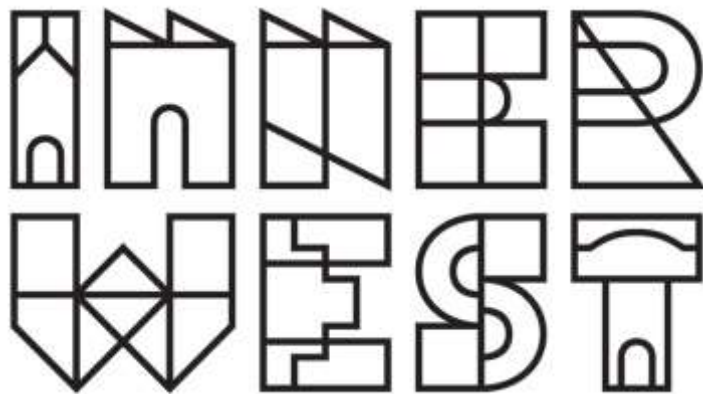


AGENDA



COUNCIL MEETING

TUESDAY 24 NOVEMBER 2020

6.30pm

Live Streaming of Council Meeting

In the spirit of open, accessible and transparent government, this meeting of the Inner West Council is being streamed live on Council's website. By speaking at a Council meeting, members of the public agree to being recorded and must ensure their speech to the Council is respectful and use appropriate language. A person who uses defamatory, discriminatory or offensive language may be exposed to liability for which Council takes no responsibility. Any part of this meeting that is held in closed session will not be recorded

Pre-Registration to Speak at Council Meetings

Speaking at a Council Meeting is conducted through an online software application called Zoom. Members of the public must register by 2pm of the day of the Meeting to speak at Council Meetings. If you wish to register to speak please fill in a [Register to Speak Form](#), available from the Inner West Council website, including:

- your name;
- contact details;
- item on the Agenda you wish to speak to; and
- whether you are for or against the recommendation in the agenda.

Are there any rules for speaking at a Council Meeting?

The following rules apply when addressing a Council meeting:

- keep your address to the point, the time allowed for each speaker is limited to three minutes. This time limit applies, no matter how many items are addressed by the speaker;
- when addressing the Meeting you must speak to the Chairperson;
- the Chairperson may curtail public participation where the information being presented is considered repetitive or irrelevant; and
- only 3 speakers for and against an Agenda Item are allowed.

What happens after I submit the form?

You will be contacted by Governance Staff and provided with a link to the online meeting. Your request will then be added to a list that is shown to the Chairperson on the night of the meeting. Public speakers will be allowed into the Meeting when it is their time to speak.

Where Items are deferred, Council reserves the right to defer speakers until that Item is heard on the next occasion.

PRECIS

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3	Notice of Webcasting	
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	Nil at the time of printing.	
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	Nil at the time of printing.	
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	Nil at the time of printing.	
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15 Reports with Confidential Information

Reports appearing in this section of the Business Paper contain confidential information in attachments.

The confidential information has been circulated separately.

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Minutes of Ordinary Council Meeting held remotely and livestreamed on Council's website on 10 November 2020

Meeting commenced at 6.30pm

Present:

Darcy Byrne	Mayor
Victor Macri	Deputy Mayor
Marghanita Da Cruz	Councillor
Mark Drury	Councillor
Lucille McKenna OAM	Councillor
Colin Hesse	Councillor
Sam Iskandar	Councillor
Tom Kiat	Councillor
Pauline Lockie	Councillor
Julie Passas	Councillor
Rochelle Porteous	Councillor
Vittoria Raciti	Councillor
John Stamolis	Councillor
Louise Steer	Councillor
Anna York	Councillor
Brian Barrett	Acting General Manager
Elizabeth Richardson	Chief Operating Officer, Director Development and Recreation
Cathy Edwards-Davis	Director Infrastructure
Katherine Paixao	Acting Governance Manager
Carmelina Giannini	Governance Support Officer

APOLOGIES: Nil

DISCLOSURES OF INTERESTS:

Councillor Kiat declared a non-significant, non-pecuniary interest in Item 4 Post Exhibition - Heritage Listing - 389 Illawarra Road, Marrickville as his family friend is the heritage architect.

Councillor Hesse declared a non-significant, non-pecuniary interest in Item 3 Adoption Leichhardt Park Plan of Management as his cousin is a signatory to the petition from the disability group that want the club house.

CONFIRMATION OF MINUTES

Motion: (Byrne/McKenna OAM)

THAT the Minutes of the Extraordinary Council Meeting held on Tuesday, 13 October 2020 and Ordinary Council meeting held on Tuesday, 27 October 2020 be confirmed as a correct record.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

PUBLIC FORUM

The registered speakers were asked to address the meeting. The list of speakers is available on the last page of these minutes.

C1120(1) Item 16 Mayoral Minute: Telstra Building in Balmain

Motion: (Byrne)

THAT Council:

1. Notes that ongoing delays by Telstra have prevented the completion of a new community open space and streetscape area at 366C Darling Street, Balmain;
2. Writes to Telstra asking the company to immediately re-engage in negotiations with Council's legal team to solve any impasse and to allow the project to proceed; and
3. Receive an update on the progress of the project at the December Ordinary Council meeting.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

C1120(1) Item 18 Mayoral Minute: Leichhardt Oval

Motion: (Byrne)

THAT Council:

1. Notes the recent announcement revealing the NSW Government intends to announce funding for new stadiums at Kogarah, Brookvale, Liverpool and Penrith in the State Budget on 17 November;
2. Notes that Council has been seeking investment from the State Government for the upgrade of Leichhardt Oval and Henson Park for several years and has yet to receive any funding for the ground; and

3. Writes to the Premier and Treasurer requesting the NSW Government distribute this suburban grounds funding through an open and fair grants application process instead.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

C1120(1) Items 1 and 14 Harmonisation of Rates

Motion: (Drury/Steer)

THAT Council:

1. Notes that the NSW Government is requiring all amalgamated councils to harmonise rates by an arbitrary date (1 July 2021). This is despite the fact that the harmonisation of rates and services is a difficult process for a council that is the amalgam of 3;
 -
2. Has commenced harmonising other charges and is in the process of harmonising service standards across the LGA. To compel the Inner West Council to harmonise rates prior to further progress on the harmonisation of services will lead to anomalies;
3. Has been calling on the NSW Government to allow us to transition to its final preferred rating structure over a number of years, acting to 'smooth out' the negative impacts to ratepayers and to align it with our service sat and harmonisation;
4. Understand that the Minister is working on this and a bill may be brought to parliament later this year. Given the Council wants to introduce a minimum rate we are advised we must submit to IPART requires us to submit a Minimum Rate Application by 8 February 2021. With this timetable we will not have time properly engage in community consultation;
5. Note that the Minister has said that the NSW Government remains committed to assisting each new council to identify a path to undertake rating harmonisation that is appropriate to the needs of different local communities. This includes allowing each council to equalise rates gradually over time across their local government area;
6. Call on the Minister to show her commitment to assist and urgently intervene to allow the Inner West Council a transitional arrangement;
7. Place on public exhibition the Proposed Rating Structure (categories, sub-categories) as recommended in the report for community engagement;
8. Place on public exhibition the new Minimum Rates as recommended in the report, for community engagement;
9. Place on public exhibition reallocation of Ashfield Mall, Leichhardt Marketplace and Norton Street Plaza from Business General to Business Malls and the redistribution of rates income from Business General to Business Malls as recommended in the report, for community engagement;

10. Commences community consultation on the proposed rating structure including examples for each of the three former local government areas that shows the increase or decrease in rates for the lowest rates, middle rates and highest rates of each category eg Marrickville lowest rate was \$700.00 would now be \$720.00 etc; and
11. Staff report to Council on progress at all following Council meetings until iPart deadline of 1 April 2021.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Porteous, Raciti, Steer and York
Against Motion: Crs Passas and Stamolis

Amendment (Steer/Da Cruz)

THAT the plan be amended to place on exhibition a minimum rate of \$710.

Motion Lost

For Motion: Crs Da Cruz, Iskandar, Passas, Stamolis and Steer
Against Motion: Crs Byrne, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Porteous, Raciti and York

Foreshadowed Motion (Stamolis/Passas)

THAT Council defer this item until:

1. A fully amended data report is provided;
2. Broader data comparisons across the three previous Councils are provided;
3. Comparisons with nearby Councils are provided; and
4. A broader analysis of the impact on ratepayers of adjusting the minimum rate to \$850.

This Foreshadowed Motion lapsed.

C1120(1) Item 2 Reprioritisation of Park Plans of Management-Alignment with the Land & Property Strategy (LAPS)

Motion: (Hesse/Byrne)

THAT Council adopt the revised schedule of Park Plans of Management implementation works in order to align with the delivery of the Land and Property strategy.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York
Against Motion: Nil

Councillor Porteous left the Meeting at 8:06 pm.

C1120(1) Item 3 Adoption Leichhardt Park Plan of Management

Motion: (Byrne/Drury)

THAT Council adopt the Leichhardt Park Plan of Management as pursuant to Section 40 of the *Local Government Act 1993* in accordance with 3.23(6) of the *Crown Lands Management Act 2016*.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Raciti, Steer and York

Against Motion: Crs Passas and Stamolis

Absent: Cr Porteous

Amendment (Stamolis)

THAT the location of a skate park must be selected on the basis of local community support.

The Mayor ruled this Out of Order as the location of the skate park is identified in the Plan of Management.

Amendment (Da Cruz/Steer)

THAT the reference to converting Leichhardt Oval Number 2 to a synthetic surface be deleted.

Motion Lost

For Motion: Crs Da Cruz, Hesse and Steer

Against Motion: Crs Byrne, Drury, Iskandar, Kiat, Lockie, Macri, McKenna OAM, Passas, Raciti, Stamolis and York

Absent: Cr Porteous

Councillor Iskandar retired from the Meeting at 8:45 pm.

C1120(1) Item 4 Post Exhibition - Heritage Listing - 389 Illawarra Road, Marrickville

Motion: (Hesse/Steer)

THAT Council:

- 1. Support the amendments to the Marrickville Local Environmental Plan (MLEP 2011) to list 389 Illawarra Road, Marrickville as an item of local heritage significance;**
- 2. Delegate to the Chief Executive Officer or equivalent the authority to finalise the making of the MLEP 2011 amendment; and**
- 3. Forward the planning proposal to the Department of Planning Industry and Environment for finalisation and publication on the NSW Legislation website.**

Motion Lost

For Motion: Crs Da Cruz, Hesse, Lockie, McKenna OAM, Stamolis and Steer
Against Motion: Crs Byrne, Drury, Kiat, Macri, Passas, Raciti and York
Absent: Crs Iskandar and Porteous

Foreshadowed Motion (Kiat/Macri)

THAT Council:

1. **Note the heritage significance of the site in accordance with the independent heritage report, but does not proceed with the planning proposal in its current form; and**
2. **Receive a report with advice, following discussions with Churches of Christ Property Trust and Nightingale Housing, on the possibilities for how the proposed affordable housing project can proceed with incorporation of heritage elements of the existing structure, noting that this approach has been previously been successful at Leichhardt Council. Council should seek to partner with the landowner on this affordable housing project, noting that Council has funds set aside for such projects in its Affordable Housing Fund.**

Motion Carried

For Motion: Crs Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas and York
Against Motion: Crs Byrne, Da Cruz, Drury, Raciti, Stamolis and Steer
Absent: Crs Iskandar and Porteous

Amendment (Stamolis)

THAT Point 1 of the Foreshadowed motion be deleted.

This Amendment lapsed for want of seconder.

ADJOURNMENT

9.04pm - The Mayor, Cllr Byrne adjourned the meeting for a short recess.

9.14pm— The Mayor, Cllr Byrne resumed the meeting.

C1120(1) Item 5 WestConnex Independent Property Impact Assessment Panel

Motion: (Byrne/Lockie)

THAT the report be received and noted.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Raciti, Stamolis, Steer and York
Against Motion: Nil
Absent: Cr Iskandar and Porteous

Councillor Porteous returned to the Meeting at 9:16 pm.

C1120(1) Item 6 Notice of Motion to Rescind: Adoption of Tempe Reserve Plan of Management - 27 October 2020

Motion: (Passas/Stamolis)

THAT Council rescind C1020(2) Item 1 Adoption - Tempe Reserve Plan of Management.

Motion Lost

For Motion: Crs Da Cruz, Passas, Porteous and Stamolis

Against Motion: Crs Byrne, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Raciti, Steer and York

Absent: Cr Iskandar

C1120(1) Item 7 Notice of Motion: Completion of works - Elizabeth Street Ashfield 'Pocket Park'

Motion: (Passas/Da Cruz)

THAT:

- 1. The works for the 'Pocket Park' in Elizabeth Street, Ashfield be completed immediately and a request for a new shade cloth be installed; and**
- 2. Council receive a report back at the Ordinary Council meeting in December 2020 on the progress of the shade sail installation program.**

Motion Carried

For Motion: Crs Da Cruz, Hesse, Kiat, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis and Steer

Against Motion: Crs Byrne, Drury, Lockie and York

Absent: Cr Iskandar

The Mayor, Cllr Byrne left the meeting at 9:40pm and vacated the chair and the Deputy Mayor, Cllr Macri assumed the chair.

C1120(1) Item 8 Notice of Motion: Cleaning Regime Town Centres

Motion: (Passas/Raciti)

THAT Council receive a report at the February 2021 Ordinary Council meeting detailing Council's cleaning schedule, type of cleaning and any changes in cleaning schedules and type of cleaning since amalgamation in all Town Centres. The report should also detail Town Centre cleaning schedules in nearby Councils.

Motion Carried

For Motion: Crs Da Cruz, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Cr Drury

Absent: Crs Byrne and Iskandar

C1120(1) Item 9 Notice of Motion: Fees to Pool

Motion: (Passas/Stamolis)

THAT Council:

1. Survey and report back to Council the fee structure on all pools operated by Council in our Local Government Area with the view for Council to decide entry and user costs and that the previously provided free one-off family pass for Ashfield residents continue. This pass was sent out with rate notices. Also, Council has an obligation to ensure that learn to swim facilities are available for people on low incomes and support benefits, for that purpose entry fee should be waived for these attending learn to swim classes;
2. Receive a report on fee structures for Learn to Swim participants, including advice on how accessibility could be increased by waiving entry fees for participants;
3. Conduct community consultation on the accessibility of our pools in terms of affordability, with the aim of reaching a progressive fee structure that ensures no one is excluded from our aquatic centres (including gyms and other facilities) based on their inability to pay;
4. Commit to extending as soon as possible the 'Lifestyle Membership' to all pools, without increasing the current cost of this membership, noting that the pools whose operations are outsourced to Belgravia have not yet been included;
5. Receive a report on the total cost of subsidies and waivers provided to Belgravia as a result of Council's 8 September 2020 resolution to vary the service contract;
6. Report back on costs for seniors, concession card holders and pensioners at the various aquatic centres;
7. Receive a report outlining options for promoting Ashfield Aquatic Centre in the community through targeted promotions e.g. 'seniors swim free week', or other free entry days aligned with special days or events; and
8. Note that none of these actions are actioned until a report is brought back to Council.

Motion Carried

For Motion: Crs Da Cruz, Kiat, Macri, Passas, Porteous, Raciti and Stamolis

Against Motion: Crs Drury, Hesse, Lockie, McKenna OAM, Steer and York

Absent: Crs Byrne and Iskandar

Councillor Byrne returned to the Meeting at 10:13 pm.

The Deputy Mayor, Clr Macri vacated the chair at 10.13pm and the Mayor, Clr Byrne assumed the chair.

C1120(1) Item 10 Notice of Motion: Final Pool Costs - Ashfield Pool

Motion: (Passas/Byrne)

THAT Council receive a detailed comprehensive report on the final costs to date which includes unfunded works, new items included that were not in the original budget.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna
OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

C1120(1) Item 11 Notice of Motion: Damage to Council Property

Motion: (Passas/Byrne)

THAT Council receive a full report on Council's policy regarding restoration and damage to public property.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna
OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

C1120(1) Item 12 Notice of Motion: Synthetic Turf and Arlington Oval

Motion: (Passas/Byrne)

THAT Council receive a report on:

- 1. What caused the deterioration of the synthetic turf at Arlington Oval after a short period;**
- 2. What duration the synthetic turf should have had;**
- 3. The terms and conditions of the contract and warranty why these terms and conditions have caused considerable cost on Council;**
- 4. How Council can be assured that the replacement surface will last, and further major costs are not incurred; and**
- 5. What is the warranty of the new surface.**

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna
OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Crs Iskandar

Confidential Session

Motion: (Byrne/Drury)

THAT Council enter into Confidential session.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

That in accordance with Section 10A(1) of the Local Government Act 1993, the following matters be considered in Closed Session of Council for the reasons provided:

C1120(1) Item 13 Tender Recommendation-IWC Parramatta Rd Urban Amenity Improvement - Construction - T07-20 (Section 10A(2)(c) of the Local Government Act 1993) that would, if disclosed, confer a commercial advantage on a person with whom the council is conducting (or proposes to conduct) business; AND commercial information of a confidential nature (Section 10A(2)(d)(i) of the Local Government Act 1993) that would, if disclosed prejudice the commercial position of the person who supplied it.

C1120(1) Item 17 Mayoral Minute: Gender Equity in Executive Positions contains personnel matters concerning particular individuals (other than councillors) (Section 10A(2)(a) of the Local Government Act 1993).

C1120(1) Item 15 Update on Permanent General Manager Recruitment contains personnel matters concerning particular individuals (other than councillors) (Section 10A(2)(a) of the Local Government Act 1993).

Motion: (Byrne/Drury)

THAT Council move back into the Open Session of the Council Meeting.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

REPORTS WITH CONFIDENTIAL INFORMATION

C1120(1) Item 13 Tender Recommendation-IWC Parramatta Rd Urban Amenity Improvement - Construction - T07-20

Motion: (Drury/Byrne)

THAT Council:

- 1. Accept the tender submitted by CA&I Pty Ltd be accepted for the construction of the IWC Parramatta Road Urban Amenity Improvements for Inner West Council; and**
- 2. Inform the unsuccessful Tenderers of the resolution to decline to accept those tenders.**

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

C1120(1) Item 17 Mayoral Minute: Gender Equity in Executive Positions

Motion: (Byrne)

THAT Council:

- 1. Notes Inner West Council's Workforce Management Strategy 2018-2022, which was adopted in June 2018;**
- 2. Notes that a Gender Equity Strategy is being developed by Council officers, with a draft strategy due to come to Council by June 2021;**
- 3. Supports the aim of having female representation in at least 50 per cent of senior executive roles.**

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Passas, Porteous, Raciti, Stamolis, Steer and York

Against Motion: Nil

Absent: Cr Iskandar

C1120(1) Item 15 Update on Permanent General Manager Recruitment

Motion: (Byrne/Hesse)

THAT Council:

- 1. Approve a change in title of the existing position of Chief Executive Officer to General Manager;**
- 2. Approve the recruitment consultancy recommended in Confidential Attachment 1 to assist Council in recruiting a permanent General Manager;**
- 3. Appoint the Mayor, Deputy Mayor, Councillors Hesse and Raciti to the recruitment panel; and**
- 4. Delegate to the selection panel the authority to conduct the selection process and make a recommendation on the appointment of a new General Manager for determination by Council.**

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Porteous, Raciti and Steer
Against Motion: Crs Passas, Stamolis and York
Absent: Cr Iskandar

Amendment (Passas/Da Cruz)

THAT there be no independent panel member.

Motion Carried

For Motion: Crs Da Cruz, Kiat, Macri, Passas, Porteous, Raciti, Stamolis and Steer
Against Motion: Crs Byrne, Drury, Hesse, Lockie, McKenna OAM and York
Absent: Cr Iskandar

As the Amendment was carried, the independent panel member in point 3 was removed.

Amendment (Stamolis/Passas)

THAT Council appoint Councillors Da Cruz and Raciti to be on the recruitment panel and remove Councillor Hesse.

Motion Lost

For Motion: Crs Da Cruz, Passas, Raciti and Stamolis
Against Motion: Crs Byrne, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Porteous, Steer and York
Absent: Cr Iskandar

Amendment (Passas/Steer)

THAT Council appoint Councillor Da Cruz to be on the recruitment panel.

