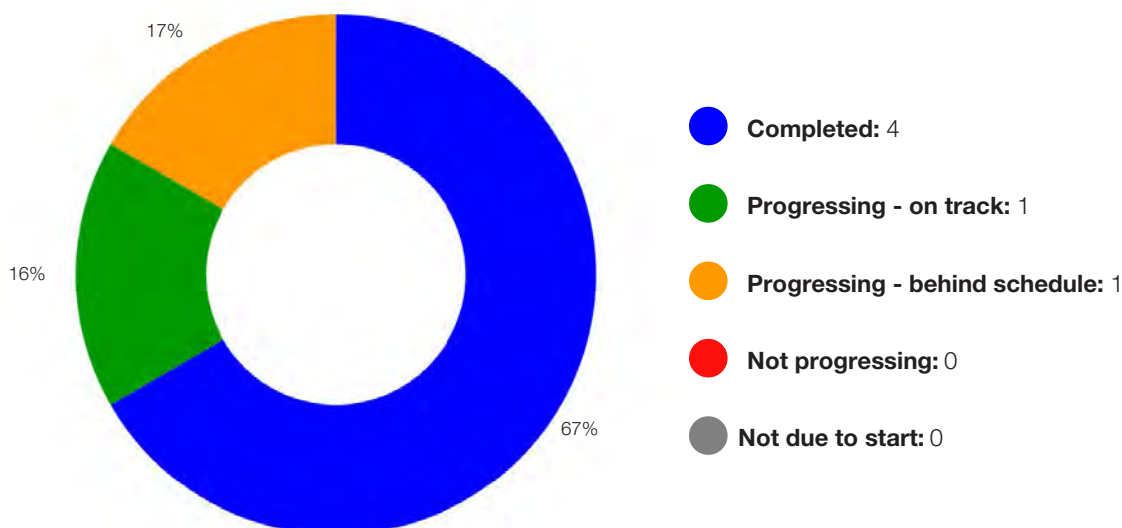
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	7,291	65	5,519	48.7
User fees and charges	3,926	35	5,786	51.1
Other income	0	0	28	0.2
Operating grants and contributions	0	0	0	0
Transfer from statutory reserves	0	0	0	0
Total	11,217	100	11,333	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	6,125	55	5,837	51.5
Materials and contractors	496	4	832	7.3
Borrowing costs	0	0	0	0
Other expenses	325	3	366	3.2
Depreciation and amortisation	10	0	10	0.1
Plant hire charges	288	3	315	2.8
Overhead charges	3,973	35	3,973	35.1
Total	11,217	100	11,333	100

Year-end progress of activities and initiatives



Environment and Sustainability

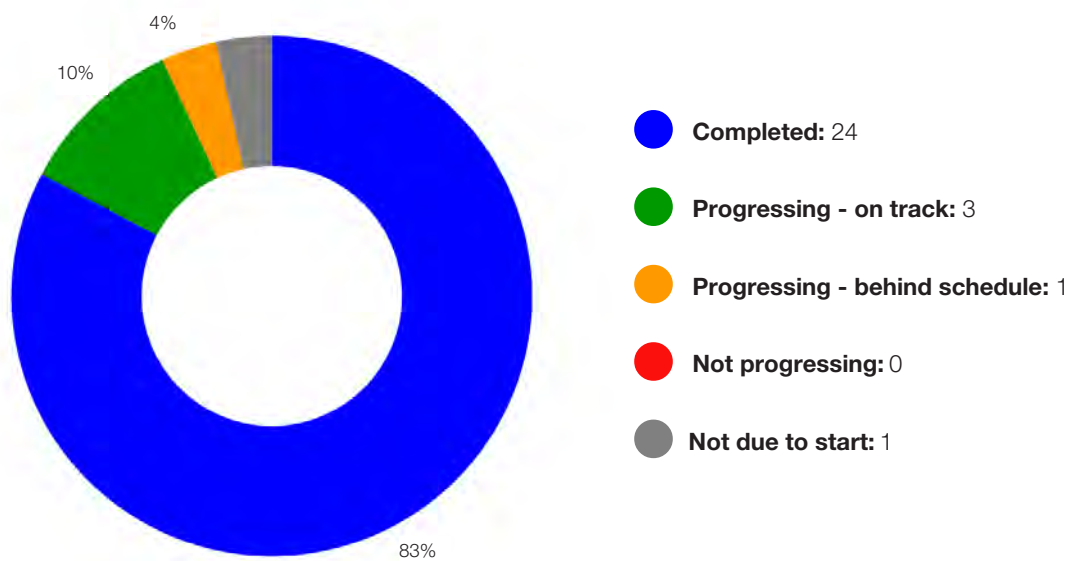
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	4,496	40	3,386	40.1
User fees and charges	0	0	0	0
Other income	59	1	47	0.5
Operating grants and contributions	329	3	22	0.3
Transfer from statutory reserves	6,260	56	4,997	59.1
Total	11,145	100	8,452	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	2,667	24	2,043	24.2
Materials and contractors	1,592	14	861	10.2
Borrowing costs	0	0	0	0
Other expenses	165	1	181	2.1
Depreciation and amortisation	7	0	6	0.1
Plant hire charges	1,399	13	26	0.3
Overhead charges	5,314	48	5,335	63.1
Total	11,144	100	8,452	100

Year-end progress of activities and initiatives



Footpaths, Roads, Traffic and Stormwater

Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	41,067	80	40,777	78.2
User fees and charges	6,695	13	6,501	12.5
Other income	908	2	2,023	3.9
Operating grants and contributions	1,498	3	1,600	3.1
Transfer from statutory reserves	0	0	0	0
Transfer capital grants and contributions	1,020	2	1,192	2.3
Total	51,188	100	52,093	100

Actual expenditure against 2017/18 Budget

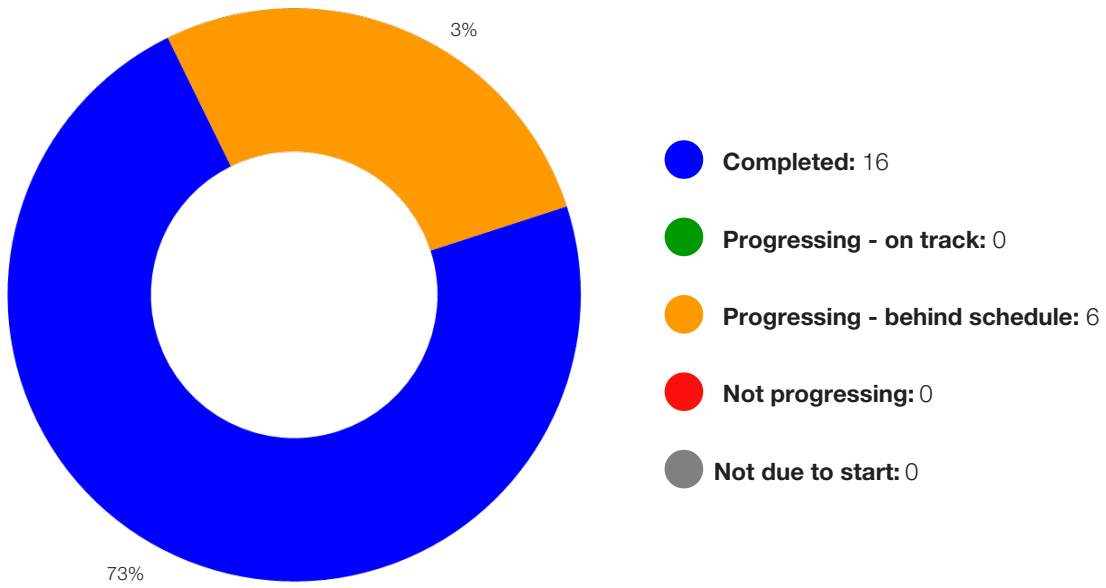
Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	17,053	33	12,674	24.4
Materials and contractors	5,550	11	8,930	17.1
Borrowing costs	0	0	0	0
Other expenses	4,096	8	3,621	7.0
Depreciation and amortisation	11,188	22	13,029	25.0
Plant hire charges	1,626	3	1,626	3.1
Overhead charges	9,661	19	9,661	18.5
Transfer to statutory reserves	2,014	4	2,552	4.9
Total	51,188	100	52,093	100

Capital Works budget and expenditure

Capital Program Footpaths, Roads, Traffic and Stormwater	Project status	2017/18 budget (\$'000)	2017/18 Actual (\$'000)	% spent	Commentary
Road Renewal Arthur St - Road Reconstruction (Holden St to Milton St)	●	250	16	6%	Detailed design underway. Construction scheduled in 2018/19.
Denman Ave Traffic Works	●	61	90	148%	Complete - Raised crossing close to school
Blackmore Oval Wetland Stormwater Upgrade	●	590	439	74%	Underway - Construction commenced in April 2018.
Booth Street Bridge - Investigation Design and Replacement	●	490	89	18%	Design in progress. Construction scheduled in 2018/19
Lilyfield Road Cycleway	●	1,875	125	7%	Concept proposals under review following public exhibition.
Ashfield Town Centre Upgrade	●	6,255	4677	75%	Stage 1 Construction underway.
Marrickville Rd Centre Design and Implementation	●	100	0	0%	Concept and detailed design scheduled to be completed in 18/19.

Capital Program Footpaths, Roads, Traffic and Stormwater	Project status	2017/18 budget (\$'000)	2017/18 Actual (\$'000)	% spent	Commentary
Annandale Main Street outside Post Office	●	230	122	53%	Underway - Streetscape enhancement commenced June 2018.
Darling Street Rozelle (Oxford to Cambridge)	●	235	132	56%	Underway - Streetscape enhancement works commenced.
Regional Roads Renewal - Capital	●	970	813	84%	Complete - including rehabilitation of Norton St, Ashfield and Salisbury Rd, Stanmore and West St Petersham.
Local Roads Renewal - Capital	●	2,143	2129	99%	Complete
Kerb & Gutter Renewal - Capital	●	0	853	NA	Complete - including Martin St, Haberfield; Glover St, Lilyfield; Nelson Ln, Annandale; Yeend St, Birchgrove.
Roadside Furniture - Capital	●	0	52	NA	Complete - Street Litter Bin replacement program Underway – design of barrier renewal & upgrade Junction street, Marrickville.
Footpaths Renewal - Capital	●	2,432	1,648	68%	Complete
Footpaths Upgrade - Capital	●	10	11	106%	Complete
Traffic and Parking Management - Capital	●	111	152	137%	Complete - Designs for Henson precinct, Marrickville LATM scheme.
Traffic Renewal - Capital	●	1,697	1,429	84%	Complete - including traffic facilities at Hercules St, Dulwich Hill; Horton and Charles St Marrickville; Denison St Dulwich Hill; Darling St Rozelle; Palmer St Balmain; Rowntree St Birchgrove; Victoria St, Ashfield; Church St, Croydon ; Addison Rd, Petersham; Elswick St, Leichhardt; Windsor Rd, Dulwich Hill; Thompson St, Marrickville and Denman Ave, Haberfield .
Stormwater Renewal - Capital	●	1,915	1495	78%	Complete - including pipeline rehabilitation at Burt St & Alfred St, Rozelle & Lonsdale St, Lilyfield.
Stormwater Upgrade - Capital	●	1,725	1498	87%	Underway – upgrades at Johnston St /Hosking St & Bay Run
Bridges - Capital	●	180	48	37%	Consultation with utilities completed. Construction of Chester St footbridge scheduled in 18/19.
Cycleways - Capital	●	790	950	120%	Complete - Bay Run cycleway.
Car Parks - Capital	●	485	549	113%	Complete - Upgrade of Barclay Street carpark, Marrickville carpark, resurfacing of Leichhardt Oval carpark, Marion Street, Leichhardt carpark expansion
Town Centres Upgrade- Capital	●	1,011	8	1%	Complete - paving works in Darling St between Oxford St and Cambridge St, Balmain and Booth St, Annandale
Total Footpaths, Roads, Traffic and Stormwater		23,554	17,326	74%	

Year-end progress of activities and initiatives



Library and History Services

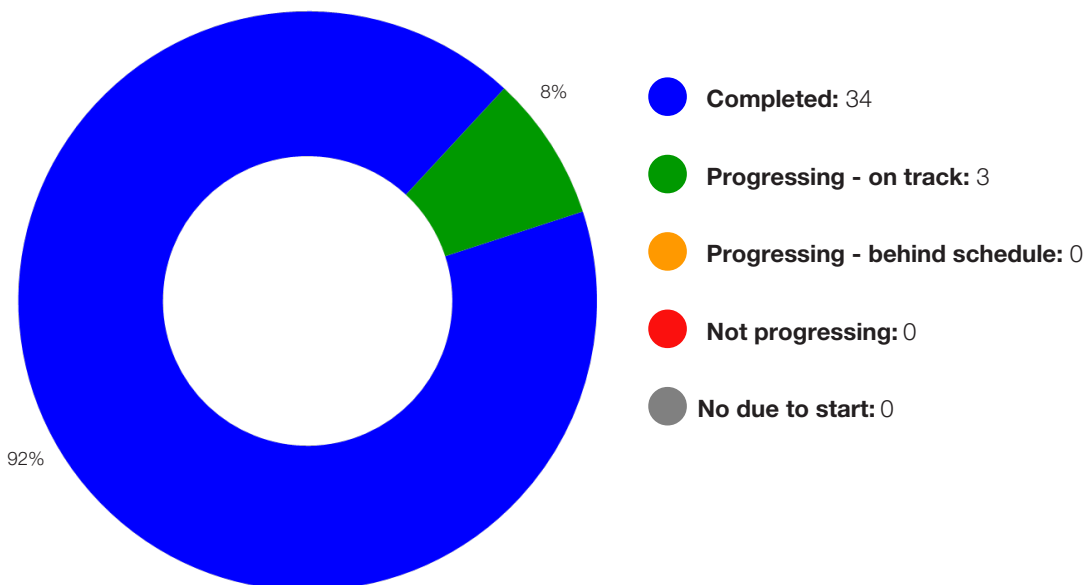
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	12,980	96	12,550	95.2
User fees and charges	137	1	9	0.1
Other income	36	0	131	1.0
Operating grants and contributions	0	0	489	3.7
Transfer from statutory reserves	401	3	0	0
Transfer capital grants and contributions	0	0	0	0
Total	13,554	100	13,179	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	6,785	50	6,261	47.5
Materials and contractors	1,817	13	1,564	11.9
Borrowing costs	0	0	0	0
Other expenses	268	2	401	3.0
Depreciation and amortisation	1,130	9	1,137	8.6
Plant hire charges	41	0	41	0.3
Overhead charges	3,513	26	3,513	26.7
Transfer to statutory reserves	0	0	262	2.0
Total	13,554	100	13,179	100

Year-end progress of activities and initiatives



Recreation and Aquatics

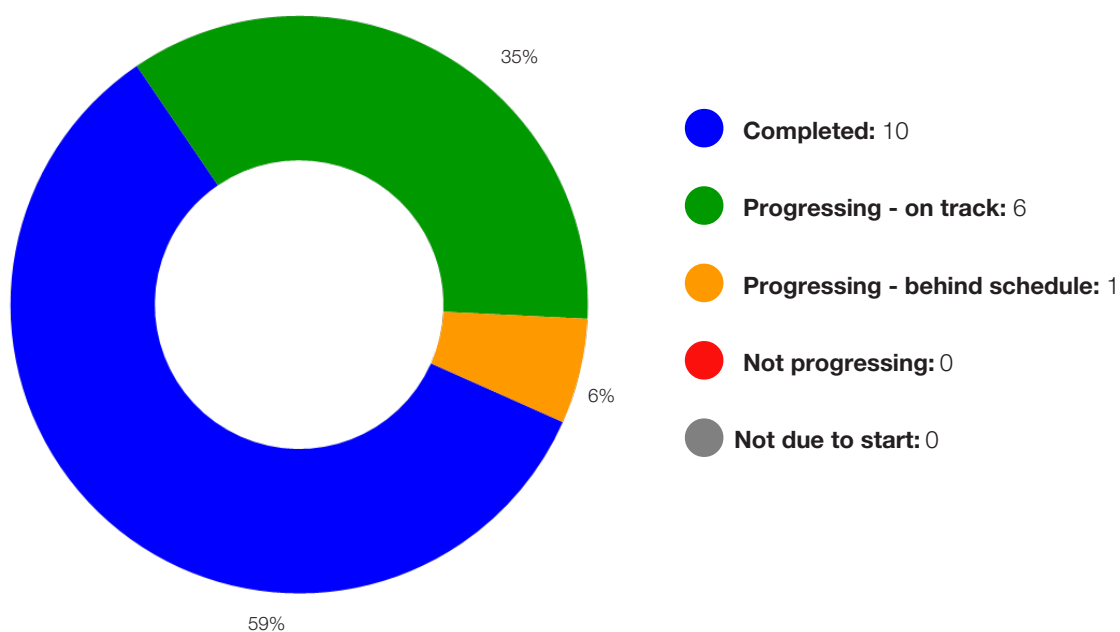
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	4,028	28	5,043	32.6
User fees and charges	8,707	60	8,820	57.0
Other income	1,572	11	1,302	8.3
Operating grants and contributions	0	0	0	0
Transfer from statutory reserves	314	2	319	2.1
Transfer capital grants and contributions	0	0	0	0
Total	14,621	100	15,484	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	7,476	51	8,147	52.7
Materials and contractors	1,214	8	1,308	8.4
Borrowing costs	0	0	0	0
Other expenses	1,347	9	1,298	8.4
Depreciation and amortisation	1,536	11	1,683	10.9
Plant hire charges	53	0	53	0.3
Overhead charges	2,995	20	2,995	19.3
Transfer to statutory reserves	0	0	0	0
Total	14,621	100	15,484	100

Year-end progress of activities and initiatives



Regulatory Services

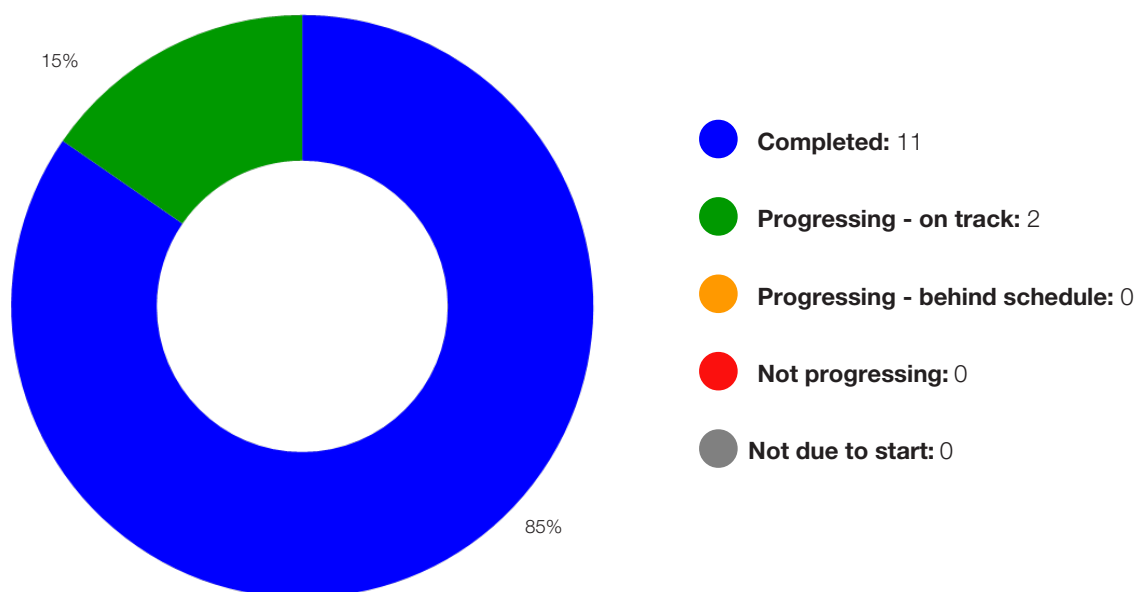
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	676	4	1,450	9.4
User fees and charges	1,198	7	1,303	8.5
Other income	15,324	89	12,608	82.1
Operating grants and contributions	8	0	1	0
Transfer from statutory reserves	0	0	0	0
Transfer capital grants and contributions	0	0	0	0
Total	17,206	100	15,362	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	8,598	50	7,827	50.9
Materials and contractors	766	4	855	5.6
Borrowing costs	0	0	0	0
Other expenses	3,232	19	2,099	13.7
Depreciation and amortisation	53	0	51	0.3
Plant hire charges	584	3	557	3.6
Overhead charges	3,973	23	3,973	25.9
Transfer to statutory reserves	0	0	0	0
Total	17,206	100	15,362	100

Year-end progress of activities and initiatives



Resource Recovery

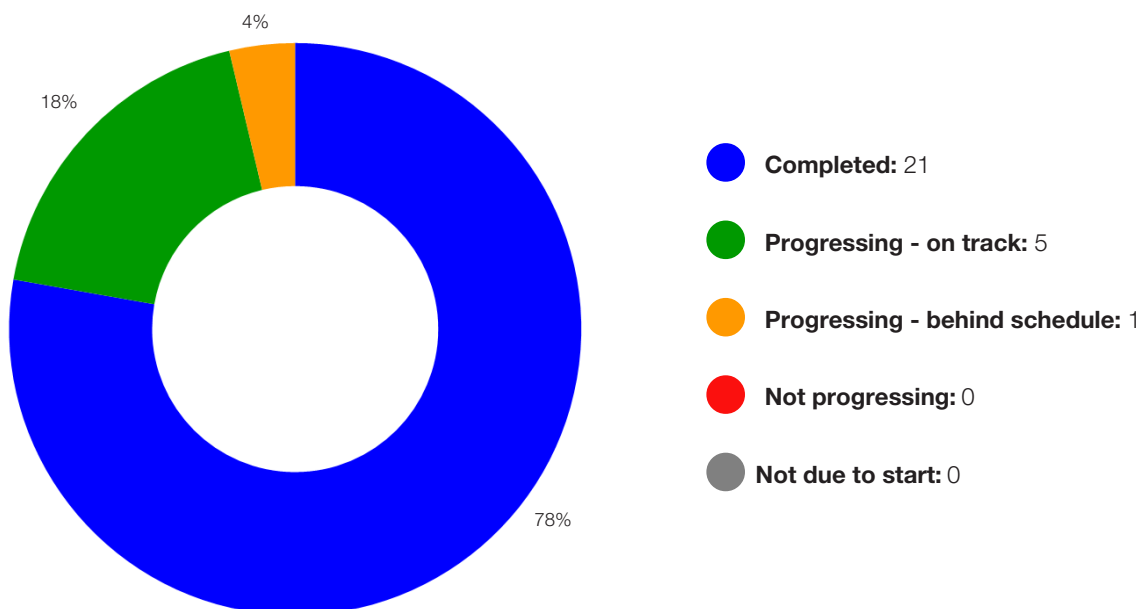
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and General revenue	1,154	2.8	2,315	2.8
User fees and charges	1,728	4.1	616	4.1
Other income	219	0.5	93	0.5
Operating grants and contributions	487	1.2	732	1.2
Domestic Waste Charge	38,362	91.4	38,671	91.4
Total	41,950	100	42,427	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	9,264	22.1	7,343	22.1
Materials and contractors	22,226	53.0	20,633	53.0
Borrowing costs	0	0	0	0
Other expenses	3,440	8.2	294	8.2
Depreciation and amortisation	4	0	2	0
Plant hire charges	1,146	2.7	2,519	2.7
Transfer to Statutory Reserves	5,870	14	11,636	14.0
Total	41,950	100	42,427	100

Year-end progress of activities and initiatives



Strategic Planning

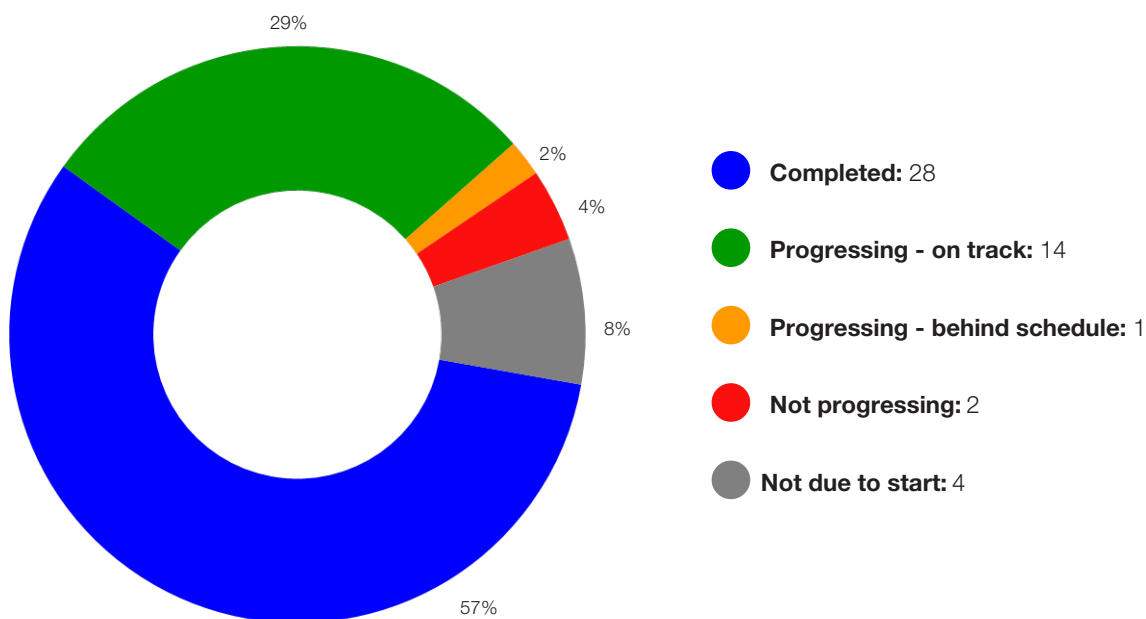
Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	4,783	84	4,743	59.0
User fees and charges	541	9	782	9.7
Other income	0	0	99	1.2
Operating grants and contributions	115	2	22	0.3
Transfer from statutory reserves	0	0	0	0
Transfer capital grants and contributions	0	0	0	0
Capital grants and contributions	270	5	2,392	29.8
Total	5,709	100	8,038	100

