

Snowy Monaro Regional Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



Snowy Monaro Regional Council

Special Schedules

for the year ended 30 June 2023

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Snowy Monaro Regional Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	17,399	17,900
Plus or minus adjustments ²	b	102	70
Notional general income	$c = a + b$	17,501	17,970
Permissible income calculation			
Or rate peg percentage	e	2.30%	12.25%
Or plus rate peg amount	$i = e \times (c + g)$	403	2,201
Sub-total	$k = (c + g + h + i + j)$	17,904	20,171
Plus (or minus) last year's carry forward total	l	—	4
Sub-total	$n = (l + m)$	—	4
Total permissible income	$o = k + n$	17,904	20,175
Less notional general income yield	p	17,900	20,167
Catch-up or (excess) result	$q = o - p$	4	9
Carry forward to next year ⁶	$t = q + r + s$	4	38

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (6) Carry-forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

Snowy Monaro Regional Council

To the Councillors of Snowy Monaro Regional Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Snowy Monaro Regional Council (the Council) for the year ending 30 June 2024.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2023'.

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

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Sue Prichard
Delegate of the Auditor-General for New South Wales

19 December 2023
SYDNEY

Snowy Monaro Regional Council

Report on infrastructure assets as at 30 June 2023

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	2022/23 Required maintenance ^a	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – non-specialised	2,387	2,387	3,240	186	41,777	77,133	13.6%	4.0%	76.2%	6.2%	0.0%
	Buildings – specialised	1,335	1,335	2,458	353	59,906	98,322	12.5%	10.6%	74.2%	2.7%	0.0%
	Sub-total	3,722	3,722	5,698	539	101,683	175,455	13.0%	7.7%	75.1%	4.2%	0.0%
Other structures	Other structures	1,446	1,446	419	358	9,166	13,647	45.5%	15.1%	18.8%	16.1%	4.5%
	Sub-total	1,446	1,446	419	358	9,166	13,647	45.5%	15.1%	18.8%	16.1%	4.5%
Roads	Sealed roads	15,578	15,578	4,684	7,191	252,283	360,277	11.4%	26.2%	53.6%	8.4%	0.4%
	Unsealed roads	14,275	14,275	3,194	4,904	129,348	245,699	5.3%	13.0%	70.0%	9.5%	2.2%
	Bridges	10,671	10,671	990	181	81,983	141,442	17.4%	40.1%	27.5%	2.0%	13.0%
	Footpaths	273	273	355	45	9,793	17,758	21.7%	18.6%	56.6%	2.7%	0.4%
	Bulk earthworks	–	–	–	–	503,538	503,538	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	40,797	40,797	9,223	12,321	976,945	1,268,714	46.2%	14.7%	32.6%	4.5%	2.0%
Water supply network	Water supply network	76,800	76,800	8,582	2,651	177,781	357,583	16.0%	17.7%	23.4%	37.0%	5.9%
	Sub-total	76,800	76,800	8,582	2,651	177,781	357,583	16.0%	17.7%	23.4%	37.0%	5.9%
Sewerage network	Sewerage network	29,121	29,121	4,697	3,291	104,910	195,696	23.2%	28.4%	18.6%	9.5%	20.3%
	Sub-total	29,121	29,121	4,697	3,291	104,910	195,696	23.2%	28.4%	18.6%	9.5%	20.3%
Stormwater drainage	Stormwater drainage	781	781	2,969	13	22,241	32,994	7.4%	73.1%	14.7%	4.7%	0.1%
	Sub-total	781	781	2,969	13	22,241	32,994	7.4%	73.1%	14.7%	4.7%	0.1%
Open space / recreational assets	Swimming pools	1,345	1,345	51	50	–	5,074	0.0%	26.8%	20.2%	53.0%	0.0%
	Other	560	560	266	1,781	8,168	8,850	23.1%	42.7%	21.6%	12.2%	0.4%
	Sub-total	1,905	1,905	317	1,831	8,168	13,924	14.7%	36.9%	21.1%	27.1%	0.2%
Total – all assets		154,572	154,572	31,905	21,004	1,400,894	2,058,013	35.1%	17.0%	32.9%	10.8%	4.2%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)

continued on next page ...