Motion Lost

For Motion: Crs Da Cruz, Kiat, Passas, Porteous, Stamolis and Steer
Against Motion: Crs Byrne, Drury, Hesse, Lockie, Macri, McKenna OAM, Raciti and York
Absent: Cr Iskandar

Amendment (Stamolis/Macri)

THAT Council appoint Councillor Raciti to be on the recruitment panel.

Motion Tied

For Motion: Crs Byrne, Da Cruz, Macri, Passas, Porteous, Raciti and Stamolis
Against Motion: Crs Drury, Hesse, Kiat, Lockie, McKenna OAM, Steer and York
Absent: Cr Iskandar

The Chairperson used his Casting Vote for the **MOTION** and the **MOTION** was carried.

As this Amendment was carried, it was incorporated into the Primary motion.

Meeting closed at 11.00 pm.

PUBLIC SPEAKERS:

Item #	Speaker	Suburb
Item 3:	Liam James	Hurlstone Park
	Andrew Alcorn	Rozelle
	Liza Schaeper	Annandale
Item 4:	Scott MacArthur	Tempe
	John Engeler	Sydney (CEO of Shelter NSW)
	Rod Aanensen	Marrickville
Item 6:	Philippa Clark	Leichhardt
	Louise Stuart	Petersham
	Gary Schmidt	Marrickville

Item No: C1120(2) Item 1

Subject: 2020/21 FIRST QUARTER BUDGET REVIEW

Prepared By: Daryl Jackson - Chief Financial Officer

Authorised By: Elizabeth Richardson - Acting General Manager

RECOMMENDATION

THAT the First Quarter Budget Review for 2020/21 be adopted.

DISCUSSION

This report provides a comprehensive high-level overview of Council's financial position as at 30 September 2020. Any forecast results are projections as at 30 June 2021. Council has updated its projected budget result to \$14.4 million, this is a reduction of \$3.3 million from the 2020/21 Adopted Budget. Excluding capital revenue, a deficit of \$11.3 million has been projected against the Adopted Budget Deficit of \$7.4 million.

During the quarter, a detailed review of both the operating and capital budgets were undertaken to reconfirm the budget projections for the current financial year.

The change in budgeted result is predominantly due to the Environment & Sustainability tree planting project of \$3.6 million, which is funded by Developer Contributions and \$2 million alignment of depreciation to the updated asset report.

The Capital Budget will be reviewed throughout the financial year on an ongoing basis with the capital works managers. Changes to the Capital Works will be brought to Council through future QBRS.

Cash Flow forecasts of major projects will be monitored ensuring the expenditure remains in line with the budget. September 2020 year to date capital expenditure totals approximately \$10.5 million.

Summary of Budget Movements

The following are key movements with a brief explanation and impact on Council's budget:

- Increased Capital Expenditure of \$19.9m -
 - Deferral of projects to 2020/21 - refer to Item 1 in Attachment 1.
 - Accelerated Capital Works program in response to COVID-19 - refer to Item 2 in Attachment 1.
- Forecast decrease in revenue relating to User Charges & Fees -
 - Sports & Recreation - \$1.1m as a result of COVID-19
- Forecast increase in revenue relating to Capital & Operational Grants & Contributions
 - Capital Works - \$846,000 Local Roads and Community Infrastructure (LRCI) funding
 - Environment & Sustainability - \$521,000 tree planting and Food Organics and Garden Organics (FOGO)

- Forecast decrease in Employee Costs -
 - Capturing savings from open positions \$2.9m
- Forecast increase in Operating Expenses –
 - Environment & Sustainability - \$3.7m (tree planting accelerated due to COVID-19).
- Forecast increase in Depreciation –
 - Aligning depreciation to the updated asset reports \$2m

Further details can be found in the September 2020 QBRs Movements section of this report.

Report by the Responsible Accounting Officer of Council

Section 203(2) of the Local Government (General) Regulation 2005 requires a report by Council's responsible accounting officer regarding the Council's financial position at the end of each quarter.

The responsible accounting officer is of the opinion that the Quarterly Budget Review Statement for the Inner West Council for the quarter ended 30 September 2020 indicates that Council's projected financial position at 30 June 2021 continues to remain under pressure.

FINANCIAL IMPLICATIONS

The proposed budget adjustments include \$14.8m of capital projects that have been accelerated in response to COVID-19, refer to Item 2 in the Attachment 1.

ATTACHMENTS

1. [1](#) September 2020 QBRs Financial Statements & Movements

September 2020 QBRs Financial Statements & Movements.

1) Primary Financial Statement

Description	Original Budget	Proposed Adjustments	Forecast Budget	Actual YTD
Income				
Rates & General Revenue	120,858,775	0	120,858,775	30,091,331
User Charges & Fees	40,238,175	-1,103,309	39,134,866	10,176,179
Domestic Waste Charge	43,243,776	0	43,243,776	10,789,605
Interest Income	6,367,980	0	6,367,980	791,122
Other Income	18,167,215	-2,391	18,164,824	4,591,472
Operating Grants & Contributions	8,282,884	345,844	8,628,728	3,988,420
Capital Grants & Contributions	25,143,611	785,632	25,929,243	1,885,806
Profit or Loss on Disposal	-189,704	0	-189,704	-30,634
Total Income	262,112,713	25,776	262,138,489	62,283,301
Expense				
Employee costs	127,230,722	-2,872,634	124,358,088	25,334,077
Materials & Contracts	53,660,232	4,712,279	58,372,511	9,831,468
Borrowing Costs	1,103,800	-432,700	671,100	36,559
Depreciation & Amortisation	27,467,416	2,017,578	29,484,994	5,561,176
Other Expenses	34,880,874	-73,465	34,807,409	6,207,998
Total Expense	244,343,044	3,351,058	247,694,102	46,971,279
Operating Surplus/(Deficit)	17,769,669	-3,325,282	14,444,387	15,312,022
Operating Surplus/(Deficit) before Capital	-7,373,942	-4,110,915	-11,295,153	13,426,216
Capital Expenditure				
Capital Works Program	95,444,300	19,867,746	115,312,046	10,485,253
Loan Principal	3,762,351	0	3,762,351	950,018
Total Capital Expenditure	99,206,651	19,867,746	119,074,397	11,435,271
Funding				
Net Working Capital Drawdown	50,469,566	21,175,451	71,645,017	13,452,569
Net Overheads Reallocation	0	0	0	0
Depreciation Contra	30,967,416	2,017,578	32,984,994	5,561,176
Total Funding	81,436,982	23,193,029	104,630,011	19,013,745
Net Budget Position	0	0	0	22,890,496

2) September 2020 QBRs Movements

Item	Description	\$'000 Movement
	Income	
	User Charges & Fees	
5	Increased Revenue - Children and Family Services	141
10	Increased Revenue - Library and Historical Services	1
12	Decreased Revenue - Community Services and Culture	(259)
4	Decreased Revenue - Sports & Recreation	(1,156)
18	Increased Revenue - Engineering Services	170
		(1,103)
	Other Income	
6	Increased Revenue - Properties & Strategic Investments	41
12	Decreased Revenue - Community Services and Culture	(11)
4	Increased Revenue - Sports & Recreation	34
21	Decreased Revenue - Facilities Management	(67)
		(2)
	Capital Grants & Contributions	
3	Increased Revenue - Capital Works	846
13	Decreased Revenue - Traffic & Transport Planning	(60)
		786
	Operating Grants & Contributions	
5	Increased Revenue - Children and Family Services	223
12	Decreased Revenue - Community Services and Culture	(424)
16	Increased Revenue - Environment and Sustainability	521
31	Increased Revenue - Corporate Support Services	26
		346
	Total Income	26
	Operating Expenditure	
	Employee costs	
7	Decreased Expenditure - Planning	(1,012)
3	Decreased Expenditure - Capital Works	(64)
31	Increased Expenditure - Corporate Support Services	316
5	Decreased Expenditure - Children and Family Services	(345)
6	Increased Expenditure - Properties & Strategic Investments	106
12	Decreased Expenditure - Community Services and Culture	(1,182)
4	Increased Expenditure - Sports & Recreation	924
19	Decreased Expenditure - Events	(23)
8	Decreased Expenditure - Regulatory Services	(278)
9	Decreased Expenditure - Resource Recovery Services	(228)
18	Increased Expenditure - Engineering Services	1
13	Decreased Expenditure - Traffic & Transport Planning	(172)
17	Decreased Expenditure - Operations	(271)
25	Decreased Expenditure - Human Resources	(589)
26	Decreased Expenditure - Business Excellence, Customer Service, Risk, WHS	(242)
24	Increased Expenditure - General Counsel	49
27	Increased Expenditure - Finance	119
23	Decreased Expenditure - Governance	(302)
29	Decreased Expenditure - City Living Management	(57)
11	Increased Expenditure - Communications and Engagement	140

Item	Description	\$'000 Movement
	Employee costs (Continued)	
16	Decreased Expenditure - Environment and Sustainability	(223)
15	Increased Expenditure - Economic Development	117
22	Decreased Expenditure - Corporate Management	(384)
20	Increased Expenditure - ICT	712
28	Increased Expenditure - Procurement	9
30	Increased Expenditure - Office of the CEO	7
		(2,873)
	Materials & Contracts	
25	Increased Expenditure - Human Resources	168
24	Increased Expenditure - General Counsel	193
15	Increased Expenditure - Economic Development	138
6	Decreased Expenditure - Properties & Strategic Investments	(2)
10	Increased Expenditure - Library and Historical Services	327
12	Decreased Expenditure - Community Services and Culture	(128)
4	Increased Expenditure - Sports & Recreation	423
7	Increased Expenditure - Planning	22
11	Increased Expenditure - Communications and Engagement	254
3	Decreased Expenditure - Capital Works	(361)
16	Increased Expenditure - Environment and Sustainability	3,672
13	Decreased Expenditure - Traffic & Transport Planning	(15)
31	Increased Expenditure - Corporate Support Services	21
		4,712
	Other Expenses	
25	Increased Expenditure - Human Resources	40
6	Increased Expenditure - Properties & Strategic Investments	2
10	Increased Expenditure - Library and Historical Services	27
12	Decreased Expenditure - Community Services and Culture	(35)
4	Increased Expenditure - Sports & Recreation	125
7	Decreased Expenditure - Planning	(22)
11	Decreased Expenditure - Communications and Engagement	(254)
16	Increased Expenditure - Environment and Sustainability	44
		(73)
	Borrowing Costs	
4	Decreased Expenditure - Sports & Recreation	(433)
		(433)
	Depreciation & Amortisation	
30	Increased Expenditure - Office of the CEO	1
25	Increased Expenditure - Human Resources	17
26	Increased Expenditure - Business Excellence, Customer Service, Risk, WHS	25
24	Increased Expenditure - General Counsel	1
	Increased Expenditure - Development & Recreation Management	1
20	Increased Expenditure - ICT	6
6	Increased Expenditure - Properties & Strategic Investments	516
23	Increased Expenditure - Governance	12
29	Increased Expenditure - City Living Management	15
5	Increased Expenditure - Children and Family Services	104
10	Increased Expenditure - Library and Historical Services	636
12	Decreased Expenditure - Community Services and Culture	(54)

Item	Description	\$'000 Movement
4	Increased Expenditure - Sports & Recreation	520
7	Increased Expenditure - Planning	18
11	Increased Expenditure - Communications and Engagement	2
14	Decreased Expenditure - Infrastructure Management	(257)
17	Decreased Expenditure - Operations	(449)
9	Increased Expenditure - Resource Recovery Services	1
16	Increased Expenditure - Environment and Sustainability	22
18	Increased Expenditure - Engineering Services	3
21	Increased Expenditure - Facilities Management	600
8	Increased Expenditure - Regulatory Services	25
31	Increased Expenditure - Corporate Support Services	251
		2,018
	Total Operating Expenditure	3,351
	Capital Expenditure	
	Materials & Contracts	
1	Increased Expenditure - Unfinished Projects from 2019/20	4,229
2	Increased Expenditure - COVID-19 Response - Accelerated Program	14,762
20	Increased Expenditure - ICT	(0)
12	Increased Expenditure - Community Services and Culture	254
3	Increased Expenditure - Capital Works	623
		19,868
	Total Capital Expenditure	19,868
	Net Working Capital Drawdown	
1	Increase - Unfinished Projects from 2019/20	4,229
2	Increase - COVID-19 Response - Accelerated Program	14,762
7	Decrease - Planning	(994)
14	Decrease - Infrastructure Management	(257)
3	Decrease - Capital Works	(646)
31	Increase - Corporate Support Services	563
5	Decrease - Children and Family Services	(604)
6	Increase - Properties & Strategic Investments	580
10	Increase - Library and Historical Services	989
12	Decrease - Community Services and Culture	(451)
4	Increase - Sports & Recreation	2,682
19	Decrease - Events	(23)
8	Decrease - Regulatory Services	(252)
9	Decrease - Resource Recovery Services	(227)
18	Decrease - Engineering Services	(167)
13	Decrease - Traffic & Transport Planning	(127)
17	Decrease - Operations	(720)
25	Decrease - Human Resources	(364)
26	Decrease - Business Excellence, Customer Service, Risk, WHS	(217)
24	Increase - General Counsel	243
27	Increase - Finance	119
23	Decrease - Governance	(291)
29	Decrease - City Living Management	(42)

Item	Description	\$'000 Movement
11	Increase - Communications and Engagement	142
16	Increase - Environment and Sustainability	2,993
15	Increase - Economic Development	255
22	Decrease - Corporate Management	(384)
20	Increase - ICT	718
28	Increase - Procurement	8
21	Increase - Facilities Management	667
30	Increase - Office of the CEO	7
Total Net Working Capital Drawdown		23,193

ITEM 1 – Unfinished Capital Projects from 2019/20

Item	Description	\$'000 Movement	Commentary
1	2019-20 Carryover Capital Works	4,229	
	Local Roads Renewal	49	Gordon Lane deferred due to DA works and Dalhousie St design 90% complete at 30 June.
	Footpaths Upgrade	80	Concrete wall to retain the soil at Pritchard St completed August 2020.
	Traffic Facilities	21	Marrickville East (Area 10) IATM Scheme balance of funds for Stage 4 construction in 2020-21.
	Stormwater Renewal	80	Renewal and installation of backflow prevention device on track to be completed in August 2020. 1A Brunswick Parade to be released once Council is satisfied with the performance of the crinkle relining.
	Stormwater Upgrade	73	Dibble Ave Waterhole Remediation Plan - balance of funds for construction.
	Bridges	170	Booth St bridge delayed by latent conditions and redesign requirements.
	Cycleways	410	- Lilyfield Cycleway design is subject to consultation - Bike Route LR03 main cycleway construction deferred due to unsuccessful grant funding. Construction planned for 2020-21 with new 594 stimulus funding. - Mary St/ Princess Hwy Cycleway Westconnex design is due for completion in August 2020.
	Town Centres Upgrade	184	Ashfield Town Centre delayed due to material supply resulting from Covid 19. Design is due for completion Aug 2020
	Urban Amenity Improvement Program	35	- Shade sail and park footpaths delayed due to wet weather and sit conditions - Greenway detailed design of high voltage relocation and local road works delayed by 3 months. - Skate Park in Leichhardt Park tender evaluation completed. Works delayed by adoption of Plan of Management due 2020-21 Q2.
	Parks Capital and Assets Capital	953	- Spindlers Reserve Fitness Station - Works delayed to coordinate with Greenway program Blackmore Oval. To be completed in Oct 2020. - Mahoney Reserve - delayed by latent site conditions. To be completed Sept 2020. - Synthetic Turf Design and Investigation 90% complete for tender 2020-21 Q1. Design revisions required following Council resolution 9 June.
	Sea Walls Capital	26	Detailed design of seawall delayed by 3 months
	Capital Program Children and Family Services	122	Steel Park child care project completed. Remaining funds will be transferred to the reserve
	Capital Program Community Services	32	Steel Park community room project yet to commence. Whites Creek Cottage & Stables Refurbishment -project completed
	Capital Program Library Services	2,477	Haberfeld Library delayed due to delayed DA process - Contractor has been mobilised on site now. On track for completion in March 2021, Marrickville Town Hall upgrade stage two work commencing soon.
	Capital Program Property & Assets	1,657	Telstra Site - 366C Darling St Balmain - Project not commenced
	Capital Program Recreation and Aquatics	(2,284)	\$2.8m overspent in FY2020-21 for Ashfield Aquatic centre project adjusted against FY2020-21 Q1 funding. Project handed over in Oct
	Capital Program Trees Parks & Sportsfield	8	

Item	Description	\$'000 Movement	
1		2020-21	Commentary
	ICT		
	Technology One	(135)	Tech 1 - Final release in scoping and planning stage.
	ICT Applications	52	Booking System - Stage 1 deployment scheduled for October 2020
	ICT Infrastructure	67	Azure Hosting (Data Centre Consolidation) - Delayed due to COVID-19
	SOE (Standard Operating Environment)	(8)	
	ICT Collaboration	28	Customer Portal Implementation and Launch - Phase Three - Awaiting DXP Release 1 from Tech One
	ICT Data	61	Corporate Data Cleansing - Project to commence after 2020A upgrade.
	ICT Security	51	Security Maturity Phase Two - Project on track for completion in Mar 2021

ITEM 2 – COVID-19 Response – Accelerated Program

Item	Description	\$'000 Movement	
2		2020-21	Commentary
	COVID-19 Response - Accelerated Program	14,762	
	Local Roads Renewal	2,760	- Dalhousie St - Reconstruct road, kerb and gutter and stormwater - Renew condition 4 and 5 roads in various locations
	Footpaths Renewal	4,440	Renew all of the most degraded footpaths in the Inner West within the next 12 months - Warren Rd, Marrickville - Implementation of one-way traffic to reduce congestion (including upgrade of traffic lights). - Catherine St, Leichhardt - Renew existing speed cushions for greater traffic safety.
	Traffic Facilities	287	- Smith St, Summer Hill - Pedestrian refuge to support new childcare centre. - Black Street & Uxwell St, Marrickville - Completion of works not funded in 2019-20.
	Stormwater Renewal	200	Collins Street, Rozelle - Reconstruct road, K&G and stormwater Hanover Street to Murdoch Street
	Stormwater Upgrade	500	Addison Road Community Centre Rain garden - Water sensitive urban design (WSUD)
	Bridges	300	Booth Street Bridge - latent conditions resulting in additional costs
	Cycleways	50	New bike path Livingston Road (Stage 1), Marrickville Road and Frazer Street - Tempe Reserve and Merson Park - Water harvesting elements
	Parks Capital and Assets Capital	2,100	- Greenway Shortfall - Aboriginal memorials
	Capital Program Property & Assets	150	Energy efficiency and solar projects
	Capital Program Recreation and Aquatics	3,975	Additional funding for Dawn Fraser bath latent conditions (\$1.5m), Leichhardt Park Aquatic Centre masterplan works (\$1.9m), Newshade sails for Fanny Durack and Annette Kellerman Aquatic Centre (\$1.30k), Ashfield Aquatic centre footpath upgrade and assets (\$450k)

ITEM 3 – Capital Works

Increase Capital Grants & Contributions	\$846k
Decreased Employee costs	\$64k
Decrease Materials & Contracts	\$361k
Increased Capital Expenditure	\$623k
Decrease Transfer from Net Working Funds	\$646k

- Council received Local Roads and Community Infrastructure (LRCI) funding to deliver local road and community infrastructure projects.
- Employee costs have decreased from positions being appointed at a lower grade.
- Materials & contracts have decreased due to Ausgrid's timing of the multi-year LED Streetlighting Replacement Program.
- Increased Capital Expenditure:
 - \$240k Frazer Street, Petersham and Balmain Road, Leichhardt deferred due to unsuccessful grant funding. May Street, St Peters brought forward due to successful grant funding.
 - \$315k Stormwater renewal due to urgent works - significantly cracked within property causing wall to collapse.
 - \$445k Bedwin Road between May Street & Edgeware Road Cycleway funded by grant.
 - \$251k Haberfield Library technology upgrade.
 - \$582k Ashfield Aquatic Centre solar and footpath upgrade.

- \$41k 3 Cahill Street demolition.
- \$20k Additional projects at Croydon Road to coincide with works in the area.
- This is offset with:
 - (\$473k) Fund transferred to Ashfield Aquatic Centre for solar installation.
 - (\$290k) Lewellyn Street & Edgeware Road drainage upgrade deferred due to feasibility.
 - (\$25k) Albert Street requires design for tree pit kerb and increase to Upward Street due to revised design estimate.