Actual expenditure against 2017/18 Budget

Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	3,035	53	2,945	36.6
Materials and contractors	1,014	18	1,348	16.8
Borrowing costs	0	0	0	0
Other expenses	228	4	491	6.1
Depreciation and amortisation	6	0	4	0.1
Plant hire charges	109	2	109	1.4
Overhead charges	1,204	21	1,204	15.0
Transfer to statutory reserves	113	2	1,937	24.0
Total	5,709	100	8,038	100

Year-end progress of activities and initiatives



Trees, Parks and Sportsfields

Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Rates and general revenue	24,543	78	22,266	70.7
User fees and charges	446	1	718	2.3
Other income	135	0	75	0.2
Operating grants and contributions	0	0	0	0
Transfer from statutory reserves	0	0	0	0
Transfer capital grants and contributions	0	0	0	0
Capital grants and contributions	6,500	21	8,427	26.8
Total	31,624	100	31,486	100

Actual expenditure against 2017/18 Budget

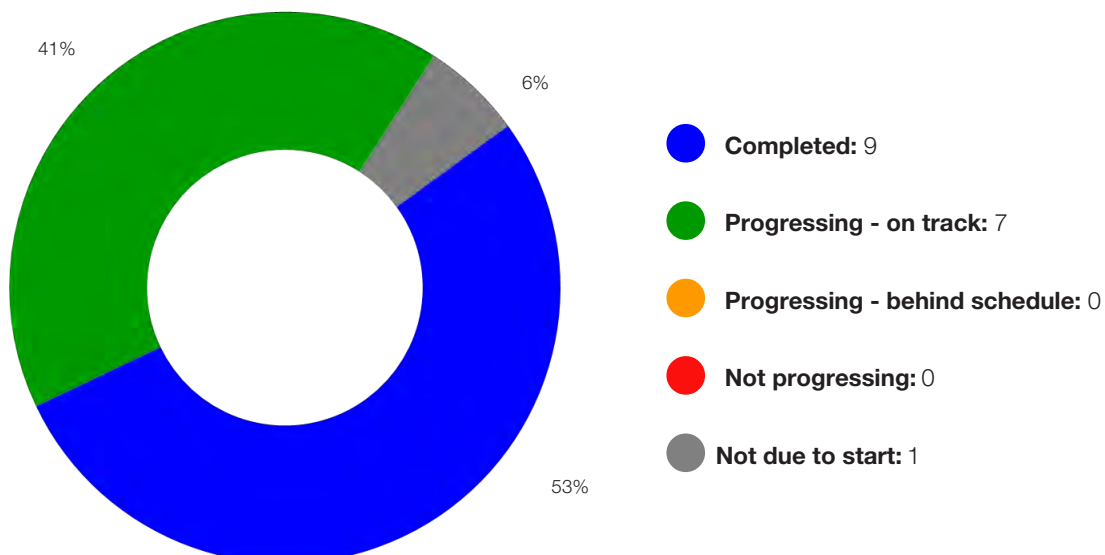
Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	8,315	26	7,297	23.2
Materials and contractors	5,198	16	3,587	11.4
Borrowing costs	0	0	0	0
Other expenses	313	1	767	2.4
Depreciation and amortisation	5,473	17	5,500	17.5
Plant hire charges	1,406	4	1,406	4.5
Overhead charges	5,028	16	5,029	16.0
Transfer to statutory reserves	5,891	19	7,900	25.0
Total	31,624	100	31,486	100

Capital Works budget and expenditure

Capital Program Trees, Parks and Sportsfields	Project status	2017/18 budget (\$'000)	Actual (\$'000)	% spent	Commentary
Petersham Park entry, path, seating and landscape upgrade	●	317	277	87%	Complete
Petersham Park staged upgrade	●	871	778	85%	Complete
Camperdown Park picnic, play area, basketball court upgrade	●	280	33	12%	On track. Works have commenced.
Sydenham Green Stage 2 basketball court and lighting upgrade	●	706	581	83%	Complete
Glover Street Playing Field - Field and baseball Cage upgrade	●	43	26	61%	Complete
Illoura Reserve Upgrade	●	356	297	83%	Complete
Mort Bay Park Upgrade	●	215	33	15%	Behind schedule - Tender advertised.
Waterfront Drive Upgrade	●	440	386	88%	Complete

Capital Program Trees, Parks and Sportsfields	Project status	2017/18 budget (\$'000)	Actual (\$'000)	% spent	Commentary
Hammond Park - Fencing renewal/upgrade	●	30	18	60%	Complete
Darrel Jackson Gardens - New Irrigation/drainage	●	170	12	7%	Design complete - Works deferred to 2018/2019.
Greenway Missing Links N, J, H and I between Parramatta Rd and Old Canterbury Rd	●	580	435	75%	On track.
Greenway capital budget	●	300	625	208%	On track. Draft Masterplan exhibited in May 2018.
Skate Park in Callan Park - Construction	●	484	1	0%	Works deferred. OEH have advised that they do not support the selected location. Staff to investigate alternative locations.
Way Finding through the Gadigal-Wangal	●	60	-	-	On track. A consultant has been appointed.
Camperdown Park seating terraces and bleacher renewal	●	327	73	22%	Underway - some construction delays.
Parks Capital and Assets Capital	●	6,418	2,342	36.5%	Complete - King George Park fitness station, Sydenham Green Basketball Court, Cohen Park playground, Thornton Park playground, Hammond Park lighting, Camperdown Park war memorial restoration, fencing at Underwood Reserve and Pioneer Park soft fall replacement.
Sea Walls Capital	●	241	71	29%	Construction in progress for Peacock Point / Illoura Reserve retaining wall renewal and sea wall renewal at Illoura Reserve, Yurulbin Reserve and Thornton Park.
Wharves Capital	●	234	-	-	Balmain High Foreshore Link works rescheduled for 18/19.
Total Trees, Parks and Sportsfields		12,071	7,144	59%	

Year-end progress of activities and initiatives



Corporate Support Services





Actual income against the 2017/18 Budget

Income/revenue	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
User fees and charges	2,182	2.9	1,243	1.7
Other income	4,624	6.2	5,341	7.2
Operating grants and contributions	96	0.1	0	0
Capital grants and contributions	500	0.7	1,077	1.4
Net gain – disposal of assets	0	0	240	0.3
Plant hire recovery	7,728	10.3	7,742	10.4
Overhead charges	56,296	75.2	56,296	75.4
Transfer from statutory reserves	3,455	4.6	2,661	3.6
Total	74,881	100	74,600	100

Actual expenditure against 2017/18 Budget

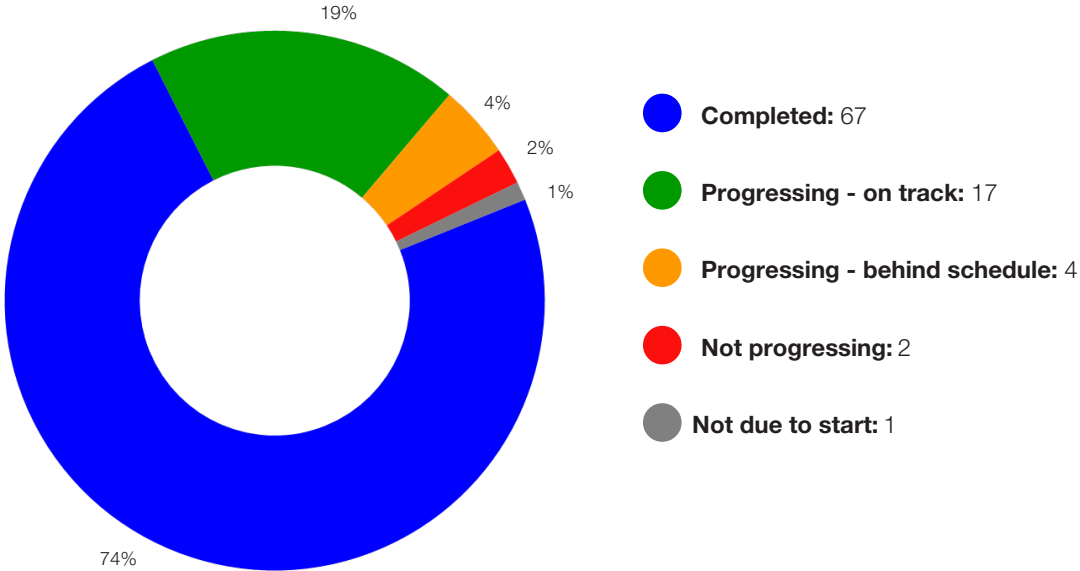
Expenditure	Planned (\$'000)	Planned %	Actual (\$'000)	Actual %
Employee costs	31,526	42	25,640	34.4
Materials and contractors	17,344	23	16,644	22.3
Borrowing costs	0	0	0	0
Other expenses	9,355	12	12,510	16.8
Depreciation and amortisation	5,063	7	5,189	7
Plant hire charges	830	1	830	1.1
Overhead charges	10,263	14	10,265	13.7
Transfer to statutory reserves	500	1	3,522	4.7
Total	74,881	100	74,600	100

Capital Works budget and expenditure

Capital Program Corporate Support	Project status	2017/18 budget (\$'000)	2017/18 Actual (\$'000)	% Spent	Commentary
Haberfield Library upgrade works		373	252	68%	Roof works complete. Part of the project placed on hold due to significant grant from WestConnex for the facility resulting in a change of scope and design.
Dawn Fraser Pool upgrade works		534	237	44%	Behind schedule. Structural and hydraulic issues impacting design and scope were identified during the detailed design stage.
Marrickville Town Hall upgrade works		319	57	17%	Carpet and painting complete. Design consultants engaged to undertake a DA lodgement.
St Peters Town Hall upgrade works: interior makeover and accessible lift		495	-	-	Design consultants engaged to undertake a DA lodgement.

Capital Program Corporate Support	Project status	2017/18 budget (\$'000)	2017/18 Actual (\$'000)	% Spent	Commentary
Weston St Balmain - Fenwick Building	●	2,000	1904	95%	Complete
Yeo Park Baby Health Building upgrade works	●	478	164	34%	Complete.
Ashfield Aquatic Centre: design and preliminary upgrade works	●	5,000	1,653	33%	Design documentation 100%. Pool closed in April 2018. DA approved April 2018. Tender documentation 80%.
Steel Park Child Care Centre		3,400	3,736	110%	Complete
Tenant Buildings	NA	129	NA	NA	Budgets moved (\$5,834k) to new structure set out below after review.
Property Buildings	NA	3,846	264	109%	
Parks Buildings	NA	1,859	NA	NA	
Property Capital Projects	●	NA	182	NA	
Capital Program Children and Family Services	●	NA	1084	NA	New Leichhardt Child Care Centre complete. May Murray works including roofing and shade sails complete. Plumtree roof repairs.
Capital Program Community Services	●	NA	341	NA	Complete - Seaview Street Hall and Lewisham Community Centre complete. Underway - Steel Park community room and Petersham Town Hall design.
Capital Program Library Services	●	NA	584	NA	New Marrickville Library and Community Centre under construction.
Capital Program Property & Assets	●	NA	2,805	NA	Leichhardt oval accessibility improvements complete. Leichhardt Town Hall external works and roof repairs commenced. Building condition audit 80% complete.
Capital Program Recreation and Aquatics	●	NA	1,476	NA	AKAC improvement works 95% complete. Steel Park water play upgrade underway.
Capital Program Trees Parks & Sportsfields	●	NA	1379	NA	Complete - Pioneer Park upgrade, War Memorial Park toilet renewal. Underway - Punch Park amenities upgrade, Lambert Park toilet renewal and Bridgewater Park amenity works.
Sub-total		18,433	16,119	86%	
Information & Communication Technology	●	4,595	12,026	26%	Website, standard operating environment, Technology One and payroll system are on track. The Assets system is scheduled to commence in June 2018. The Customer Request Management system is under development.
Procurement & Fleet	●	6,824	4,583	67%	Complete - leaseback fleet replaced.
Total		29,852	21,904	74%	

Year-end progress of activities and initiatives



A group of young girls, likely at a cultural event, are shown in profile. They have white body paint applied to their faces and arms. The paint on their faces consists of several white dots. The paint on their arms is in the shape of feathers. They are wearing black tank tops and have their hair braided with red and yellow threads. They are smiling and clapping their hands.

Section 2: Statutory reporting information

This section contains reporting requirements prescribed by the Local Government Act 1993 and the Local Government (General) Regulation 2005.

This includes a summary of Council's legal proceedings, details of contracts awarded by Council, financial assistance contributions to the community, written off rates and charges, and information relating to the Government Information (Public Access) Act 2009 (NSW).

Environmental upgrade agreements

Council did not enter into any Environmental Upgrade Agreements in 2017/18.

Report on Special Rate Variation expenditure

1. In 2015-16 the former Ashfield Council was granted a Special Rate Variation cumulative increase to its general income base by 38.4% over a 4 year period from 2015-16 to 2018-19 by IPART. This revenue was to be used to fund the Loan Repayments of the Ashfield Aquatic Centre upgrade works and key infrastructure renewal projects.

2. In 2015-16 Inner West Council (Marrickville) was granted a Special Rate Variation of 3% above the rate peg of 2.4% to fund its infrastructure renewal program over a ten year period.

SRV funds are quarantined when levied and allocated against eligible projects as a part of the budget process. All SRV funds that have been expensed during the 2017/18 have been done so in accordance in which the funds were intended to be spent. Any unspent SRV funds have been quarantined for future use.

Amount of rates and charges written off during the year

Category of rates and charges written off in 2017/18	Amount (\$'000)
Pensioner Rebate (s.575)	\$1,810
Voluntary Pensioner Rebates (domestic waste and stormwater)	\$1,216
Abandonments (s.600)	\$246
Postponed write-offs	\$12
Properties rateable to non-rateable	\$360
Total	\$3,644

Overseas travel by Councillors, Council staff and other persons representing Council

Details of overseas visits undertaken during the Year by Councillors, council staff and others representing Council (including visits sponsored by other organisations are below.

Purpose of travel	Destination	Officer	Costs met by Council	Costs met by sponsor
Study tour to investigate and promote positive child care strategies	Tokyo and Higashine, Japan	Louise Brennan Operations Manager Children and Family Services	10 days study leave	The Council of Local Associations for International Relations met cost of accommodation food, transport and other costs during the 10 day study tour.

Total cost of facilities provided to Councillors and Councillor Expenses

Council adopted the Councillor Policy for Payment of Expenses and Provision of Facilities on 25 July 2017, which sets out the facilities and expenses which will be provided to councillors in fulfilling their civic duties.

Mayoral and Councillor Fees, Expenses and Provision of Facilities	Amount
Mayoral Allowance	\$48,342
Councillor Allowance (total for 15 Councillors)	\$291,321
Deputy Mayoral Allowance	\$6,858
Conferences and Seminars	\$15,214
Training	\$5,369
Office equipment and consumables	\$58,937
Telephone calls	\$5,785
Interstate visits	0
Mayoral and Councillor Fees, Expenses and Provision of Facilities continued	Amount
Overseas Visits	0
Expenses of spouse/partner	\$154
Provision of Childcare	\$3,185
Total	\$435,165

Contracts over \$150,000 awarded by Council in 2017/18

Successful Tenderer	Contract Name/ Purpose	Total Contract Amount (exc. GST)
AJ Bristow & Son P/L	Leichhardt Town Hall External Renewal Works	\$1,073,490
Brewster Hjorth Architects	Ashfield Aquatic Centre Redevelopment	\$1,406,975
Citywide Service Solutions P/L	Lawn Mowing Services - Ashfield	(estimated) \$519,000
Civil Works (NSW) P/L	Illoura Reserve Upgrade and Thornton Park Seawall Works'	\$157,210
Civil Works (NSW) P/L	Illoura Reserve Stone Retaining Wall Works	\$191,600
Concrete Skate parks	Sydenham Green Skate Park	\$1,054,088
Court Craft (Australia) P/L	Sydenham Green Stage 2 Basketball court & lighting	\$342,250
Elcom Technology P/L	Council Website build	\$ 291,045
Glenn Simpson Landscapes	Petersham Park Upgrade	\$930,034
Glenn Simpson Landscapes	Marrickville West Eco Garden	\$342,250
JRW TRADING P/L	Waterfront Drive Sporting Ground	\$362,250
Mack Civil P/L	Enmore Park Upgrade	\$713,598
Matrix Group & Co P/L	Punch Park, Balmain Amenities / Clubhouse Upgrade Works	\$238,599
McGregor Coxall Unit Trust	Greenway Missing Links Master Plan	\$388,242
McGregor Coxall Unit Trust	Cooks River Parklands design consultancy	\$318,970
Murphy's Remedial Building P/L	Roof Repairs at Haberfield Library	\$149,835
Optimal Stormwater P/L	Blackmore Oval Wetland Improvement & Stormwater Harvesting Project	\$550,000
Regal Innovation P/L	Camperdown Park Seating & Picnic Area Upgrade	\$535,523
SDL Project Solutions P/L	Bridgewater Park, Rozelle New Accessible Toilet Block	\$ 303,250
Shore Contracting P/L	Marrickville Water Play Park	\$130,980
Taylor's Development Strategists	Greenway Missing Links Detail Survey	\$133,400
Tract Consulting P/L	The Engagement of Consultants for the Urban Amenity Improvement Program (UAIP) for Leichhardt and Camperdown Precincts	\$388,733
Veitch Lister Consulting P/L	WestConnex Local Area Traffic Improvement Strategy	\$162,000

Legal proceedings

Legal expenses

Legal expenses category	Amount paid	Amount received
Planning and Building	\$841,000	
Debt recovery	\$248,000	
Other	\$166,000	\$582,000
Total	\$1,255,000	\$582,000

Legal Proceedings progress and result summary

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1			
8 Broderick Street, Balmain	Conrad Johnston	Alterations and additions to the existing home at 8 Broderick Street, addition of a new swimming pool and granny flat	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
3-7 Crystal Street, Petersham	Parker Logan Property Pty Ltd	Demolition of existing structure and construction of new part 4/part 5 storey mixed use development incorporating 2 levels of basement car parking, a commercial/retail tenancy and 4 serviced apartments on the ground floor and a new gated boarding house above	Ongoing
34-36 Lackey Street, Summer Hill	Lo Brothers Company Pty Limited	Demolition of existing building and construction of a 3 storey mixed use development with ground floor commercial/retail, 8 residential dwellings above the ground floor and basement/at grade car parking.	Section 34 Agreement
318 Edgeware Road, Newtown	Pemell Newtown Holdings Pty Ltd	Redevelopment of site for a residential development comprising a boarding house	Appeal Dismissed
41 Foucart Street, Rozelle	Susana Do Vale	Modifications to increase the setback of first floor rear addition from rear boundary, maintain dimensions of balcony and delete condition requiring lowering of finished floor level and roof form of first floor addition behind internal stairway	Section 34 Agreement
123 Station Street, Petersham	Kent Geeves	Alterations and additions to existing dwelling	Section 34 Agreement
105 Alice Street, Newtown	Sara Palmieri and Darryl Hughes	Reconfiguration and renovation of rear of existing dwelling with addition of new double garage with office above	Section 34 Agreement
2-4 Shaw Street, Petersham	Anastasios Prilis	Modify internal layout reducing number of boarding rooms from 39 to 38, increasing lodger numbers from 52 to 68 lodgers and reduce manager rooms from 3 to 2	Appeal Upheld
71-91 Audley Street, Petersham	Parker Logan Property Pty Ltd	Demolish existing structures and construct 6 storey mixed use development incorporating basement car parking, 2 commercial tenancies and boarding house comprised of 36 rooms	Appeal Discontinued
7A Queen Street, Petersham	Philip Ralph	Alterations and additions to existing light industrial building together with change of use to create a boarding house	Section 34 Agreement
22 Charles Street, Enmore	Kosta Papanikitas	Demolish from veranda and roof above in order to improve existing car space	Section 34 Agreement
110 Hubert Street, Lilyfield	Giovanna Fragomeli	Modify existing design to have a two storey appearance similar to surrounding dwellings, increase floor area of dwellings generally within approved footprint, fire rated boundary walls to carports, deletion of DA condition 3	Section 34 Agreement
16 Clifton Street, Balmain East	John Anderson	Modification of consent regarding approved extent of demolition and alteration of existing building and retention of existing fabric, including walls, classing, joinery and dormers	Section 34 Agreement
344 Young Street, Annandale	Jesse Adams Stein	Request for conditions 1, 5a, c, e through to l, k, condition 14 and condition 20a of Notice of Determination to be quashed	Section 34 Agreement
1-13 Parramatta Road, Annandale	E & R Property Pty Ltd	Demolition of existing structure and construction of a mixed use development with commercial tenancy, 58 residential units and basement parking	Appeal Discontinued

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
119 Rowntree Street, Birchgrove	Anupam Das and Shakeela Ahmed	Conditions 2 and 39 for alterations and additions to existing dwelling including new first floor level	Section 34 Agreement
382 Livingstone Road, Marrickville	LSPCC Pty Ltd	To demolish existing improvements subdivide the lot in 5 lots and construct 3 x 3 storey dwellings and 2 x 2 storey dwellings on each lot	Section 34 Agreement
1-13 Parramatta Road, Annandale	E & R Property Pty Ltd	Demolition of existing structures and construction of mixed use strata building with commercial tenancy, 41 residential units and basement parking on lots 3 and 4 section 40 in DP814 and Lot 50 in DP456784	Section 34 Agreement
15 Emma Street, Leichhardt	Dennis Michael	Alterations and additions to existing dwelling	Section 34 Agreement
43-51 Addison Road, Marrickville	Perry Properties Pty Ltd	Demolition of existing structure and construction of a four storey motel with 54 rooms over 1 level of basement car parking and a café/restaurant	Ongoing
12 Llewellyn Street, Balmain	Robert Kharzoo	Alterations and additions to existing dwelling including new swimming pool and associated landscaping, erect new garage and dwelling over at rear of site and subdivision to create 2 Torrens Title allotments	Section 34 Agreement
3 Simmons Street, Balmain East	Glen Jones	Addition of level to existing townhouse	Section 34 Agreement
383, 387-389 Darling Street & 2-4 North Street, Balmain	Ozzy States Pty Ltd	Alterations and additions to an approved and unconstructed mixed use development, including to provide for an additional basement level with car parking and new third floor to accommodate one additional dwelling and roof terrace	Appeal Dismissed
4 Broderick Street, Balmain	David Hannan	Alterations and additions to existing dwelling including storage room, veranda, garage, pool landscaping, awning and dormers	Section 34 Agreement
44 MacKenzie Street, Rozelle	Bijma Wati	Balcony area converted to internal living area, installation of A/C to southern wall, installation of additional windows to southern wall, construction of additional laundry and bathroom adjacent spa room	Section 34 Agreement
429-449 New Canterbury Road, Dulwich Hill	888 New Canterbury Road Pty Ltd	Partial demolition of existing improvements and construction of a mixed use development to modify the basement storage ramp and access stairs, consolidate current approved 7 ground floor retail tenancies into 1 tenancy and provide a consistent FFL, associated amendments to car parking and loading facility, amenities and internal reconfigurations	Section 34 Agreement
80 Darling Street, Balmain	Alex Scionti	Restorative works on a heritage building	Appeal Discontinued
5 White Street, Lilyfield	St Vincent de Paul Housing t/as Amelie Housing (CAN 158 167 483)	Demolition of existing warehouse building and construction of two separate two and three storey residential apartment buildings containing 22 dwellings over a basement car park	Appeal Discontinued