Snowy Monaro Regional Council

Report on infrastructure assets as at 30 June 2023 (continued)

2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Snowy Monaro Regional Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

	Amounts	Indicator	Restated	Indicators		Benchmark
\$ '000	2023	2023	2022	2021	2020	
Buildings and infrastructure renewals ratio						
Asset renewals ¹	39,532					
Depreciation, amortisation and impairment	31,605	125.08%	110.92%	129.82%	142.65%	> 100.00%
Infrastructure backlog ratio						
Estimated cost to bring assets to a satisfactory standard	154,572					
Net carrying amount of infrastructure assets	1,474,085	10.49%	10.92%	2.38%	5.91%	< 2.00%
Asset maintenance ratio						
Actual asset maintenance	21,004					
Required asset maintenance	31,905	65.83%	57.48%	102.44%	50.53%	> 100.00%
Cost to bring assets to agreed service level						
Estimated cost to bring assets to an agreed service level set by Council	154,572	7.51%	7.78%	1.68%	3.12%	
Gross replacement cost	2,058,013					

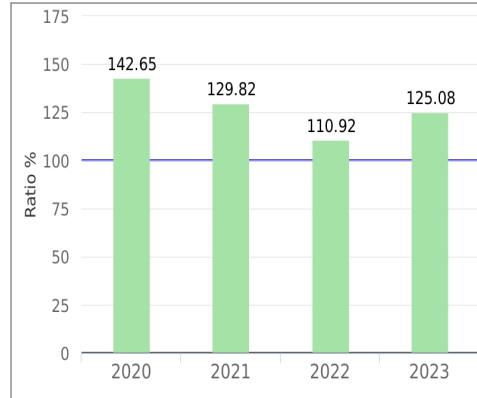
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Snowy Monaro Regional Council

Report on infrastructure assets as at 30 June 2023

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result

22/23 ratio 125.08%

The ratio has achieved the benchmark over the last four years

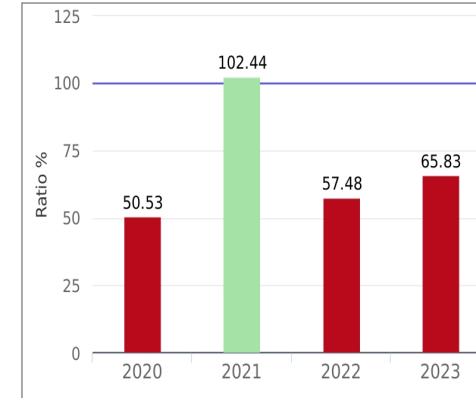
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result

22/23 ratio 65.83%

Council's Asset Maintenance Ratio is lower than the benchmark. This indicates that the level of expenditure on the maintenance of infrastructure is not sufficient to prevent the backlog from growing. Ongoing challenges of increasing costs outstripping increases in income impacts the level of maintenance that can be achieved.

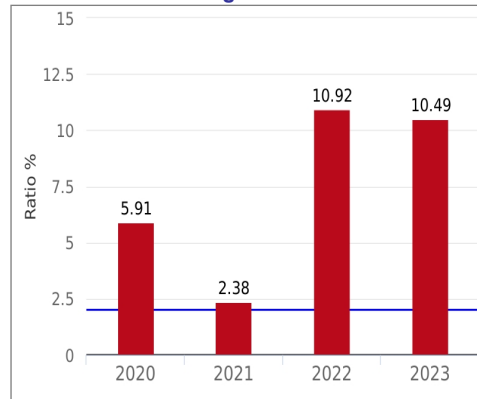
Benchmark: — > 100.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result

22/23 ratio 10.49%

Council's infrastructure continues to be below the benchmark as it does not have sufficient funds to reduce it. Council needs to continue to pursue grant opportunities to supplement the renewal spend to see improvement in this ratio.

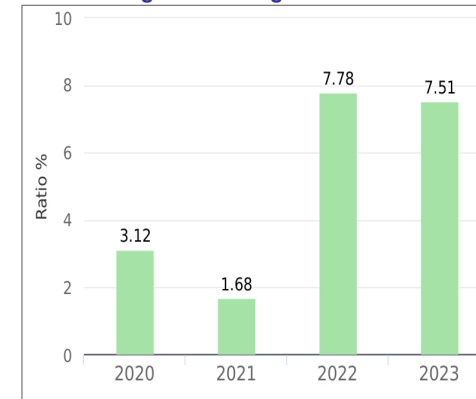
Benchmark: — < 2.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result

22/23 ratio 7.51%

The estimated cost to bring assets to an agreed level of service as set by Council remains elevated due to increasing inflationary pressure on costs.

Snowy Monaro Regional Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2023	2022	2023	2022	2023	2022	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	110.63%	30.93%	111.97%	85.03%	259.43%	1,086.64%	> 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	4.08%	4.04%	43.20%	43.66%	27.76%	28.90%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	80.87%	66.27%	30.89%	34.36%	70.07%	71.07%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	3.23%	3.18%	21.48%	21.90%	14.88%	15.75%	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.