ITEM 4 – Sports & Recreation

Decrease User Fees & Charges	\$1,156k
Increase Other Income	\$34k
Increase Employee costs	\$924k
Increase Materials & Contracts	\$423k
Increase Other Expenses	\$125k
Decrease Borrowings	\$443k
Increase Depreciation	\$520k
Increase Transfer from Net Working Funds	\$2,682k

- User Fees & Charges and Other Income have decreased due to limiting the number of entries into the Aquatic Centres as required by the COVID-19 restrictions.
- Aquatic Centres are now open, COVID-19 impact on casual staff, Materials & Contracts and Other Expenses have been reduced.
- Ashfield Aquatic Centre loan repayment due in August has been capitalised. The budget assumed the Centre would have been operational earlier.
- Alignment of depreciation to the updated asset report.

ITEM 5 – Children & Family Services

Increase User Fees & Charges	\$141k
Increase Operating Grants & Contributions	\$223k
Decrease Employee costs	\$345k
Increase Depreciation	\$104k
Decrease Transfer from Net Working Funds	\$604k

- Childcare Centres are operating as normal. The budget assumption for COVID-19 has been reversed.
- Delay in opening Yirran Gumal Childcare centre.
- Alignment of depreciation to the updated asset report.

ITEM 6 – Properties & Strategic Investments

Increase Other Income	\$41k
Increase Employee costs	\$106k
Decrease Materials & Contracts	\$2k
Increase Other Expenses	\$2k
Increase Depreciation	\$516k
Increase Transfer from Net Working Funds	\$580k

- Lease rental income for the Marrickville Library café has been added.
- Hiring staff for Long term accommodation strategy capital project.
- Alignment of depreciation to the updated asset report.

ITEM 7 – Planning

Decrease Employee Costs	\$1,012k
Increase Materials & Contracts	\$22k
Decrease Other Expenses	\$22k
Increase Depreciation	\$18k

Decrease Transfer from Net Working Funds \$994k

- Employee costs savings from open positions.
- Alignment of depreciation to the updated asset report.

ITEM 8 – Regulatory Services

Decrease Employee Costs \$278k
Increase Depreciation \$25k
Decrease Transfer from Net Working Funds \$252k

- Employee costs savings from open positions.
- Alignment of depreciation to the updated asset report.

ITEM 9 – Resource Recovery Services

Decrease Employee Costs \$228k
Increase Depreciation \$1k
Decrease Transfer from Net Working Funds \$277k

- Employee costs savings from open positions.
- Alignment of depreciation to the updated asset report.

ITEM 10 – Library & History Services

Increase User Charges & Fees \$1k
Increase Materials & Contracts \$327k
Increase Other Expense \$27k
Increase Depreciation \$636k
Increase Transfer from Net Working Funds \$989k

- Increase in Materials & Contracts mainly due to Haberfield library upgrade funded by library grants.
- Libraries are open. Reversed the COVID-19 budget assumptions.
- Alignment of depreciation to the updated asset report.

ITEM 11 – Communications & Engagement

Increase Employee Costs \$140k
Increase Materials & Contracts \$254k
Decrease Other Expenses \$254k
Increase Depreciation \$2k
Increase Transfer from Net Working Funds \$142k

- Internal transfer of the Media team to Communications.
- Reallocation of budget from Council Column to Letterbox Distribution.
- Alignment of depreciation to the updated asset report.

ITEM 12 – Community Services & Culture

Decrease User Charges & Fees \$259k
Decrease Other Income \$11k
Decrease Operating Grants & Contributions \$424k
Decrease Employee Costs \$1,182k
Decrease Materials & Contracts \$128k
Decrease Other Expenses \$35k
Decrease Depreciation \$54k
Increase Capital Expenditure \$254k
Decrease Transfer from Net Working Funds \$451k

- 50% of the Food Services has been transferred to the City of Sydney. Service will run until 31 December 2020.
- Hall Hire income has reduced due to impact by COVID-19.
- Employee costs savings from open positions.
- Alignment of depreciation to the updated asset report.
- Art Projects covering –
 - Signs for traditional owners acknowledgement were deferred due to COVID-19.
 - Public art for the Meriton Site is expected to be completed by the end of 2021.
 - Datchett Street incinerator removal and interpretation piece project has been deferred due to COVID-19. This project is expected to be completed by the end of 2021.
 - Way Finding through the Gadigal-Wangal Stanmore Ward is still underway. This includes the associated processes of signage, lighting, education and community launch.

ITEM 13 – Traffic & Transport Planning

Decrease Capital Grants & Contributions	\$60k
Decrease Employee Costs	\$172k
Decrease Materials & Contracts	\$15k
Decrease Transfer from Net Working Funds	\$127k

- Capital grants have decreased for RMS road covering the safety officer grant.
- Employee costs have decreased due to removal of road safety officer and open positions.
- Material & Contracts have decreased as budget is no longer required for Bike Day.

ITEM 14 – Infrastructure Management

Decrease Depreciation	\$257k
Decrease Transfer from Net Working Funds	\$257k

- Alignment of depreciation to the updated asset report.

ITEM 15 – Economic Development

Decrease Employee Costs	\$117k
Increase Materials & Contracts	\$138k
Increase Transfer from Net Working Funds	\$255k

- Alignment of employee costs to the approved structure.
- Cancelled Events due to COVID-19 have been made available for the economic recovery.

ITEM 16 – Environment & Sustainability

Increase Operating Grants & Contributions	\$521k
Decrease Employee Cost	\$223k
Increase Materials & Contracts	\$3,672k
Increase Other Expenses	\$44k
Increase Depreciation	\$22k
Increase Transfer from Net Working Funds	\$2,993k

- Council to receive grant funding for Tree Planting, Food Organics and Garden Organics (FOGO) Transfer Station & Market Sounding.
- Decrease in employee costs for open positions.
- Materials & contracts have increased due to tree planting funded by s94 accelerated program and grants. Food services in apartments funded by unexpended grants.
- Other expenses have increased for the composting project funded by unexpended grants.
- Alignment of depreciation to the updated asset report.

ITEM 17 – Operations

Decrease Employee Costs	\$271k
Decrease Depreciation	\$449k
Decrease Transfer from Net Working Funds	\$720k

- Employee cost savings from open positions.
- Alignment of depreciation to the updated asset report.

ITEM 18 – Engineering Services

Increase User Charges & Fees	\$170k
Increase Employee Costs	\$1k
Increase Depreciation	\$3k
Decrease Transfer from Net Working Funds	\$167k

- Hoarding revenue has increased in line with the budgeted trend.
- Alignment of depreciation to the updated asset report.

ITEM 19 – Events

Decrease Employee Costs	\$23k
Decrease Transfer from Net Working Funds	\$23k

- Employee cost savings from open positions.

ITEM 20 – ICT

Increase Employee Costs	\$712k
Increase Depreciation	\$6k
Increase Transfer from Net Working Funds	\$718k

- Alignment of employee costs to the approved structure.
- Alignment of depreciation to the updated asset report.

ITEM 21 – Facilities Management

Decrease Other Income	\$67k
Increase Depreciation	\$600k
Increase Transfer from Net Working Funds	\$667k

- Other Income decrease due to lease rentals waived as a result of COVID-19.
- Alignment of depreciation to the updated asset report.

ITEM 22 – Corporate Management

Decrease Employee Costs	\$384k
Decrease Transfer from Net Working Funds	\$384k

- Employee cost savings from open positions.

ITEM 23 – Governance

Decrease Employee Costs	\$302k
Increase Depreciation	\$12k
Decrease Transfer from Net Working Funds	\$291k

- Internal transfer of the Media team to Communications.
- Employee cost savings from open positions.

- Alignment of depreciation to the updated asset report.

ITEM 24 – General Counsel

Increase Employee Costs	\$49k
Increase Materials & Contracts	\$193k
Increase Depreciation	\$1k
Increase Transfer from Net Working Funds	\$243k

- Alignment of employee costs to the approved structure.
- The increase in the contracts budget is higher due to pending legal case requiring legal representation.
- Alignment of depreciation to the updated asset report.

ITEM 25 – Human Resources

Decrease Employee Costs	\$589k
Increase Materials & Contracts	\$168k
Increase Other Expenses	\$40k
Increase Depreciation	\$17k
Increase Transfer from Net Working Funds	\$364k

- Training and study assistance budget have been amended to reflect the amount required in the current financial year.
- Materials & contracts have been increased for 6 new trainees who will commence from mid-October.
- Alignment of depreciation to the updated asset report.

ITEM 26 – Business Excellence, Customer Service, Risk, WHS

Decrease Employee Costs	\$242k
Increase Depreciation	\$25k
Decrease Transfer from Net Working Funds	\$217k

- Employee cost savings from open positions.
- Aligning depreciation to latest asset reporting.

ITEM 27 – Finance

Increase Employee Costs	\$119k
Increase Transfer from Net Working Funds	\$119k

- Temporary staff required to process the COVID-19 Rate Hardship Applications.

ITEM 28 – Procurement

Increase Employee Costs	\$9k
Increase Transfer from Net Working Funds	\$8k

Alignment to the approved structure.

ITEM 29 – City Living Management

Decrease Employee Costs	\$57k
Increase Depreciation	\$15k
Decrease Transfer from Net Working Funds	\$42k

- Alignment to the approved structure.
- Alignment of depreciation to the updated asset report.

ITEM 30 – Office of the CEO

Increase Employee Costs	\$7k
Increase Depreciation	\$1k
Increase Transfer from Net Working Funds	\$7k

- Alignment to the approved structure.
- Alignment of depreciation to the updated asset report.

ITEM 31 – Corporate Support Services

Increase Operating Grants & Contributions	\$26k
Increase Employee Costs	\$316k
Increase Materials & Contracts	\$21k
Increase Depreciation	\$251k
Increase Transfer from Net Working Funds	\$563k

- Increase in the Federal Assistance Grant versus the amount budgeted.
- Alignment to the approved structure.
- Rephasing of Data Centre Replacement.
- Alignment of depreciation to the updated asset report.

ITEM 32 – Chart of Account Mapping

Increase Other Expenses	\$266k
Decrease Materials & Contracts	\$266k

- Aligning chart of account mapping changes since publication of Operating Plan.

3) Summary Profit & Loss Statement

Description	Original Budget	Proposed Adjustments	Forecast Budget	Actual YTD
Income				
Rates & General Revenue	120,858,775	0	120,858,775	30,091,331
User Charges & Fees	40,238,175	-1,103,309	39,134,866	10,176,179
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Operating Surplus/(Deficit) before Capital	-7,373,942	-4,110,915	-11,295,153	13,426,216

4) Service Unit P&L Summary

Description	Original Budget	Proposed Adjustments	Forecast Budget	Actual YTD
Income				
Capital Works	20,474,300	843,657	21,317,957	730,856
Children and Family Services	15,628,414	363,497	15,991,911	4,470,695
Community Events	76,232	0	76,232	-3,400
Community Services and Culture	1,485,969	-693,567	792,402	210,069
Corporate Support Services	139,535,054	-96,674	139,438,380	33,982,950
Economic Development	184,601	0	184,601	0
Engineering Services	2,945,277	170,000	3,115,277	1,096,399
Environment and Sustainability	395,750	359,000	754,750	75,310
Library and Historical Services	3,155,765	-296,310	2,859,455	65,696
Operations	3,302,303	0	3,302,303	1,100,446
Planning	6,912,903	0	6,912,903	2,136,031
Regulatory Services	14,409,869	0	14,409,869	4,313,410
Resource Recovery	40,743,834	162,000	40,905,834	10,516,698
Sports & Recreation	9,839,302	-725,929	9,113,373	2,839,091
Traffic & Transport Planning	3,023,141	-59,900	2,963,241	749,051
Total Income	262,112,713	25,776	262,138,489	62,283,301
Expense				
Capital Works	9,480,044	-424,681	9,055,363	1,403,511
Children and Family Services	18,522,375	-240,442	18,281,933	4,360,777
Community Events	1,363,465	-23,066	1,340,398	129,432
Community Services and Culture	10,056,381	-1,397,975	8,658,406	1,684,671
Corporate Support Services	70,514,635	1,163,937	71,678,571	10,513,995
Economic Development	729,909	255,264	985,173	128,056
Engineering Services	4,234,032	3,492	4,237,524	929,751
Environment and Sustainability	7,775,454	3,497,982	11,273,436	1,234,348
Library and Historical Services	10,563,044	990,253	11,553,297	3,525,554
Operations	34,951,475	-388,992	34,562,483	7,749,257
Planning	12,556,951	-993,886	11,563,065	2,186,812
Regulatory Services	14,006,985	-252,463	13,754,522	3,060,189
Resource Recovery	30,097,717	-211,576	29,886,140	6,801,933
Sports & Recreation	15,909,213	1,559,886	17,469,100	2,636,906
Traffic & Transport Planning	3,581,365	-186,674	3,394,691	626,086
Total Expense	244,343,044	3,351,058	247,694,102	46,971,279
Operating Surplus/(Deficit) before Capital	17,769,669	-3,325,282	14,444,387	15,312,022
Operating Surplus/(Deficit) after Capital	-7,373,942	-4,110,915	-11,295,153	13,426,216

5) Capital Expenditure Statement

Description	Original Budget	Proposed Adjustments	Forecast Budget	Actual YTD
Capital Expenditure				
Plant & Equipment	8,340,232	0	8,340,232	823,358
Office Equipment	1,978,050	115,570	2,093,620	294,453
Land Improvement (Depreciable)	13,611,150	2,310,889	15,922,039	1,591,370
Buildings	32,300,053	6,576,875	38,876,928	6,569,765
Aquatic Facilities	100,000	42,212	142,212	425
Seawalls	921,000	26,000	947,000	17,952
Wharves	114,515	0	114,515	0
Local Roads	5,620,000	2,812,900	8,432,900	242,105
Regional Roads	3,720,000	695,000	4,415,000	166,308
Bridges	865,000	470,000	1,335,000	12,257
Footpaths	2,177,000	4,513,500	6,690,500	209,459
Kerb & Gutter	555,000	-25,000	530,000	0
Traffic Devices	1,005,300	328,000	1,333,300	120,298
Car Parks	180,000	0	180,000	0
Storm Water Drainage	4,124,000	877,800	5,001,800	149,819
Bicycle facilities	6,005,000	905,000	6,910,000	128,646
Town Centres	11,640,000	219,000	11,859,000	152,738
Roadside Furniture	2,188,000	0	2,188,000	6,300
Principal Repayments	3,762,351	0	3,762,351	950,018
Total Capital Expenditure	99,206,651	19,867,746	119,074,397	11,435,271
Rates and Annual Charges	-3,500,000	-101,828	-3,601,828	2,517,228
Operating Grants & Contributions	1,350,000	0	1,350,000	1,000,000
Capital Grants & Contributions	16,696,300	845,532	17,541,832	114,749
Sale of Assets	3,310,296	0	3,310,296	-30,634
Transfer from External Reserves	29,685,441	19,137,436	48,822,878	2,134,825
Transfer from Internal Reserves	29,047,075	-1,443,286	27,603,789	5,699,103
Trf fr Depreciation Contra Reserve	22,617,539	1,429,891	24,047,430	0
Total Funding Source	99,206,651	19,867,746	119,074,397	11,435,271
Net Budget Result	0	0	0	0

6) Cash & Investments – Restricted Held

\$'000	Opening Balance - 1 July 2019	Original Budget - Net Movements	Proposed Adjustments	Forecast Budget - Net Movements	Forecast Closing Balance	YTD Balance
Externally Restricted						
Developer Contributions	77,429	0	(32,523)	(32,523)	44,904	77,177
Specific Purpose Unexpended Grants	7,531	0	(3,247)	(3,247)	4,284	7,331
Domestic Waste Management	29,303	0	3,546	3,546	32,849	26,330
Stormwater Management	1,439	0	(788)	(788)	651	1,800
Watershed	60	0	0	0	60	60
SRV Income	7,554	0	706	706	8,260	8,642
Mainstreet Levy	240	0	0	0	240	240
3.5% Levy	1,507	0	(386)	(386)	1,121	1,411
Total Externally Restricted	125,063	0	(32,694)	(32,694)	92,369	122,992
Internally Restricted						
Employment Leave Entitlements	15,884	0	(386)	(386)	15,498	15,788
Deposits, Retentions & Bonds	17,696	0	0	0	17,696	17,741
Financial Assistance Grant Reserve	2,941	0	0	0	2,941	2,941
Investment Property Reserve	80,933	0	0	0	80,933	80,933
Infrastructure Renewal Reserve	19,446	0	0	0	19,446	19,446
Depreciation Contra Reserve	17,564	0	989	989	18,553	26,371
Total Internally Restricted	154,464	0	603	603	155,067	163,220
Unrestricted	41,510	0	(42,206)	(42,206)	(696)	52,953
Total Funds	321,037	0	(74,297)	(74,297)	246,740	339,164
Total Cash & Investment Portfolio As at 30 September 2020						339,164

Council's cash position sees an unrestricted balance of \$53 million as at 30 September 2020. The unrestricted balance will continue to diminish as Council expends it on operational expenses and capital projects during the financial year. Funds have been invested in accordance with Council's investment policy. As at the end of September 2020 Council's investment portfolio was made up of 100% non-fossil fuel investments.

7) Contracts

Contractor	Contract Detail & Purpose	Contract Value (EXC GST)	Commencement Date of Contract	Duration Contract	Budgeted (Y/N)
Gullivers Construction Pty Ltd	RFT 25-19 Petersham Town Hall – Crystal And Frederick Street Entryway Accessibility And Landscaping Improvements	\$286,051	09-Jun-20	3 Months	Y
Exhibitions Studies Pty Ltd	REP: PRUAP_35 Parramatta Road Public Art Program - Urban Amenity Improvement Program: Newark Street Site Art (Karl Meyer)	\$180,953	01-Sep-20	1 Year	Y
Eco Logical Australia Pty Ltd	RFG 27-20 Greenway In-Context Works Review Of Environmental Factors	\$177,518	24-Jul-20	6 Months	Y
Centus Projects Pty Ltd	RFP 14-25 Survey & Underground Utilities Investigation For The Extension Of The Proposed Cycle Bridge At Bedwin Rd	\$132,727	20-Jul-20	5 months	Y
Ladacoon Pty Limited	RFP 09-20 Simpson Park Upgrade	\$117,000	13-Jun-20	18 Months	Y
Andrik Construction Group	RFP 15-20 UPAC And AKAC Adult Change Facility Upgrade	\$105,962	27-Jun-20	2 Months	Y
Gordon Jago Architects	RFP 18-19 Elton Street Kiosk Renovation	\$91,890	08-Jun-20	1 Year	Y
Veritask Pty Limited	RFP 24-20 Green Field Supply And Positioning	\$82,025	30-Sep-20	2 Years	Y
Marble Arch Pty Ltd	RFP 18-20 Contractor Recommendation For Petersham Park Grounds Supply And Install Windows	\$74,745	08-Jul-20	2 Months	Y
Choi Works (New) Pty Ltd	RFP 01-20 Morden Park Entrance Arbor Retreatment	\$67,500	25-Sep-20	1 Month	Y
Source Separation Systems Pty Ltd	RFP 36-20 Kitchen Bench Top Bins Kitchen Caddy With Custom Label	\$62,540	13-Jun-20	1 Month	Y
Project Management Partners Pty Ltd	RFP 19-20 Project Management Framework Review	\$58,000	02-Jul-20	6 months	Y

Above is a listing of contracts Council entered into during the period 1 July to 30 September 2020.

8) Consultancy & Legal Expenses

Expense	Expenditure YTD	Budgeted (Y/N)
External Legal Fees	\$ 315	Y
Consultancy Fees	\$ 801	Y

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

Where any expenses for Consultancy or Legal Fees (including Code of Conduct expenses) have not been budgeted for, an explanation is to be given. Report on external expenses only (not internal expenses).