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1			
2-22 Hutchinson Street & 27-33 Applebee Street, St Peters	Applebee 29 Pty Ltd	Alterations to existing industrial building, demolition of part of premises and construction of 4/5 storey mixed use development comprising commercial/retail premises and car parking on ground floor with 38 residential units above	Section 34 Agreement
236 Darling Street, Balmain	So Nash Pty Ltd	Deferred commencement consent conditions - revised plans - form of first floor veranda, deletion of floor lights and photovoltaics, finishes and privacy screening. Other issues are retaining of tree, proposed garage and provision of car parking.	Ongoing
80 Darling Street, Balmain	Alex Scianti	Building works on heritage building	Section 34 Agreement
2 Hutcheson Street, Rozelle	Kirstine Murray and William Forster	Modification to retain jacaranda trees at rear of site and subsequently amend conditions of consent pertaining to its retention and protection	Section 34 Agreement
33 Chandos Street, Ashfield	Chandos House Pty Ltd	Demolish existing building structures and the construction of a four (4) storey boarding house with associated basement parking	Section 34 Agreement
168 Johnston Street, Annandale	James Evans	Alterations and additions to existing dwelling including level addition with roof terrace, new garage and studio plus swimming pool and landscaping	Appeal Upheld
104 Curtis Road, Balmain	Catherine Mazzeo	Modify development consent D/2012/499 seeking consent to reinstate garage with modifications	Section 34 Agreement
59 Trafalgar Street, Stanmore	Zhaohua Zhou & Jinhua Lu	Demolition of existing structures on site, subsequent construction of a three-storey boarding house comprising fifteen rooms (including one room for a caretaker) and associated landscaping works and parking for motorcycles and bicycles	Ongoing
8-10 Loughlin Street, Rozelle	LAK Australia Pty Ltd	Subdivision and adaptive re-use and conversion of a warehouse building into three strata title dwellings and site remediation works	Section 34 Agreement
65 Johnston Street, Annandale	Karakatsis Holdings Pty Ltd and Nikki Beach One Pty Ltd	Torrens title subdivision of the site into 7 allotments and change of use from multi dwelling housing to an attached dwelling development	Appeal Discontinued
30 Nelson Street, Rozelle	Sam Garner and Claire Pope	Alterations and additions to an existing terrace dwelling including new front fence, shed and associated landscaping	Appeal Discontinued
25 Lamb Street, Lilyfield	Roy Lowe	Alterations and additions to existing residence, including a new first floor and associated works	Appeal Dismissed
2 Young Street, Balmain	Chelzi Pty Ltd	Alterations and additions to the rear of existing dwelling with car parking and car stacker, and associated works, including swimming pool	Ongoing
185 Norton Street, Ashfield	Boulos Rofail	Demolition of existing building a construction of 4 storey boarding house with landscaping and basement carpark	Section 34 Agreement
400 Marrickville Road, Marrickville	Michael Lindsay	Partial demolition of existing structure including alterations and additions to a swelling house and construction of a new deck and shed	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1			
94 Beattie Street, Balmain	Complete Package Australia Pty Ltd	Minor ground floor internal alterations to heritage listed hotel	Section 34 Agreement
27 Darley Street, Newtown	P K Family Investments No. 2 Pty Ltd	Subdivision of land into 2 Torrens title allotments, maintain and carry out alterations and additions to existing dwelling house on Lot 1 and construct a new 2 storey dwelling house on Lot 2 relating to premises	Section 34 Agreement
24 Cecil Street, Ashfield	Formzen Pty Ltd	Demolition of existing townhouses and replacing with multi residential apartment building	Ongoing
16 River Street, Birchgrove	Constantine Peter Panos	Alterations to existing cottage, including a new pool and an addition to the street. Proposed addition will include off street parking for two vehicles and a lift to allow for disabled access into existing dwelling	Appeal Upheld
595 King Street, Newtown	Nick Sekulovski	Erection of a shop top housing development containing 1 commercial tenancy and 5 residential units	Section 34 Agreement
25 Coleridge Street, Leichhardt	Richard Solomon	Demolition of existing dwelling, erection of two attached dwellings and subdivision into two Torrens title lots	Ongoing
337 Darling Street, Balmain	Mauro Poletti	Appeal against Council's deemed dissatisfaction with evidence provided to Council on 16 October 2017 in compliance with Deferred Commencement Condition 1 of D/2016/434	Appeal Discontinued
62 Constitution Road, Dulwich Hill	Mr Michael Abou Arrage	Modification of LEC order 10978 of 2015 to increase number of residential units from 13 to 17 as a result DA201500129 refused	Ongoing
95-97 Ramsey Street, Haberfield	Victor Sahade	Refurbishment and relocation of car wash operation to rear of building. Removal of mechanical workshop. Upgrading of convenience store with addition of café with outdoor seating. Additional parking spaces created and upgrading of landscaping. Business identification signage.	Appeal Discontinued
98 Phillip Street, Birchgrove	Jakub Ryszard Ronowicz and Claire Natasha Middleton	Internal alterations to existing dwelling and construction of new first floor addition	Section 34 Agreement
2 Merton Street, Petersham	G & G Holdings Group Pty Ltd	Demolish existing improvements and subdivide the land into 2 lots and construct a 2 part 3 storey dwelling house on each lot	Section 34 Agreement
26-28 Salisbury Road, Stanmore	William Ronald Pomeroy	Demolition of existing semi-detached house and subsequent construction of three townhouses with rear lane facing garage and subdivision	Ongoing
30 Salisbury Road, Stanmore	William Ronald Pomeroy	Demolition of existing residential flat building and construction of a four-storey residential flat building comprising ten strata title units with associated ground floor storage area and car parking	Ongoing
368 Annandale Street, Annandale	Yapp Pty Ltd	Alterations and additions to the rear of the existing house and provision for a new garage area to the rear of the subject site with a roof top terrace garden	Ongoing

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
122 Victoria Street, Ashfield	Anandh Maistry	Alterations and additions to an existing residential flat building that enjoys existing use rights to provide 2 x 2 bedroom dwellings with associated parking	Ongoing
106 Carlton Crescent, Summer Hill	Carlton Crescent Development Pty Ltd	Modification of development consent DA10.2016.67.1 for the demolition of existing structures and construction of a multi dwelling housing development to reduce the building footprint, insert habitable space at level 2 of all townhouses, increase parking numbers from 28 to 33, increase landscaping and amendments to the internal layout and dwelling mix	Ongoing
69 Church Street, Lilyfield	Navarra Group Pty Ltd	Demolition of existing dwelling & erection of a multi-unit development for 3 dwellings with basement parking	Ongoing
731-735 Darling Street, Rozelle	IPM Holdings Pty Ltd	Demolition of existing at-grade car park and part of the existing retail building; retention of the heritage façade, entryways and awning; excavation to accommodate one basement level; construction of a four storey shop-top housing development including 16 residential units above ground floor retail; 366 square meters of retail floor space on the ground floor; 24 car spaces across the ground and basement levels and a ground floor loading dock	Ongoing
334 Catherine Street, Lilyfield	Chris Hall	Alterations and additions to existing building including ground floor rear addition, kitchen and WC	Section 34 Agreement
108 Old Canterbury Road, Lewisham	Alexander Catania	Demolition of dwelling houses and residential flat building and 108, 110 and 112 Old Canterbury Road, Lewisham and the construction of a six storey mixed use building consisting of 30 residential apartments, 3 ground floor commercial suits and 2 levels of basement parking	Section 34 Agreement
81 Station Street, Newtown	Marrickville Development No.3 Pty Ltd	Demolition of existing building, subdivision of the land into 2 lots and the construction of two semi-detached dwellings	Ongoing
6 Wortley Street, Balmain	Jan-Peter Lundevall	Demolition of the rear of the existing dwelling and construction of two storey additions to the existing dwelling, construction of a new detached dwelling at the rear of the site and associated landscaping and Torrens title subdivision to create two lots	Ongoing
27 Isabella Street, Balmain	Frances Van Der Velden & Sebastian Cox	Construction of part single part 2 storey dwelling, pool and associated landscape	Ongoing
14 Clifton Street, Balmain East	Mohammad Morad	Alterations and additions to the existing dwelling and boathouse	Ongoing
305-313 Parramatta Road, Leichhardt	JY Crown Pty Ltd	Demolition of existing buildings and construction of a mixed used development comprising of 23 residential apartments, 2 commercial spaces and basement car parking and associated works including excavation and remediation of site	Section 34 Agreement

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
96-98 May Street, St Peters	Kent Geeves	Alterations and additions to create four storey boarding house development	Ongoing
209 Livingstone Road, Marrickville	CD Architects	Partial demolition of existing building, retention of 3 facades and alterations and additions to convert the building into a 3 storey boarding house development containing 27 rooms in total (25 rooms plus 2 managers rooms)	Ongoing
38-48 Parramatta Road, Stanmore	Equity Land Holdings Pty Ltd	Demolition of existing building and construction of a 5 storey mixed use development comprising 2 commercial tenancies on the ground floor, 30 residential units and associated car parking, landscaping and strata subdivision	Ongoing
45 Union Street, Dulwich Hill	Peter Higgs	Conversion of an existing dwelling located over two lots into two semi-detached dwellings with rear garage	Ongoing
30 Frederick Street, Sydenham	Pai Hong Lim	Demolition of the existing dwelling house and the construction of 2 x semi-detached dwellings	Ongoing
1 Rayner Street, Lilyfield	Injaid Pty Ltd	Demolition of existing dwelling & outbuildings and construction of a boarding house comprising 14 rooms including an on-site manager's room	Ongoing
114 Victoria Road, Rozelle	MGC Wealth Pty Ltd	Modify development consent D/2017/98 to delete deferred commencement condition 1(d)	Appeal Discontinued
52 Llewellyn Street, Balmain	Wilk Super No. 1 Pty Ltd	Alterations and additions to the existing dwelling including construction of additional storeys within the footprint of the existing rear extension, demolition of the garage and new carport and driveway crossing	Ongoing
50 Sloane Street, Summer Hill	Adrian Fahy	Alterations and additions to a dwelling house including a first-floor level and attic	Ongoing
83 Nelson Street, Annandale	Jacqui Clarke	Modify D/2012/284 by the relocation of privacy screen and installation of two awnings	Appeal Discontinued
23 Lord Street, Newtown	Michael Zagoridis & Emma Bowen	Deletion of whole of Part A - deferred commencement consent from Determination 2017/00519. Deletion of paragraph 3 of Part B from Determination 2017/00519. That subject to the deletion of the whole of Part A - deferred commencement consent and the deletion of paragraph 3 of Part B, the consent contained in Determination 2017/00519 is immediately operative.	Ongoing
265-273 Illawarra Road, Marrickville	Hatziplis Holdings Pty Ltd	Demolition of existing improvements and construction of a six-storey mixed use development containing four retail/commercial tenancies at ground level and residential apartments above, with associated roof top terrace and two level basement car park	Ongoing
19 Margaret Street, Stanmore	Legge & Legge Architects Pty Ltd	Demolition of existing cottage, subdivision of the existing lot into two Torrens title lots and construction of two, two storey plus attic, Townhouses	Ongoing
136 Darling Street, Balmain East	John Gardiner	Subdivision of existing land into two lots and construction of a new two storey dwelling	Ongoing

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
124 Victoria Street, Dulwich Hill	Van Huynh	Demolition of existing dwelling, removal of three trees, Torrens title subdivision into two lots, construction of two semi-detached two storey dwellings and associated landscaping works including front fencing	Ongoing
9 Thornley Street, Leichhardt	Tyler Rogers	Deletion of Condition 64 of development consent granted in LEC proceeding 2017/121723	Appeal Upheld
75 Milton Street, Ashfield	Lizard Apple Pty Ltd	Demolition of existing structures and construction of a 3 storey boarding house with 1 level basement car parking	Ongoing
37 Edna Street, Lilyfield	Rudder Development Pty Ltd	Five lot Torrens title subdivision and construction of five dwelling houses	Ongoing
3 Hartley Street, Rozelle	Stefano Sacco and Sarah Sacco	Demolition of existing dwelling and construction of new dwelling and pool	Section 34 Agreement
73 The Boulevard, Dulwich Hill	NUPD Pty Ltd	Demolition of existing structures and construction of a part three/part four storey residential flat building comprising seven apartments, basement car park, associated landscaping and strata subdivision	Ongoing
73 The Boulevard, Dulwich Hill	Forte Construction Group Pty Ltd & FCG No.1 Pty Ltd	Appeal against Interim Heritage Order	Ongoing
2-8A Parsons Street, Rozelle	Artazan Property Group Pty Ltd	Demolition of existing structures and improvements, consolidation of lots into Torrens Title Lots with existing legal rights/easements retained, and the construction of a hardware and building supplies store with associated car parking, landscaping and signage	Ongoing
38-42 Frazer Street, Lilyfield	Conca D'Oro Lounge Pty Ltd	Use of park of the Le Montage function centre as a café with associated outdoor seating	Ongoing
113 Dobroyd Parade, Haberfield	Group HIS Pty Ltd	Private hospital including site preparation works including demolition of existing building structure and excavation, construction of private hospital building over 3 storeys above ground plus 2 basement levels for parking and associated signage, landscaping, stormwater management and utility services connections	Ongoing
21-23 Unwins Bridge Road, St Peters	AW Swadling Timber and Hardware Pty Ltd	Changes to use of Timber yard, alterations and additions to existing building, changes to parking arrangement, advertising signs and new landscaping	Appeal Discontinued
39 Waratah Street, Haberfield	Tracy Mulherin	Alterations and additions to the existing dwelling, swimming pool and detached garage	Ongoing
15 Turner Street, Balmain	Mathew James Hafford	Alterations and additions to dwelling including an addition to the side of the house and internal modifications, a pool, removal of a tree, a new sliding gate at the street frontage and minor landscaping works	Ongoing
60 Reiby Street, Newtown	Terence Hancox	Alterations and additions to development consent, increasing the number of rooms from 7 to 10	Ongoing

Property Address	Other Party	Summary	Results/Status
Land and Environment Court - Class 1 continued			
6 Booth Street, Balmain	Shona MacLeod	Alterations and additions to existing dwelling and associated works, including landscape works and new vehicle parking space and associated access gates	Ongoing
215-217 Parramatta Road, Haberfield	2628 Pty Ltd	Site consolidation, alterations and additions to existing building and change of use to a hotel	Ongoing
1-11 Hardie Avenue & 123A Smith Street, Summer Hill	S & R Properties Pty Ltd	Appeal against refusal by the Respondent to accept information provided by the Applicant as satisfying the deferred commencement conditions of Development Consent No 10.2016.169.1 to construct a mixed use residential/retail development	Appeal Discontinued
51-53 Albert Street, Petersham	Nicholas Prilis	Demolition of the existing buildings, subdivision and construction of 4 Torrens Title terrace residences over an excavated strata titled basement carpark	Ongoing
412-414 Illawarra Road, Marrickville	Chris Ahtypis and Efy Ahtypis	Demolition of existing commercial building, and the construction of a new mixed use building comprising ground floor retail unit, 10 apartments, and basement parking	Ongoing
113 Station Street, Newtown	George Andonovski	Alterations and additions to two dwellings, including a three storey addition to the rear, garage with studio above and subdivision	Ongoing
33 Ormond Street, Ashfield	Ormond View Pty Ltd	Construction of a 3-4 storey boarding house development containing 39 boarding rooms, managers room, basement car parking and associated landscaping	Ongoing
18 Collins Street, Annandale	Citywide Developments Pty Ltd	Ground and first floor alterations and additions to existing residence, and associated works	Ongoing
429-449 New Canterbury Road, Dulwich Hill	888 New Canterbury Road Pty Ltd	Appeal against orders to demolish and remove advertisement signs attached to the windows and awning along the street frontage	Ongoing
826-836 Princes Highway, Tempe	Taleb Family Trust No.2	Demolition of existing improvements and construction of a 3 storey building containing 22 serviced apartments with basement car parking and a ground floor level tenancy	Ongoing
324 Norton Street, Leichhardt	Norton Street Pty Ltd	Demolition of existing structures and construction of a four storey mixed use building comprising commercial space on the ground floor and five residential apartments on the first, second and third levels, and associated works, including car parking	Ongoing
38 Henry Street, Leichhardt	LKF Investments Pty Ltd	Demolition of existing structures and erection of a three storey boarding house building comprising 22 rooms with basement car park and associated works	Ongoing
Land and Environment Court - Class 4			
25 Grove Street, St Peters	John Kingscote	Enforcement proceedings regarding alleged failure to comply with orders requiring removal of waste and materials from premises.	Appeal Discontinued
35 Moonbie Street, Summer Hill	Eric Findlay	Enforcement proceedings regarding the keeping or housing of a pony at the premises	Order enforced by Court
11 Hammond Avenue, Croydon	Ronald Seeto and Beverly Seeto	Enforcement proceedings regarding the keeping or storing of any waste in the front, rear and side yard areas of the Property.	Order enforced by Court

Property Address	Other Party	Summary	Results/Status
Court of Appeal			
15 Brunswick Parade, Ashfield	Sophia McGinn	1) Order of new trial and set aside judgement made on 6 August 2012 on the ground that the judgement was fraudulently obtained with the discovery of new evidence - s149 Planning Certificate for 15 Brunswick Parade Ashfield (subject property) which states that dual occupancies (detached) development are prohibited 2) stay the cost orders 3) Respondent's solicitor to pay the applicant's costs 4) Refer the fraud to police for investigation	Motion dismissed with costs
High Court			
15 Brunswick Parade, Ashfield	Sophia McGinn	Application for special leave to appeal judgement for Court of Appeal of NSW given 1 May 2018	Ongoing
Local Court			
47 Garners Avenue, Marrickville	Champion Homes Pty Ltd	Development not accord consent - any other case - corporation	Defendant fined
20 Bradford Street, Balmain	Michael Allchin	Development without development consent – class 1a or 10 building – individual	Penalty withdrawn by Council
107 Lilyfield Road, Lilyfield	Landcon Civil Pty Ltd	Development not accord consent - any other case - corporation	Penalty withdrawn by Council
107 Lilyfield Road, Lilyfield	Landcon Civil Pty Ltd	Development not accord consent - any other case - corporation	Penalty withdrawn by Council
N/A	Kathy Pieprzyk and Benjamin Ly	Dangerous Dog Declaration	Dangerous Dog Declaration upheld
N/A	Kimberley Kutasi	In charge of dog which rushes at/attacks/bites/harasses/charges any person/animal	Fine upheld with costs
N/A	Wan Li	Owner of dog not under control in public place	Penalty withdrawn by Council
31-35 May Street, St Peters	Studio Kink Pty Ltd	Development without consent – Corporation	Defendant fined
N/A	Rock Posters Sydney Pty Ltd	Fail to comply with requirement of investigation officer - corporation	Penalty withdrawn by Council
9/39 Norton Street, Leichhardt	Brillante Café Pty Ltd	Fail to comply with Food Standards Code - Corporation	Defendant fined
12 Helena Street, Lilyfield	Borak Enterprises Pty Ltd	Development not accord consent - any other case	Penalty withdrawn by Council
64 Beauchamp Street, Marrickville	Alino Pestana	Pollute waters - class 1 officer - individual	Penalty withdrawn by Council
73 Annandale Street, Annandale	Timothy James Matthew Hunt	Owner not display annual fire statement and schedule - Individual	Penalty withdrawn by Council

Property Address	Other Party	Summary	Results/Status
Local Court			
177 Johnston Street, Annandale	Nathan Mark James	Development not accord consent - class 1a or 10 building - individual	Penalty withdrawn by Council
N/A	Janice Rowe	In charge of dog which rushes at/attacks/bites/harasses/charges any person/animal	Penalty withdrawn by Council
2C Gladstone Street, Newtown	Bodega Collective Pty Ltd	Development without consent – penalty notice served by Council etc. - Corporation	Ongoing
96 Illawarra Road, Marrickville	Atlas Hall Pty Ltd	Carry out specified development prohibited on land - any other case - Corporation	Penalty withdrawn by Council
122 Darling Street, Balmain East	Frances Stoschek	Development without development consent – class 1a or 10 building – individual	Penalty withdrawn by Council
110 Addison Road, Marrickville	Kazem Saifi	Fail to comply with conditions of approval - Individual	Penalty withdrawn by Council
2/283-285 Parramatta Road, Leichhardt	Jetz Luxury Homes Pty Ltd	Occupy or use building without occupation certificate - corporation	Penalty withdrawn by Council
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures – corporation – Case A	Ongoing
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures – corporation – Case B	Ongoing
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures – corporation – Case C	Ongoing
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures – corporation – Case D	Ongoing
673-677 Darling Street, Rozelle	Karmel and Co Pty Ltd	Owner fails to maintain essential fire safety measures – corporation – Case E	Ongoing
110 Addison Road, Marrickville	Ryan Addison	Fail to comply with conditions of approval - Individual	Ongoing

Work carried out on private land

Property	Summary of work	Cost of work	Council subsidy
Marrickville West Primary School	Eco Water Garden including; rain garden, tank, UV treatment, sand pits and landscaping in the school's playground.	\$46,500 exc. GST	\$457,500 exc. GST

Grants, sponsorships, contributions and donations

Community Grants	Amount
3Bridges Community	\$7,340
ACON	\$6,500
Australia Chinese Happy Choir	\$1,000
Australian Federation of Chinese Organisations	\$2,000
Australian Foundation for Disability	\$3,000
B Miles Women's Foundation Incorporated	\$7,500
Canterbury City Community Centre	\$5,500
Canterbury City Community Centre	\$783
Child Abuse Prevention Service	\$6,000
Co.As.It Italian Association of Assistance	\$920
Connect Marrickville - Schools as Community Centre	\$7,500
Ekushe Academy Australia Inc.	\$2,000
Enmore Church of the Nazarene	\$5,000
Gamarada Boys	\$3,000
Home of Senior Chinese	\$1,000
Language Festival Association	\$1,000
Life Force Cancer Foundation	\$3,500
Metro Assist (Formerly Metro Migrant Resource Centre)	\$5,000
Minus18	\$7,500
NSW Federation of Community Language Schools	\$2,000
Older Women's Network Newtown Wellness Centre	\$7,495
Participate Australia Limited	\$5,000
PCYC Marrickville	\$1,300
Plumtree Children's Services Inc.	\$7,000
Prosper (Project Australia)	\$6,900
Rainbow Families Inc.	\$5,000
Resourceful Australian Indian Network Inc.	\$7,200
San Francesco Group	\$1,000
Summer Hill Family Support Service (auspiced under Weldon Children's Services)	\$3,000
Team Sydney	\$2,450
Ten Forty Matrix	\$2,530
The Ashfield Probus Club Incorporated	\$2,500
The Pollys Club Inc.	\$3,000
The Shepherd Centre - For Deaf children	\$3,200
Twenty10 inc GLCS NSW	\$5,000
West Region Chinese Association	\$2,500
Youth Off The Streets Limited	\$5,000
Total	\$148,118

Arts & Culture Grants	Amount
Anglican Church of Summer Hill	\$5,000
Articulate Project Space	\$4,500
Australian Federation of Chinese Opera	\$2,000
Boomali Aboriginal Artists Co-operative	\$4,500
Brown Paper Circus	\$3,500
Ensemble Offspring	\$2,000
Erth Visual and Physical Theatre Inc.	\$5,000
For Film's Sake Festival	\$3,000
Frontyard	\$4,500
Heaps Gay	\$3,000
Legs on the Wall	\$3,000
Leichhardt Espresso Chorus	\$3,500
MakerSpace & Company Foundation	\$3,500
Marrickville High School P & C	\$3,000
Michelle St Anne	\$3,500
Monster Mouse Studios	\$3,000
Nauti Studios	\$3,500
Old 505 Theatre Pty Ltd	\$3,000
Plumtree Children's Services	\$4,000
Queens and Minions of Comedy	\$5,000
Reverse Garbage	\$4,500
Scratch Art Space	\$5,000
Screen Culture Association	\$5,500
Self Help Arts	\$3,500
Sydney Latin American Film Festival	\$2,750
Sydney Male Choir	\$3,000
Sydney Shaoxing Opera Troupe Inc.	\$2,000
Sydney Underground Film Festival	\$3,000
The Metropolitan Orchestra	\$2,500
Village Church Annandale	\$1,500
Total	\$105,250

Environment Grants	Amount
Addison Road Community Centre	\$6,000
Amigo & Amigo Design Pty Ltd	\$2,716
Australian Foundation for Disability	\$1,830
Boomerang Bags Dulwich Hill	\$2,440
Climate Change Balmain-Rozelle	\$1,800
Cooks River Valley Association Incorporated	\$2,974
Glovers Garden Inc.	\$1,704
Inner West Tool Library	\$6,067
Macquarie University	\$6,891
Marrickville High School Parents and Citizens Association	\$4,600
Marrickville West Community Garden	\$415
Metro Assist Inc.	\$5,597
Wilkins Green School and Community Garden	\$839
Total	\$43,873

History Grants	Amount
Marc Rerceretnam	\$6,500
Friends Of Callan Park	\$5,000
Chrys Meader	\$5,000
Edward Moxon	\$3,500
CO.AS.IT	\$2,500
Infants Home Ashfield	\$2,500
Total	\$25,000

Independent Artists Grants	Amount
Avril Makula	\$3,500
Carolyn Mckenzie-Craig	\$2,575
Emma Smith	\$2,000
Fayroze Lutta	\$3,000
Gary Smith	\$2,000
Hugh Jones	\$7,000
Jacqueline Larcombe	\$1,000
Melinda Vassallo	\$4,575
Sarah Bedak-Radic	\$3,000
Selina Springett	\$1,850
Shannon O'Connor	\$2,500
Sharon Willdin	\$5,000
Tom Isaacs	\$3,000
Total	\$41,000

Recreation Grants	Amount
ACC Cricket Club Inc.	\$2,000
Australian Foundation for Disability	\$3,000
Dulwich Newtown Basketball Club	\$3,400
FRANS	\$4,500
Leichhardt Juniors Rugby League Club	\$3,700
St Anthony's Family Care	\$3,950
Summer Hill Lakers Netball Club	\$2,200
Sydney Rangers FC	\$1,500
The Flying Bats FC	\$1,450
Totem Skate School	\$4,300
Total	\$30,000

Stronger Communities Grants	Amount
The Bower Re-Use and Repair Centre Co-Operative Ltd	\$8,250
Child Abuse Prevention Service	\$25,000
Newtown Neighbourhood Centre Inc.	\$35,000
The Social Outfit Incorporated	\$18,000
Marrickville Bowling and Recreation Club	\$35,000
Marrickville Legal Centre	\$15,796
Marrickville High School Parents and Citizens Association	\$38,110
MCC Welfare Services Incorporated	\$19,000
Family Planning NSW	\$6,000
Ashfield Public School Parents' and Citizens' Association	\$35,000
Addison Road Community Centre	\$35,000

MakerSpace & Company	\$28,000
Stronger Communities Grants continued	Amount
Medius Dei Limited trading as Gift of Bread	\$25,000
Community and Cultural Connections Inc.	\$7,200
The Exodus Foundation	\$19,250
Total	\$349,606

Other Support	Amount
Sydney Fringe Festival	\$24,000
Sydney Sacred Music Festival	\$20,000
Newtown Festival	\$16,000
The Metropolitan Orchestra	\$20,800
The Leichhardt Celebrity Brass	\$15,890
Total	\$96,690

Interest Disclosures training is planned for Public Interest Disclosures Officers across Council.