Item No: C1120(2) Item 2

Subject: **AMENDMENT TO MARRICKVILLE DEVELOPMENT CONTROL PLAN 2011 -
PRECINCT 75 POST EXHIBITION REPORT**

Prepared By: Aleksandar Kresovic - Strategic Planner

Authorised By: Elizabeth Richardson - Chief Operating Officer, Director Development and Recreation

RECOMMENDATION

THAT Council:

1. **Adopts the proposed amendment to Part 9 of Marrickville Development Control Plan 2011 (MDCP 2011) as outlined in Attachment 1;**
2. **Publicly notifies its decision on the Council's Your Say Inner West website within 28 days; and**
3. **Advises those who made submissions and the Department of Planning, Industry and Environment (DPIE) of Council's decision.**

DISCUSSION

In June 2020, DPIE amended the Marrickville Local Environmental Plan (MLEP) 2011 for the site known as Precinct 75 at 67 and 73-83 Mary, 50-52 Edith and 43 Robert Streets, St Peters. The key changes included the following:

- Land use zoning from IN2 Light Industrial and R2 Low Density Residential to B4 Mixed Use;
- Maximum Floor Space Ratio from part 0.95:1 and part 0.65:1 to 2.2:1; and
- Maximum building height varying from zero to 17 metres, 20 metres, 23 metres and 29 metres across the site.

A Local Environmental Plan (LEP) is a legal document that regulates land use and development. It is the main determinant of planning decisions in the area it covers for what can be built, where it can be built and what activities can occur on land. A Development Control Plan (DCP) supplements an LEP with more detailed planning controls for an area and must be read in conjunction with the provisions of the relevant LEP controls.

Council officers prepared a DCP amendment to MDCP 2011 (**Attachment 1**) to help create a high-quality development with minimal adverse impacts. The DCP amendment is cognisant of the recently updated MLEP controls for the site and include provisions that provide greater detail such as building setbacks, building heights in number of storeys, landscaping, public open space, improved footpaths, green walls and roofs and public art controls.

The DCP amendment was publicly exhibited for 28 days from 4 September 2020 to 2 October 2020 on Council's Your Say Inner West website in accordance with Council's Community Engagement Framework and total of 66 submissions were received. 54 submissions opposed the DCP amendment, 7 submissions provided conditional support for the DCP amendment and 5 submissions provided mixed views of the DCP amendment.

The 54 submissions that opposed the DCP primarily related to the LEP rezoning amendment that the State Government has already made which does not relate to the DCP controls. The

remaining issues raised by the 54 submissions were mostly concerned with Development Application matters such as building construction impacts or traffic impacts. 7 submissions support relaxation of the proposed DCP controls that Council officers consider would lead to a poorer quality development if accepted such as retaining the overhead powerlines along Mary Street rather than placing them underground as a result of any future development onsite. 5 submissions contained a mix of views such as creating trees and greenery being beneficial but that too much greenery may damage cars.



The engagement outcomes report can be viewed here:

<https://yoursay.innerwest.nsw.gov.au/60288/widgets/305447/documents/186736>

A summary of the key issues raised within the submissions and Council officer responses to these can be found in **Attachment 2**. If adopted the DCP will come into effect on the date of a public notice appearing on Council's Your Say Inner West website or on a later date specified in the notice.

In conclusion, Council officers have assessed the submissions and concluded that the proposed amendment to the MDCP 2011 will address the core issues raised and its adoption is supported.

ATTACHMENTS

1.  Marrickville Development Control Plan 2011 Amendment
2.  Precinct 75 DCP Submissions Report

9.48 - 67 and 73 – 83 Mary, 43 Roberts Street and 50 - 52 Edith Street (Precinct 48)

01 Background

Under Marrickville DCP, the 67 and 73 – 83 Mary Street, 43 Roberts Street and 50-52 Edith Street, St Peters (site) also known as Precinct 75 is part of the Unwins Bridge Road (Precinct 31). This section of the Development Control Plan (DCP) establishes a framework to guide development in Precinct 48: 67 and 73- 83 Mary Street, 43 Robert Street and 50-52 Edith Street, St Peters. It has been updated to reflect Council's current view on the most appropriate development for the site and has been designed to be read in conjunction with Amendment 17 of Marrickville Local Environmental Plan 2011.

The purpose of this section of the DCP is to set out the desired future character, local area character, principles and development controls for the site. Council will assess future development applications against these principles and controls. This section of the DCP promotes high quality urban design outcomes for the site within the context of environmental, social and economic sustainability.

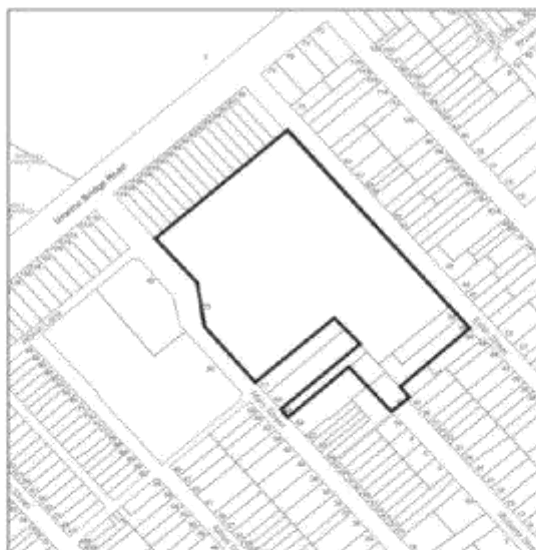
This is amendment no. 12 to Marrickville DCP 2011.

02 Land to which this section of the DCP applies

This section of the DCP applies to development within the boundary of the precinct as shown in **Figure 1: Map of precinct:**

- 67 Mary Street, St Peters - Lot 1 / DP180958
- 73 -83 Mary Street, St Peters – Lot 1 DP556914
- 43 Roberts Street, St Peters - Lot 1/ DP87885 and Lot A DP331215
- 50-52 Edith Street, St Peters – Lot 1 / DP745657 and Lot 1 / DP745014

Figure 1: Map of precinct.



Note: This exhibited DCP Amendment will now make this site Precinct 48 and remove it from Precinct 31.

03 Aims and objectives of this section of the DCP

3.1 The purpose of this section of the DCP is to guide the future development of the precinct:

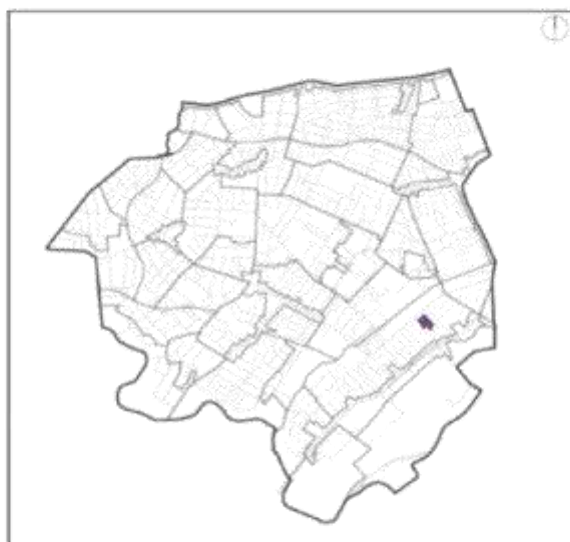
- (i) To address the Marrickville Local Environmental Plan 2011 Amendment 18 provisions listing matters to be addressed in the Marrickville Development Control Plan 2011.
- (ii) To identify the desired future character, development principles, key elements and indicative structure for the future development of the site
- (iii) To achieve design excellence that provides high quality built form that responds to the existing and future context, using principles drawn from an analysis of the site and its context.
- (iv) To minimise impacts to the surrounding low-density residential neighbourhoods.
- (v) To locate higher building forms setback toward the centre of the site to provide transition in scale to the surrounding low scale areas.
- (vi) To provide lower scale and density buildings along Edith Street.
- (vii) To enhance the existing streetscape along Mary and Edith Street.
- (viii) To improve the pedestrian environment, connectivity and activity within the site and along surrounding road frontages.
- (ix) To provide a publicly accessible open space in the site with maximised amenity.
- (x) To provide for solar access and visual privacy to adjacent properties and particular public areas on the site.
- (xi) To promote housing diversity through a mix of dwelling types and promote affordable housing.
- (xii) To achieve high quality residential amenity.
- (xiii) To promote high quality landscaping, public art, signage and ecologically sustainable development.
- (xiv) To ensure that access within the precinct is inclusive by delivering a high quality urban/public domain that caters for equitable, dignified, safe and easy to use access for all.
- (xv) To ensure that it is practical and viable for non-residential uses to have adequate on-site facilities for their business operations.

04 Relationship to other sections of the DCP

4.1 This section forms part of the Marrickville Development Control Plan 2011 (Marrickville DCP 2011). It sets out specific controls to guide the future development of the precinct. Development within the precinct will need to have regard to this section of the DCP as well as other relevant provisions in the DCP.

In the event of any inconsistency between this section and other sections of the DCP, this section will prevail to the extent of the inconsistency.

Figure 2: Context map – Precinct 48 –location within the former Marrickville Local Government Area Boundary shown in purple.



05 Desired Future Character

5.1 The desired future character for the site is to:

- (i) Create a vibrant mixed use development with substantial amounts of businesses with publicly accessible shared open spaces including a public town square and ground level active uses to encourage pedestrian activity.
- (ii) Retain and adaptively reuse existing buildings identified in this DCP to reflect the site's historical industrial setting and contribute to its future character.
- (iii) Require new commercial and residential infill buildings identified in this DCP to have high standards of architecture and urban design with features that will ameliorate any potential adverse visual impacts on the character and amenity of the area.
- (iv) Provide accessible site linkages that will be open to the public permanently on a 24-hour basis to enhance the site's connectivity and integration with the local area and community.
- (v) Provide accessible community use rooms and spaces that activate the site.
- (vi) Provide a range of business unit sizes with appropriate facilities in retained buildings, the new commercial buildings and at ground level to facilitate employment, the creation of a mixed-use precinct and activation of the site.
- (vii) Activate the ground levels of existing buildings, shopfronts in the new buildings and entry lobbies to apartment buildings for pedestrian safety and security.
- (viii) Enhance streetscape and the public domain within adjacent Council road reserves and carry out on site environmental improvements, including the creation of new open spaces and gardens with deep soil areas with a generous tree canopy.
- (ix) Ensure development within the precinct is compatible with the operations of Sydney Airport, including achieving a liveable residential environment.
- (x) Minimise any adverse impacts the surrounding community that could arise from the site's vehicular access and servicing functions.

06 Indicative Site Layout

Figure 3 – Indicative Site layout



Objective

- O1 To implement the Indicative Site layout concept in **Figure 3** and support the Desired Future Character stated in Part 5.

Controls

- C1 Development within the precinct is to be undertaken in accordance with the Indicative Site Layout as shown in **Figure 1** subject to compliance with relevant controls including the Apartment Design Guide. Variations to the location and layout of certain elements of the Indicative Site layout such as proposed pedestrian shared zones, open space and building locations may be considered by the consent authority.

- C2 Site design must:
- i. Ensure buildings along Edith Street respect their interface with low density residential development.
 - ii. Ensure Building A and Building B are setback adequately to respect their interface with 48 Edith Street and 41 Roberts Street.
 - iii. Ensure that adequate separation is provided between Building A and Building B to avoid excessive overshadowing and to provide adequate amenity to residents.
 - iv. Provide articulation of Building A and Building B to reduce their visual bulk and retain the fine-grain character of the precinct.
 - v. Provide significant greening of the subject site through the use of landscaping as well as greening of buildings such as green roofs and/or walls. Refer to the Inner West Green Roofs, Walls and Facades Technical Guidelines for more detail.
 - vi. Address Part 2.20 - Tree Management of MDCP 2011 requiring 15% of the site to have tree canopy.
 - vii. Use the design of new building facades to reflect the use, orientation, prominence and context of the frontage.
 - viii. Make all entries clearly visible, safe and accessible.
 - ix. Where buildings are additions to retained structure have a complementary scale and facade that is sensitive to the retained building.
 - x. Use setbacks to promote appropriate building mass and provide adequate amenity and privacy to all uses on site.
 - xi. Ensure that the central public open space area and the Roberts Street 'pocket park' receives adequate solar access.
 - xii. Accommodate pedestrian and cyclist access off Roberts Street into the subject site, with through links into both Mary Street and Edith Street.

07 Built Form

Objectives

- O1 To ensure built form outcomes reflect the objectives of Marrickville Local Environmental Plan 2011 Clause 6.21.
- O2 To achieve design excellence buildings must not exceed the maximum number of storeys and have adequate configuration of their bulk, massing and extent of modulation.
- O3 To ensure built forms have architectural treatments to ameliorate the impacts their scale could have on neighbouring buildings and nearby residential neighbourhoods.
- O4 To ensure that buildings achieve the site's character objectives in Part 5 of MDCP 2011.
- O5 Floor to ceiling heights on the ground floor for non-residential uses must be of sufficient height to accommodate their operational requirements.

Controls

C3 Development is to be accordance with the maximum number of storeys identified in **Figure 6** and the following:

Building A: Part 2 storeys adjacent 48 Edith Street then transition to 5 storeys.

Building B: Part 2 storeys adjacent 48 Edith Street then transition to 4 storeys.

Building C: 8 storeys.

Building 1: 7 storeys.

Building 2: Existing number of storeys on retained building and new building parts 3 storeys.

Building 6: Existing number of storeys on retained building.

Building 7: 5 storeys.

Building 8: 5 storeys.

Figure 6 Maximum Building heights and number of storeys

"St" indicates maximum number of storeys



- C4 To ameliorate the impact of tall buildings in close vicinity to low rise dwellings the following is required:
- (i) New Residential Buildings along Edith Street including Building A, Building 7, Building 8 on **Figure 6- Maximum Building Heights** shall have the 5th storey facing Edith Street with an adequate setback from the wall face of the lower storeys sufficient to minimise the building's scale and visual impacts on the street and its houses.
 - (ii) New Building 1 shall address its potential bulk and scale and privacy impacts to adjacent dwelling houses fronting Unwins Bridge Road by having:
 - a suitable setback from the north west boundary in relation to the building's 7 storeys.
 - suitable deep soil planting to accommodate large screening trees
- C5 Ground level storeys in new buildings that are to be used for business purposes, shall have a floor to floor height with a minimum 3.5 high ceiling measured exclusive of fixtures and structures above the ceiling line.
- C6 The built form of proposals must:
- i. Encourage a variety of complementary building styles within the site including adaptive re-use of retained buildings.
 - ii. Provide effective built form and façade articulation to break up the overall podium and tower envelopes for new buildings and alterations to retained buildings.
 - iii. All roof structures, such as plant and lift overruns, shall be integrated into the design of the development. They are not to exceed the building heights contained within MLEP 2011 and are to be fully screened when viewed from street. Lift overruns on the top of buildings are permitted if it is within the allowable height and are smaller than or equal to 24sqm in plan dimension.
 - iv. Offer high quality contemporary architecture that responds to, but does not mimic, the existing architectural character of the site with appropriate proportions and articulation to the building massing.
 - v. Have a distinct base and middle with high quality roof treatments that are integrated with the architecture of the buildings.
 - vi. Treat facades as front elevations to all sides of the building.
 - vii. Ensure the architectural expression of residential buildings offers a balance of solid to void without depending on continuous balconies to create articulation and interest.
 - viii. Treat materials accessible at ground level for graffiti resistance.
 - ix. Incorporate environmentally appropriate facade treatments according to orientation.
 - ix. Provide shading and good internal amenity including cross ventilation, solar access, adjoining indoor and outdoor living spaces and generously sized rooms.
 - x. Provide active street frontages for those ground level parts of commercial buildings including the town square.
 - xi. Alternative building envelopes will be permitted if the proposal can demonstrate a higher quality outcome can be achieved with regard to response to the surrounding context, built form and scale transition across the site, amenity to surrounding properties, amenity of

- central open space and the precinct's permeability and connectivity.
 - xii Overhead power cables along Edith and Mary Street must be relocated underground and replaced with appropriate street lighting given the scale of the development and the significant aesthetic benefit resulting from undergrounding, including allowing for viable street tree planting.
- C7 Council's Architectural Excellence Panel will provide comments on the development application. The following criteria shall be considered to determine whether design excellence is achieved:
 - (i) Compliance with character objectives in Part 5 of MDCP 2011.
 - (ii) Compliance with the Apartment Design Guide including building separation and relationships to adjoining residences.
 - (iii) Excellence of architectural design, including internal layout, façade treatment, architectural detailing, roof features and spaces between buildings.
 - (iv) Streetscape character and site context.
 - (v) The location of any buildings having regard to the need to achieve an acceptable relationship on neighbouring sites in terms of separation, setbacks, amenity and urban form.
 - (vi) The bulk, massing and modulation of buildings.
 - (vii) Environmental outcomes, such as sustainable design.
 - (viii) Overshadowing and solar access, visual and acoustic privacy, wind and reflectivity.
 - (ix) The achievement of the principles of Ecological Sustainable Development.
 - (x) Pedestrian, cycle, vehicular and service access and circulation requirements, including the permeability of any pedestrian network.
 - (xi) The impact on, and any proposed improvements to the public domain.
 - (xii) achieving appropriate interfaces at ground level between the building and the public domain.
 - (xiii) Excellence and integration of landscape design.
 - (xiii) High quality finishes and materials.

08 Buildings and Building Fabric Retention

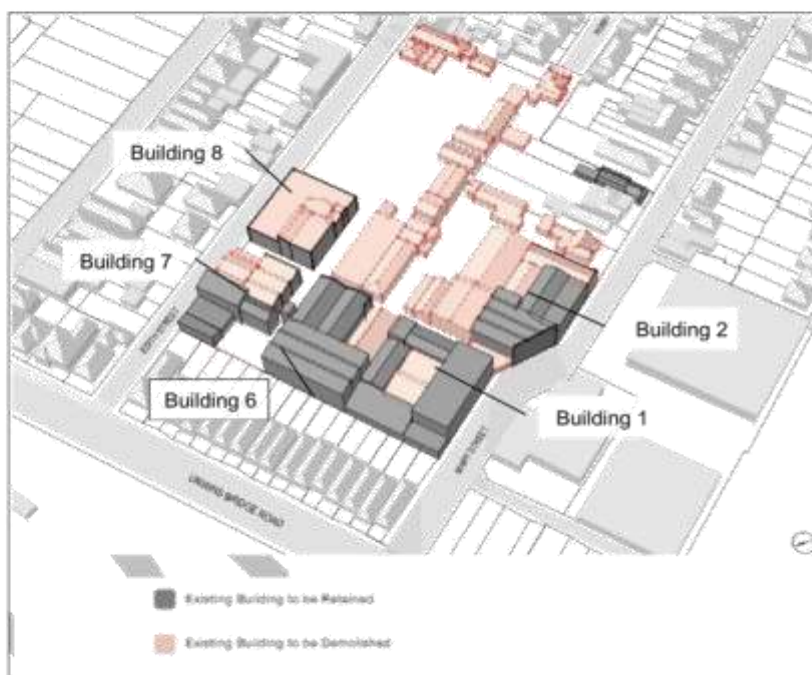


Figure 4 Building and building parts to be retained.

Objective

- O1 To maintain the site's existing industrial heritage character and sense of place.
- O2 To make use of the existing building stock sustainably, while maintaining the operation of existing business uses.

Controls

- C8 Buildings in the locations indicated in **Figure 4** shall be retained and adaptively reused either in part or entirely. A report prepared by a suitably qualified person on how the structural integrity of retained buildings will be maintained shall be submitted as part of any development application including:
 - i. The buildings built to the street, including parts of Buildings 1, 2, 6, 7 & 8 and house at 67 Mary Street have landmark qualities, within their immediate streetscape context, and are to be retained and adaptively reused.
 - ii. An interpretation strategy is to be developed as part of a development application for the site, detailing elements to be:
 - a. Either retained in situ or relocated to other parts of the site and how these

- elements are to be presented and explained, including:
 - b. Elements relating to the site's former industrial use to be retained in situ including the good hoist in Building 6, ceramic insulators and fire bells on the exterior of the buildings and various crane rails and hoisting jibs, and
 - c. Elements relating to the site's former industrial use contained within building to be demolished to be salvaged and relocated on site.
- iii. The Mary Street entrance to Building 2, timber stairs and office on the first floor must be retained to reflect their role as the main public entrance to the larger Taubmans site;
- iv. Any alterations or additions to retained buildings must be clearly discernible from the original fabric. Separate dedicated floor plans must identify existing layouts, the structural components to be retained in each retained building and differentiating these from new building components including how the existing facades on buildings in Edith Street will be retained.
- v. Adaptation of building interiors must aim for retention of original spaces and fabric while allowing for the adequate adaptation to new uses.
- vi. New development within the site must be contemporary in design with sensitivity to the retained buildings through the proportions, alignments, colours and materials used in the new development.