Statement of External Bodies that exercise functions delegated by Council

External Body Name	Function delegated
Belgravia Leisure	Management and operation of the Annette Kellerman Aquatic Centre at Enmore Park and the Fanny Durack Aquatic Centre at Petersham Park
Police and Citizens Youth Club NSW	Management and operation of the Debbie and Abbey Borgia Recreation and Community Centre in South Murrumbidgee
Propel Partnerships	After-hours contact centre services, Murrumbidgee
The Message Centre	After-hours contact centre services, Leichhardt
Well Done Group Pty. Ltd.	After-hours contact centre services, Ashfield

Corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council held a controlling interest

In 2017/18 Council worked with program partners to deliver Open Inner West, a festival of diversity, held over 10 days in June.

Open Inner West Joint Partners	Amount
Alfira O'sullivan (Suara Indonesia Dance)	\$5,000
Boomalli Aboriginal Artists Co-operative	\$4,000
Brazilian Community Council of Australia Inc.	\$7,500
Culinary Tales	\$2,680
Eleni Christou	\$4,700
Gamarada Boys (auspiced by Rozelle Neighbourhood Centre)	\$2,800
Gerrie Mifsud Photography	\$3,500
Greek Welfare Centre NSW	\$3,000
Joel Rapaport (School of Rap)	\$3,500
Lidia Luna (auspiced by NSW Spanish & Latin-American Association For Social Assistance)	\$5,500
Settlement Services International	\$3,500
Solidarity Choir (auspiced by Folk Federation of New South Wales)	\$2,000
Sydney Friendship Group Incorporated	\$4,000
Sydney Latin American Film Festival Inc.	\$5,500
Yorgo Kaporis	\$5,500
Total	\$62,680

In 2017/18 Council did not have a controlling interest in any other Corporation, partnership, trust, joint venture, syndicate or other body.

Corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council participated

External Body Name	Purpose of participation
AMP Capital	Inner West Council partners with AMP on the engagement of a mural artist to complete a significant street art mural work at the Marrickville Metro. The mural importantly provides a backdrop to the newly created family and community garden at Marrickville Metro and will be highly visible from Victoria Road and Metro Public Open Space.
Ashfield Chamber of Business	Interface between Council and businesses within local neighbourhood
Biennale of Sydney	Council works in partnership with the 21st Biennale of Sydney (15 March to 11 June 2018) to present 'A Good Neighbour' public art project at strategic sites across the Inner West, including Newtown Square, Sydenham Green, Rozelle Neighbourhood Centre and Ashfield Town Hall. This public art project and associated forum at Ashfield Town Hall seeks to foster collaborative partnerships with high profile arts organisations, promote and explore issues around community wellbeing and the importance of local creatives, and maintain new and existing creative spaces across the Inner West.
Camperdown-Ultimo Collaboration Area Working Group	A reference group of key stakeholders working together to deliver coordinated planning in the Camperdown-Ultimo Collaboration Area. Membership includes the Greater Sydney Commission, Sydney Local Health Area, University of Technology, University of Sydney, Sydney Business Chamber, Jobs for NSW, TAFE, Transport for NSW, RMS and City of Sydney and Inner West Councils.
Chinese Australian Settlement Services	Inner West Council worked in partnership with Chinese Settlement Services to provide a weekly Chinese Language Help Desk service.
Cooks Rive Alliance	Partnership of four councils (Bayside, City of Canterbury-Bankstown, Inner West, and Strathfield councils) within the Cooks River catchment that focuses on improving the health of the catchment and improvement of the river to a swimmable standard
Cooperative Research Centre for Water Sensitive Cities	Industry partner of the national Cooperative Research Centre for Water Sensitive Cities that works with partners to address the key challenges to urban water reform required to make cities sustainable, liveable, resilient and productive.
Eastern Region Local Government Aboriginal & Torres Strait Islander Forum	Council works in partnership with City of Sydney Council, Woollahra Municipal Council, Waverley Council, Randwick City Council and Bayside Council to address and participate at a regional level in the affairs, events, celebrations and history that impact on the local Aboriginal and Torres Strait Islander communities. The Eastern Region Local Government Aboriginal & Torres Strait Islander Forum promotes reconciliation and produces the annual 'Pauline McLeod Awards for Reconciliation as well as the Pauline McLeod Primary School Art Competition and High School Short Film Competition. Inner West Council hosts the Eastern Region Local Government Aboriginal & Torres Strait Islander Forum Coordinator position in 2017-2018.
Event Tent	The Event Tent promotes social inclusion, supporting members of the community with specific needs to enjoy and extend the amount of time they can spend at any given event. It provides a 'safe space' to retreat to, and also supplies relevant tools and equipment to hire at no cost.
Gadigal Information Services & National Centre for Indigenous Excellence	Inner West Council partnered with Gadigal Information Services and the National Centre for Indigenous Excellence to produce the annual 'Yabun Movie Night' as part of Council's summer outdoor movie program, 'Pic's in the Park' and the 'Yabun Festival'.
Greenway Steering Committee	Community/ governing body assisting with the implementation of the Cooks River to Iron cove GreenWay Masterplan and Coordination Strategy. The Committee
Guide Dogs NSW/ACT, Blind Citizens NSW and People With Disability Australia	Local Councils are a significant and critical player in the creation of inclusive communities. Without the understanding and application of universal design through the development, maintenance and ongoing management of the public domain, people will not be able to effectively participate in their communities. Inner West Council collaborated with Guide Dogs NSW/ACT, Blind Citizens NSW and People With Disability Australia to produce "Pathways to Inclusion". This guide is based on consultation and research and provides practical advice to assist Councils to develop and implement their Inclusion Action Plans (as part of the NSW Disability Inclusion Act 2014) and monitor practical outcomes to make their local communities accessible. The guide has been promoted through LGNSW to Councils throughout NSW.

External Body Name	Purpose of participation
Haberfield Men's Shed, Common Ground, Leichhardt Men's Shed and the Bower	Inner West Council partnered with Haberfield Men's Shed, Common Ground, Leichhardt Men's Shed and the Bower to deliver the seniors festival.
Inner West Asian Business Association	Interface between Council and businesses within local neighbourhood
Inner West Community and Refugee Welcome Centre	Inner West Council continues to partner with Settlement Services International and Sydney Justice of the Peace Office to operate weekly programs and activities. The partnership has been expanded to include TAFE NSW, and sees the establishment of a community reference group made up of key stakeholders in the refugee sector. The centre activities are developing with successful 'Learn to Swim' programs, storytelling workshops and community capacity building activities. Many refugee community members are now receiving training to become swim instructors, life guards and facilitators of groups.
Inner West Domestic Violence Liaison Committee	Inner West Council works in partnership with Government and non-Government services and agencies that have an interest in violence prevention to raise awareness of domestic and family violence issues and enhance interagency responses and partnerships in local Police Area Commands and surrounding areas.
Leichhardt/ Annandale Business Chamber	Interface between Council and businesses within local neighbourhood
Marrickville Business Association	Interface between Council and businesses within local neighbourhood
Marrickville South Fitness and Breakfast Club	Council works in partnership with Weave, Barnardos, Marrickville PCYC, Marrickville Youth Resource Centre and Sydney Airport to run a program during school terms (four per year) for 12-24 year olds. The aim of the program is to educate young people on healthy eating choices, sport and recreation activities as well as assisting young people to attend school or work.
Metro Assist	Inner West Council works in partnership with Metro Assist to deliver a range of programs including a weekly Multicultural Social Support Group, employment programs in collaboration with TAFE and two free English classes each week.
Newtown Precinct Business Association	Interface between Council and businesses within local neighbourhood
Parramatta River Catchment Group	Regional organisation of local and state government organisations and community representatives that work together to improve the health of the Parramatta River to a swimmable standard by working across the catchment.
Resourceful Australian Indian Network Inc.	Inner West Council works in partnership with Resourceful Australian Indian Network to deliver a range of programs including a bi-monthly Social Support Group, a Rangoli Art Project as part of Open Inner West and a Diwali Celebration.
Rozelle/ Balmain Business Chambers	Interface between Council and businesses within local neighbourhood
Seniors Community Transport	Inner West Council works in partnership with Access Community Transport to deliver fortnightly Seniors Bus Outings to increase community connections and provide social and recreational opportunities for residents.
South Sydney Regional Organisation of Councils	Our Energy Future Initiative and joint procurement of electricity and gas including a Renewable Energy Power Purchase Agreement
Sydney Coastal Councils Group	Cooperative organisation of 9 councils that advances sustainable management of Sydney's urban coastal environment.
Sydney Trains and Transport for NSW	Inner West Council partners with Sydney Trains and Transport for NSW on collaboration with artists to deliver 'The Vanishing Point' street artwork at Petersham Subway Tunnel. The project engages local artists to enhance public spaces, public transport corridors and the associated community and commuter experiences in the Inner West.

Equal Employment Opportunity statement

Activities undertaken by Council to implement our EEO management plan include:

- Collation of diversity data as part of harmonisation activities to enable benchmarking of our workforce
- Optional EEO and demographic information collected from candidates that apply for vacant positions.
- Access to EEO, Bullying and Harassment policies in online and this information is included in 'Welcome' packs to all new staff.
- EEO questionnaire (optional) is included in the new starter 'Welcome' packs.
- Regular Induction program for new starters which includes EEO Awareness education.
- Development of an Internal Ombudsman shared service model and appointment of an Internal Ombudsman as a proactive approach to increase education and awareness, and the confidential handling of bullying and harassment claims in the workplace. Communication of this service was conducted by the Executive at Face to Face meetings and bullying and harassment education is conducted by the Internal Ombudsman to new starters at induction.
- Affirmative action strategies including the employment of apprentices during 2017-2018 and the Council resolution to continue a Traineeship model in the next year including targeting Aboriginal and Torres Strait Islander and people identifying with mental or physical disability.
- Annual staff survey to benchmark and measure culture and engagement and opportunities for improvement
- Job Application and interview techniques training available for staff to improve and assist their career development in applying for vacant positions.
- Specific networking opportunities for female workers; including participation in International Women's Day events; participation in 'Women in Local Government' conferences; and nomination of individual female leaders for public sector awards
- Increase in flexible work practices for women in senior leadership roles
- High Performance Leadership Coach and resilience program rollout to all senior middle and lower management roles, including females in leadership roles, for skills development and consistent language and approach
- Approval in principle from the Leadership team to roll-out a modified version of the self-directed leadership program to all staff to increase resilience and skill development
- Introduction of new performance framework with individual performance and development plans to ensure access to development for all employees
- Targeted merit based appointment of females into Senior leadership positions
- Partnerships with external providers representing minority EEO groups was continued, e.g. Pride in Diversity, National Disability Recruitment Coordinator

Statement of remuneration for General Manager

Salary component	\$
Base salary	460,999
Employer's contribution to superannuation	20,117
Total value non cash benefit	0
Total FBT for non cash benefit	5,874
Total	486,990

Statement of remuneration for senior staff

Inner West Council has 3 senior staff positions which are the 3 Deputy General Managers.

Salary component	\$
Base salary	820,961
Employer's contribution to superannuation	59,117
Total value non cash benefit	0
Total FBT for non cash benefit	15,009
Total	895,087

Stormwater management services

Council has continued to apply the annual Stormwater Management Service Charge to rates in accordance with the Local Government (General) Amendment (Stormwater) Regulation 2006. The charge enables Council to work towards delivering the following objectives:

1. Reduce the use of potable mains water in Council facilities and public spaces.
2. Manage the stormwater system and its impacts on the urban environment.
3. Support regional projects to improve the health of the Cooks River, Botany Bay, Lower Parramatta River, Sydney Harbour and their catchments.
4. Implement sustainable urban water management.

Major initiatives undertaken in 2017-2018 with a funding contribution from the Stormwater Management Service Charge were:

- Remote camera inspections of underground stormwater pipes in selected locations to determine service risks and pipe conditions to allow for works planning and servicing as required.
- Stormwater drainage renewal, improvement and upgrade works across the network to improve the performance of the drainage system.
- Updating stormwater infrastructure data-base from camera inspection surveys.
- Catchment and water management planning.
- Stormwater quality improvement initiatives through the implementation of Water Sensitive Urban Design (WSUD) projects to reduce the impact of stormwater discharge into waterways. Significant projects undertaken in 2017-2018 include:
 - Blackmore Oval Wetland and Stormwater Harvesting Scheme
 - Constitution Lane Dulwich Hill Raingarden
 - Gross Pollutant Trap performance audit
- Initiatives to improve knowledge through research, collaborations, and participation in projects to improve water quality and environmental outcomes.
- The continuation of the Flood Risk Management process in order to identify the nature and extent of flooding within the local government area to enable Council to plan and manage the impacts of floods and mitigate flood hazards.

Companion Animals Act and Regulation

Council conducts a range of activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation. This includes maintaining a Companion Animals Act Policy. This year a total of \$58,089.20 in funding (not including salaries) was spent on companion animal management activities.

Lodgement of data with the Office of Local Government:

- Pound data collection returns were lodged
- Data regarding dog attacks during the reporting period was lodged

Council carried out a number of companion animal community education programs, including:

- Maintained Council's Inner West Pets Facebook group
- Maintained companion animal information on Council's website
- Free Engraved Pet Tag program
- Local event stalls
- Proactive park patrol programs
- Distribution of promotional magnets, key rings and pooch pouches
- A-frame type notice boards in parks
- Responsible Pet ownership messages placed in various media

Strategies Council has in place to promote and assist the de-sexing of dogs and cats include:

- Council's contracted pound desexes all re-homed Companion Animals.
- Council has adopted a Companion Animal Action Plan that addresses the promotion and support for desexing Companion Animal
- The benefits of desexing are promoted on Council's website, social media and various other media avenues

Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals:

- Council has adopted key criteria in the selection process for Council's contracted Pound Facility. Council seeks an organisation that has a successful existing re- homing program or is actively building their current program.
- Council liaises with other organisations outside Council's contracted animal impounding facility to rehome unclaimed anim

Off leash areas provided in the Council area are:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Cohen Park, Annandale 2. Smith Hogan and Spindlers Park, Annandale 3. Whites Creek Valley Park, Annandale 4. Ann Cashman Reserve, Balmain 5. Birrung Park, Balmain 6. Elkington Park, Balmain 7. Ewenton Park, Balmain 8. Illoura Reserve, Balmain 9. Lookes Ave Reserve, Balmain 10. Paringa Reserve, Balmain 11. Propeller Park, Balmain 12. Punch Park, Balmain 13. Birchgrove Park, Birchgrove 14. Mort Bay Park, Birchgrove 15. O'Dea Reserve, Camperdown 16. Bede Spillane Reserve, Croydon 17. Johnson Park, Dulwich Hill 18. Enmore TAFE Park, Enmore 19. 36th Battalion Park, Leichhardt 20. Blackmore Park, Leichhardt 21. Hawthorne Canal Reserve, Leichhardt 22. Pioneers Memorial Park, Leichhardt | <ol style="list-style-type: none"> 23. War Memorial Park, Leichhardt 24. Morton Park, Lewisham 25. Callan Park (2x sports field), Lilyfield 26. Leichhardt Oval #2, Leichhardt 27. Leichhardt Oval #3, Leichhardt 28. Enmore Park, Marrickville 29. Henson Park, Marrickville 30. Marrickville Park, Marrickville 31. McNeilly Park, Marrickville 32. Camperdown Memorial Park, Newtown 33. Petersham Park, Petersham 34. Bridgewater Park, Rozelle 35. Easton Park, Rozelle 36. King George Park, Rozelle 37. Weekley Park, Stanmore 38. Cadigal Reserve, Summer Hill 39. Sydenham Green (x2), Sydenham 40. Tempe Lands, Tempe 41. HJ Mahoney Reserve, Marrickville <p>Trial off leash areas:</p> <ol style="list-style-type: none"> 1. Elliott Park & Balmain Cove, Rozelle |
|---|---|

Use of Companion Animals Fund money for management and control of companion animals	\$
Sydney Dogs and Cats Home contract to provide animal impounding services	\$46,385.90
Companion animal management strategies implementation	\$11,703.30
Total	\$58,089.20

NSW Carers (Recognition) Act 2010

Council provides assistance to staff who are carers in a variety of ways. We provide flexible access to a variety of leave entitlements and rostered days, including at short notice, in particular, to accommodate requests for carers leave. In cases where staff have exhausted their leave entitlements, we refer to relevant provisions of the Local Government Award and applicable enterprise agreements, and may grant additional paid time off work on a case by case basis. Finally, Council endeavours to accommodate requests for flexible working arrangements to assist with carers responsibilities and where appropriate offers free and confidential access to our Employee Assistance Service provider which includes counselling services.

HR policies and practices are in the process of being harmonised and the above reflects what is available at this point in time. It is anticipated that future arrangements will include all of the above.

Disability Inclusion Act

In 2017 Council developed the Inclusion Action Plan 2017-2021 (IAP) for people with a disability. This integrated, whole of Council, strategy outlines the steps Council will take over 4 years to support and improve the inclusion of people with a disability as part of its core business, and to remove barriers to access and participation, including any discrimination based on disability.

The Plan also gives expression to Council's commitment to uphold and promote the United Nation's Convention on the Rights of Persons with Disabilities. The IAP is aligned to Council's Community Strategic Plan as a means of building the strategies into the everyday activities of Council. All staff have a responsibility to support implementation of the plan. Within the new corporate structure two positions have been established to specifically focus on access and inclusion planning and the programming initiatives needed to support people with a disability to participate.

The IAP is divided into 6 outcome areas with strategies, actions and measures to chart our achievements and progress. Highlights during the first year include:

Educational, Recreational and Social Inclusion

- Council, in partnership with Ability Links NSW and Gig Buddies, ran an 'Including You Event Tent' during selected Council community events. The Event Tent promotes social inclusion by supporting a wide cross-section of the community to attend and participate more fully in community events. It also raises disability awareness within the community.
- Council continued its involvement in events including Groovability, Blooming Arts, Mental Health Month, Access All Areas Short Film Festival in 2017 including a 'Living Library' where people with disability could be 'borrowed' for 15 minute one on one conversations.
- Community Grants Program assessment considered application alignment with IAP directions and capacity to promote inclusion
- Through Council's leadership of the Inner West Youth Alliance, youth and community service providers were engaged in Youth Week planning and included Newtown Neighbourhood Centre, Youthblock, Headspace, and Disability Services Australia. The signature Youth Week event included musical performances and attendance from Disability Services Australia clients / young people.
- Council supported and participated in DeafBlind Week in June with the DeafBlind Association and is partnering to host a creative event that will include an interpreted piece of theatre with DeafBlind participants telling their stories.

Cultural Inclusion

- A book display promoting themes of inclusion and disability issues was also held over November-December for International Day of People with a Disability at Ashfield and Marrickville Libraries.
- Six Library Storytime sessions (ages 2-5) in conjunction with International Day of People with a Disability were delivered at Marrickville, Leichhardt, Ashfield and Balmain Libraries. Book titles featured include; Isaac and his amazing Asperger Superpower, Black Book of Colour (told in words and braille, about a little boy who can't see colours, but he can hear, smell, touch and taste them' and Don't Call Me Special.

Economic Inclusion

- IWC Community Access Award established as part of the Inner West Local Business Awards. The concept was very well received and the winner was extremely proud to win such an award

Inclusive Planning (Infrastructure & Environment)

- The Pedestrian Access and Mobility Plans (PAMPs) of the former Councils have been assessed. The audit/inspection process was finalised and the outstanding actions still to be completed from these plans have been consolidated so that a plan of kerb ramp and footpath works can be prioritised.

- The Affordable Housing Policy endorsed by Council in March 2017 identifies people with a disability as one of its key target groups. Partnerships with Community Housing Providers, such as the one with Link Housing involving the potential redevelopment of the Hay Street Car Park in Leichhardt, have the potential to cater for people with a disability requiring supported independent living assistance.
- The Aquatic Master Planning projects for Dawn Fraser Baths and Leichhardt Park Aquatic Centre have worked collaboratively with relevant stakeholders to ensure the inclusive needs of all the community are catered for in the Master Plans for these popular facilities.
- Over 90% of bus stops in the former Marrickville LGA have been upgraded to accessible standards. In the former Ashfield LGA, over 95% have been upgraded to accessible standards. A survey of bus stops in the former Leichhardt LGA has been undertaken. A programme is being prepared to upgrade the outstanding bus stops.

Civic Inclusion, Engagement and Information

- The new Council website, which is the primary interaction point for digital services is fully compliant with web content accessibility standards (WCAG2.0) This site will be rolled out in September 2018. Any future enhancements or web services will also adopt these standards
- Training provided to all Customer Service staff on the National Relay Service (NRS) which provides a solution for people who are deaf or have a hearing or speech impediment.
- Council's website actively promotes the hearing loop in the Council Chambers and information is provided in business papers and on the website that Council can make adjustments to assist people with disabilities attending meetings.

Access and Inclusion are embedded in our systems and processes

- In partnership with a Disability Service provider education provided to Customer service staff who may need to communicate effectively with (and/or provide additional assistance to) customers with specific access needs.
- A staff diversity survey has been developed and scheduled for roll-out in August. This will help to identify and remove barriers for people with a disability in the recruitment and selection processes.

Voluntary Planning Agreements

Date agreement entered into	Land to which it applies	Parties to agreement	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-off)
26 June 2008	Balmain Leagues Club properties at Rozelle: 138-152 Victoria Road being lot 1 DP 528045 154-156 Victoria Road being lot 1 DP 109047 697 Darling Street being lot 104 DP 733658 1-7 Waterloo Street being lots 101 and 102 DP 629133, lots 37 and 38 DP 421 and lot 37 DP 190866.	Balmain Leagues Club Limited ACN 000 190 161 and Leichhardt Council	\$250,000 for upgrading of roads, footpath and traffic in the vicinity of the development (in addition to DA conditions of consent for roads works required by the development). \$500,000 by way of annual payments of \$50,000 for 10 years for grants to community groups. Monetary amounts indexed by CPI and in addition to s.94 contributions. DA to include public pedestrian link to Darling Street, bridge over Victoria Road, community shuttle bus, designated taxi drop off area, free home delivery service with 5km radius, implement Aboriginal Participation in Construction Guidelines, bicycle facilities, and facilitate car sharing schemes.