09 Open space and landscaping

Objective

- O1 To promote site landscaping that conforms and complements the character of the individual building and the character of the area.
- O2 To retain and enhance any existing significant trees and established planting found on site.
- O3 To provide dwellings with outdoor recreation space.
- O4 To minimise the extent of hard paved areas and facilitate rainwater infiltration.
- O5 To improve the appearance, amenity and energy efficiency of development through integrated landscape design.
- O5 To ensure private open space and landscaping provided in association with new dwellings within business centres meets user requirements for privacy, safety, access and outdoor activities.
- O6 To blend new development into the streetscape and neighbourhood and encourage the integration of buildings and landscape elements.
- O7 To create a vegetated buffer between residential and non-residential uses.
- O8 To require the retention of indigenous vegetation – and, in the case of new plantings, to encourage planting locally indigenous species.
- O9 To encourage green roofs and green walls for large scale developments.

Controls

- C9 Open Space locations are to be provided in accordance with the **Indicative Site Layout** in **Figure 3**, also as shown in **Figure 5** including the parts within red line containing deep soil and landscaping, except for the areas required for driveways and ramps for vehicular ingress and egress.

Figure 5: Location of public open space areas



C10 Open space is to provide for the following:

- i. Development within the site must create a series of high quality public spaces including passive recreational areas, access routes and circulation areas that are permanently accessible on a 24 hours basis. Creation of these spaces must facilitate walking and cycling, be accessible to all persons including those with accessibility restrictions and encourage active travel to and use of public transport.
- ii. The central public open space adjacent to Building C must be at least 600m² and must receive at least 2 hours of solar access between 9.00am and 3.00pm midwinter for 50% of its area.
- iii. The 'pocket park' open space on Roberts Street must receive at least 2 hours of solar access between 9.00am and 3.00pm midwinter for 50% of its area.

C11 A Landscaping Plan and report shall be provided indicating:

- (i) How tree canopy will be maximised on the site and its surrounds to meet the tree canopy targets in the Tree Management Part 2.20 of MDCP 2011. This Plan and report shall indicate locations for deep soil areas and confirm that any planter box areas above basement storeys have sufficient volume and functionality for elements such as such as drainage and irrigation to support substantial trees.
- (ii) Use of high quality open space pavement materials in publicly accessible areas (concrete or bitumen is not considered high quality) and likewise for open space fixtures, furniture and lighting materials.

- (iii) Local native provenance plants are to be used within all the landscaping for optimum biodiversity outcomes including local native grass meadow or lawn.
 - iv. Planting for shade in summer and sunlight penetration in winter must be provided in open public spaces.
 - v. Landscape design must promote screening between different building uses for the privacy of occupants.
 - vi. Significant deep soil zone areas are to be developed for the site within public open space areas shown within red outline in **Figure 5**.
 - vii. Trees and planting not in deep soil areas are to be flush with surrounding finish levels (no raised planters).
 - viii. Trees not in deep soil areas must be planted in minimum 1 metre depth of soil plus allowance for mulch and drainage, together with adequate soil volume demonstrated to ensure their survival.
- C12 Public access to open space as indicated with **Figure 5** shall be provided on a 24 hours basis, except for those areas provided as communal open space for residents of Buildings A and B.
- C13 Streetscape design must:
- i. Enhance the existing characters of Edith Street, Mary Street and Roberts Street.
 - ii. New buildings in proximity to Mary Street, Edith Street and Roberts Street are to be more articulated to reflect the low scale character of those areas.
 - iii. Ensure that the site design for new building A adjacent to Edith Street as identified in **Figure 3** provides a minimum of 2m wide front gardens with adequate deep soil to establish trees along this street frontage.
 - iv. Provide a continuous, safe and accessible path of travel for pedestrians along the Mary Street footpath.
 - v. Create a public verge alongside the Edith Street public road reserve and adjacent to new building A in **Figure 5** that is wide enough to accommodate street trees and pedestrian footpaths. Refer to Part 13 for required infrastructure works to Edith Street.

10 Finishes and Materials

Objectives

- O1 To provide high quality and durable finishes and materials.
- O2 To ensure for new buildings that the development includes green roofs, green podiums, green walls and green façades to improve air quality, amenity, habitat, ambient air temperature, building insulation, and aesthetic quality of the urban environment.

Controls

- C14 Employ high quality external finishes and materials throughout the site including to:
- Public open space and pavements
 - Ground level building facades adjacent or as part of open space
 - Public open space and its furniture and fixtures
 - Lighting installations with public open space
- C15 Green roofs and podiums are encouraged on all new buildings including the following:

- The size of the green roofs for buildings with the following gross floor areas are to be:
250 to 999m² — 30% of roof space
1,000 to 1,499 m² — 50% of roof space
- Green roofs must have a minimum substrate depth of 150mm.
- Green roof areas designed for use as communal open space are to have a high standard of finish and design.

C16 Green walls and façades are required on new buildings, or where practical on retained buildings, to at least 15% of the available building surfaces as follows:

- Green walls and façades must be planted with suitable Australian native plants (endemic to the Inner West where possible) and include habitat features.
- Green facades using planter boxes/container planting installed at different levels across the building are encouraged.
- A detailed description, plan and sections of the roof top design are to be submitted with the development application demonstrating that adequate allowance has been made including structural adequacy and provision for waterproofing.

11 Housing Mix and Adaptable Housing

Objectives

- O1 To provide equitable access within all new development, and ensure substantial alterations to existing development, or an intensification of an existing land use, provides an improved level of access for all people.
- O2 To protect existing accessible features within the public domain, residential and non-residential development.
- O3 To significantly increase the supply of adaptable housing.
- O4 To provide an adequate supply of car parking facilities for use by people with a disability.
- O5 To make people aware of their responsibilities under the Disability Discrimination Act 1992 (Cth) (DDA).
- O6 To raise public awareness and understanding of access and mobility issues for people with a disability through investigation and promotion of best practice in the design, construction and operation of development.
- O7 To promote housing diversity through a mix of dwelling types, including smaller apartments.

Controls

C17 Comply with MDCP 2011 - Part 2.5 Equity and Access for people with disabilities. Compliance must ensure that all public parts of the site identified in **Figure 3** - Site layout and **Figure 5** - Open Space meet this requirement fully, including access from basement parking areas to ground level business areas.

C18 A mix of apartments shall be provided in accordance with MDCP 2011- Part 5.1.6.2 (Dwelling Mix) within Part 5 Commercial and Mixed Use Developments. In addition, a minimum of 25 percent of all apartments are to be a mix of studio or one bedroom apartments.

12 Affordable Housing

Objectives

- 01 To increase the supply of affordable housing in the Inner West to meet community needs.
- 02 To provide affordable housing in appropriate locations across the site.

Controls

- C19 Affordable housing units should:
- be mixed with privately owned units throughout the development.
 - include a range of sizes to cater for different household sizes.
 - be rented to very low, low and moderate income households in accordance with the Inner West Affordable Housing Policy.
 - be designed and constructed to the same standard as other residential accommodation in Precinct 48.

Note: 'Affordable housing' has a statutory definition under the NSW Environmental Planning and Assessment Act 1979 (NSW) of "housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument".

13 Site Facilities, Waste and Parking

Objectives

- O1 The location of site facilities affecting the site layout are addressed so that they do not compromise urban design and landscaping and to ensure there are adequate site facilities for business operation and viability
- O2 Achieves the DCP desired in future in Part 5 character objectives for the site of a vibrant mixed-use precinct that maximises patron's use of communal commercial space such as that next to the town square in **Figure 3- Indicative Site layout** and in retained historic buildings.
- O3 Provide additional traffic management controls addressing site specific conditions.

Controls

- C20 Any development must comply with MDCP 2011 Part 2.21- Site facilities and Waste Management and in addition must demonstrate the following:
- (i) Demonstrate sufficient site facilities with a site facilities floor layout provision of adequate basement vehicular loading bays, delivery and servicing areas for businesses.
 - (ii) Service corridors for transfer of goods by business operators and their customers, with adequate widths, service lifts from basement car parking levels to designated ground level pathways to business floor space.

- (iii) Locations of ground level fire hydrants and their clearance zones as well as substation locations to minimise adverse impacts on the urban design and appearance of the site
 - (iv) All waste storage and collection shall occur in basement areas only.
- C21 Any development must comply with MDCP 2011 Part 2.10 Parking and Part 2.5 Equity of Access and Mobility and in addition must demonstrate the following:
- (i) Ingress and egress from the site shall be in a forward direction
 - (ii) Basement ramps must be within the built form, exposed basement ramps are not permitted.
- C22 All car parking is to be contained underground in basements.
- C23 Subject to clause 12.4 vehicular access to the site shall:
- minimise the impact of additional vehicular movements in surrounding residential streets including Edith street, in particular heavy vehicles
 - maximise retail and commercial vehicle movements to and from Mary Street
 - provide ease of ingress/egress for vehicles to and from Mary Street
 - minimise potential pedestrian and vehicular conflicts
 - identify physical works to the surrounding road network to accommodate the proposed development
- C24 Service areas and loading docks for all land uses (such as deliveries, waste and recycling collection) which require access by heavy vehicles are to be directly accessed from Mary Street only.
- C25 Lifts to/from basement and entry/access points are to be separate for residential/non-residential uses
- C26 Car parking areas are to be designed and constructed so that electric vehicle charging points can be installed at a later time.
- C27 Retain separate parking areas for residential and non residential uses on site. Appropriate security measures are to be taken on site for residential parking areas.
- C28 On-Site Car Share Facilities shall be provided as follows:
- Residential development – a minimum of one (1) car share space per 50 residential units.
- Office, business or retail premises – a minimum of one (1) car share space per 50 car spaces provided.
- Car share spaces are to be conveniently located and appropriately sign posted.
- Written evidence, in the form of a letter of commitment, from an established car share operator must be provided with the development application demonstrating the operator's intentions and method of management of the space(s).
- C29 A traffic engineer's report is to be submitted with the development application. It must explain how:
- (i) The internal site design will accommodate all residential and non-residential traffic movements.
 - (ii) The traffic circulation design will operate taking into consideration impacts from increased traffic that are likely to result from WestConnex the one way Mary Street.
 - (iii) The entry and exit points will function.

- (iv) The basement car park layout will easily facilitate all vehicular movements including those of large vehicles.
 - (v) The Edith Street road reserve will be affected and how the design will ensure that there are no additional traffic movements along the narrow parts of Edith Street to the east and on Roberts Street.
 - (vi) The development's urban design is to use this information to ensure that the streetscape infrastructure improvements for Edith Street identified in Part 12 are achieved without compromise.
- C30 A site management plan shall be submitted with development application addressing the following:
- (i) Hours of operation and provision of a site facilities room, which shall be an adequate size to cater for necessary site maintenance and storage requirements.
 - (ii) Maintenance of the site's publicly accessible open space areas and access to business visitor car parking areas.
 - (v) Upkeep of landscaped areas and plantings.
 - (vi) Maintenance of site facilities required for business operations.

14 Edith Street and Mary Street public domain

Objectives

- O1 To ensure the impacts of new development affecting the adjacent public domain within Council's road reserve are addressed with appropriate improvements.
- O2 Achieves the site's character objectives in Part 5 for having a new use which is compatible with and improves the surrounding public domain environment.

Controls

- C31 The development application must address the impacts on Council's public road reserve resulting from construction stages on the site and from the future operation of the development as follows:
- (i) Provide a road maintenance plan for the construction phase that includes maintaining access to the driveways of existing houses in Edith Street.
 - (ii) Make provision for repairs of any damage to Edith Street and Mary Street that results from construction.
 - (iii) Provide designs for streetscape improvements to Edith Street including high quality tree lined public verges wide enough to cater for pedestrian movements and driveway access to existing houses.
 - (iv) Details for street trees are to include adequate tree pit dimensions and consideration of soil volumes. Refer to Marrickville Street Tree Master Plan Part 6 for specifications and details.
 - (v) Provide designs to ensure there is no additional traffic on the narrow parts of Edith Street to the south of the site.
 - (vi) Provide designs for a continuous footpath along the Mary Street adjacent to the site taking into consideration existing driveway access to businesses within those buildings that are to be retained.

- (vii) The Alexander Canal Flood Study has identified flooding at a trapped low point in Edith Street. The design of the development shall provide for a formalised overland flow path through the site from Edith Street through to Robert Street and then onto Mary Street.

15 Signage

Objectives

- O1 To provide signage that promotes wayfinding and identifies the presence of key land uses, such as the town square plaza, pedestrian links, businesses and apartments.
- O2 To ensure signs do not create a road safety risk, hazard or confusion.
- O3 To promote high quality signs which contribute positively to the building appearance and streetscape.
- O4 To protect the amenity of residents, tenants, pedestrians and visitors.
- O5 To minimise visual impacts to the surrounding areas.

Controls

- C32 Signage shall be compatible with the architecture, finishes and materials of the building and streetscape.
- C33 Signage shall be designed to avoid confusion with directional and traffic signs.
- C34 A co-ordinated presentation of signs is required where there are multiple occupancies or uses within a single building.
- C35 Signs are not permitted on public footpaths unless associated with a bus stop shelter or kiosk.
- C36 Tower building facades shall be free from signage from the top of the podium to the rooftop.
- C37 Signage is not permitted side walls abutting residential properties.
- C38 Signage is not to contain reflective materials and finishes.
- C39 Illuminated signs must not impact residential amenity.

16 Public Art Strategy

Objectives

- O1 To encourage public art within the Precinct and guarantee funding.
- O2 To promote cultural activity, improve public domain appearance and define the Precinct.

- O3 To encourage collaborations between artists, Council and the local community.
- O4 To foster community connection to place.

Controls

- C40 A minimum of 0.1% of the overall development value should be provided for the development of public art.
- C41 All public art shall be relevant to the local character, be of a scale appropriate to the public realm, and be specific to time and place.
- C42 Development applications are to include a Public Art Strategy that describes how proposed public art has been selected to suit the historic, environmental and social contexts of the Precinct and the surrounding area and contributes to a unique 'sense of place'.
- C43 Public art must be located in publicly accessible places such as street frontages, the plaza and external facing walls. Alternatively, monetary contributions may be made to Council's public art programs.
- C44 Consult with Council and community groups in the design and execution of public artworks. The use of public artists is encouraged.

17 Environmental Management

Objectives

- O1 To ensure that the new development applies the principles of ecologically sustainable development.
- O2 To reduce environmental impacts of the development.
- O3 To encourage improved environmental performance through the use of industry recognised building rating tools.
- O4 To promote the use of renewable energy sources and materials to reduce the use of resources, and the generation of pollution and waste resulting from development activity.
- O5 To reduce the cause and impact of the urban heat island effect.
- O6 To implement sustainable urban water management.
- O7 To improve the diversity and abundance of locally indigenous flora and fauna species across the Inner West, enhance habitat and contribute to the network of wildlife corridors throughout the Inner West.

Controls

(ESD)

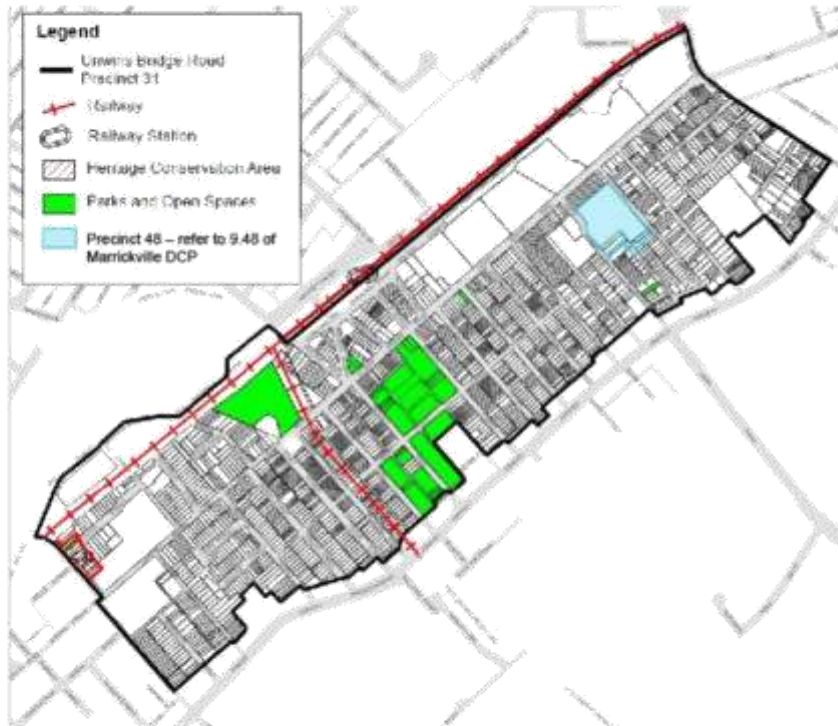
- C45 The development is encouraged to use an environmental rating tool, such as Green Star, to demonstrate the degree to which it is an ecologically sustainable development. Where Green Star is used, achievement of a minimum of 5 stars is encouraged.
- C46 The installation and use of photovoltaic solar panels is encouraged. Where possible, solar panels should be co-located with extensive green roofs to increase the operational efficiency of the solarpanels.
- C47 The development must increase urban green cover on the site through tree planting, mass planted garden beds, WSUD, and green roofs and walls.
- C48 The development must enhance urban biodiversity by increasing habitat for local flora and fauna.
- C49 Where practical use building materials, fittings and finishes that have been recycled, made from or incorporate recycled materials, and have been certified as sustainable or 'environmentally friendly' by a recognised third party certification scheme.
- C50 Where office premises with a net lettable area of 1,000m² or more are proposed, documentation is to be submitted confirming that the building will be capable of
 - supporting a Base Building National Australian Built Environment Rating System (NABERS) Energy Commitment Agreement of 5.5 stars with the NSW Office of Environment and Heritage. Such an agreement is to be entered into prior to any construction certificate being issued for the approved development.
- C51 All new water fittings and fixtures such as showerheads, water tap outlets, urinals and toilet cisterns, in all non-residential development, the public domain, and private open space are to be the highest Water Efficiency Labelling Scheme (WELS) star rating available at the time of development.
- C52 Non-residential development is to be designed to minimise the need for active heating and cooling by incorporating passive design measures related to glazing, natural ventilation, thermal mass, external shading and vegetation.
- C53 All lighting within the public domain should be energy-efficient, such as LED lighting.

(Water Sensitive Urban Design)

- C54 The development should adopt an integrated approach to water cycle management and address water conservation, efficiency, stormwater management, drainage and flooding through a coordinated process.
- C55 A suitably qualified engineer with experience in stormwater, drainage and WSUD is to assess the site requirements for the proposed development, and prepare the required stormwater, drainage and WSUD plans in accordance with the provisions of this DCP and with best practice sustainable water management techniques.

- C56 Design the site to maximise infiltration of stormwater, water and drainage of residual flows into permeable surfaces, tree pits and treatment areas.
 - C57 Bioswales and rain gardens are to be incorporated into public open space and footpath design.
 - C58 Where filtration and bio-retention devices are proposed, they are to be designed to capture and provide temporary storage for stormwater.
- (Water Re-use, Recycling and Harvesting)
- C59 Water used for irrigation of public and private open space (including green roofs and walls) is to be drawn from reclaimed water or harvested rainwater sources where there is feasible access to those water sources. Possible sources include harvested stormwater, treated greywater and wastewater and water from a decentralised local network. Water treatment measures must be incorporated to ensure that the water is fit for purpose.
 - C60 Rainwater tanks should be installed where there are roof forms from which rainwater can be feasibly collected and plumbed to appropriate end uses.
- (Biodiversity)
- C61 Opportunities to link to, extend or enhance existing or potential biodiversity corridors should be realised in the new development.
 - C62 A mix of locally indigenous tree, shrub, grass and groundcover species should be incorporated into the planting palette. Where this is not practical, use Australian native plants.

Amendment to Precinct 31 – 9.31 Unwins Bridge Road (Precinct 31)



This map shows how Precinct 48 will be separate from the rest of Precinct 31.

ATTACHMENT 2 – Submissions Report

- i. 7 submissions that support the Development Control Plan (DCP) amendment (Please note that this category involves support in principle submissions that have some specific concerns).

Issues	Officer's comment
The project is long overdue and is needed for the area.	Noted.
Higher density development mixed with employment spaces improves amenity and supports businesses.	Noted.
<p>The DCP should encourage greater use of public transport and minimise parking requirements on site.</p> <p>The DCP fails to meet the provisions of the Marrickville LEP 2011 Amendment No.18 with respect to encouraging sustainable transport, including use of public transport, walking and cycling, and appropriate parking provisions.</p> <p>The DCP fails to meet Council's Integrated Transport Strategy (ITS) objectives.</p>	<p>The DCP amendment does not reduce or change the existing Marrickville DCP (MDCP) 2011 parking requirements.</p> <p>The DCP amendment includes provisions for walking, cycling, accessibility for people with accessibility restrictions, a permeable pedestrian network of open space and through site links, local street and footpath improvements, efficient and safe on-site commercial vehicle circulation, car sharing and potential electric vehicle charging and thus aligns with the ITS's core objectives.</p>
Setbacks for new residential buildings along Edith Street should be no greater than those setbacks in the Urban Design Report supported by Council, Department of Planning, Industry and Environment (DPIE) and Council's Architectural Excellence Panel.	The LEP controls have been gazetted by the State Government. The DCP amendment provide additional detail to the LEP controls to mitigate any potential adverse impacts and do not adversely affect the development potential of the site.
Overhead power cables are not situated on the site and the DCP should not require these to be put underground.	Council consider that given the development potential contemplated in the LEP controls, the DCP amendment is able to require power lines adjacent to the site to be placed underground. This would provide significant aesthetic benefit, including allowing for viable street tree planting.
The DCP should not require the provision of affordable housing units.	The DCP amendment includes affordable housing controls in Section 12 as prescribed by the LEP amended controls.

Issues	Officer's comment
50% of roof area as green roof is excessive and this should be no more than 30%.	Council considers the prescribed 50% requirement is a reasonable control given the development potential on the site with the recently amended LEP controls. This type of control has been consistently applied in recent DCP amendments such as the Balmain Leagues Club Precinct DCP amendment.
I support the DCP controls relating to public art, retention of existing buildings and high standards of design and architecture.	Noted.

ii. 5 submissions that provided mixed views.

Issues	Officer's comment
Creating lots of greenery would be good but too much greenery may damage cars.	The DCP requires 15% of the site to have a tree canopy which is consistent with Part 2.20 -Tree Management of MDCP 2011. In addition, many of the trees to be planted will not be adjacent to on-street car parking and where they are, they would be planted in accordance with Council's street planting practice to avoid damage to private property.
Provide more than enough car parking for both residents and visitors at Precinct 75.	The DCP amendment adopts the general MDCP 2011 parking rates which contemplate the sites location near public transport such as Sydenham Station.
Edith Street is not big enough to cater for the future traffic.	Any future development application will require the submission of a Traffic Report prepared by a qualified Traffic Engineer that addresses how traffic circulation will operate, identify the vehicle entry and exits points on the site, proposed traffic calming measures to reduce impacts and ensure the required streetscape and infrastructure improvements for Edith Street are achieved.
8 storeys is too high, should only be 5 storeys.	It is noted that the LEP controls already contemplate up to 8 storeys (approx. 29 metres). The maximum number of storeys in

Issues	Officer's comment
	<p>the DCP Amendment ranges from 2 – 8 storeys. The majority of the buildings will be up to 5 storeys with the exception of one 7 storey and one 8 storey building.</p> <p>The 8 storey building is located in the centre of the site with substantial setback from street frontages. This will minimise any potential overshadowing impacts on the surrounding residential properties.</p>

- iii. 54 submissions that do not support the proposal (Please note that most of these submissions are objecting to the rezoning of the site in the LEP Amendment made by the State Government in June 2020 and in that sense, they are not objecting to the DCP).

Issues	Officer's comment
<p>The site is a former lead paint factory and highly contaminated. (12 submissions)</p>	<p>The contamination issue was fully addressed by the Planning Proposal (LEP amendment) to the level required for the rezoning to be approved. The detailed approach to the treatment of the contamination will be dealt with at the development application stage.</p>
<p>The height is out of line with the current residential area. (28 submissions)</p> <p>The purported 'set back' of these higher properties is minimal and will not materially reduce the impact 7-8 story high buildings on privacy and shadowing. (8 submissions)</p> <p>The development should have a maximum height of 4-5 storeys. (15 submissions)</p> <p>Poor architectural designs. (5 submissions)</p> <p>A DCP should not be prepared without a visual impact analysis and 3D renders of the</p>	<p>These comments relate to the Planning Proposal (LEP amendment) and the specific issues raised cannot be addressed in a DCP as the DCP cannot be inconsistent with the LEP controls under the NSW planning system.</p> <p>The majority of the buildings will however be no more than 5 storeys with the exception of one 7 storey and one 8 storey building.</p> <p>The 8 storey building is located in the centre of this large site with a substantial setback from street frontages. This will minimise any potential overshadowing impacts on the surrounding residential properties.</p> <p>The DCP objectives include: To achieve design excellence that provides a high quality built form that responds to the existing and future</p>

Issues	Officer's comment
<p>proposed development (1 submission)</p> <p>The development will have an impact on flight paths. (2 submissions)</p>	<p>context, using principles drawn from an analysis of the site and its context.</p> <p>Relevant architectural plans were submitted during the preparation and assessment of the DCP amendment which was considered to be reasonable.</p> <p>The development will not have an impact on flight paths. Sydney Airport provided comments on the original Planning Proposal (LEP amendment) and raised no objections.</p>
<p>Edith Street, Mary Street and Roberts Street and Roberts Lane are far too small to deal with the current traffic volume without the addition of more cars. (17 submissions)</p> <p>The development will cause traffic chaos and will put children at risk who play in the area. (1 submission)</p> <p>The bus network is not reliable and will promote the use of cars. (1 submission)</p>	<p>Any future development application will require the submission of a Traffic Report prepared by a qualified Traffic Engineer that addresses how traffic circulation will operate, identify the vehicle entry and exits points on the site, road safety and how traffic on the surrounding streets generated by the development will be minimised.</p> <p>The DCP amendment adopts the general MDCP 2011 parking rates which contemplate the sites location near public transport such as Sydenham Station.</p>
<p>Lack of parking. (13 submissions)</p> <p>A clear requirement on the number of car spaces that should be provided. (1 submission)</p> <p>The development of the site will result in loss of street parking to residents. Residents should be given a car space in the development. (1 submission)</p>	<p>The DCP amendment adopts the general MDCP 2011 parking rates.</p> <p>The carparking rates should be maintained given that the car parking controls have already contemplated that the site is within walking distance of Sydenham Station (new Metro station).</p>
<p>Artists will lose their workspaces. (4 submissions)</p> <p>0.1% for public art is not sufficient and the art should be updated to keep constantly to</p>	<p>The DCP states that a 'minimum' of 0.1% of the overall development value should be provided for the development of public art.</p> <p>The public art will be developed in consultation with Council and community</p>

Issues	Officer's comment
showcase new artworks. (1 submission)	groups and the use of public artists is encouraged. It would be unreasonable to expect the developer to pay for ongoing regular replacement of the initial public art installation.
Lack of affordable housing. (3 submissions)	The DCP amendment includes affordable housing controls in Section 12 as prescribed by the LEP amended controls.
A visual impact analysis and accurate 3D renders should be provided. (2 submissions)	Detailed architectural drawings were provided in the urban design study exhibited with the Planning Proposal (LEP amendment).
Houses will be devalued because of this development. (1 submission)	No evidence is provided that this will be the case and this is not considered to be a planning consideration under the Environmental Planning and Assessment Act.
Over development of St Peters. (14 submissions) Out of character. (9 submissions) This development is not in the communities' best interest. (3 submissions)	These issues relate to the already LEP amendment gazetted by the State Government, which Council did not support. The DCP will mitigate the potential adverse impacts of the LEP Amendment.
Rezoning of the site should not be supported. (6 submissions)	The State Government has already rezoned the site by amending the Marrickville Local Environmental Plan (MLEP) 2011 in June 2020 against Council's advice.
Reduction of tree canopy and vegetation. (1 submission)	The DCP amendment requires the provision of 15% of the site to have tree canopy which is consistent with Part 2.20 -Tree Management of MDCP 2011.
Precinct 75 will lose its village and community feel as a result of the	The DCP sets out the desired future character for the site as a vibrant mixed-use development with businesses, homes and

Issues	Officer's comment
<p>development. (1 submission)</p> <p>Precinct 75 will lose its appeal and residents won't be able to visit cafes, furniture shops and conduct their daily shopping needs. (2 submission)</p> <p>Precinct 75 is a creative and retail hub and its employment prospects out way the short term benefits of a construction site. (1 submission)</p> <p>Modern shops are likely to be vacant. (1 submission)</p>	<p>publicly accessible shared open spaces including a public town square and ground level active uses to encourage pedestrian activity.</p> <p>The rezoning to B4 Mixed Use makes retail, personal services and cafes permissible the new residential population will help attract tenants for the new shops and to retain these businesses when they do start to trade.</p>
<p>A footpath must be installed on Albion Lane between Mary Street and Alfred Street and a 'no left turn – local traffic only' sign needs to be installed on the corner of Mary Street and Albion Lane. (1 submission)</p>	<p>Albion Lane does not form part of the site and these proposed traffic calming measures are not relevant to the DCP amendment.</p> <p>The suggestions will be referred to Council's Traffic Engineers for further consideration.</p>
<p>Properties adjacent to the site should be included in the DCP. (1 submission)</p>	<p>These properties are not covered by the recent LEP amendment and are therefore not included in the DCP amendment.</p>
<p>Access to Sydenham Station from Mary Street should be provided through the Council depot. (1 submission)</p>	<p>This cannot be provided as part of this site specific DCP. There are footpaths on both sides of Unwins Bridge Road to Sydenham Station.</p>
<p>This project has never been supported by Council previously. Why does it continue to be considered. (1 submission)</p>	<p>The DCP is not concerned with the merits of the Planning Proposal (LEP amendment). That has already been completed against Council's recommendation. The DCP only relates to additional controls to mitigate any potential adverse impacts from the development.</p>
<p>Not enough natural sunlight to the central green area and the small park at the end of Roberts Street. (2 submission)</p>	<p>The large, central open space and the smaller Roberts Street park will receive a minimum of 2 hours of solar access between 9:00am and 3:00pm midwinter. This is consistent with the existing solar access controls in MDCP 2011.</p>

Issues	Officer's comment
The site has heritage significance. (2 submissions)	The LEP amendment and the DCP amendment both contain measures to facilitate the retention and adaptive re-use of the historic buildings on the site.
Trucks servicing the site during construction and post construction cannot fit on the street. (1 submission) Construction noise will impact the local community and past construction projects have decimated and damaged the community. (1 submission)	The DCP requires any development application for the site to address these issues of servicing and construction noise. Any development consent conditions will mitigate construction impacts.
The overland flood flow path should be reconsidered and the expanses for the damage caused by the runoff from Precinct 75 cannot be passed on to the neighbouring residential properties. (1 submission)	Council's Development Engineers have reviewed the DCP and raised no concerns in this respect. This type of drainage issue will also be addressed by any future development application.
The wording around the requirements for the ESD principles (e.g. use of reclaimed water, WSUD, use of recycled materials, power conservation) are very fluffy and should require implementation regardless of cost to the developer and should be stated to that effect in the DCP (e.g. replacing the word "should" with the word "must"). (2 submissions)	These controls have been consistently applied within Council's DCPs such as in the recently adopted Balmain Leagues Club Precinct DCP amendment. The proposed ESD controls are commonly applied to large scale redevelopments. The word 'should' is more appropriate and has been consistently used Council's DCP controls.
Tenants of a house on the site expressed a concern that they may lose their home because of the redevelopment. (1 submission)	The LEP contemplates this redevelopment and the DCP amendment is not able to contain controls related to existing tenancies.
Council should provide a community recycling centre at its depot on Unwins Bridge Road. (1 submission)	This is not an issue that is within the remit of the DCP amendment, but the suggestion will be referred to Council's Resource Recovery team.

Item No: C1120(2) Item 3

Subject: DRAFT WESTERN HARBOUR TUNNEL INTERFACE AGREEMENT

Prepared By: Manod Wickramasinghe - Traffic and Transport Planning Manager and
Kendall Banfield - Senior Transport Planner

Authorised By: Cathy Edwards-Davis - Director Infrastructure

RECOMMENDATION

THAT Council authorises the Acting General Manager or General Manager to:

- 1. Negotiate with TfNSW the terms to be included in an interface agreement relating to the temporary and permanent impacts of the Western Harbour Tunnel project on Council's assets; and**
- 2. Finalise the interface agreement and sign all documents to give effect to the interface agreement.**

DISCUSSION

As with WestConnex, Council's position on the Western Harbour Tunnel (WHT) is one of opposition. Whilst there is no timetable for future WHT stages, the project is expected to be approved by the Minister for Planning before the end of 2020 and construction is expected to commence in the first half of 2021.

Transport for NSW (TfNSW) have requested Council consider draft terms that would be included in an interface agreement. The draft terms would set out key responsibilities and procedures for Council and TfNSW in relation to the temporary and permanent impacts on Council assets, including impact management from the proposed WHT motorway project. The Council assets identified are Birchgrove Wharf (temporary), Victoria Road and Wellington Street intersection (temporary), Victoria Road construction site (temporary) and the Crescent and City West link (permanent). The draft terms for the interface agreement are to be assessed by relevant Council staff

Of note is the provision within the draft agreement for TfNSW to reimburse Council's costs from staff assessing various WHT construction/design plans and undertaking other WHT-related activities. Reimbursement of costs could be by way of funding for Council to recruit dedicated staff on a temporary part-time basis. There would also be provision for TfNSW to reimburse legal costs incurred by Council in reviewing and finalising the interface agreement.

There has been no agreement of this nature for WestConnex or Metro South-West (rail), although in the case of Metro, TfNSW had funded a part-time position in Council dedicated to that project. Council successfully negotiated an interface agreement with TfNSW for the Sydney Gateway Project.

By negotiating both the terms of and the interface agreement with TfNSW Council will have an input into the management of the impacts on local roads, parking, pedestrian, cycle and shared paths, urban design and landscaping of the WHT project, Council will be included in the traffic and transport liaison group for WHT project.

FINANCIAL IMPLICATIONS

There is no potential for financial costs to Council from consideration of the terms of the interface agreement and draft interface agreement. Within the agreement, TfNSW has committed to funding Council's legal staff time input into the agreement's finalisation. There is potential for a financial gain from the funding by TfNSW of dedicated staff within Council for this project.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 4

Subject: LOCAL TRAFFIC COMMITTEE MEETING - NOVEMBER 2020

Prepared By: Manod Wickramasinghe - Traffic and Transport Planning Manager

Authorised By: Cathy Edwards-Davis - Director Infrastructure

RECOMMENDATION

THAT the Minutes of the Local Traffic Committee Meeting held in November 2020 be received and the recommendations be adopted.

ITEMS BY WARD

Ward	Item
Baludarri (Balmain)	Unnamed Laneway, Lilyfield (North of O'Neil Street) - Proposed 'No Stopping' and 'No Parking' restrictions
	Unnamed Laneway between May Street and The Boulevarde, Lilyfield - Christmas Street Party (Road Occupancy)
Gulgadya (Leichhardt)	Wells Street, Annandale - Christmas Street Party (Road Occupancy)
	James Street, Leichhardt - Christmas Street Party
	Pedestrian safety on The Crescent, Annandale
Midjuburi (Marrickville)	Rose Street, Marrickville between Coronation Avenue and Unnamed Laneway west of Park Road - Temporary Full Road Closure for Street Party – Saturday 12 December 2020
	Edinburgh Street, Murray Street and Railway Parade, Marrickville – Marrickville Metro Expansion Works – Notice of Extension to Council approved dates of a 6 week period Temporary Full Road Closure in Local Traffic Committee Meeting Minutes 2 November 2020 7 order to complete excavation works for a sewer connection to main line
	Juliett Street, Marrickville - Proposal for Car Share Parking Space
	Church Street, St Peters – Proposed new 'No Parking' Restrictions and a future section of Rollover Kerb Parking
Djarrawunang (Ashfield)	Heighway Avenue, Ashfield-Temporary road closure for Christmas Street Party
	Milton Lane, Ashfield – Widening of Milton Lane-DA condition under Development of 380-382 Liverpool Road, Ashfield
Damun (Stanmore)	Denison Road, Lewisham - Temporary Full Road Closure
All Wards	Nil.

DISCUSSION

The November 2020 meeting of the Local Traffic Committee was held remotely. The Agenda was sent to Committee members with a week to provide comments. The minutes of the meeting are shown at **ATTACHMENT 1**.

FINANCIAL IMPLICATIONS

Projects proposed for implementation are funded within existing budget allocations.

PUBLIC CONSULTATION

Specific projects have undergone public consultation as indicated in the respective reports to the Traffic Committee.

ATTACHMENTS

1. [Local Traffic Committee Meeting Minutes November 2020](#)



Minutes of Local Traffic Committee Meeting

Held electronically in November 2020

ACKNOWLEDGEMENT OF COUNTRY BY CHAIRPERSON

I acknowledge the Gadigal and Wangal people of the Eora nation on whose country we are meeting today, and their elders past and present.

COMMITTEE REPRESENTATIVES PRESENT

Clr Victor Macri	Councillor – Midjiburi-Marrickville Ward (Chair)
Chris Woods	Representative for Ron Hoenig MP, Member for Heffron
Sgt Charles Buttrose	NSW Police – Leichhardt Police Area Command
SC Sam Tohme	NSW Police – Burwood Police Area Command
SC Tony Kenny	NSW Police - Inner West Police Area Command
Tanmila Samin Islam	Transport for NSW (TfNSW)

OFFICERS IN ATTENDANCE

Manod Wickramasinghe	IWC's Traffic and Transport Planning Manager
George Tsaprounis	IWC's Coordinator Traffic Engineering Services (South)
Christina Ip	IWC's Business Administration Officer

VISITORS

Nil.

APOLOGIES:

Nil.

DISCLOSURES OF INTERESTS:

Nil.

CONFIRMATION OF MINUTES

The minutes of the Local Traffic Committee meeting held in October 2020 were confirmed

MATTERS ARISING FROM COUNCIL'S RESOLUTION OF MINUTES

The Local Traffic Committee recommendations of its meeting held in October 2020 were adopted at Council's meeting held on 27 October 2020.

EMAIL CONFIRMATION OF OFFICER'S RECOMMENDATION

The representative for NSW Police – Leichhardt supported the Officer's recommendations for the items in their PAC.

The representative for NSW Police – Burwood supported the Officer's recommendations for the items in their PAC.

The representative for NSW Police – Inner West supported the Officer's recommendations for the items in their PAC.

LTC1120 Item 1 Denison Road, Lewisham - Temporary Full Road Closure (Damun-Stanmore Ward/ Summer Hill Electorate/ Inner West PAC)

SUMMARY

An application has been received from Site Security and Traffic Control (SSTC) for the temporary full road closure of Denison Road (between Hunter Street and Hobbs Street), Lewisham for the purpose of delivering a container unit via a mobile crane into private property boundary. The closure is proposed to be undertaken on Friday, 6 November 2020, between 7.00am to 5.00pm, with contingency dates on either Thursday, 12 November 2020 or Friday, 13 November 2020. The streets will be temporarily closed to all vehicular traffic, including emergency vehicles and local residents. It is recommended that the proposed temporary full road closures be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT the proposed temporary full road closure of Denison Road (between Hunter Street and Hobbs Street), Lewisham on Friday, 6 November 2020, from 7.00am to 5.00pm, with one day contingency on either Thursday, 12 November or Friday, 13 November 2020, be approved, in order to deliver a container unit via a mobile crane into private property boundary, subject, but not limited to the following conditions:

1. A Road Occupancy License be obtained by the applicant from the Transport Management Centre;
2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and the NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for stakeholders; and
3. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed temporary full road closure of Denison Road (between Hunter Street and Hobbs Street), Lewisham on Friday, 6 November 2020, from 7.00am to 5.00pm, with one day contingency on either Thursday, 12 November or Friday, 13 November 2020, be approved, in order to deliver a container unit via a mobile crane into private property boundary, subject, but not limited to the following conditions:

1. A Road Occupancy License be obtained by the applicant from the Transport Management Centre;
2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and the NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 7 days in advance of the closure with the applicant making reasonable provision for stakeholders; and
3. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

LTC1120 Item 2 Rose Street, Marrickville between Coronation Avenue and Unnamed Laneway west of Park Road - Temporary Full Road Closure for Street Party – Saturday 12 December 2020 (Midjumburi – Marrickville Ward / Newtown Electorate / Inner West PAC)

SUMMARY

An application has been received from a resident for the temporary full road closure of Rose Street, Marrickville between Coronation Avenue and Unnamed laneway west of Park Road for a period of four hours on Saturday, 12 December 2020 in order to hold a street party. It is recommended that the proposed temporary road closure be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT the proposed temporary full road closure of Rose Street, Marrickville between Coronation Avenue and Unnamed laneway west of Park Road for a period of four hours on Saturday, 12 December 2020 between 4.00pm and 8.00pm be APPROVED, in order to hold a street party, subject to the Conditions of Approval as set out in the Street Party Application Form and the following conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed temporary full road closure of Rose Street, Marrickville between Coronation Avenue and Unnamed laneway west of Park Road for a period of four hours on Saturday, 12 December 2020 between 4.00pm and 8.00pm be APPROVED, in order to hold a street party, subject to the Conditions of Approval as set out in the Street Party Application Form and the following conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

LTC1120 Item 3 Wells Street, Annandale - Christmas Street Party (Road Occupancy)
(Gulgadya-Leichhardt Ward/ Balmain Electorate/ Leichhardt PAC)

SUMMARY

Council has received an application for approval of an annual Christmas street party in Wells Street between Booth Street and Collins Street, Annandale to be held on Sunday, 6 December 2020 between 4:00pm and 7:00pm.