Date agreement entered into	Land to which it applies	Parties to agreement	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-off)
14 September 2012	118-124 Terry Street Rozelle being lot 3/D DP 119, lot 2 DP 234045 and lot 1 DP 540118	Anka Constructions Pty Ltd ABN 12 008 749 013 and Leichhardt Council	The amount that would be payable under Leichhardt Council's s.94 Plans (estimated \$4,160,000) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area. \$3,000 per square metre of additional floor space above 1.5:1, for any public purpose \$270,000 to the Affordable Housing Fund Dedication to Council of New Street as public rd, constructed.
October 2013	362-372 New Canterbury Road, Dulwich Hill	Damonu Pty Ltd and Marrickville Council	Strata space Fitout allowance of \$200,000 Cash payment of \$700,000 in lieu of s.94 contribution
December 2013	Lewisham Towers, Lewisham	Meriton and Marrickville Council	New park 4 affordable housing units Strata space Off-site pedestrian improvements Cash (approx. \$1m) in lieu of s.94 contribution
15 February 2014	22 George Street, Leichhardt: Lot 5 DP 1080665, Lots 6-9 DP 79950 Lots 10-13 DP 83665, Lots 1 and 2 DP 102461 Lot 1 DP 104359, Lot B DP 327352 Lot 1 DP 1108695 and Lot 15 DP 1081840 Now being lot 100 DP 1196620	KGS (Victoria) Pty Ltd ACN 000 038 719 and Minister for Planning and Infrastructure ABN 38 755 709 681	7 strata Affordable Housing lots to be transferred to the Minister or its nominee In addition s.94 contributions at maximum \$20,000 per lot
15 February 2014	30-40 George Street, Leichhardt being: Lot 1 DP 745978, Lot 1 DP 745979 Lot 1 DP 920105, Lot 1 DP 972151 Lot 16 DP 69760, Lot 5 DP 745976 Lot 6 DP 745976, Lot 7 DP 448755 and Lot 9 DP 666322	Terrence David Rowney and Minister for Planning and Infrastructure ABN 38 755 709 681	4 x 1 bedroom affordable housing strata lots to be transferred to the Minister or its nominee 2 x studio strata lots to be leased to a community housing provider for 10 years In addition to s.94 contributions at maximum \$20,000 per lot

Date agreement entered into	Land to which it applies	Parties to agreement	Benefits under the agreement and whether in addition to or instead of s.94 contributions (or fully or partly set-off)
2015	141 Allen Street, Leichhardt being lot 1 DP 632522 159 Allen Street, Leichhardt being lot X DP 381373	Leichhardt 141 Pty Ltd ACN 117 479 437 and Arquilla Bulk Trading Co Pty Ltd ABN 84 001 512 358 and Leichhardt Council	<p>For the lots if developed together:</p> <p>The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx. \$3,714,845) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area.</p> <p>\$3,000 per square metre of additional floor space above 1.5:1, for any public purpose</p> <p>\$187,000 to the Affordable Housing Fund.</p> <p>For lot 1 if developed separately:</p> <p>The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx. \$2,843,919) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area.</p> <p>\$3,000 per square metre of additional floor space above 1.5:1, for any public purpose. \$142,023 to the Affordable Housing Fund.</p> <p>For lot X if developed separately:</p> <p>The amount that would be payable under Leichhardt Council's s.94 Plans (estimated approx. \$870,926) ignoring the Ministerial direction to cap contributions. Up to the cap amount, it is for any public purpose including but not limited to the items in the s.94 Plan. Above the cap amount, it is for affordable housing in the local government area.</p> <p>\$3,000 per square metre of additional floor space above 1.5:1, for any public purpose. \$45,026 to the Affordable Housing Fund.</p>
November 2015	1-15 West Street, Petersham	P & N Sieman Pty Ltd and Marrickville Council	Cash payment of \$270,000 to be expended within Petersham Park in addition to s.94 contribution
December 2015	801-807 New Canterbury Road, Dulwich Hill	801 NCR Pty Ltd and Maxxso Pty Ltd and Marrickville Council	Cash payment \$1m in lieu of s.94 contributions. Cash payment \$400,000 for expenditure on any public infrastructure / benefits Council considers appropriate
December 2015	14 McGill Street, Lewisham	14 McGill St Pty Ltd and Marrickville Council	Cash payment approx. \$1m in lieu of s.94 contributions Cash Payment of \$280,000 for expenditure on public domain works in McGill Street or in the Greenway
March 2016	429-449 New Canterbury Road, Dulwich Hill	429 Cheriah Pty Ltd and 888 New Canterbury Road Pty Ltd and Marrickville Council	Cash payment (approx. \$1.3m) in lieu of s.94 contributions Cash payment (\$800,000) for expenditure on public domain in Dulwich Hill, Seaview Street community centre or toilet strategy for Hoskins Park
August 2016	6-26 Grove Street and 60-64 Constitution Road, Dulwich Hill	Galileo Arlington Grove Nominee Pty Ltd and Inner West Council	Two affordable Housing Units (1 x studio and 1 x one bedroom apartments) Public Domain works which have a total cost of \$183,000. Provide a public access agreement Developer will also pay s94 contributions

Swimming Pool Inspections

Inspection category	Number
Inspections of tourist and visitor accommodation	0
Inspections of premises with more than 2 dwellings	22
Inspections that resulted in issuance of a certificate of compliance under section 22D of the Swimming Pools Act 1992	43
Inspections that resulted in issuance of a certificate of non-compliance under 18BA of the regulation	15

Government Information Public Access Act 2009

Clause 7A: No reviews were carried out under section 7 (3) of the Act during the reporting year.

Clause 7B: 103 access applications received during the year including withdrawn applications (but not including invalid applications).

Clause 7C: 1 access application was received during the reporting year and this was refused because the application was for the disclosure of information referred to in Schedule 1.

Number of applications by type of applicant and outcome

Applicant Type	Access granted in full	Access granted in part	Access refused	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application Withdrawn
Media	1	0	0	0	0	0	0	0
MPs	0	0	0	0	0	0	0	0
Private sector	13	5	0	3	3	0	0	3
NFP	2	1	0	0	0	0	0	1
Legal	8	6	0	9	0	0	0	0
Public	46	8	1	3	2	0	0	3
Total	70	20	1	15	5	0	0	7
% of total (103)	59%	17%	1%	13%	4%	0	0	6%

Number of applications by type of application and outcome

Applicant Type Application type	Access granted in full	Access granted in part	Access refused	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application Withdrawn
Personal	0	1	0	1	0	0	0	0
Other	70	19	1	14	5	0	0	7
Partly	0	0	0	0	0	0	0	0
Total	70	20	1	15	5	0	0	7
% of total (103)	59%	17%	1%	13%	4%	0	0	6%

Invalid applications	Number of applications
Invalid applications	6
Invalid applications that subsequently became valid	4

Matter listed in Schedule 1	Number	% of total
Overriding secrecy laws	0	0
Cabinet information	0	0
Executive Council information	0	0
Contempt	0	0
Legal professional privilege	0	0
Excluded information	0	0
Documents affecting law enforcement and public safety	0	0
Transport safety	0	0
Adoption	0	0
Care and protection of children	0	0
Ministerial code of conduct	0	0
Aboriginal and environmental heritage	0	0
Total	0	0

Public interest considerations against disclosure listed in section 14	Number	% of Total
Responsible and effective government	0	0
Law enforcement and security	0	0
Individual rights, judicial processes and natural justice	18	85%
Business interests of agencies and other persons	3	15%
Environment, culture, economy and general matters	0	0
Secrecy provisions	0	0
Exempt documents under interstate Freedom of Information legislation	0	0
Total	21	

Timeliness	Number	% of total
Decided within the statutory timeframe (20 days plus any extensions)	77	80%
Decided after 35 days (by agreement with applicant)	12	12.5%
Not decided within time (deemed refusal)	7	7.5%
Total	96	

Number of applications reviewed under Part 5 of the Act by type of review and outcome	Decision varied	Decision upheld	Total	% of total
Internal review	1	0	1	50%
Review by Information Commissioner	Decision pending	Decision pending	1	50%
Internal review following recommendation under section 93	0	0	0	0
Review by NCAT	0	0	0	0
Total	1	0	2	
% of total	50%	0		

Applications transferred to other agencies	Number of applications transferred
Agency initiated transfers	1
Applicant initiated transfer	0
Total	1

Public Interest Disclosures

During 2017-2018, no Public Interest Disclosures were received by Council. On 4 December 2017, the General Manager, Mr Rik Hart, appointed as Public Interest Disclosures Coordinators, Ms Suellen Bullock, Internal Ombudsman and Mr Rodney O'Donahue, Assistant Internal Ombudsman who work in the Internal Ombudsman Shared Service with Inner West, City of Parramatta and Cumberland Councils. Ms Bullock and Mr O'Donahue have taken on these roles, following on from Ms Charmian King, Policy and Risk Services Manager. Council acknowledges and thanks Ms King for her work as the previous Public Interest Disclosures Coordinator. During 2018-2019, further Public Interest Disclosures training is planned for Public Interest Disclosures Officers across Council.

Section 3: Audited financial statements

This section includes reporting requirements prescribed by the Local Government Act 1993 and the Local Government (General) Regulation 2005.

This includes a summary of Council's legal proceedings, details of contracts awarded by Council, financial assistance contributions to the community, written off rates and charges, and information relating to the Government Information (Public Access) Act 2009 (NSW).



Overview

Each year, all New South Wales councils are required to present a set of audited financial statements to their elected council and community.

The format of the financial statements is standard across all NSW councils. It complies with the accounting and reporting requirements of Australian Accounting Standards, and requirements set down by the Office of Local Government.

About the statements

This section includes general purpose financial statements for the 2017/18 financial year.

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 values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & “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

Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants. In NSW, the Auditor provides two 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.

Inner West Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



Inner West Council

General Purpose Financial Statements

for the year ended 30 June 2018

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors and Management	3
3. Primary Financial Statements:	
– Income Statement	4
– Statement of Comprehensive Income	5
– Statement of Financial Position	6
– Statement of Changes in Equity	7
– Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
– On the Financial Statements (Sect 417 [2])	71
– On the Conduct of the Audit (Sect 417 [3])	74

Overview

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

2-14 Fisher St
Petersham NSW 2049

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 2(b).

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.innerwest.nsw.gov.au.

Inner West Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's financial statements

Introduction

Each year, individual local governments across New South Wales are required to present a set of 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 2018.

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 annual 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.

Inner West Council

General Purpose Financial Statements for the year ended 30 June 2018

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

The attached General Purpose Financial Statements have been prepared in accordance with:

- the *Local Government Act 1993 (NSW)* (as amended) 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 financial 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 30 October 2018.




Darcy Byrne
Mayor
30 October 2018



Victor Macn
Deputy Mayor
30 October 2018



RIK Hart
General Manager
30 October 2018



Pav Kuzmanovski
Responsible Accounting Officer
30 October 2018

Inner West Council

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Restated 13/5/16 to 30/6/17 *
Income from continuing operations				
Revenue:				
153,381	Rates and annual charges	3a	153,473	152,854
43,510	User charges and fees	3b	41,720	46,263
5,042	Interest and investment revenue	3c	6,057	7,444
24,100	Other revenues	3d	24,020	28,596
12,855	Grants and contributions provided for operating purpose	3e,f	11,486	30,878
10,699	Grants and contributions provided for capital purposes	3e,f	16,838	49,030
Other income:				
–	Net share of interests in joint ventures and associates using the equity method	15	468	436
249,587	Total income from continuing operations		254,062	315,501
Expenses from continuing operations				
126,368	Employee benefits and on-costs	4a	109,311	119,569
906	Borrowing costs	4b	860	1,305
61,675	Materials and contracts	4c	62,241	74,034
26,600	Depreciation and amortisation	4d	28,296	30,849
27,777	Other expenses	4e	28,372	25,960
–	Net losses from the disposal of assets	5	1,224	3,564
–	Revaluation decrement / impairment of IPP&E	4d,13(b)	8,999	24,838
243,326	Total expenses from continuing operations		239,303	280,119
6,261	Operating result from continuing operations		14,759	35,382
6,261	Net operating result for the year		14,759	35,382
Gain on local government amalgamation				
–	Assets and liabilities transferred from former councils	13(b)	–	2,143,170
6,261	Net result for the year		14,759	2,178,552
6,261	Net result attributable to Council		14,759	2,178,552
(4,438)	Net operating result for the year before grants and contributions provided for capital purposes		(2,079)	(13,648)

* As indicated, the comparative reporting period represents 13 and a half months, compared to the current reporting period of 12 months, refer to Note 1 for more information.

Inner West Council

Statement of Comprehensive Income
for the year ended 30 June 2018

\$ '000	Notes	Actual 2018	Restated 13/5/16 to 30/6/17 *
Net result for the year (as per Income Statement)		14,759	2,178,552
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9a	107,942	78,191
Total items which will not be reclassified subsequently to the operating result		107,942	78,191
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		107,942	78,191
Total comprehensive income for the year		122,701	2,256,743
Total comprehensive income attributable to Council		122,701	2,256,743

* As indicated, the comparative reporting period represents thirteen and a half months, compared to the current reporting period of 12 months, refer to Note 1 for more information.

Inner West Council

Statement of Financial Position
as at 30 June 2018

\$ '000	Notes	Actual 2018	Restated 2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	12,835	18,668
Investments	6b	142,488	145,588
Receivables	7	16,468	17,027
Inventories	8	178	207
Other	8	3,827	2,340
Total current assets		175,796	183,830
Non-current assets			
Investments	6b	61,991	40,550
Receivables	7	25,302	216
Infrastructure, property, plant and equipment	9	2,160,169	2,078,795
Investment property	10	28,040	28,040
Investments accounted for using the equity method	15	3,493	3,025
Total non-current assets		2,278,995	2,150,626
TOTAL ASSETS		2,454,791	2,334,456
LIABILITIES			
Current liabilities			
Payables	11	30,208	25,579
Income received in advance	11	1,764	1,296
Borrowings	11	4,232	4,688
Provisions	12	27,898	30,950
Total current liabilities		64,102	62,513
Non-current liabilities			
Borrowings	11	9,104	13,356
Provisions	12	2,141	1,844
Total non-current liabilities		11,245	15,200
TOTAL LIABILITIES		75,347	77,713
Net assets		2,379,444	2,256,743
EQUITY			
Accumulated surplus		2,193,311	2,178,552
Revaluation reserves	13	186,133	78,191
Council equity interest		2,379,444	2,256,743
Total equity		2,379,444	2,256,743

Inner West Council

Statement of Changes in Equity

for the year ended 30 June 2018

\$ '000	Notes	2018 Accumulated surplus	IPP&E revaluation reserve	Total equity	Restated 13/5/16 to 30/6/17 * Accumulated surplus	Restated IPP&E revaluation reserve	Restated Total equity
Opening balance		2,178,552	78,191	2,256,743	–	–	–
Net result for the year (prior to restatements)		14,759	–	14,759	2,257,804	–	2,257,804
Correction of prior period errors	13	–	–	–	(79,252)	–	(79,252)
Restated net result for the year		14,759	–	14,759	2,178,552	–	2,178,552
Other comprehensive income							
Amounts that will not be reclassified subsequent to operating result							
– Correction of prior period errors	13	–	–	–	–	22,273	22,273
– Gain (loss) on revaluation of IPP&E	9a	–	107,942	107,942	–	55,918	55,918
Total Other comprehensive income for the year		–	107,942	107,942	–	78,191	78,191
Total comprehensive income for the year		14,759	107,942	122,701	2,178,552	78,191	2,256,743
Equity – balance at end of the reporting period		2,193,311	186,133	2,379,444	2,178,552	78,191	2,256,743

Inner West Council

Statement of Cash Flows
for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Restated 13/5/16 to 30/6/17 *
Cash flows from operating activities				
Receipts:				
153,381	Rates and annual charges		152,937	172,701
43,510	User charges and fees		56,246	47,280
5,041	Investment and interest revenue received		6,857	6,725
23,554	Grants and contributions		28,067	71,136
–	Bonds, deposits and retention amounts received		1,757	1,066
24,100	Other		6,689	36,843
Payments:				
(126,368)	Employee benefits and on-costs		(112,136)	(118,762)
(61,675)	Materials and contracts		(67,975)	(81,844)
(904)	Borrowing costs		(865)	(1,630)
(27,777)	Other		(47,564)	(32,611)
<u>32,862</u>	Net cash provided (or used in) operating activities	14b	<u>24,013</u>	<u>100,904</u>
Cash flows from investing activities				
Receipts:				
250,000	Sale of investment securities		266,502	216,338
51	Sale of infrastructure, property, plant and equipment		37,355	4,334
Payments:				
(250,000)	Purchase of investment securities		(284,843)	(251,595)
(65,477)	Purchase of infrastructure, property, plant and equipment		(44,152)	(59,268)
<u>(65,426)</u>	Net cash provided (or used in) investing activities		<u>(25,138)</u>	<u>(90,191)</u>
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
(4,704)	Repayment of borrowings and advances		(4,708)	(7,618)
<u>(4,704)</u>	Net cash flow provided (used in) financing activities		<u>(4,708)</u>	<u>(7,618)</u>
(37,268)	Net increase/(decrease) in cash and cash equivalents		(5,833)	3,095
–	Plus: cash and cash equivalents – beginning of year	14a	18,668	–
–	Plus: cash transferred on amalgamation of councils		–	15,573
<u>(37,268)</u>	Cash and cash equivalents – end of the year	14a	<u>12,835</u>	<u>18,668</u>
Additional Information:				
	plus: Investments on hand – end of year	6b	204,479	186,138
	Total cash, cash equivalents and investments		<u>217,314</u>	<u>204,806</u>

* As indicated, the comparative reporting period represents thirteen and a half months, compared to the current reporting period of 12 months, refer to Note 1 for more information.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Basis of preparation	10
2(a)	Council functions/activities – financial information	14
2(b)	Council functions/activities – component descriptions	15
3	Income from continuing operations	18
4	Expenses from continuing operations	25
5	Gains or losses from the disposal of assets	29
6(a)	Cash and cash equivalent assets	30
6(b)	Investments	30
6(c)	Restricted cash, cash equivalents and investments – details	31
7	Receivables	33
8	Inventories and other assets	35
9(a)	Infrastructure, property, plant and equipment	36
9(b)	Externally restricted infrastructure, property, plant and equipment	38
10	Investment property	38
11	Payables and borrowings	39
12	Provisions	42
13	Revaluation reserves and errors	44
14	Statement of cash flows – additional information	46
15	Interests in other entities	47
16	Commitments for expenditure	49
17	Contingencies and other liabilities/assets not recognised	50
18	Financial risk management	53
19	Material budget variations	57
20	Fair value measurement	59
21	Related party transactions	63
22	Statement of developer contributions	64
23(a)	Statement of performance measures – consolidated results	68
Additional council disclosures (unaudited)		
23(b)	Statement of performance measures – consolidated results (graphs)	69

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 30/10/2018.

Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 19 – Material budget variations

and are clearly marked.

The comparative reporting period reflects the local government Council Amalgamations Proclamation 2016 under the Local Government Act 1993 (NSW) which transferred the assets and liabilities of 3 former councils:

- Ashfield Council
- Leichhardt Council
- Marrickville Council

to Inner West Council as at 12 May 2016.

Pursuant to the Proclamation on 12 May 2016 at 12.10 pm, the comparative financial statements were prepared for the period commencing on the date of establishment of Inner West Council, being 13 May 2016 and ending on 30 June 2017. As a result, the comparative revenue, expenditure and cash flows are representative of a thirteen and a half month reporting period, rather than the current 12 month reporting period.

(a) New and amended standards adopted by Council

There have been no new accounting standards adopted by Council in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

AASB 124 Related Party Disclosures was adopted for the first time in the financial statements.

The impact adopting this standard has had no impact on the reporting of Council's financial position or performance.

Note 21 has now been included in these financial statements for related parties and incorporates all required related party disclosures.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) 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 investment properties –refer Note 10,
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 9,
- (iii) employee benefit provisions – refer Note 12.

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 in Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and other assets received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Other-CivicRisk Metro; and
- Other-CivicRisk Mutual Pools.

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

Trust monies and other assets are held by Council but are not considered to be under the control of Council and therefore are excluded from these financial statements. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

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 which that are recoverable from, or payable to the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

As at the date of authorisation of these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

Effective for annual reporting periods beginning on or after 1 January 2018

- AASB 9 *Financial Instruments*

This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

Effective for annual reporting periods beginning on or after 1 January 2019

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

While Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards, these standards may affect the timing of the recognition of some grants and donations.

- AASB 16 *Leases*

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

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

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	2017
Children and Family Services	15,622	10,432	15,560	18,436	62	(8,004)	–	–	–	–
Community Events	119	98	3,129	3,059	(3,010)	(2,961)	–	–	–	–
Community Services and Culture	2,124	1,282	7,993	6,733	(5,869)	(5,451)	1,966	2,693	182	22,750
Corporate Support Services	139,597	204,891	102,124	91,034	37,473	113,857	6,569	29,777	2,422,738	1,042,732
Development Assessment	5,277	4,765	5,866	15,493	(589)	(10,728)	–	1,295	–	–
Environment and Sustainability	644	2,017	3,784	17,650	(3,140)	(15,633)	333	981	9	127,657
Footpaths, Roads, Traffic and Stormwater	13,034	20,717	25,226	31,728	(12,192)	(11,011)	1,479	1,326	24,751	902,607
Library and Historical Services	630	538	8,226	9,170	(7,596)	(8,632)	689	–	–	–
Recreation and Aquatics	10,122	14,407	10,752	21,817	(630)	(7,410)	–	3,661	77	218,232
Regulatory Services	14,448	8,773	12,668	15,235	1,780	(6,462)	–	2	6,336	290
Resource Recovery	39,749	31,761	27,570	32,210	12,179	(449)	–	29	698	20,188
Strategic Planning	3,476	9,564	4,784	3,256	(1,308)	6,308	–	–	–	–
Trees, Parks and Sportsfields	9,220	6,256	11,621	14,298	(2,401)	(8,042)	–	–	–	–
Total functions and activities	254,062	315,501	239,303	280,119	14,759	35,382	11,036	39,764	2,454,791	2,334,456

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(b). Council functions/activities – component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Children and Family Services

- Planning for and providing Council's Education and Care Services for families with children aged 0-12 years, including:
 - Long Day Care
 - Family Day Care
 - Preschool and Occasional care
 - Out of school hours care
- Supporting parents' participation in the workforce and or / society
- Supporting children with additional needs and from vulnerable and disadvantaged backgrounds.

Community Events

- Deliver Council's annual program of community events to engage citizens in the community life of the inner west.

Community Services and Culture

- Providing, and working with partners on, programs and services to support and promote community wellbeing.
- Developing social and cultural strategies and plans
- Initiating and managing programs that position the inner West as a destination for excellence and innovation in the arts and culture.
- Activating Council's community facilities to foster community building, participation, and social support.

Corporate Support Services

- Integration, Customer Service, Business Excellence and Civic Governance
- Communications and Engagement
- Finance
- Human Resources
- Information and Communications Technology
- Legal Services
- Procurement and Fleet
- Properties, Major Building Projects and Facilities

Development Assessment

- Implementing Council's statutory responsibilities to effectively manage change within the built and physical environment.
- Providing accurate, timely and consistent planning and building advice to customers and high quality decisions and development outcomes.

Environment and Sustainability

- Strategic planning for Urban Sustainability
- Strategic Planning for Urban Ecology
- Supporting community involvement with urban ecology volunteer projects.
- Managing Council's environmental risk, compliance, ecological design and environmental performance, monitoring and reporting.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(b). Council functions/activities – component descriptions (continued)

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Footpaths, Roads, Traffic and Stormwater

- Plan, design and construct infrastructure
- Maintain and manage infrastructure:
 - Road Pavements
 - Roadside furniture
 - Kerb and Gutter
 - Footpaths
 - Cycleways
 - Bridges
 - Streetscape
 - Road reserve signage and pavement markings
 - Stormwater drainage
 - Traffic facilities and devices
 - Public carparks

Library and History Services

- Deliver library services to a network of eight libraries with about 100,000 library members.
- Provide a program of regular activities.
- Manage the annual one million visitors to the libraries, the one million borrowed items and free access to technology and digital resources.
- Provide history services and research, manage collections and archives, present exhibitions and displays and run community workshops and programs.
- Partner with community organisations and schools to expand library activities and increase library use.

Recreation and Aquatics

- Develop, plan for, and promote recreation opportunities to meet the needs of the Inner West Community.
- Manage Council's service provider contracts for the two indoor recreational facilities.
- Manage the service provider contracts for Annette Kellerman Aquatic Centre and Fanny Durack Aquatic Centre.
- Manage Ashfield Aquatic Centre, Dawn Fraser Baths and Leichhardt Park Aquatic Centre.
- Develop and deliver master plans for the public domain to support growth and change.

Regulatory Services

- Manage the urban environment in a way that protects life, property, amenities and the environment (natural, built and cultural) through the use of regulatory tools and education.

Resource Recovery

- Undertake strategic planning for Resource Recovery and provide policy, education and information that leads to behaviour change.
- Deliver daily collection and transport services to more than 90,000 households and businesses across the Inner West for waste and recycling.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(b). Council functions/activities – component descriptions (continued)

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Strategic Planning

- Protect and improve the local, natural and built environment through land use policy and strategy development.
- Guide the efficient and effective use and distribution of Council's resources.
- Guide the delivery of local infrastructure ensuring it supports forecast growth.
- Deliver a suite of plans to drive change and economic development, shape future growth outcomes and guide the delivery of infrastructure.

Tree, Parks and Sportsfields

- Maintain, renew and upgrade parks, reserves and sporting grounds and public open space.
- Coordinate recreation planning and programs for parks.
- Manage the implementation of the Urban Forest Policy including both public and private trees.
- Maintain Council's trees.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations

\$ '000	2018	13/5/16 to 30/6/17
(a) Rates and annual charges		
Ordinary rates		
Residential	77,705	73,230
Business	34,746	35,435
Total ordinary rates	112,451	108,665
Special rates		
Environmental levy	240	217
Urban street	181	180
Total special rates	421	397
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	37,302	40,484
Stormwater management services	1,754	1,829
Waste management services (non-domestic)	1,391	1,189
Section 611 charges	154	290
Total annual charges	40,601	43,792
TOTAL RATES AND ANNUAL CHARGES	153,473	152,854

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and annual charges

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Domestic waste management services	218	197
Waste management services (non-domestic)	398	941
Total specific user charges	616	1,138
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building services – other	379	272
Private works – section 67	226	361
Regulatory/ statutory fees	862	6,136
Town planning	5,696	397
Town planning (includes court awards – fines and costs)	–	230
Building services	23	276
Regulatory – compliance	1,416	1,075
Regulatory fees – other	889	870
Total fees and charges – statutory/regulatory	9,491	9,617
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aged care	66	147
Child care	14,898	15,075
Community centres	406	1,530
Hoarding fees	854	1,005
Leisure centre	8,116	7,858
Meals on wheels	291	310
Park rents	872	896
Parking fees	3,869	4,628
Pool (admissions)	655	2,189
Recreation – oval hire, rents	–	110
Other	1,586	1,760
Total fees and charges – other	31,613	35,508
TOTAL USER CHARGES AND FEES	41,720	46,263

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(c) Interest and investment revenue (including losses)		
Interest		
– Overdue rates and annual charges (incl. special purpose rates)	437	598
– Cash and investments	5,620	6,421
– Other	–	403
Amortisation of premiums and discounts		
– ‘Held to maturity’ investments	–	5
Other	–	17
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>6,057</u>	<u>7,444</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	437	598
General Council cash and investments	4,870	5,738
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	750	1,040
Domestic waste management operations	–	68
Total interest and investment revenue recognised	<u>6,057</u>	<u>7,444</u>

Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018	13/5/16 to 30/6/17
(d) Other revenues			
Rental income – investment property	10	2,876	3,748
Rental income – other council properties		2,580	3,176
Ex gratia rates		475	592
Fines – parking		12,565	16,044
Fines – other		108	998
Legal fees recovery – other		582	442
Credit card transaction fee		218	154
Insurance claim recoveries		–	7
Street furniture income		492	653
Health inspection administration fees		–	62
Bus shelter income		1,313	476
Donations Received		1,060	–
Other		1,751	2,244
<u>TOTAL OTHER REVENUE</u>		<u>24,020</u>	<u>28,596</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees are recognised as revenue when the service has been provided, and fines revenue is recorded when the penalty has been applied.

Rental income has been classified as income from investment property and other council properties.

Rental income is accounted for on a straight line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

Other income is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	13/5/16 to 30/6/17 Operating	2018 Capital	13/5/16 to 30/6/17 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	2,228	5,895	–	–
Financial assistance – local roads component	242	510	–	–
Payment in advance – future year allocation				
Financial assistance – general component	2,482	2,191	–	–
Financial assistance – local roads component	276	653	–	–
Other				
Pensioners' rates subsidies – general component	963	752	–	–
Total general purpose	6,191	10,001	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Domestic waste management	–	317	–	–
Aged care	814	498	–	–
Child care	862	831	–	–
Community care	–	135	–	–
Engineering grants	–	–	–	1,360
Environmental protection	333	324	–	10
Library – per capita	489	413	200	–
LIRS subsidy	159	104	–	165
Meals on wheels subsidy	–	175	–	–
Street lighting	655	449	–	–
Transport (roads to recovery)	–	–	–	902
Transport (other roads and bridges funding)	–	–	665	4,909
Transport (roads to recovery, flood works, 3x3)	–	21	–	896
Better waste and recycling fund	–	295	–	–
New council implementation fund	–	3,000	–	–
Community services	290	1,842	–	–
Amalgamation grant	–	7,000	–	5,000
Miscellaneous community grants	–	25	–	–
Other	–	1,085	378	7
Total specific purpose	3,602	16,514	1,243	13,249
Total grants	9,793	26,515	1,243	13,249
Grant revenue is attributable to:				
– Commonwealth funding	5,228	1,479	–	1,234
– State funding	4,565	18,942	1,243	11,678
– Other funding	–	6,094	–	337
	9,793	26,515	1,243	13,249

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018 Operating	13/5/16 to 30/6/17 Operating	2018 Capital	13/5/16 to 30/6/17 Capital
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements		–	–	699	146
S 7.11 – contributions towards amenities/services		–	–	12,369	26,052
S 7.12 – fixed development consent levies		–	–	–	1,395
Total developer contributions – cash		–	–	13,068	27,593
Non-cash contributions					
S 7.4 – contributions using planning agreements		–	–	1,160	–
Total developer contributions – non-cash		–	–	1,160	–
Total developer contributions	22	–	–	14,228	27,593
Other contributions:					
Cash contributions					
Other councils – joint works/services		–	534	–	–
Paving		–	2,757	–	287
Recreation and culture		–	–	–	250
Roads and bridges		–	–	1,223	893
RMS contributions (regional roads, block grant)		1,335	972	–	308
Stronger communities fund		–	–	–	5,000
Other		358	100	144	1,450
Total other contributions – cash		1,693	4,363	1,367	8,188
Total other contributions		1,693	4,363	1,367	8,188
Total contributions		1,693	4,363	15,595	35,781
TOTAL GRANTS AND CONTRIBUTIONS		11,486	30,878	16,838	49,030

Accounting policy for contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	82,939	59,610
Add: operating grants recognised in the current period but not yet spent	20,290	63,008
Add: operating grants received for the provision of goods and services in a future period	–	8,472
Less: operating grants recognised in a previous reporting period now spent	(31,020)	(48,151)
Unexpended and held as restricted assets (operating grants)	<u>72,209</u>	<u>82,939</u>

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations

\$ '000	2018	13/5/16 to 30/6/17
(a) Employee benefits and on-costs		
Salaries and wages	82,570	87,082
Employee termination costs	2,236	2,103
Travel expenses	42	12
Employee leave entitlements (ELE)	12,505	17,647
Superannuation	9,505	11,088
Workers' compensation insurance	1,820	2,364
Fringe benefit tax (FBT)	567	745
Training costs (other than salaries and wages)	134	1,194
Other	51	987
Total employee costs	109,430	123,222
Less: capitalised costs	(119)	(3,653)
TOTAL EMPLOYEE COSTS EXPENSED	109,311	119,569

Number of 'full-time equivalent' employees (FTE) at year end	1,038	1,091
--	-------	-------

Accounting policy for employee benefits and on-costs

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.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 17 for more information.

(b) Borrowing costs	2018	13/5/16 to 30/6/17
(i) Interest bearing liability costs		
Interest on loans	860	1,303
Total interest bearing liability costs expensed	860	1,303
(ii) Other borrowing costs		
Interest applicable on interest free (and favourable) loans to Council	–	2
Total other borrowing costs	–	2
TOTAL BORROWING COSTS EXPENSED	860	1,305

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(c) Materials and contracts		
Raw materials and consumables	9,787	31,949
Contractor and consultancy costs	–	22,936
– Agency Staff	10,515	–
– Consultants	3,226	–
– Contractors	23,245	–
Auditors remuneration ⁽²⁾	148	389
Infringement notice contract costs (SEINS)	–	992
Legal expenses:		
– Legal expenses: planning and development	841	1,614
– Legal expenses: debt recovery	248	290
– Legal expenses: other	166	193
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	1,120	1,093
Tipping fees	12,945	14,042
Other	–	536
<u>TOTAL MATERIALS AND CONTRACTS</u>	<u>62,241</u>	<u>74,034</u>

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Computers	466	315
Motor vehicles	232	36
Other	422	742
	<u>1,120</u>	<u>1,093</u>

2. Auditor remuneration

During the year the following fees were paid or payable 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	148	177
Remuneration for audit and other assurance services	<u>148</u>	<u>177</u>
Total Auditor-General remuneration	<u>148</u>	<u>177</u>

Non NSW Auditor-General audit firms:**(i) Audit and other assurance services**

Audit and review of financial statements	–	200
Due diligence services	–	12
Remuneration for audit and other assurance services	<u>–</u>	<u>212</u>
Total remuneration of non NSW Auditor-General audit firms	<u>–</u>	<u>212</u>

Total Auditor remuneration	<u>148</u>	<u>389</u>
-----------------------------------	-------------------	-------------------

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	13/5/16 to 30/6/17
(d) Depreciation, amortisation and impairment		
Depreciation and amortisation		
Plant and equipment	2,502	3,029
Office equipment	615	983
Furniture and fittings	194	166
Land improvements (depreciable)	3,688	3,943
Car parks (depreciable)	206	–
Infrastructure:		
– Buildings	5,861	6,298
– Roads	7,748	6,601
– Bridges	181	175
– Footpaths	1,601	1,723
– Other road assets	771	1,289
– Stormwater drainage	1,471	1,589
– Swimming pools	1,648	1,125
– Wharves	81	84
– Sea walls	394	431
– Carparks	–	174
– Kerb and gutter	991	2,243
Other assets:		
– Mobile garbage bins	–	376
– Domestic waste vehicles	344	620
Total depreciation and amortisation costs	28,296	30,849
Impairment / revaluation decrement of IPP&E		
Community Land	–	2,565
Infrastructure:		
– Buildings	8,913	–
– Bulk Earthworks (Non Depreciable)	86	20,284
– Other road assets	–	1,989
Total IPP&E impairment / revaluation decrement costs / (reversals)	8,999	24,838
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED</u>	<u>37,295</u>	<u>55,687</u>

Accounting policy for depreciation, amortisation and impairment expenses

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 Note 9 for IPPE assets.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

Accounting policy for depreciation, amortisation and impairment expenses (continued)

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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

\$ '000	2018	13/5/16 to 30/6/17
(e) Other expenses		
Advertising	779	1,140
Bad and doubtful debts	999	1,743
Bank charges	464	608
Computer software charges	3,943	910
Contributions/levies to other levels of government		
– Department of planning levy	–	299
– Emergency services levy (includes FRNSW, SES, and RFS levies)	–	2,837
– NSW fire brigade levy	3,320	718
– SEINS processing fees	1,694	1,150
– Waste levy	317	815
Councillor expenses – mayoral fee (incl deputy mayor)	53	–
Councillor expenses – councillors' fees	282	–
Administration and committee fees	212	894
Donations, contributions and assistance to other organisations (Section 356)	2,213	1,366
Electricity and heating	2,392	2,066
Insurance	2,205	3,016
Postage	685	–
Street lighting	1,629	3,056
Subscriptions and publications	611	90
Telephone and communications	1,547	932
Valuation fees	344	332
Water rates	972	868
Gas	749	341
Library books	–	464
Other	2,962	2,315
TOTAL OTHER EXPENSES	28,372	25,960

Accounting policy for other expenses

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

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	13/5/16 to 30/6/17
Property (excl. investment property)	9		
Proceeds from disposal – property		35,038	2,211
Less: carrying amount of property assets sold/written off		<u>(35,364)</u>	<u>(696)</u>
Net gain/(loss) on disposal		<u>(326)</u>	<u>1,515</u>
Plant and equipment	9		
Proceeds from disposal – plant and equipment		2,113	2,123
Less: carrying amount of plant and equipment assets sold/written off		<u>(1,933)</u>	<u>(3,075)</u>
Net gain/(loss) on disposal		<u>180</u>	<u>(952)</u>
Infrastructure	9		
Proceeds from disposal – infrastructure		204	–
Less: carrying amount of infrastructure assets sold/written off		<u>(1,282)</u>	<u>(4,127)</u>
Net gain/(loss) on disposal		<u>(1,078)</u>	<u>(4,127)</u>
Financial assets	6		
Proceeds from disposal/redemptions/maturities – financial assets		266,502	216,338
Less: carrying amount of financial assets sold/redeemed/matured		<u>(266,502)</u>	<u>(216,338)</u>
Net gain/(loss) on disposal		<u>–</u>	<u>–</u>
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		<u>(1,224)</u>	<u>(3,564)</u>

Accounting policy for disposal of assets

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is derecognised.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 6(a). Cash and cash equivalent assets

\$ '000	2018	2017
Cash and cash equivalents		
Cash on hand and at bank	12,835	18,668
Total cash and cash equivalents	12,835	18,668

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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.

Note 6(b). Investments

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
Investments				
'Held to maturity'	142,488	61,991	145,588	40,550
Total investments	142,488	61,991	145,588	40,550
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</u>	<u>155,323</u>	<u>61,991</u>	<u>164,256</u>	<u>40,550</u>
Held to maturity investments				
Long term deposits	139,467	4,078	142,588	13,073
NCD's, FRN's (with maturities > 3 months)	3,021	28,339	3,000	24,283
Mortgage backed securities	–	1,156	–	1,201
Fixed bonds (ADIs)	–	28,418	–	1,993
Total	142,488	61,991	145,588	40,550

Accounting policy for investments

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6(b). Investments (continued)

Accounting policy for investments

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	155,323	61,991	164,256	40,550
attributable to:				
External restrictions (refer below)	38,431	61,991	65,372	40,550
Internal restrictions (refer below)	46,535	–	47,913	–
Unrestricted	70,357	–	50,971	–
	155,323	61,991	164,256	40,550

Detailed restrictions are disclosed on the next page

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6(c). Restricted cash, cash equivalents and investments – details (continued)

\$ '000	2018	2017
Details of restrictions		
External restrictions – other		
Developer contributions – general	54,109	58,287
Specific purpose unexpended grants	18,100	24,652
Domestic waste management	22,127	16,672
Stormwater management	501	1,819
Watershed	59	59
SRV Income	5,026	3,466
Debbie and Abbey Borgia sinking fund	–	421
Mainstreet levy	240	395
3.5% levy reserve	260	151
External restrictions – other	100,422	105,922
Internal restrictions		
Employees leave entitlement	29,783	32,537
Deposits, retentions and bonds	13,994	12,532
FAG reserve	2,758	2,844
Total internal restrictions	46,535	47,913
TOTAL RESTRICTIONS	146,957	153,835

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	5,374	433	4,882	388
Interest and extra charges	853	197	684	154
User charges and fees	3,901	–	3,085	–
Private works	–	–	2	–
Accrued revenues				
– Interest on investments	16	–	1,062	–
– Other income accruals	1,202	–	435	–
Fines	6,336	–	5,421	–
Government grants and subsidies	–	–	903	–
Net GST receivable	2,642	–	2,104	–
Other debtors	198	24,672	1,211	–
Total	20,522	25,302	19,789	542
Less: provision for impairment				
Rates and annual charges	(414)	–	(241)	(172)
Interest and extra charges	(197)	–	(77)	(154)
User charges and fees	(1,176)	–	(433)	–
Fines	(2,267)	–	(2,011)	–
Total provision for impairment – receivables	(4,054)	–	(2,762)	(326)
TOTAL NET RECEIVABLES	16,468	25,302	17,027	216
Externally restricted receivables				
Domestic waste management	1,171	–	904	–
Stormwater management	78	–	68	–
Other				
– Urban centres levy	4	–	5	–
Total external restrictions	1,253	–	977	–
Unrestricted receivables	15,215	25,302	16,050	216
TOTAL NET RECEIVABLES	16,468	25,302	17,027	216
Movement in provision for impairment of receivables			2018	13/5/16 to 30/6/17
Balance at the beginning of the year			3,088	3,961
+ new provisions recognised during the year			966	1,357
– amounts already provided for and written off this year			–	(2,230)
Balance at the end of the year			4,054	3,088

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. 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.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income statement.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
Inventories at cost				
Stores and materials	161	–	180	–
Trading stock	17	–	27	–
Total inventories at cost	178	–	207	–
TOTAL INVENTORIES	178	–	207	–
(b) Other assets				
Prepayments	3,827	–	2,340	–
TOTAL OTHER ASSETS	3,827	–	2,340	–

Externally restricted assets

There are no restrictions applicable to the above assets.

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment

Asset class \$ '000	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	41,048	–	41,048	14,246	3,005	–	–	–	(30,708)	–	–	–	27,591	–	27,591
Plant and equipment	32,181	19,910	12,271	–	3,978	(1,619)	(2,502)	–	–	–	–	–	29,341	17,213	12,128
Office equipment	11,791	9,246	2,545	–	143	(192)	(615)	–	418	–	–	–	5,209	2,910	2,299
Furniture and fittings	7,246	6,233	1,013	–	–	(123)	(194)	–	–	–	–	–	1,961	1,265	696
Land:															
– Operational land	355,090	–	355,090	–	–	(35,000)	–	–	–	(3,175)	–	95,900	412,815	–	412,815
– Community land	274,870	–	274,870	–	1,060	–	–	–	–	2,641	–	4,110	282,681	–	282,681
Land improvements – non-depreciable	4,259	–	4,259	–	–	–	–	–	–	–	–	–	4,259	–	4,259
Land improvements – depreciable	96,613	23,905	72,708	9	4,145	(59)	(3,688)	–	8,072	–	–	–	108,760	27,573	81,187
Car parks – non-depreciable	2,423	–	2,423	–	–	–	–	–	–	–	–	1,124	3,547	–	3,547
Car parks – depreciable	8,338	2,077	6,261	–	549	–	(206)	–	–	–	–	1,388	10,869	2,877	7,992
Infrastructure:															
– Buildings	311,627	92,903	218,724	57	11,311	(364)	(5,861)	(8,913)	16,285	534	–	–	316,118	84,345	231,773
– Roads	311,912	148,167	163,745	2,673	–	–	(7,748)	–	2,470	–	–	–	317,055	155,915	161,140
– Bridges	14,830	4,460	10,370	–	–	–	(181)	–	25	–	–	541	15,422	4,667	10,755
– Footpaths	103,646	33,253	70,393	874	2,001	(9)	(1,601)	–	1,247	–	–	–	107,756	34,851	72,905
– Kerb and gutter	186,165	74,518	111,647	23	510	(5)	(991)	–	267	–	–	–	186,959	75,508	111,451
– Other road assets	18,037	5,430	12,607	5	1,763	–	(771)	–	1,646	–	–	–	21,451	6,201	15,250
– Bulk earthworks (non-depreciable)	512,345	–	512,345	–	–	–	–	(86)	–	–	–	–	512,259	–	512,259
– Sea walls	37,403	9,783	27,620	–	53	–	(394)	–	10	–	(39)	–	37,424	10,174	27,250
– Wharves	6,162	2,091	4,071	–	–	–	(81)	–	–	–	–	140	6,308	2,178	4,130
– Stormwater drainage	171,887	52,448	119,439	183	2,114	–	(1,471)	–	268	–	–	–	174,452	53,919	120,533
– Swimming pools	58,271	6,997	51,274	–	–	–	(1,648)	–	–	–	–	4,778	66,128	11,724	54,404
Domestic waste assets:															
– Mobile garbage bins	3,390	2,182	1,208	–	–	(1,208)	–	–	–	–	–	–	–	–	–
– Domestic waste vehicles	3,907	1,043	2,864	–	604	–	(344)	–	–	–	–	–	4,511	1,387	3,124
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	2,573,441	494,646	2,078,795	18,070	31,236	(38,579)	(28,296)	(8,999)	–	–	(39)	107,981	2,652,876	492,707	2,160,169

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

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed 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 asset 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.

Land is not depreciated. 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	Open Space and Recreation	Years
Office equipment	2 to 10	Playground equipment	10 to 100
Office furniture	2 to 10	Benches, seats etc.	10 to 100
Computer equipment	2 to 10	Park Improvements	10 to 100
Vehicles	2 to 10	Walls	10 to 100
Heavy plant/road making equipment	2 to 10	Buildings	
Parking Meters	10	Buildings: Structures	50 to 150
		Buildings: Components	10 to 60
Other infrastructure assets		Stormwater Assets	
Bulk Earthworks	Infinite	Stormwater Draingage Assets	50 to 150
Seawalls	50		
Wharves	10 to 80		
Land Improvements	10 to 100		
Fences,Stairs,Retaining Walls etc	10 to 100		
Swimming Pools	10 to 150		
Transportation assets			
Roads Formation	Infinite		
Pavement	150		
Surface	25 to 30		
Bridges	20 to 150		
Traffic Facilities	10 to 80		
Carparks	25 to 150		
Footpaths	40 - 80		
Kerb & Gutter	100		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment (continued)

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 in accordance with AASB 1051 Land Under Roads.

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.

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.

Rural Fire Service assets

Under section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed".

At present, Council does not have any rural fire service assets.

Note 9(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2018			2017		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Class of asset						
Domestic waste management						
Domestic waste vehicles	4,511	1,387	3,124	5,391	1,678	3,713
Mobile garbage bins	–	–	–	3,391	2,183	1,208
Total DWM	4,511	1,387	3,124	8,782	3,861	4,921
TOTAL RESTRICTED IPP&E	4,511	1,387	3,124	8,782	3,861	4,921

Note 10. Investment property

\$ '000	2018	2017
---------	------	------

(a) Investment property at fair value

<u>Investment property on hand</u>	<u>28,040</u>	<u>28,040</u>
------------------------------------	---------------	---------------

(b) Valuation basis

The basis of valuation of investment property is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2018 revaluations were based on independent assessments made by Scott Fullerton Valuers.

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 11. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	8,655	–	8,194	–
Goods and services – capital expenditure	4,787	–	793	–
Accrued expenses:				
– Borrowings	25	–	30	–
– Salaries and wages	357	–	427	–
– Other expenditure accruals	1,292	–	2,836	–
Security bonds, deposits and retentions	14,289	–	12,532	–
Unearned income	–	–	495	–
Other	803	–	272	–
Total payables	30,208	–	25,579	–
Income received in advance				
Payments received in advance	1,764	–	1,296	–
Total income received in advance	1,764	–	1,296	–
Borrowings				
Loans – secured ¹	4,232	9,104	4,688	13,356
Total borrowings	4,232	9,104	4,688	13,356
TOTAL PAYABLES AND BORROWINGS	36,204	9,104	31,563	13,356

(a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Domestic waste management	514	–	448	–
Payables and borrowings relating to externally restricted assets	514	–	448	–
Total payables and borrowings relating to restricted assets	514	–	448	–
Total payables and borrowings relating to unrestricted assets	35,690	9,104	31,115	13,356
TOTAL PAYABLES AND BORROWINGS	36,204	9,104	31,563	13,356

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 18.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

\$ '000	2018	2017
---------	------	------

(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	10,002	8,338
	10,002	8,338

(c) Changes in liabilities arising from financing activities

Class of borrowings	Opening balance as at 1/7/17	Cash flows	Non-cash changes			Closing balance as at 30/6/18
			Acquisition	Fair value changes	Other non-cash movements	
Loans – secured	18,044	(4,708)	–	–	–	13,336
TOTAL	18,044	(4,708)	–	–	–	13,336

\$ '000	2018	2017
---------	------	------

(d) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Bank overdraft facilities ⁽¹⁾	2,000	2,000
Credit cards/purchase cards	549	282
Total financing arrangements	2,549	2,282
Undrawn facilities as at balance date:		
– Bank overdraft facilities	2,000	2,000
– Credit cards/purchase cards	549	282
Total undrawn financing arrangements	2,549	2,282

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

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

Accounting policy for payables and borrowings

Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest 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. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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 finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Finance leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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 Council will obtain ownership at the end of the lease term.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	8,841	–	9,616	–
Sick leave	–	–	586	–
Long service leave	16,568	1,841	19,802	1,601
Other leave	593	–	253	–
ELE on-costs	1,746	193	543	136
Sub-total – aggregate employee benefits	27,748	2,034	30,800	1,737
Other provisions:				
Excess insurance	150	107	150	107
Sub-total – other provisions	150	107	150	107
<u>TOTAL PROVISIONS</u>	<u>27,898</u>	<u>2,141</u>	<u>30,950</u>	<u>1,844</u>

(a) Provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

\$ '000	2018	2017
(b) Current provisions not anticipated to be settled within the next twelve months		
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	16,969	18,000
	16,969	18,000

Nature and purpose of non-employee benefit provisions

Self-insurance

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Provisions (continued)

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

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.

The obligations are presented as current liabilities in the Statement of Financial Position if the 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.

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. A provision for self-insurance has been made to recognise outstanding claims. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Revaluation reserves and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period errors

As part of the harmonisation process of Council's policies, protocols and procedures, Council restated the prior year financial statements where appropriate to reflect the changes made.

In line with the accounting standards, where a revaluation decrement is identified, the decrement can only impact the revaluation reserve for that asset class to the extent that a revaluation reserve exists at financial statement date. Council had disclosed a decrement in revaluation for Other Road Assets and Bulk Earthworks which had revaluation decrements of \$2m and \$20m respectively and had a nil balance in their revaluation reserve. To correct this, Council expensed the revaluation decrements to profit and loss with a corresponding adjustments to the revaluation reserve. This increased the Revaluation Reserve and decreased Retained Earnings for the financial year ended 30 June 2017 by \$22m and is disclosed in the statement of Changes in Equity.

Other Infrastructure was determined to be comprised of assets that should be classified as Furniture and Fittings and Office Equipment. The individual assets were reallocated accordingly, with no impact on any other aspect of the financial statements.

Other Structures and Other open space/recreational assets were determined to be Land improvements depreciable and have been consolidated with that asset class. The assets were consolidated accordingly, with no impact on any other aspect of the financial statements.

The road component Kerb and Gutter was split out from the Roads asset class to better represent the nature of that asset class. Accordingly, all related asset transactions and balances were split throughout the financial statements.

Operational land amounting to \$63m was determined to meet the definition of Investment Property and was transferred from Infrastructure, Plant, Property and Equipment retrospectively at amalgamation date 13 May 2016. The properties were revalued to their fair value of \$28m at amalgamation date with the decrement of \$35m in value impacting the amalgamation gain.

Council identified Crown Land valued at \$19m that had not been previously recorded in its asset register. The gain was recognised retrospectively with a corresponding increase in amalgamation gain on 13 May 2016.

Council identified land to the value of \$24m that had previously been recognised and valued as Community Land in former Councils that should have been classified as Operational Land. Council also identified land parcels that had been incorrectly included as both Community Land and Operational Land, where the correct classification should be Operational Land. The duplicate Community Land amounting to \$14m were written off against the amalgamation gain.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Revaluation reserves and errors (continued)

(b) Correction of errors relating to a previous reporting period (continued)

During the current financial year, the asset register harmonisation and data quality improvements resulted in significant improvements in available data quality and detail of asset information available. Infrastructure assets were revalued using the unit cost approach which as a result of data quality improvements resulted in revaluation adjustments amounting to \$27m. Council has corrected these valuation differences to the prior year, thereby more accurately representing the infrastructure asset network value at amalgamation.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (13 May 2016) and adjusting the amalgamation gain. Comparatives have been amended to reflect the correction of errors. The impact on each line item is shown in the tables below.