Officer's Recommendation

THAT the temporary road closure of Wells Street, Annandale between Booth Street and Collins Street, to conduct an annual Christmas Street Party on Sunday, 6th December 2020, from 4:00pm - 7:00pm, be approved, subject to the conditions as set out as per the Street Party Application Form as well as the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the temporary road closure of Wells Street, Annandale between Booth Street and Collins Street, to conduct an annual Christmas Street Party on Sunday, 6th December 2020, from 4:00pm - 7:00pm, be approved, subject to the conditions as set out as per the Street Party Application Form as well as the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

LTC1120 Item 4 Heighway Avenue, Ashfield-Temporary road closure for Christmas Street Party (Djarrawunang-Ashfield Ward/Summer Hill Electorate/Burwood PAC)

SUMMARY

An application has been received from a resident for the temporary full road closure of Heighway Avenue, Ashfield, Between Walter Street and Frederick Street for a period of three and a half (3.5) hours on Saturday 12 December 2020 in order to hold an annual Christmas street party. It is recommended that the proposed temporary road closure be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT the proposed temporary full road closure of Heighway Avenue, Ashfield, between Walter Street and Frederick Street for a period of 3.5 hours on Saturday 12 December 2020 between 5.00pm and 8.30pm be APPROVED, in order to hold an annual Christmas street party, subject to the Conditions of Approval as set out in the Street Party Application Form and the following conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;

2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Transport for NSW representative requested that the applicant notify Transport Management Centre (TMC) of the road closure due to its proximity to Frederick Street. The representative also advised that an ROL may be required.

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed temporary full road closure of Heighway Avenue, Ashfield, between Walter Street and Frederick Street for a period of 3.5 hours on Saturday 12 December 2020 between 5.00pm and 8.30pm be APPROVED, in order to hold an annual Christmas street party, subject to the Conditions of Approval as set out in the Street Party Application Form and the following conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Commander, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

LTC1120 Item 5 Edinburgh Street, Murray Street and Railway Parade, Marrickville – Marrickville Metro Expansion Works – Notice of Extension to Council approved dates of a 6 week period Temporary Full Road Closure in order to complete excavation works for a sewer connection to main line (Midjuburi – Marrickville Ward / Newtown Electorate / Inner West PAC)

SUMMARY

Council has received notice from JRK (contractor to Marrickville Metro Shopping Centre expansion works/ADCO) of a required extension to Council approved dates for the 6-week period temporary full road closure of a section of Edinburgh Road in order to complete excavation works for a sewer connection to main line. It is recommended that the proposed extension of dates for the temporary full road closure be approved, subject to the conditions outlined in this report.

Officer's Recommendation

THAT the proposed extension period for the temporary full road closure of sections of Edinburgh Street, Murray Street and Railway Parade, Marrickville from 25 September 2020 (original completion date) to 28 November 2020 be approved for the purpose of completing sewer connection works relating to Marrickville Metro Expansion works subject to, but not limited to, the following conditions:

1. A new Road Occupancy License be obtained by the applicant from the Transport Management Centre;
2. All affected residents and businesses, including the NSW Police Area Commander, Fire & Rescue NSW and the NSW Ambulance Services be notified in writing, by the applicant, of the proposed extension to the Council approved dates of the temporary full road closure with the applicant making reasonable provision for stakeholders;
3. The occupation of the road carriageway must not occur until the road has been physically closed;
4. Subject to written concurrence from Sydney Metro TSE Group and Transit Systems / Sydney Buses is provided to Council;
5. Subject to written concurrence from Transport for New South Wales; and
6. The temporary removal and reinstatement of any Council assets will be at the applicants cost and to Council satisfaction.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed extension period for the temporary full road closure of sections of Edinburgh Street, Murray Street and Railway Parade, Marrickville from 25 September 2020 (original completion date) to 28 November 2020 be approved for the purpose of completing sewer connection works relating to Marrickville Metro Expansion works subject to, but not limited to, the following conditions:

1. A new Road Occupancy License be obtained by the applicant from the Transport Management Centre;
2. All affected residents and businesses, including the NSW Police Area Commander, Fire & Rescue NSW and the NSW Ambulance Services be notified in writing, by the applicant, of the proposed extension to the Council approved dates

- of the temporary full road closure with the applicant making reasonable provision for stakeholders;
3. The occupation of the road carriageway must not occur until the road has been physically closed;
 4. Subject to written concurrence from Sydney Metro TSE Group and Transit Systems / Sydney Buses is provided to Council;
 5. Subject to written concurrence from Transport for New South Wales; and
 6. The temporary removal and reinstatement of any Council assets will be at the applicants cost and to Council satisfaction.

For motion: Unanimous

LTC1120 Item 6 Unnamed Laneway, Lilyfield (North of O'Neil Street) - Proposed 'No Stopping' and 'No Parking' restrictions (Baludarri-Balmain Ward/Balmain Electorate/Leichhardt PAC)

SUMMARY

Council has received concerns from residents of Cecily Street, Lilyfield regarding vehicles parking on the eastern side of the Unnamed Laneway, Lilyfield and subsequently obstructing rear driveway access for properties Nos.11-15, Cecily Street, Lilyfield.

Officer's Recommendation

THAT:

1. A 23.7m 'No Parking' zone be installed on the eastern side of the Unnamed Laneway, Lilyfield along the rear boundaries of No.11, 13, 15 Cecily Street (between the points 3.2m south of the driveway of No.15 Cecily Street and 1.7m north of the driveway of No.11 Cecily Street).
2. A 10m statutory 'No Stopping' zone and a subsequent 49m 'No Parking' zone be installed on the western side of the Unnamed Laneway, north of O'Neil Street.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. A 23.7m 'No Parking' zone be installed on the eastern side of the Unnamed Laneway, Lilyfield along the rear boundaries of No.11, 13, 15 Cecily Street (between the points 3.2m south of the driveway of No.15 Cecily Street and 1.7m north of the driveway of No.11 Cecily Street).
2. A 10m statutory 'No Stopping' zone and a subsequent 49m 'No Parking' zone be installed on the western side of the Unnamed Laneway, north of O'Neil Street.

For motion: Unanimous

**LTC1120 Item 7 Juliett Street, Marrickville - Proposal for Car Share Parking Space
(Midjuburi-Marrickville Ward/ Newtown Electorate/ Inner West PAC)**

SUMMARY

A request has been received from a GoGet representative for the installation of an on-street dedicated car share parking space on Juliett Street, Marrickville.

It is recommended that the installation of the proposed on-street dedicated car share parking space be supported as detailed in this report.

Officer's Recommendation

THAT:

1. The installation of 2.5-metre 'No Parking – Council Authorised Car Share Vehicles Excepted' restrictions on the first available angled on-street parking space, located on the western side of Juliett Street, Marrickville, south of its intersection with Enmore Road be approved.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The installation of 2.5-metre 'No Parking – Council Authorised Car Share Vehicles Excepted' restrictions on the first available angled on-street parking space, located on the western side of Juliett Street, Marrickville, south of its intersection with Enmore Road be approved.

For motion: Unanimous

**LTC1120 Item 8 Church Street, St Peters – Proposed new 'No Parking' Restrictions
and a future section of Rollover Kerb Parking (Midjuburi –
Marrickville Ward / Heffron Electorate / Inner West PAC)**

SUMMARY

Council received representations from various parties in relation to Church Street, St Peters indicating that parking on both sides of the street, especially in the section of Church Street between Victoria Street and the dead end, is obstructing the safe passage of vehicles including service vehicles and particularly emergency vehicles. The road is narrow and vehicles which are parked on both sides of the roadway frequently pose problems for vehicular access. The proposal removes 3 instead of a possible 8 on-street spaces on the northern side of Church Street and it is recommended that the new 'No Parking' restrictions be installed and the 5 space section of rollover kerb be approved in principle and that the latter it be listed for funding in a future Traffic Capital Works Program.

Officer's Recommendation

THAT:

1. Implementation of 'No Parking' restrictions from property No. 95 to property No. 103 Church Street, St Peters (northern side) be approved; and
2. A 5-space section of rollover kerb, between the school entrance opposite Victoria Street and the eastern boundary of property No. 95 Church Street, St Peters, be approved in principle and that it be listed for funding in a future Traffic Capital Works Program.

DISCUSSION

Council Officers advised that additional comments were received from residents and the LTC Chair. A total of 11 responses were received from residents, 3 in support and 8 objecting to the proposed restrictions. In light of the additional comments, the recommendation was modified to propose an extension to the rollover kerb proposal to minimise the loss of parking in the subject section of Church Street.

The representative for TfNSW stated that the installation of a roll top kerb onto a footpath is not supported by TfNSW as it is unsafe for pedestrians, especially near a school, and provides a false impression that parking over the footpath is legal.

The other Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

That the implementation of rollover kerb on the northern side of Church Street, St Peters between No.103 Church Street and the school entrance opposite Victoria Street be supported in principle and a detailed design of the rollover kerb, signage and line marking be brought back to the Local Traffic Committee for consideration.

For motion: Majority

Against motion: Transport for NSW

LTC1120 Item 9 Milton Lane, Ashfield-Widening of Milton Lane-DA condition under Development of 380-382 Liverpool Road, Ashfield (Diarrawunang-Ashfield Ward/Summer Hill Electorate/Burwood PAC)

SUMMARY

Under condition of Development Consent 10.2012.269.4, and in line with Part 3-Ashfield West- Inner West DCP 2016, the east-west section of Milton Lane, Ashfield, rear of 380-382 Liverpool Road will be widened to accommodate 2-way traffic and pedestrian footpath for the current development of No.380-382 Liverpool Road, Ashfield.

Road widening and footpath will be constructed on private land (right of way) as allocated by the developer. This is shown in the approved DA plan LIVERPOOL380-CIV3 FINAL DWG (Attachment 2) for the committee to note.

Minor modifications are recommended to plan showing signposting, line marking and traffic safety measures, by Council's Traffic Engineer.

As Milton Street, is a State Road, under the care and control of Transport for NSW (TfNSW), the Committee is further advised that the road intersection design at Milton Lane and Milton

Street, will be assessed by the TfNSW for appropriate traffic movement to and from the site.

Officer's Recommendation

THAT:

1. The following modifications to plan "Liverpool380-Civ3 Final Dwg" as shown in Attachment 2 of this report be approved, including:
 - Removal of the painted dividing island in Milton Lane at the intersection of Milton Street, Ashfield;
 - Providing 'No Parking' restrictions in lieu of 'No Stopping' placed near mid-block on the southern side of the widened lane. This is to assist short-term loading/unloading of goods or waste collection for current or future development needs for No.40 Milton Street;
 - Providing edge line (E1) marking to designate and guide any traffic around the corner of Milton Lane;
 - Providing guideposts to veer/guide traffic around the corner of Milton Lane; and
 - Providing STOP control line marking at the intersection of Milton Lane and Milton Street.
2. The applicant be advised of these modifications for the inclusion in proposed works within Milton Lane; and
3. The intersection design treatment for Milton Street and Milton Lane be forwarded to TfNSW, by the applicant, for consideration and approval.

DISCUSSION

TfNSW supported the proposed removal of the painted island, subject to a physical treatment being installed to prevent right turning movements into and out of Milton Lane, as per DA requirements.

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT:

1. The following modifications to plan "Liverpool380-Civ3 Final Dwg" as shown in Attachment 2 of this report be approved, including:
 - Removal of the painted dividing island in Milton Lane at the intersection of Milton Street, Ashfield;
 - Providing 'No Parking' restrictions in lieu of 'No Stopping' placed near mid-block on the southern side of the widened lane. This is to assist short-term loading/unloading of goods or waste collection for current or future development needs for No.40 Milton Street;
 - Providing edge line (E1) marking to designate and guide any traffic around the corner of Milton Lane;
 - Providing guideposts to veer/guide traffic around the corner of Milton Lane; and
 - Providing STOP control line marking at the intersection of Milton Lane and Milton Street.

2. The applicant be advised of these modifications for the inclusion in proposed works within Milton Lane; and
3. The intersection design treatment for Milton Street and Milton Lane be forwarded to TfNSW, by the applicant, for consideration and approval.

For motion: Unanimous

LTC1120 Item 10 Unnamed Laneway between May Street and The Boulevarde, Lilyfield - Christmas Street Party (Road Occupancy) (Balurdarri-Balmain Ward/ Balmain Electorate/ Leichhardt PAC)

SUMMARY

Council has received an application for approval of an annual Christmas street party in the Unnamed Laneway between May Street and The Boulevarde, Lilyfield to be held on Saturday, 12 December 2020 between 2:00pm and 11:00pm.

Officer's Recommendation

THAT the proposed temporary road closure of the Unnamed Laneway, Lilyfield between May Street and The Boulevarde (section at the rear of Nos.355-367 Balmain Road) on Saturday, 12 December 2020, from 2:00pm - 11:00pm (with a contingency date if Saturday, 19 December 2020) , be APPROVED, in order to hold a street party, subject to the conditions of approval as set out in the Street Party Application Form and the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 3-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed temporary road closure of the Unnamed Laneway, Lilyfield between May Street and The Boulevarde (section at the rear of Nos.355-367 Balmain Road) on Saturday, 12 December 2020, from 2:00pm - 11:00pm (with a contingency date if Saturday, 19 December 2020) , be APPROVED, in order to hold a street party,

subject to the conditions of approval as set out in the Street Party Application Form and the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 3-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

LTC1120 Item 11 James Street, Leichhardt - Christmas Street Party (Gulgadya - Leichhardt Ward/ Balmain Electorate/ Leichhardt PAC)

SUMMARY

Council has received an application for approval of an annual Christmas street party in James Street between William Street and Allen Street, Leichhardt to be held on Saturday, 12 December 2020 between 2:00pm and 11:00pm.

Officer's Recommendation

THAT the proposed temporary road closure of James Street, Leichhardt between William Street and Allen Street on Saturday, 12 December 2020, from 2:00pm - 11:00pm, be APPROVED, in order to hold a street party, subject to the conditions of approval as set out in the Street Party Application Form and the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

DISCUSSION

The Committee members agreed with the Officer's recommendation.

COMMITTEE RECOMMENDATION

THAT the proposed temporary road closure of James Street, Leichhardt between William Street and Allen Street on Saturday, 12 December 2020, from 2:00pm - 11:00pm, be **APPROVED**, in order to hold a street party, subject to the conditions of approval as set out in the Street Party Application Form and the following additional conditions:

1. Latest government and health advice on Covid-19 is followed at the time of the event including gatherings and/or social distancing restrictions;
2. All affected residents and businesses, including the NSW Police Local Area Command, Fire & Rescue NSW and NSW Ambulance Services be notified in writing, by the applicant, of the proposed temporary road closure at least 14 days in advance of the closure with the applicant making reasonable provision for stakeholders;
3. The applicant is to set out the road closure as per the attached typical Traffic Control Plan (TCP) and a 4-metre wide emergency vehicle access be maintained through the closed road areas during the course of the event; and
4. The occupation of the road carriageway must not occur until the road has been physically closed.

For motion: Unanimous

General Business

LTC1120 Item 12 Pedestrian safety on The Crescent, Annandale

A resident wrote to Councillors with concerns about pedestrian safety, stating that there are no safe pedestrian crossings on The Crescent between Johnston Street and Scotsman Street, Annandale. The resident requested that pedestrian crossings be installed The Crescent Street, at the corners of both Trafalgar Street and Nelson Street.

The TfNSW representative stated that:

- The Crescent carries a high volume of traffic and being a State Road, its primary role is the movement of goods and traffic. The installation of zebra crossing would add to congestion and motorist frustration, which can result in increased illegal behaviours.
- The Crescent forms part of an approved route for heavy vehicles. Heavy vehicles struggle to come to a stop so frequently and if unable, can become a greater safety hazard for pedestrians.
- There are multiple crossing points and provisions along this length of The Crescent. This includes multiple refuge islands, where pedestrians can find a safe gap in traffic to cross, as well as signalised pedestrian crossings such as at the intersection with Johnston Street as well as Scotsman Street, which control priorities for both vehicles and pedestrians. Due to these provisions, combined with the 50km/h speed limit, TfNSW consider this appropriate at this time.



**Local Traffic Committee Meeting
Minutes 2 November 2020**

- TfNSW had also carried out a speed limit review along this section of The Crescent earlier this year and accordingly, the speed limit has been reduced to 50km/h, to improve safety for all road users, in line with the road environment and the NSW Speed Zoning Guidelines.

This concluded the business of the meeting.

Item No: C1120(2) Item 5

Subject: AUDITED FINANCIAL REPORTS AS AT 30 JUNE 2020

Prepared By: Daryl Jackson - Chief Financial Officer

Authorised By: Elizabeth Richardson - Acting General Manager

RECOMMENDATION

THAT Council:

1. **Receives and notes the report; and**
 2. **Receives the final audited reports for the Inner West Council for the reporting period ending 30 June 2020 (Attachment 1).**
-

DISCUSSION

The purpose of this report is to inform Council that the 2020 audited financial reports for the Inner West Council have been placed on public exhibition in accordance with legislative requirement. Council is required to receive and note the financial reports after being placed on public exhibition.

At the 27 October 2020 Council meeting, the financial reports for the Inner West Council were presented for signature. The reports were subsequently placed on public exhibition once the auditor's reports were received.

Section 418 of the *Local Government Act 1993* provides that as soon as practicable after Council receives a copy of the auditor's reports:

- a) It must fix a date for the meeting at which it proposes to present its audited financial reports, together with the auditor's reports, to the public; and
- b) it must give public notice of the date so fixed.

Section 418 also provides that the date fixed for the meeting must be at least 7 days after the date on which the notice is given but not more than five weeks after the auditor's reports are given to Council.

An advertisement was placed on the Inner West Council's website on 5 November 2020 advising that the audited financial reports will be tabled to Council on 24 November 2020 offering members of the public to make comment on the financial reports. The electronic copies of the financial reports were available to members of the public on Council's website from 5 November 2020 while printed copies of the financial reports were exhibited publicly at the Ashfield and Leichhardt Service Centres from 5 November 2020.

FINANCIAL IMPLICATIONS

Nil

PUBLIC CONSULTATION

Members of the public have had the opportunity to comment on the financial reports of each respective branch during the public exhibition period. To date, no responses have been received.

ATTACHMENTS

1. [↓](#) 2019/20 Financial Statements

Inner West Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Inner West Council

Financial Statements 2020

General Purpose Financial Statements for the year ended 30 June 2020

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Overview

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

2-14 Fisher Street
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

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW 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 2020.

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 Council/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 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

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

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 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 27 October 2020.