	2017
Changes to the gain on local government amalgamation at 13 May 2016	
Gain on local government amalgamation (as previously disclosed)	2,200,149
Prior year error revaluation decrements	(27,273)
Crown land not previously recognised	19,153
Investment property revaluation loss	(34,909)
Community land derecognised (duplicated in Operational Land)	(13,950)
Restated gain on local government amalgamation	2,143,170

	2017
Changes to Infrastructure, Plant, Property and Equipment at 30 June 2017	
Total Assets (as previously disclosed)	2,163,814
Prior year error revaluation decrements	(27,273)
Crown land not previously recognised	19,153
Community land derecognised (duplicated in Operational Land)	(13,950)
Investment property revaluation decrement	(34,909)
Investment property recognised at amalgamation	(28,040)
Restated Total Assets	2,078,795

	2017
Changes to Investment Properties at 30 June 2017	
Investment properties (as previously disclosed)	–
Investment property recognised at amalgamation	28,040
Restated Total Assets	28,040

	Revaluation Decrement / IPPE Impairment 2017	Retained Earnings 2017	Revaluation Reserve 2017
Changes to the Income Statement and Statement of Changes in Equity at 30 June 2017			
Balance at end of the reporting period as previously reported	(2,565)	2,257,804	55,918
Changes to gain on local government amalgamation	–	(56,979)	–
Revaluation decrements recognised in P&L	(22,273)	(22,273)	22,273
Restated Equity – balance at end of the reporting period	(24,838)	2,178,552	78,191

	Original Balance 30 June 2017	Impact Increase/ (decrease)	Restated Balance 30 June 2017
Changes to the Statement of Financial Position at 30 June 2017			
Infrastructure, property, plant and equipment	2,163,814	(85,019)	2,078,795
Investment Property	–	28,040	28,040
Asset classes not impacted by prior year errors	227,621	–	227,621
Total Assets	2,391,435	(56,979)	2,334,456
Total Liabilities	77,713	–	77,713
Retained Earnings	2,257,804	(79,252)	2,178,552
Revaluation Reserves	55,918	22,273	78,191
Total equity	2,313,722	(56,979)	2,256,743

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	12,835	18,668
Balance as per the Statement of Cash Flows		12,835	18,668
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		14,759	35,382
Adjust for non-cash items:			
Depreciation and amortisation		28,296	30,849
Net losses/(gains) on disposal of assets		1,224	3,564
Non-cash capital grants and contributions		(1,160)	(9,600)
Impairment losses recognition – I,PP&E		–	2,565
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		8,999	22,273
Amortisation of premiums, discounts and prior period fair valuations			
– ‘Held to maturity’ financial assets		–	(5)
– Interest exp. on interest-free loans received by Council (previously fair valued)		–	2
Share of net (profits) or losses of associates/joint ventures		(468)	(436)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(25,493)	21,045
Increase/(decrease) in provision for doubtful debts		966	(873)
Decrease/(increase) in inventories		29	76
Decrease/(increase) in other assets		(1,487)	(216)
Increase/(decrease) in payables		461	(2,263)
Increase/(decrease) in accrued interest payable		(5)	(327)
Increase/(decrease) in other accrued expenses payable		(1,614)	(83)
Increase/(decrease) in other liabilities		2,261	(1,771)
Increase/(decrease) in employee leave entitlements		(2,755)	988
Increase/(decrease) in other provisions		–	(266)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		24,013	100,904
(c) Non-cash investing and financing activities			
Developer contributions ‘in kind’		1,160	9,600
Total non-cash investing and financing activities		1,160	9,600

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Interests in other entities

\$ '000

	Council's share of net income		Council's share of net assets	
	2018	13/5/16 to 30/6/17	2018	2017
Associates	468	436	3,493	3,025
Total	468	436	3,493	3,025

(a) Associates

Council has incorporated the following associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2018	2017
CivicRisk Mutual	Associate	Equity method	272	273
CivicRisk Metro	Associate	Equity method	3,221	2,752
Total carrying amounts – material associates			3,493	3,025

(b) Details

Name of entity	Principal activity	Place of business
CivicRisk Mutual	Local govt. insurance coverage	Penrith NSW
CivicRisk Metro	Local govt. insurance coverage	Penrith NSW

(c) Relevant interests and fair values

Name of entity	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2018	2017	2018	2017	2018	2017	2018	2017
CivicRisk Mutual	272	273	3%	4%	3%	4%	6%	6%
CivicRisk Metro	3,221	2,752	24%	24%	24%	24%	16%	14%

(d) Summarised financial information for associates

Statement of financial position	CivicRisk Mutual		CivicRisk Metro	
	2018	2017	2018	2017
Current assets				
Other current assets	6,917	6,745	8,129	5,766
Non-current assets	5,989	5,889	16,220	18,168
Current liabilities				
Other current liabilities	2,989	3,314	1,815	1,593
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	1,448	2,830	8,985	10,730
Net assets	8,469	6,490	13,549	11,611
Reconciliation of the carrying amount				
Opening net assets (1 July)	12,980	7,286	11,611	9,422
Profit/(loss) for the period	1,979	(796)	1,938	2,189
Closing net assets	14,959	6,490	13,549	11,611
Council's share of net assets (%)	3.2%	4.2%	23.8%	23.7%
Council's share of net assets (\$)	272	273	3,221	2,752

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Interests in other entities (continued)

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with AASB128 Investments in *Associates and Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses.

The Council's share in the associate's gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associate's accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Commitments for expenditure

\$ '000	2018	2017
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	2,697	7,340
Plant and equipment	752	169
Infrastructure	4,143	7,984
Other	1,465	1,587
Total commitments	9,057	17,080
These expenditures are payable as follows:		
Within the next year	9,057	17,080
Total payable	9,057	17,080
Sources for funding of capital commitments:		
Unrestricted general funds	9,057	17,080
Total sources of funding	9,057	17,080
(b) Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	416	876
Later than one year and not later than 5 years	247	467
Total non-cancellable operating lease commitments	663	1,343
b. Non-cancellable operating leases include the following assets:		
Includes Motor vehicles, photocopiers, computers, gym equipment.		
Contingent rentals may be payable depending on the condition of items or usage during the lease term.		
Conditions relating to operating leases:		
– All operating lease agreements are secured only against the leased asset.		
– No lease agreements impose any financial restrictions on Council regarding future debt etc.		

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Contingencies and other liabilities/assets not recognised

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 participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119. Council has 95 staff members who are members of the Division B Defined Benefit Scheme. During the financial year ended 30 June 2018, Council contributed \$945,000 to the deficit of this Scheme which can be broadly attributed as its net share of the Scheme's net deficit.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

(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.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Contingencies and other liabilities/assets not recognised (continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(iii) StateCover Limited (continued)

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.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

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.

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

(iii) Contingent Liabilities

Council agreed to guarantee a loan for \$0.5 million between the NSW Minister for Sport and Recreation and Balmain Tigers Rugby League Football Club for the redevelopment of Leichhardt Oval. The associated funding agreement places various obligations on both Council and Balmain Tigers Rugby League Football Club. In the event that Balmain Tigers Rugby League Football Club is unable to meet its obligations under the agreement, there may be consequential financial obligations for Council.

ASSETS NOT RECOGNISED:

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Contingencies and other liabilities/assets not recognised (continued)

ASSETS NOT RECOGNISED (continued):

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management

\$ '000

Risk management

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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2018	2017	2018	2017
Financial assets				
Cash and cash equivalents	12,835	18,668	12,835	18,668
Investments				
– 'Held to maturity'	204,479	186,138	204,479	185,754
Receivables	41,770	17,243	40,023	18,271
Total financial assets	259,084	222,049	257,337	222,693
Financial liabilities				
Payables	30,208	25,579	30,207	25,585
Loans/advances	13,336	18,044	13,336	18,931
Total financial liabilities	43,544	43,623	43,543	44,516

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.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management (continued)

\$ '000

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 with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there 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.
- **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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 10% movement in market values	25,734	25,734	(25,734)	(25,734)
Possible impact of a 1% movement in interest rates	2,573	2,573	(2,573)	(2,573)
13/5/16to 30/6/17				
Possible impact of a 10% movement in market values	13,596	13,596	(13,596)	(13,596)
Possible impact of a 1% movement in interest rates	1,214	1,214	(1,214)	(1,214)

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management (continued)

\$ '000

(b) Credit risk

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

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

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.

A profile of Council's receivables credit risk at balance date follows:

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	100%	100%	100%	100%
	100%	100%	100%	100%
(ii) Ageing of receivables – value			2018	2017
Rates and annual charges				
Current			–	2,520
< 1 year overdue			5,807	1,491
1 – 2 years overdue			–	269
2 – 5 years overdue			–	146
> 5 years overdue			–	844
			5,807	5,270
Other receivables				
Current			11,802	5,272
0 – 30 days overdue			2,422	2,779
31 – 60 days overdue			408	1,653
61 – 90 days overdue			21	1,665
> 91 days overdue			25,364	3,692
			40,017	15,061

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management (continued)

\$ '000

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – 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 maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
2018							
Trade/other payables		14,289	15,919	–	–	30,208	30,208
Loans and advances	5.16%	–	4,864	6,781	2,805	14,450	13,336
Total financial liabilities		14,289	20,783	6,781	2,805	44,658	43,544
2017							
Trade/other payables		12,532	8,448	4,599	–	25,579	25,579
Loans and advances	5.34%	–	5,358	12,400	1,924	19,682	18,044
Total financial liabilities		12,532	13,806	16,999	1,924	45,261	43,623

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 26 June 2018 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
REVENUES					
Rates and annual charges	153,381	153,473	92	0%	F
User charges and fees	43,510	41,720	(1,790)	(4%)	U
Interest and investment revenue	5,042	6,057	1,015	20%	F
Council has diversified its investment strategy to include more ethical investment products in the portfolio which has contributed to better returns from the investments.					
Other revenues	24,100	24,020	(80)	(0%)	U
Operating grants and contributions	12,855	11,486	(1,369)	(11%)	U
This was mainly due to the Lilyfield Cycleway grant application being unsuccessful from RMS.					
Capital grants and contributions	10,699	16,838	6,139	57%	F
The favourable variance is due to an increase in section 94 contribution, due to a higher volume of applications.					

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	126,368	109,311	17,057	13%	F
Open positions for CFS mainly due to Leichhardt Park, Roads Footpaths, stormwater & resource recovery. Also unspent training and development expenditure.					
Borrowing costs	906	860	46	5%	F
Materials and contracts	61,675	62,241	(566)	(1%)	U
Depreciation and amortisation	26,600	28,296	(1,696)	(6%)	U
Other expenses	27,777	28,372	(595)	(2%)	U

Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	32,862	24,013	(8,849)	(26.9%)	U
The unfavourable variance is due to significant grants received from state government for amalgamation and stronger communities.					
Cash flows from investing activities	(65,426)	(25,138)	40,288	(61.6%)	F
The favourable variance is due to sale of land relating to the former Marrickville Hospital Site not budgeted in Council's 17/18 original budget.					
Cash flows from financing activities	(4,704)	(4,708)	(4)	0.1%	U

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2018	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment Property	30/06/18	–	28,040	–	28,040
Total investment property		–	28,040	–	28,040
Infrastructure, property, plant and equipment					
Operational land	30/06/18	–	412,815	–	412,815
Community land	30/06/18	–	–	282,681	282,681
Land improvements – non-depreciable	30/06/18	–	–	4,259	4,259
Land improvements – depreciable	30/06/18	–	–	81,188	81,188
Car parks – non-depreciable	30/06/18	–	–	3,547	3,547
Car parks – depreciable	30/06/18	–	–	7,992	7,992
Buildings	30/06/18	–	–	231,772	231,772
Roads	30/06/18	–	–	161,140	161,140
Bridges	30/06/18	–	–	10,757	10,757
Footpaths	30/06/18	–	–	72,906	72,906
Kerb and Gutter	30/06/18	–	–	111,451	111,451
Other road assets	30/06/18	–	–	15,250	15,250
Bulk earthworks (non-depreciable)	30/06/18	–	–	512,259	512,259
Sea walls	30/06/18	–	–	27,250	27,250
Wharves	30/06/18	–	–	4,130	4,130
Stormwater drainage	30/06/18	–	–	120,531	120,531
Swimming pools	30/06/18	–	–	54,404	54,404
Total infrastructure, property, plant and equipment		–	412,815	1,701,517	2,114,332

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment property					
Investment Property	13/05/16	–	28,040	–	28,040
Total investment property		–	28,040	–	28,040
Infrastructure, property, plant and equipment					
Operational land	13/05/16	–	355,090	–	355,090
Community land	30/06/17	–	–	274,870	274,870
Land improvements – non-depreciable	30/06/17	–	–	1,873	1,873
Land improvements – depreciable	30/06/17	–	–	89,741	89,741
Car parks – non-depreciable	30/06/17	–	–	2,423	2,423
Car parks – depreciable	30/06/17	–	–	6,261	6,261
Buildings	13/05/16	–	–	218,723	218,723
Roads	30/06/17	–	–	191,121	191,121
Bridges	30/06/17	–	–	10,372	10,372
Footpaths	30/06/17	–	–	75,261	75,261
Kerb and Gutter	30/06/17	–	–	119,761	119,761
Other road assets	30/06/17	–	–	33,837	33,837
Bulk earthworks (non-depreciable)	30/06/17	–	–	512,345	512,345
Sea walls	30/06/17	–	–	27,620	27,620
Wharves	30/06/17	–	–	4,071	4,071
Stormwater drainage	30/06/17	–	–	125,303	125,303
Swimming pools	30/06/13	–	–	51,274	51,274
Total infrastructure, property, plant and equipment		–	355,090	1,744,856	2,099,946

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Investment property

The valuation of Council's investment property was undertaken at 30 June 2018 by Scott Fullerton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registration No. VAL2144.

Investment property has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and or/ dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

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

Infrastructure, property, plant and equipment (IPP&E)

Buildings - Non-Specialised and Specialised

Buildings were valued by Scott Fullerton Valuations Pty Ltd, FAPI, Certified Practising Valuer, Registered Valuer No. 2144 as at 30 June 2018 using the fair value approach.

This approach estimated the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The buildings were physically inspected and measured as such maximised the use of observable inputs and minimised the use of unobservable inputs. As such these assets were classified as having been valued using Level 3 valuation inputs.

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

Community Land

Valuation of all Council's Community Land and Council managed land were based on the land values provided by the Valuer-General as at 30th June 2016. As these rates were not considered to be observable market evidence they have been classified as Level 3.

Operational Land

The valuation of Council's operational land was undertaken as at 30 June 2018 by Scott Fullerton Valuations Pty Ltd. FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

Operational has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and or/ dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

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

All Other Infrastructure, property, plant and equipment (IPP&E)

The cost approach has been utilised where the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted on the final determination of fair value. As such these assets are classified as having been valued using Level 3 valuation inputs.

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

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 20. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Level 2 Operational Land	Level 3 Remaining assets	Total
Balance on transfer from former Councils	394,765	1,641,133	2,035,898
Transfers from/(to) another asset class	–	5,648	5,648
Purchases (GBV)	–	38,543	38,543
Disposals (WDV)	(696)	(4,127)	(4,823)
Depreciation and impairment	–	(25,676)	(25,676)
FV gains – other comprehensive income	–	78,191	78,191
FV gains – Income Statement	–	(24,838)	(24,838)
Closing balance – 30/6/17	394,069	1,708,874	2,102,943
Transfers from/(to) another asset class	(3,175)	3,175	–
Purchases (GBV)	–	57,619	57,619
Disposals (WDV)	(35,000)	(437)	(35,437)
Depreciation and impairment	–	(24,639)	(24,639)
FV gains – other comprehensive income	95,900	14,469	110,369
FV gains – Income Statement	–	(93,524)	(93,524)
Closing balance – 30/6/18	451,794	1,665,537	2,117,331

(5). Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Related party transactions

\$ '000

a. Key management personnel

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, comprising:

- Mayor (1)
- Councillors (14)
- General Manager (1)
- Deputy General Managers (3)

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

Compensation:	2018
Short-term benefits	1,444
Post-employment benefits	79
Other long-term benefits	158
Termination benefits	259
Total	1,940

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Statement of developer contributions

\$ '000

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.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	919	19	–	–	(229)	–	709	–
Traffic facilities	1,629	113	–	–	(693)	–	1,049	–
Parking	203	–	–	–	(126)	–	77	–
Open space	21,514	5,672	–	300	(3,662)	(5,000)	18,824	(4,700)
Community facilities	5,787	650	–	–	(4,204)	–	2,233	–
Open space and recreation	12,035	2,755	–	450	(3,264)	–	11,976	–
Community services and facilities	2,223	427	–	–	(595)	–	2,055	–
Transport and access	7,152	63	–	–	(109)	–	7,106	–
Administration	258	120	–	–	(285)	–	93	–
Plan preparation	813	42	–	–	–	–	855	–
S7.11 contributions – under a plan	52,533	9,861	–	750	(13,167)	(5,000)	44,977	(4,700)
S7.12 levies – under a plan	3,284	998	–	–	(4,786)	5,000	4,496	4,700
Total S7.11 and S7.12 revenue under plans	55,817	10,859	–	750	(17,953)	–	49,473	–
S7.4 planning agreements	2,470	2,209	1,160	–	(43)	–	4,636	–
Total contributions	58,287	13,068	1,160	750	(17,996)	–	54,109	–

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - Open Space and Recreation (former Leichhardt)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Effective 18 January 2005	12,035	2,755	–	450	(3,264)	–	11,976	–
Total	12,035	2,755	–	450	(3,264)	–	11,976	–

CONTRIBUTION PLAN NUMBER 2 - Community Services and Facilities (former Leichhardt)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Effective 24 September 1996	197	–	–	–	(197)	–	–	–
Effective 23 August 2005	2,026	427	–	–	(398)	–	2,055	–
Total	2,223	427	–	–	(595)	–	2,055	–

CONTRIBUTION PLAN NUMBER 3 - Transport and Access (former Leichhardt)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Effective 3 November 1999	7,152	63	–	–	(109)	–	7,106	–
Total	7,152	63	–	–	(109)	–	7,106	–

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

2004 S94 Developer Contributions Plan (former Marrickville)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	553	–	–	–	(107)	–	446	–
Traffic facilities	450	–	–	–	(628)	–	(178)	–
Parking	126	–	–	–	(126)	–	–	–
Open space	3,596	–	–	–	(1,094)	–	2,502	–
Community facilities	2,953	–	–	–	(2,953)	–	–	–
Administration	63	–	–	–	(63)	–	–	–
Total	7,741	–	–	–	(4,971)	–	2,770	–

2014 S94 Developer Contributions Plan (former Marrickville)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	195	60	–	–	(65)	–	190	–
Open space	4,563	5,378	–	300	(2,564)	–	7,677	–
Community facilities	1,309	606	–	–	(1,103)	–	812	–
Administration	195	120	–	–	(222)	–	93	–
Total	6,262	6,164	–	300	(3,954)	–	8,772	–

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER (former Ashfield)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	366	19	–	–	(122)	–	263	–
Traffic facilities	984	53	–	–	–	–	1,037	–
Parking	77	–	–	–	–	–	77	–
Open space	13,355	294	–	–	(4)	(5,000)	8,645	(4,700)
Community facilities	1,525	44	–	–	(148)	–	1,421	–
Plan preparation	813	42	–	–	–	–	855	–
Total	17,120	452	–	–	(274)	(5,000)	12,298	(4,700)

S7.12 LEVIES – UNDER A PLAN

CONTRIBUTION PLAN NUMBER (former Marrickville)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
s94A Levies	1,926	699	–	–	(367)	–	2,258	–
Total	1,926	699	–	–	(367)	–	2,258	–

CONTRIBUTION PLAN NUMBER (former Ashfield)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Other	1,358	299	–	–	(4,419)	5,000	2,238	4,700
Total	1,358	299	–	–	(4,419)	5,000	2,238	4,700

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2018	Indicator 2018	Indicator 2017	Benchmark
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>7,676</u>	3.24%	4.42%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>236,756</u>			
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>225,270</u>	88.83%	74.64%	> 60.00%
Total continuing operating revenue ⁽¹⁾	<u>253,594</u>			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	<u>136,112</u>	3.72x	3.29x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>36,617</u>			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>36,832</u>	6.61x	5.21x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>5,568</u>			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	<u>6,246</u>	3.92%	3.05%	< 5% metro
Rates, annual and extra charges collectible	<u>159,374</u>			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	<u>156,380</u>	8.05 mths	8.6 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	<u>19,437</u>			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Notes 11 and 12.

⁽⁴⁾ Refer to Note 11(b) and 12(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

END OF AUDITED FINANCIAL STATEMENTS

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2018

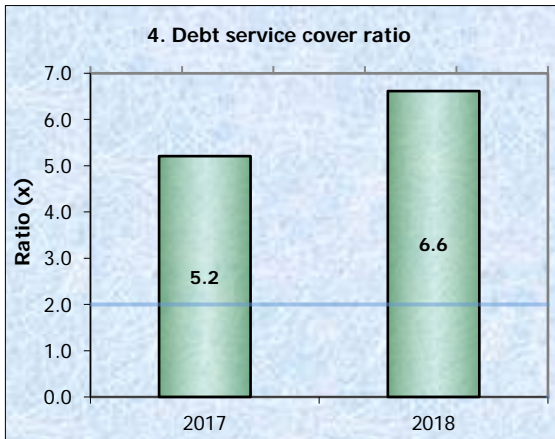
Note 23(b). Statement of performance measures – consolidated results (graphs)

<p>1. Operating performance ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>4%</td> </tr> <tr> <td>2018</td> <td>3%</td> </tr> </tbody> </table>	Year	Ratio %	2017	4%	2018	3%	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 3.24%</p> <p>The Operating Performance Ratio is well above the 0.00% set out by the NSW OLG. Previous year the ratio was impacted by the extended reporting period due to amalgamation.</p>
Year	Ratio %							
2017	4%							
2018	3%							
<p>Benchmark: Minimum >=0.00%</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>		<p> Ratio achieves benchmark</p> <p> Ratio is outside benchmark</p>						
<p>2. Own source operating revenue ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>75%</td> </tr> <tr> <td>2018</td> <td>89%</td> </tr> </tbody> </table>	Year	Ratio %	2017	75%	2018	89%	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 88.83%</p> <p>Council continues to retain its Own Source Operating Revenue ratio well above the benchmark of 60%.</p>
Year	Ratio %							
2017	75%							
2018	89%							
<p>Benchmark: Minimum >=60.00%</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>		<p> Ratio achieves benchmark</p> <p> Ratio is outside benchmark</p>						
<p>3. Unrestricted current ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>3.3</td> </tr> <tr> <td>2018</td> <td>3.7</td> </tr> </tbody> </table>	Year	Ratio (x)	2017	3.3	2018	3.7	<p>Purpose of unrestricted current ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 3.72x</p> <p>Council has the capacity to meet its obligations after all internal and external restrictions are excluded. Council's Unrestricted Current ratio continues to track above the benchmark of 1.5 and has improved against prior year levels.</p>
Year	Ratio (x)							
2017	3.3							
2018	3.7							
<p>Benchmark: Minimum >=1.50</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>		<p> Ratio achieves benchmark</p> <p> Ratio is outside benchmark</p>						

Inner West Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23(b). Statement of performance measures – consolidated results (graphs)



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 2017/18 result

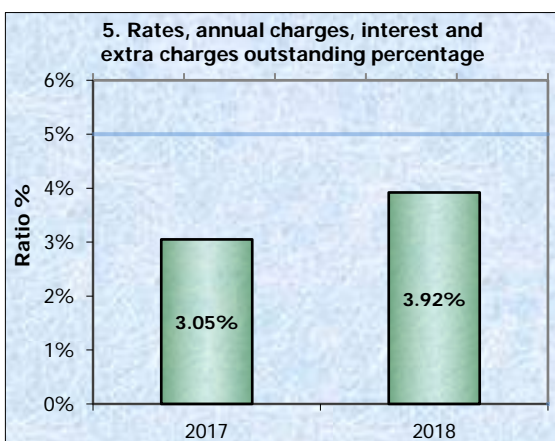
2017/18 ratio 6.61x

Council's debt service ratio is well above the benchmark indicator of 2 and demonstrates in improved ability to service its loans.

Benchmark: ——— Minimum ≥ 2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.



Commentary on 2017/18 result

2017/18 ratio 3.92%

Council actively pursues the recovery of Rates and Extra Charges as shown by the lower than Local Government Benchmark.

Benchmark: ——— Maximum $< 5.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio is within Benchmark
 Ratio is outside Benchmark



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 2017/18 result

2017/18 ratio 8.05 mths

Council's Unrestricted Current ratio is above the benchmark of 3, the increase due to a reduced completion in a number of capital works.

Benchmark: ——— Minimum ≥ 3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial report
Inner West Council

To the Councillors of the Inner West Council

Opinion

I have audited the accompanying financial report of Inner West Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, 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 report 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 Report' 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' (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

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report 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 report 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 2 - Permissible income for general rates.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report 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 Report

The Councillors are responsible for the preparation and fair presentation of the financial report 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 report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

- obtain reasonable assurance about whether the financial report 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 financial report.

A description of my responsibilities for the audit of the financial report 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.

My opinion does *not* 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 19 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis
Director, Financial Audit Services

31 October 2018
SYDNEY

Clr Darcy Byrne
Mayor
Inner West Council
2–14 Fisher St
PETERSHAM NSW 2049

Contact: Caroline Karakatsanis
Phone no: 02 9275 7143
Our ref: D1804557/1739

31 October 2018

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2018
Inner West Council**

I have audited the general purpose financial statements of Inner West Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general-purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2018	2017	Variance
	\$m	\$m	%
Rates and annual charges revenue	153.5	152.9	↑ 0.04
Grants and contributions revenue	28.3	80.0	↓ 64.6
Operating result for the year	14.8	35.4	↓ 58.2
Net operating result before capital amounts	(2.1)	(13.6)	↑ 84.5
Net Operating result before capital amounts and asset impairment	6.9	11.2	↓ 38.4

Council's operating result (\$14.8 million including the effect of depreciation and amortisation expense of \$28.3 million and an impairment of assets of \$9.0 million) was lower than 2016-17 result due to the non-recurring amalgamation grants received in the 2016-17 financial year amounting to \$15.0 million (New Council implementation grant of \$3 million, Amalgamation grant of \$7.0 million and the Stronger communities fund of \$5 million) which were not received in the current year and the longer financial period for the previous year (13.5 months compared to 12 months). There was also a reduction in state funding and developer contributions in 2017-18.

The net operating result before capital grants and contributions (-\$2.1 million) was \$11.5 million higher than the 2016-17 result. This was mainly due to the smaller revaluation decrement on asset valuations than in the prior year partially offset by the lower operational grants in the current year.

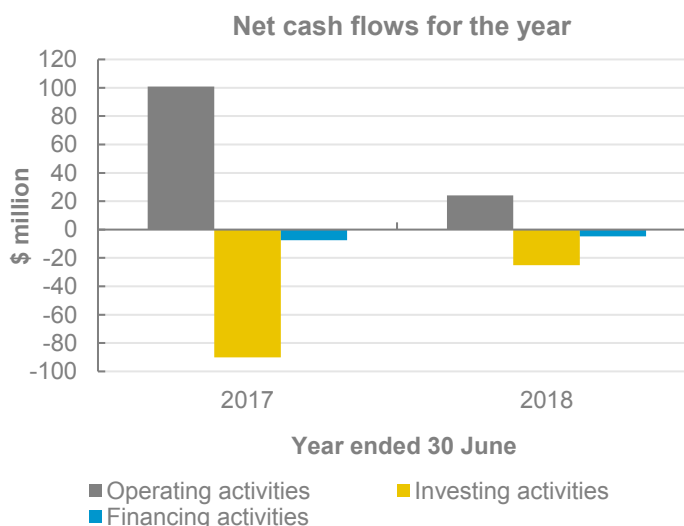
Rates and annual charges revenue (\$153.5 million) increased by \$0.6 million (0.04 per cent) in 2017-2018. This was mainly due to the increase in rates partially offset by a reduction in domestic waste charges as a result of the prior year being 13.5 months compared to 12 months for the current year.

Grants and contributions revenue (\$28.3 million) decreased by \$51.7 million (64.6 per cent) in 2017-2018 due to:

- \$15.0 million decrease in amalgamation related grants received in 2016-17 as once off payments.
- \$6.7 million reduction in State and Commonwealth funding for 2017-18. This was mainly due to the advance receipt of 2017-18 Financial Assistance Grant in 2016-17, which resulted in a full year plus an extra quarter payment in the prior year.
- \$14.5 million reduction in section 7 contributions in 2017-18.
- A shorter financial period in 2017-18 compared to the 13.5 months in the 2016-17 year.

STATEMENT OF CASH FLOWS

- Reduction in cash receipts from operating activities due to lower grants and contributions and a reduction in rates income received due to the Q4 receipts for the 2015-16 year being received in the 2016-17 year.
- Significant capital expenditure – mainly buildings and investments in securities.
- Financing outflows relate to the repayment of borrowings.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	100.4	105.9	<ul style="list-style-type: none"> Externally restricted cash mainly relating to developer contributions, specific purpose unexpended grants and domestic waste funds. Decrease due to expenditure of section 7 and specific purpose funds and utilisation of domestic waste funds. Internally restricted cash reduction due to the spending on employee leave entitlements. Internal restrictions mainly for employee leave entitlements and deposits, retentions and bonds.
Internal restrictions	46.5	47.9	
Unrestricted	70.4	51.0	
Cash and investments	217.3	204.8	

Debt

Total debt during 2017-18 decreased to \$13.3 million (2016-17: \$18.0 million). This is in line with the existing loan amortisation schedules.

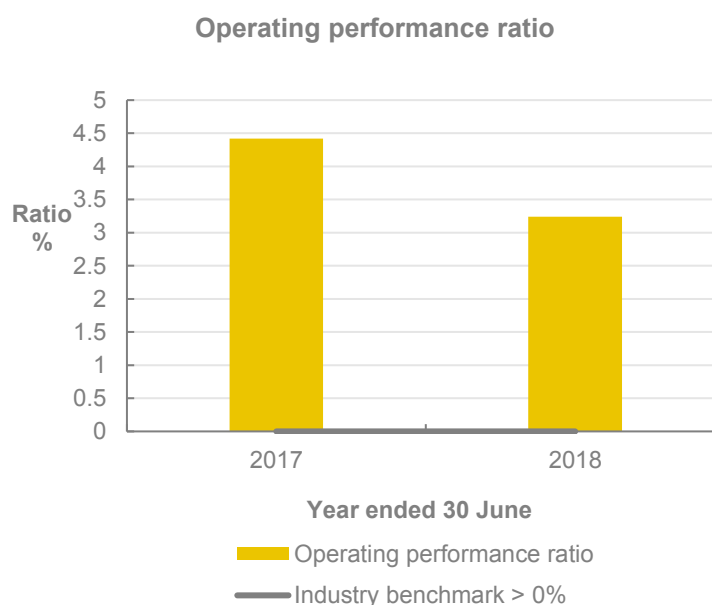
PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 23 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7, which has not been audited.

Operating performance ratio

- Council continues to exceed the benchmark due to cost containment measures and significant rate and charges income.
- Reduction in ratio in 2018 due to reduction in grant income and return to a 12 month reporting period.

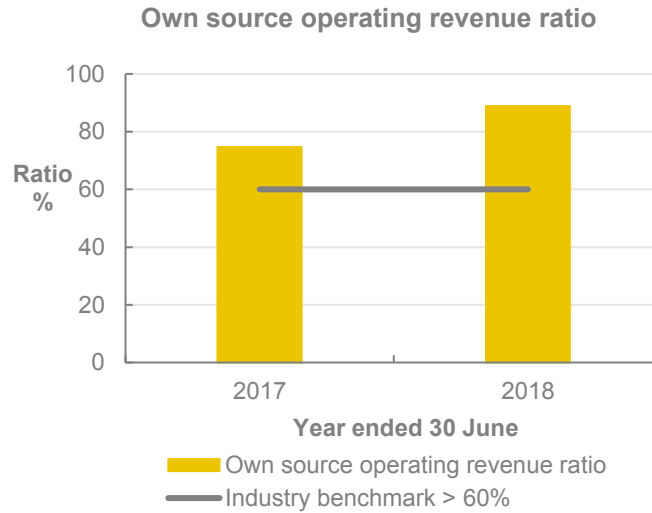
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than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



Own source operating revenue ratio

- Ratio above the benchmark due to significant rate and annual charges income.
- Improvement in the ratio due to lower state and commonwealth funding in the current year and lower asset impairments charged to profit and loss.

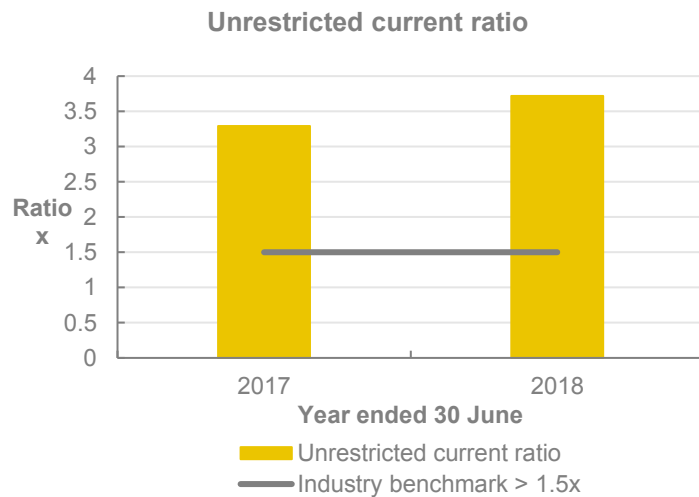
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

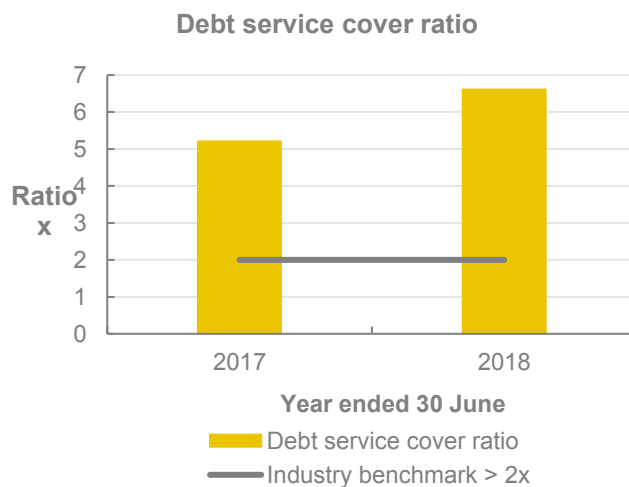
- Council continues to exceed benchmark due to significant cash balances.
- Increase due to utilisation of restricted cash on specified expenditure.

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

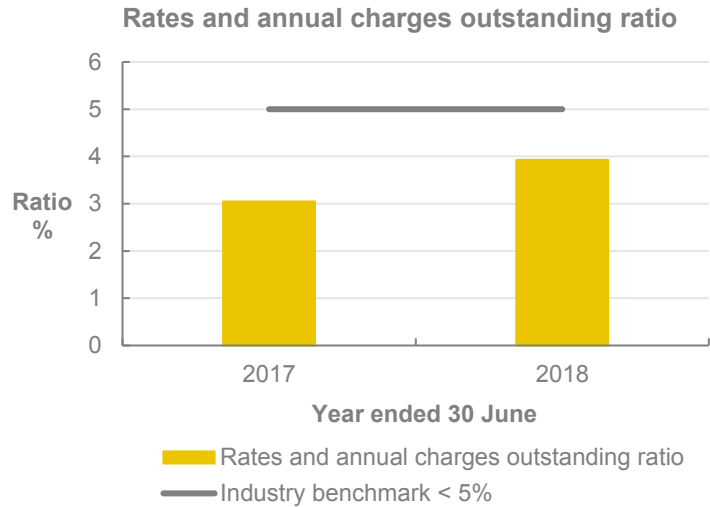
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio is greater than the industry benchmark of greater than 2 times.
- The ratio indicates that Council has 6.61 times in operating cash available to service its debts, essentially indicating that Council generates sufficient cash from its operations to fund its debt obligations.



Rates and annual charges outstanding ratio

- Council manages to collect debts to exceed the benchmark

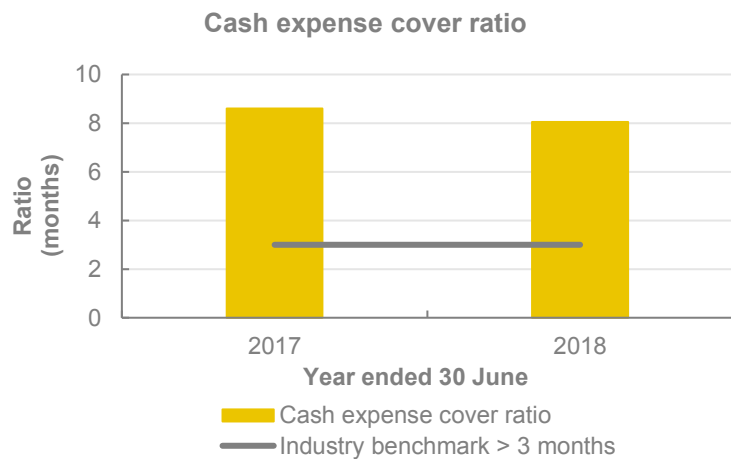
The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metro councils.



Cash expense cover ratio

- The cash expense cover ratio of 8 months exceeded the benchmark of greater than 3 months, with a slight decrease from 2017 to 2018 due to the reduction in state and commonwealth funding.

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.

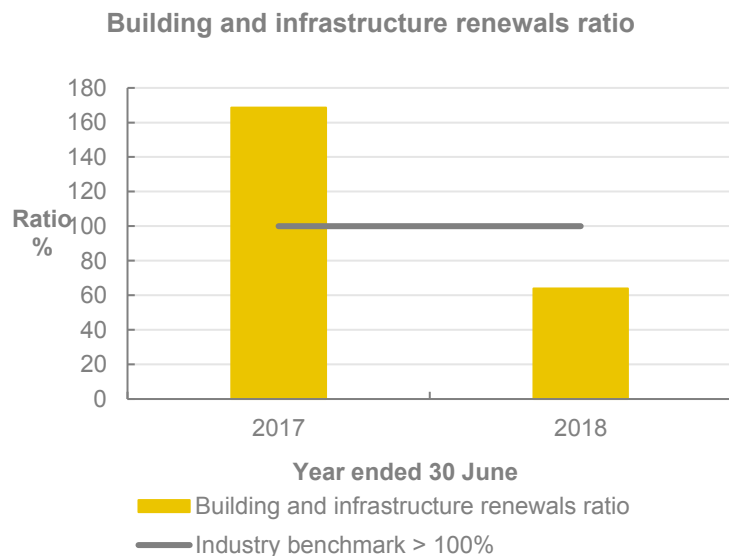


Building and infrastructure renewals ratio (unaudited)

- Council did not meet the benchmark as spending on assets is lower than depreciation
- The ratio decreased from 2017 due to more focus on the amalgamation, data review and condition audits and asset valuation.

The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7, which has not been audited.



OTHER MATTERS

New accounting standards implemented

AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 11 (c).

Legislative compliance

My audit procedures did not identify any instances of material non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Caroline Karakatsanis
Director, Financial Audit Services

cc: Rick Hart, General Manager
Inner West Council
2-14 Fisher St
PETERSHAM NSW 2049

Tim Hurst, Acting Chief Executive of the Office of Local Government
Locked Bag 3015, NOWRA NSW 2541

Inner West Council

SPECIAL SCHEDULES
for the year ended 30 June 2018



Inner West Council

Special Schedules

for the year ended 30 June 2018

Contents

Page

Special Schedules ¹

Special Schedule 1	Net Cost of Services	2
Special Schedule 2	Permissible income for general rates	4
Special Schedule 2	Independent Auditors Report	5
Special Schedule 7	Report on Infrastructure Assets	8

¹ Special Schedules are not audited (with the exception of Special Schedule 2).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Inner West Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	8,069	3	–	(8,066)
Administration	94,261	(1,468)	–	(95,729)
Public order and safety				
Fire service levy, fire protection, emergency services	525	225	–	(300)
Beach control	–	–	–	–
Enforcement of local government regulations	10,975	13,686	–	2,711
Animal control	–	–	–	–
Other	–	–	–	–
Total public order and safety	11,500	13,911	–	2,411
Health	–	–	–	–
Environment				
Noxious plants and insect/vermin control	–	–	–	–
Other environmental protection	3,855	690	–	(3,165)
Solid waste management	27,570	39,290	–	11,720
Street cleaning	–	–	–	–
Drainage	–	–	–	–
Stormwater management	630	1,751	144	1,265
Total environment	32,055	41,731	144	9,820
Community services and education				
Administration and education	2,343	70	–	(2,273)
Social protection (welfare)	1,248	37	–	(1,211)
Aged persons and disabled	1,721	1,299	–	(422)
Children's services	16,442	15,875	–	(567)
Total community services and education	21,754	17,281	–	(4,473)
Housing and community amenities				
Public cemeteries	–	–	–	–
Public conveniences	–	–	–	–
Street lighting	–	655	–	655
Town planning	9,639	8,508	15,271	14,140
Other community amenities	–	–	–	–
Total housing and community amenities	9,639	9,163	15,271	14,795

Inner West Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	8,226	430	200	(7,596)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	1,017	425	–	(592)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	3,913	150	–	(3,763)
Sporting grounds and venues	3,156	–	–	(3,156)
Swimming pools	10,752	10,122	–	(630)
Parks and gardens (lakes)	8,465	9,220	–	755
Other sport and recreation	–	–	–	–
Total recreation and culture	35,529	20,347	200	(14,982)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	1,168	537	–	(631)
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	1,168	537	–	(631)
Transport and communication				
Urban roads (UR) – local	3,344	4,632	–	1,288
Urban roads – regional	–	280	1,223	1,503
Sealed rural roads (SRR) – local	–	–	–	–
Sealed rural roads (SRR) – regional	–	–	–	–
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	2,374	3,870	–	1,496
Footpaths	1,973	1,056	–	(917)
Aerodromes	–	–	–	–
Other transport and communication	16,904	791	–	(16,113)
Total transport and communication	24,595	10,629	1,223	(12,743)
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	733	198	–	(535)
Total economic affairs	733	198	–	(535)
Totals – functions	239,303	112,332	16,838	(110,133)
General purpose revenues ⁽¹⁾		124,424		124,424
Share of interests – joint ventures and associates using the equity method	–	468		468
NET OPERATING RESULT ⁽²⁾	239,303	237,224	16,838	14,759

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Inner West Council

Special Schedule 2 – Permissible income for general rates

for the year ended 30 June 2019

\$'000		2018/19	2018/19	2018/19	2018/19	2017/18	2017/18	2017/18	2017/18
		Former Ashfield Council	Former Leichhardt Council	Former Marrickville Council	Inner West Council	Former Ashfield Council	Former Leichhardt Council	Former Marrickville Council	Inner West Council
Notional general income calculation ⁽¹⁾									
Last year notional general income yield	a	24,943	42,490	47,232	114,665	22,797	41,822	46,621	111,240
Plus or minus adjustments ⁽²⁾	b	41	(168)	(213)	(340)	106	(3)	(48)	55
Notional general income	c = (a + b)	24,984	42,322	47,019	114,325	22,903	41,819	46,573	111,295
Permissible income calculation									
Special variation percentage ⁽³⁾	d	9.30%	0.00%	0.00%	9.30%	8.90%	0.00%	0.00%	8.90%
Or rate peg percentage	e	2.30%	2.30%	2.30%	2.30%	1.50%	1.50%	1.50%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Less expiring special variation amount	g	–	–	–	–	–	–	–	–
Plus special variation amount	h = d x (c – g)	2,323.51	–	–	2,324	2,038	–	–	2,038
Or plus rate peg amount	i = c x e	–	973	1,081	2,055	–	627	699	1,326
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–	–	–	–	–	–	–
Sub-total	k = (c + g + h + i + j)	27,308	43,295	48,100	118,703	24,942	42,446	47,272	114,659
Plus (or minus) last year's carry forward total	l	1	25	41	67	2	46	1	49
Less valuation objections claimed in the previous year	m	–	(23)	–	(23)	–	–	–	–
Sub-total	n = (l + m)	1	2	41	44	2	46	1	49
Total permissible income	o = k + n	27,309	43,298	48,141	118,748	24,944	42,492	47,273	114,708
Less notional general income yield	p	27,261	43,489	48,100	118,850	24,943	42,490	47,232	114,665
Catch-up or (excess) result	q = o – p	48	(191)	41	(102)	1	2	41	43
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	7	48	61	116	–	23	–	23
Less unused catch-up ⁽⁵⁾	s	(2)	–	–	(2)	–	–	–	–
Carry forward to next year	t = q + r – s	53	(143)	102	12	1	25	41	66

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) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (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.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a return (FDR) to administer this process.
- (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 page 4 of the Local Government Act 1993. The OLG will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Inner West Council

To the Councillors of Inner West Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Inner West Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), 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' (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 Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than 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 the Special Schedules excluding Special Schedule 2 (the other Schedules).

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, unless it is not appropriate to do so.

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.

My opinion does *not* 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 'C. Karakatsanis', written in a cursive style.

Caroline Karakatsanis
Director, Financial Audit Services

31 October 2018
SYDNEY

Inner West Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

\$'000

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	2017/18 Required maintenance ³	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings	23,908	23,908	2,559	7,013	231,772	316,118	37%	32%	24%	7%	1%
	Sub-total	23,908	23,908	2,559	7,013	231,773	316,118	36.7%	31.9%	23.9%	7.0%	0.5%
Roads	Roads	68,130	30,038	18,743	1,812	161,140	317,055	15%	40%	23%	12%	10%
	Bridges	765	765	–	–	10,756	15,422	16%	58%	21%	4%	1%
	Footpaths	4,455	4,455	295	4,595	72,905	107,756	18%	46%	32%	4%	0%
	Other road assets	656	–	57	890	15,250	21,451	22%	57%	19%	3%	0%
	Bulk earthworks	–	–	–	–	512,256	512,259	100%	0%	0%	0%	0%
	Kerb and gutter	29,845	3,725	–	–	111,452	186,959	3%	43%	38%	14%	2%
	Car parks	2,040	510	–	–	11,539	14,416	60%	22%	3%	11%	4%
	Sub-total	105,891	39,493	19,095	7,297	895,298	1,175,318	51.1%	23.9%	16.0%	6.1%	3.0%

Inner West Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

\$'000

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	2017/18 Required maintenance ³	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Stormwater drainage	8,120	935	2,555	893	120,531	174,452	6%	72%	18%	4%	1%
	Sub-total	8,120	935	2,555	893	120,531	174,452	5.8%	71.8%	17.8%	4.1%	0.5%
Open space/recreational assets	Swimming pools	2,859	2,859	204	–	54,404	66,128	71%	17%	8%	4%	0%
	Sub-total	2,859	2,859	204	–	54,404	66,128	70.8%	17.3%	7.5%	4.3%	0.1%
Other infrastructure assets	Seawalls	817	449	–	–	27,250	37,424	23%	54%	22%	1%	1%
	Wharves	880	–	–	–	4,130	6,308	18%	46%	23%	14%	0%
	Land improvements	3,717	3,717	233	4,102	85,446	113,019	41%	38%	18%	3%	0%
	Sub-total	5,414	4,166	233	4,102	116,826	156,751	35.3%	42.3%	18.9%	3.0%	0.4%
TOTAL – ALL ASSETS		146,192	71,361	24,646	19,305	1,418,832	1,888,767	43.9%	31.0%	17.4%	5.7%	2.0%

Notes:

- "Satisfactory Standard" refers to the estimated cost for the renewal of condition 4 and 5 assets, i.e. the replacement value of condition 4 and 5 assets.
- As there is no agreed level of service set by Inner West Council, the "Agreed Level" refers to the estimated cost for the renewal of individual asset categories as either condition 4 & 5 or just condition 5 determined by the criticality of the asset category. This figure will be refined as future agreed service levels are formulated by Council in consultation with the community.
- Required maintenance is the amount identified in Council's asset management plans.
- Estimate of maintenance spent in the current year to maintain assets.

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

Inner West Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Indicator 2017	Benchmark
Infrastructure asset performance indicators * consolidated				
1. Buildings and infrastructure renewals ratio ⁽¹⁾				
Asset renewals ⁽²⁾	<u>18,070</u>	64.09%	168.76%	>= 100%
Depreciation, amortisation and impairment	<u>28,194</u>			
2. Infrastructure backlog ratio ⁽¹⁾				
Estimated cost to bring assets to a satisfactory standard	<u>146,192</u>	10.30%	10.63%	< 2.00%
Net carrying amount of infrastructure assets	<u>1,418,835</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>19,305</u>	78.33%	100.00%	> 100%
Required asset maintenance	<u>24,646</u>			
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	<u>71,361</u>	3.78%	3.55%	
Gross replacement cost	<u>1,888,767</u>			

Notes

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

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ 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.

Inner West Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2018

<p>1. Buildings and infrastructure renewals ratio</p> <p>Benchmark: —— Minimum $\geq 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 64.09%</p> <p>This significant ratio decrease is attributable to data review and improvements, condition audits and revaluation adjustments. Focus on renewals has been addressed as part of the asset management plans.</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: —— Maximum $< 2.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 10.30%</p> <p>Percentage value has marginally increased compared to 2016/17. This may be attributed to data review and improvement, condition audits and revaluation adjustments.</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: —— Minimum $> 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 78.33%</p> <p>The actual maintenance has fallen short of the required maintenance value. This will need to be reviewed and increased in future years.</p>
<p>4. Cost to bring assets to agreed service level</p>	<p>Purpose of agreed service level ratio</p> <p>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.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 Ratio 3.78%</p> <p>Percentage value constant with 2016/17 - 3.55%</p>

Translation Service

If you have questions on this document and need an interpreter, please call TIS National on 131 450 and ask them to call Inner West Council on 9392 5000

Υπηρεσία Διερμηνείας

Εάν έχετε ερωτήσεις αναφορικά με το παρόν έγγραφο και χρειάζεστε διερμηνέα, παρακαλούμε καλέστε την TIS National στο 131 450 και ζητήστε τους να καλέσουν το Inner West Council στο 9392 5000

Servizio traduzioni

Se avete domande su questo documento e necessitate di un interprete chiamate TIS National al numero 131 450 e chiedetegli di chiamarvi Inner West Council al numero 9392 5000

翻译服务

如果您对本文件有任何疑问，需要传译员帮助，请拨打TIS National的电话131 450，然后要求接通Inner West Council的电话9392 5000

Dịch vụ Thông Phiên dịch

Nếu quý vị có thắc mắc gì về tài liệu này và cần có thông dịch viên xin gọi cho TIS National qua số 131 450 và nhờ họ gọi cho Inner West Council qua số 9392 5000

خدمة الترجمة

إذا كانت لديك أسئلة حول هذا المستند وتحتاج إلى مترجم فوري، فاتصل بخدمة TIS National على الهاتف رقم 131 450 واطلب منهم الاتصال بـ Inner West Council على الرقم 9392 5000

Customer Service Centres

Petersham: 2-14 Fisher Street
Leichhardt: 7-15 Wetherill Street
Ashfield: 260 Liverpool Road
Phone (02) 9392 5000
www.innerwest.nsw.gov.au
© 2018 Inner West Council