Darcy Byrne
Mayor
27 October 2020


Victor Macri
Deputy Mayor
27 October 2020


Elizabeth Richardson
Acting General Manager
27 October 2020


Daryl Jackson
Chief Financial Officer
27 October 2020

Inner West Council

Financial Statements 2020

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Income from continuing operations				
162,638	Rates and annual charges	3a	162,634	159,297
45,948	User charges and fees	3b	32,693	42,852
26,291	Other revenues	3c	18,019	21,010
10,620	Grants and contributions provided for operating purposes	3d,3e	17,096	11,731
36,819	Grants and contributions provided for capital purposes	3d,3e	35,489	23,446
5,277	Interest and investment income	4	5,209	6,508
-	Net gains from the disposal of assets	6	45,215	-
-	Fair value increment on investment properties	11	-	449
-	Rental income	14e	7,077	5,999
-	Net share of interests in joint ventures and associates using the equity method	19	101	144
287,593	Total income from continuing operations		323,533	271,436
Expenses from continuing operations				
121,675	Employee benefits and on-costs	5a	115,727	119,497
1,969	Borrowing costs	5b	425	620
64,173	Materials and contracts	5c	63,859	65,135
33,080	Depreciation and amortisation	5d	29,271	26,594
34,200	Other expenses	5e	32,300	34,421
70	Net losses from the disposal of assets	6	-	8,282
255,167	Total expenses from continuing operations		241,582	254,549
32,426	Operating result from continuing operations		81,951	16,887
32,426	Net operating result for the year		81,951	16,887
32,426	Net operating result attributable to council		81,951	16,887
(4,393)	Net operating result for the year before grants and contributions provided for capital purposes		46,462	(6,559)

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Income Statement should be read in conjunction with the accompanying notes.

Inner West Council

Financial Statements 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		81,951	16,887
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	–	14,896
Total items which will not be reclassified subsequently to the operating result		–	14,896
Total other comprehensive income for the year		–	14,896
Total comprehensive income for the year		81,951	31,783
 Total comprehensive income attributable to Council		 81,951	 31,783

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Inner West Council

Financial Statements 2020

Statement of Financial Position as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	106,546	23,798
Investments	7(b)	130,800	118,330
Receivables	8	24,795	47,578
Inventories	9a	193	180
Contract assets	13a	1,260	–
Other	9b	2,659	3,291
Total current assets		266,253	193,177
Non-current assets			
Investments	7(b)	83,691	79,683
Infrastructure, property, plant and equipment	10(a)	2,216,107	2,156,465
Investment property	11	–	28,489
Intangible Assets	12	9,104	1,397
Right of use assets	14a	354	–
Investments accounted for using the equity method	19	3,164	3,637
Total non-current assets		2,312,420	2,269,671
Total assets		2,578,673	2,462,848
LIABILITIES			
Current liabilities			
Payables	15	31,236	35,898
Contract liabilities	13b	3,998	4,267
Lease liabilities	14b	191	–
Borrowings	15	3,762	3,683
Provisions	16	31,883	32,433
Total current liabilities		71,070	76,281
Non-current liabilities			
Contract liabilities	13b	4,174	–
Lease liabilities	14b	176	–
Borrowings	15	40,897	5,416
Provisions	16	1,493	2,009
Total non-current liabilities		46,740	7,425
Total liabilities		117,810	83,706
Net assets		2,460,863	2,379,142
EQUITY			
Accumulated surplus	17	2,264,658	2,182,843
Revaluation reserves	17	196,205	196,299
Council equity interest		2,460,863	2,379,142
Total equity		2,460,863	2,379,142

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Inner West Council

Financial Statements 2020

Statement of Changes in Equity for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		2,182,843	196,299	2,379,142	2,165,956	181,403	2,347,359
Changes due to AASB 1058 and AASB 15 adoption	17	(230)	—	(230)	—	—	—
Restated opening balance		2,182,613	196,299	2,378,912	2,165,956	181,403	2,347,359
Net operating result for the year		81,951	—	81,951	16,887	—	16,887
Other comprehensive income							
— Gain (loss) on revaluation of IPP&E	10(a)	—	—	—	—	14,896	14,896
Other comprehensive income		—	—	—	—	14,896	14,896
Total comprehensive income		81,951	—	81,951	16,887	14,896	31,783
Transfers between equity items		94	(94)	—	—	—	—
Equity – balance at end of the reporting period		2,264,658	196,205	2,460,863	2,182,843	196,299	2,379,142

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Inner West Council

Financial Statements 2020

Statement of Cash Flows for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
Receipts:				
162,638	Rates and annual charges		160,582	158,625
45,948	User charges and fees		34,321	46,111
5,277	Investment and interest revenue received		6,493	4,826
47,439	Grants and contributions		42,579	32,454
–	Bonds, deposits and retention amounts received		1,240	2,356
26,291	Other		53,349	36,387
Payments:				
(121,675)	Employee benefits and on-costs		(116,104)	(114,322)
(64,173)	Materials and contracts		(79,955)	(67,362)
(1,969)	Borrowing costs		(127)	(626)
(34,200)	Other		(50,614)	(38,010)
65,576	Net cash provided (or used in) operating activities	18b	51,764	60,439
Cash flows from investing activities				
Receipts:				
271,859	Sale of investment securities		212,400	162,017
–	Sale of investment property		73,168	–
(70)	Sale of infrastructure, property, plant and equipment		1,466	2,390
Payments:				
(223,320)	Purchase of investment securities		(228,663)	(155,551)
(111,049)	Purchase of infrastructure, property, plant and equipment		(54,460)	(52,199)
–	Purchase of intangible assets		(8,357)	(1,896)
(62,580)	Net cash provided (or used in) investing activities		(4,446)	(45,239)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		40,047	–
Payments:				
(5,066)	Repayment of borrowings and advances		(4,487)	(4,237)
–	Lease liabilities (principal repayments)		(130)	–
(5,066)	Net cash flow provided (used in) financing activities		35,430	(4,237)
(2,070)	Net increase/(decrease) in cash and cash equivalents		82,748	10,963
41,023	Plus: cash and cash equivalents – beginning of year	18a	23,798	12,835
38,953	Cash and cash equivalents – end of the year	18a	106,546	23,798
165,703	plus: Investments on hand – end of year	7(b)	214,491	198,013
204,656	Total cash, cash equivalents and investments		321,037	221,811

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 27 October 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

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

The Novel Coronavirus (COVID-19) is a respiratory illness that was declared a world-wide pandemic by the World Health Organisation in March 2020. COVID-19 has had a significant effect on local and global economies, and Council has not been isolated from the direct and indirect effects of the virus.

Council has considered the impacts from the 2020 COVID-19 pandemic in the preparation of these financial statements. Although the pandemic had a widespread effect on slowing down economy around the world, Council notes that as at the date of the issue of the 19/20 financial statements, it is hard to predict any significant future implications on Council's business.

To determine the potential impacts of the pandemic on the financial statements, Council has performed an analysis of the following categories:

- Fair value of property, plant and equipment (PPE) - Level 3.
- Impairment of non-financial assets
- Financial instruments
- Expected credit losses (ECLs)
- Events after the reporting period
- Contingent assets & liabilities and commitment

Specific disclosures have been documented in the notes to the financial statements in recognition of the impacts (financial and otherwise) of the global pandemic.

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 23 – Material budget variations

and are clearly marked.

(a) 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.

(b) 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.

continued on next page ...

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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 infrastructure, property, plant and equipment – refer Note 10 and 24.
- (ii) employee benefit provisions – refer Note 16.

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 8 and 22.

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 property 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.

Trust monies and property held by Council but not subject to the control of Council have been excluded from these reports. 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 that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Volunteer services

Council is supported by volunteer services in its community support programs - specifically individual social support services, and meals on wheels. All volunteers are reimbursed for travel expenses, and it is the view of council that all other volunteer services are not material and therefore has not been recognised in the income statement.

continued on next page ...

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2020 reporting period.

These standards include:

AASB 1059 Service Concession Arrangements: Grantors
AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059
AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059

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

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 16 Leases
- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 17.

Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

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

*Income, expenses and assets have been directly attributed to the following functions or activities.
Details of those functions or activities are provided in Note 2(b).*

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Children and Family Services	17,022	17,334	17,734	19,108	(712)	(1,774)	5,753	1,073	–	190
Community Events	116	140	3,609	3,718	(3,493)	(3,578)	–	–	–	–
Community Services and Culture	2,369	2,262	10,161	11,360	(7,792)	(9,098)	621	1,092	–	–
Corporate Support Services	196,745	144,167	54,772	65,481	141,973	78,686	5,836	5,536	369,559	1,272,157
Development Assessment	3,863	4,772	6,578	6,874	(2,715)	(2,102)	–	–	–	26
Environment and Sustainability	1,168	764	5,327	5,591	(4,159)	(4,827)	1,020	504	–	8
Footpaths, Roads, Traffic and Stormwater	17,125	17,234	32,198	34,097	(15,071)	(16,863)	2,560	3,056	1,414,447	1,032,701
Library and History Services	1,786	1,270	17,005	11,032	(15,219)	(9,762)	1,584	–	–	59
Recreation and Aquatics	6,950	9,464	9,903	11,266	(2,953)	(1,802)	1,060	1,146	42,722	54,578
Regulatory Services	15,624	17,392	13,628	13,943	1,996	3,449	–	–	–	8,018
Resource Recovery	41,401	41,364	29,265	28,934	12,136	12,430	–	–	2,357	1,444
Strategic Planning	2,606	2,716	5,972	7,934	(3,366)	(5,218)	1,265	750	–	–
Trees, Parks and Sportsfields	16,758	12,557	35,432	35,211	(18,674)	(22,654)	792	–	746,867	93,667
Other	–	–	–	–	–	–	–	–	2,721	–
Total functions and activities	323,533	271,436	241,582	254,549	81,951	16,887	20,491	13,157	2,578,673	2,462,848

Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

Community Events

- Organise, present and evaluate a program of high quality events that engage the local community in celebrations of place, culture and diversity.
- Provide employment for local performing artists and art workers.

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

- Customer Service, Business Excellence and Civic Governance
- Communications and Engagement
- Finance
- Human Resources
- Information and Communications Technology
- Legal Services
- Procurement
- 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 & Urban Ecology
- Supporting community involvement with urban ecology volunteer projects
- Managing Council's environmental risk, compliance, ecological design and environmental performance, monitoring and reporting

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

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

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

- 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 library, 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 the service provider contracts for Annette Kellerman Aquatic Centre and Fanny Durack Aquatic Centre to ensure that services and programming meet the needs of the community
- Manage Ashfield Aquatic Centre (under redevelopment), Dawn Fraser Baths (under redevelopment) and Leichhardt Park Aquatic Centre to ensure services and programming meet the needs of the community.
- 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 in relation to the avoidance, reuse, recycling and disposal of materials.
- Deliver daily collection and transport services to more than 90,000 households and businesses across the Inner West for waste, recycling, garden waste, household clean up, illegal dumping and lane cleaning, litter bins, Community Recycling Centres and other recycling services (e-waste, mattresses, white goods).

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.
- Develop outcomes based organisational strategy that reflects community needs and aspirations through effective integrated planning and reporting and delivery of the Community Strategic Plan, Delivery Program and Operational Plan.
- Develop and deliver master plans for the public domain to support growth and change.

Trees, Parks and Sportsfields

- Responsible for all activities within parks, reserves, sporting grounds and public open space, including maintenance, renewal and upgrade projects.
- Coordinating recreation planning and programs for parks and open space.
- Managing the implementation of Urban Forest Policy aims and objectives, including both public and private trees.
- Managing fleet procurement, including maintenance, use and disposal of Council's plant, vehicles and major equipment as well as overseeing Council's depot facilities, in particular their fleet maintenance, parking and storage provisions.
- Streetscape maintenance – including street sweeping, verge mowing and weed control.
- Developing, delivering and promoting recreation opportunities to meet the needs of the Inner West community.
- Managing Council's service provider contracts for indoor recreational facilities, the Debbie and Abbey Borgia Recreation Centre and Robyn Webster Sports Centre, to ensure that services and programming meet the needs of the community.

Inner West Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	85,876	82,507
Business	1058 (1)	35,283	35,070
Less: pensioner rebates (mandatory)		(1,874)	(1,978)
Rates levied to ratepayers		119,285	115,599
Pensioner rate subsidies received		964	967
Total ordinary rates		120,249	116,566
Special rates			
Environmental levy		271	262
Urban street		185	181
Rates levied to ratepayers		456	443
Total special rates		456	443
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	43,215	42,238
Stormwater management services		1,776	1,771
Waste management services (non-domestic)		-	1,361
Section 611 charges		192	153
Less: pensioner rebates (Council policy)	1058 (1)	(3,254)	(3,235)
Annual charges levied		41,929	42,288
Total annual charges		41,929	42,288
TOTAL RATES AND ANNUAL CHARGES		162,634	159,297

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

- 15 (1) indicates income recognised under AASB 15 "at a point in time",
- 15 (2) indicates income recognised under AASB 15 "over time",
- 1058 (1) indicates income recognised under AASB 1058 "at a point in time", while
- 1058 (2) indicates income recognised under AASB 1058 "over time".

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

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

2019 Accounting Policy

The accounting policy for 2019 was as per above.

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services		172	284
Waste management services (non-domestic)		699	471
Total specific user charges		871	755
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building services – other		700	277
Private works – section 67		1,101	406
Regulatory/ statutory fees		813	346
Section 10.7 certificates (EP&A Act)		523	445
Town planning	15 (1)	4,504	5,544
Building services		78	83
Regulatory – compliance		1,149	1,581
Regulatory fees – other		73	1,510
Total fees and charges – statutory/regulatory		8,941	10,192
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Child care	15 (2)	12,331	16,413
Community centres		324	462
Leisure centre		1,735	4,762
Park rents		764	1,509
Parking fees	15 (1)	2,915	3,587
Hoarding fees		995	979
Meals on wheels		240	322
Pool (admissions)	15 (2)	3,530	2,893
Other		47	978
Total fees and charges – other		22,881	31,905
TOTAL USER CHARGES AND FEES		32,693	42,852

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

15 (1) indicates income recognised under AASB 15 "at a point in time",

15 (2) indicates income recognised under AASB 15 "over time",

1058 (1) indicates income recognised under AASB 1058 "at a point in time", while

1058 (2) indicates income recognised under AASB 1058 "over time".

Accounting policy for user charges and fees

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as membership fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership. Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

2019 accounting policy

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

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Inner West Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(c) Other revenues			
Ex gratia rates		483	486
Fines – parking	1058 (1)	13,181	15,168
Fines – other		928	1,050
Legal fees recovery – other		252	449
Diesel rebate		34	17
Credit card transaction fee		151	228
Other		1,638	1,953
Street furniture income		–	162
Bus shelter income		1,341	1,497
Donations Received		11	–
TOTAL OTHER REVENUE		18,019	21,010

The AASB notation (above) identifies the revenue recognition pattern for material items of Council revenue:

- 15 (1) indicates income recognised under AASB 15 "at a point in time",
- 15 (2) indicates income recognised under AASB 15 "over time",
- 1058 (1) indicates income recognised under AASB 1058 "at a point in time", while
- 1058 (2) indicates income recognised under AASB 1058 "over time".

Accounting policy for other revenue

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

2019 accounting policy:

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.

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

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.

2019 Accounting Policy:

The Accounting policy in 2019 was consistent with the above.

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Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component		1,397	1,987	–	–
Financial assistance – local roads component		1,379	666	–	–
Payment in advance - future year allocation					
Financial assistance – general component	1058 (1)	2,228	2,060	–	–
Financial assistance – local roads component		713	690	–	–
Total general purpose		5,717	5,403	–	–
Specific purpose					
Aged care		924	936	–	–
Child care	1058 (1)	4,829	1,073	–	–
Environmental programs		997	207	–	265
Floodplain management		23	32	–	–
LEP/DCP		1,265	750	–	–
Library – per capita		541	548	–	–
LIRS subsidy		119	133	–	–
Recreation and culture		46	150	1,060	996
Street lighting		665	660	–	–
Transport (roads to recovery)		–	–	857	754
Other		–	–	3,288	1,094
Community services		160	156	–	–
Total specific purpose		9,569	4,645	5,205	3,109
Total grants		15,286	10,048	5,205	3,109
Grant revenue is attributable to:					
– Commonwealth funding		7,846	6,548	1,149	–
– State funding		7,440	2,750	2,498	–
– Other funding		–	750	1,558	3,109
		15,286	10,048	5,205	3,109

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.4 – contributions using planning agreements			–	–	717	5,052
S 7.11 – contributions towards amenities/services	1058 (1)		–	–	17,536	11,678
Total developer contributions – cash			–	–	18,253	16,730
Non-cash contributions						
S 7.4 – contributions using planning agreements			–	–	–	2,840
Total developer contributions non-cash			–	–	–	2,840
Total developer contributions	27		–	–	18,253	19,570
Other contributions:						
Cash contributions						
Roads and bridges			–	–	713	767
RMS contributions (regional roads, block grant)			1,389	1,093	–	–
Other			421	590	2,229	–
Total other contributions – cash			1,810	1,683	2,942	767
Non-cash contributions						
Other			–	–	9,089	–
Total other contributions – non-cash			–	–	9,089	–
Total other contributions			1,810	1,683	12,031	767
Total contributions			1,810	1,683	30,284	20,337
TOTAL GRANTS AND CONTRIBUTIONS			17,096	11,731	35,489	23,446

Accounting policy for grants and contributions

Accounting policy from 1 July 2019

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the fair value of the asset when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received

Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

Contributions

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

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

Accounting policy prior to 1 July 2019

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.

For grants or contributions recognised as revenues during the financial year that 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 below.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

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

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.

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Inner West Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
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(f) Unspent grants and contributions – external restrictions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.

Operating grants

Unexpended at the close of the previous reporting period	10,645	72,209
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	4,815	17,270
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent (2019 only)	(832)	(78,834)
Less: operating grants received in a previous reporting period now spent and recognised as income	(7,097)	–
Unexpended and held as externally restricted assets (operating grants)	7,531	10,645
Less: capital grants received in a previous reporting period now spent and recognised as income	–	–

Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	315	594
– Cash and investments	3,118	3,986
– Other	1,561	1,928
Fair value adjustments		
– Movements in investments at fair value through profit and loss	215	–
Total Interest and investment income	5,209	6,508

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

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	87,987	91,923
Employee termination costs	5,640	2,086
Travel expenses	41	42
Employee leave entitlements (ELE)	9,796	12,752
Superannuation	9,770	9,863
Workers' compensation insurance	1,633	2,010
Fringe benefit tax (FBT)	570	569
Training costs (other than salaries and wages)	547	249
Other	93	140
Total employee costs	116,077	119,634
Less: capitalised costs	(350)	(137)
TOTAL EMPLOYEE COSTS EXPENSED	115,727	119,497
Number of 'full-time equivalent' employees (FTE) at year end	1,035	1,036

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 21 for more information.

\$ '000	2020	2019
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on leases	5	–
Interest on loans	420	620
Total interest bearing liability costs	425	620
Total interest bearing liability costs expensed	425	620
TOTAL BORROWING COSTS EXPENSED	425	620

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 as incurred.

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Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	8,691	9,853
Contractor and consultancy costs	–	71
– Agency Staff	8,832	13,223
– Consultants	2,303	2,953
– Contractors	31,991	26,757
Auditors remuneration ²	433	554
Legal expenses:		
– Legal expenses: planning and development	525	567
– Legal expenses: debt recovery	–	437
– Legal expenses: other	444	88
Expenses from short-term leases (2020 only)	327	–
Expenses from leases of low value assets (2020 only)	609	–
Variable lease expense relating to usage (2020 only)	26	–
Operating leases expense (2019 only):		
– Operating lease rentals: minimum lease payments ¹	–	818
Tipping fees	9,678	9,814
Total materials and contracts	63,859	65,135
TOTAL MATERIALS AND CONTRACTS	63,859	65,135

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
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Accounting policy for materials and contracts

Expenses are recorded on an accruals basis as the council receives the goods or services.

Operating leases (2019 only)

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	--	557
Motor vehicles	--	141
Other	--	120
	--	818

2. Auditor remuneration

During the year, the following fees were incurred 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	275	276
Remuneration for audit and other assurance services	275	276

Remuneration for non-assurance services

	--	--
Total Auditor-General remuneration	275	276

Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Internal Audit Services	158	278
Remuneration for audit and other assurance services	158	278

Total remuneration of non NSW Auditor-General audit firms

	158	278
Total Auditor remuneration	433	554

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		1,989	2,129
Office equipment		456	78
Furniture and fittings		154	128
Land improvements (depreciable)		3,623	3,362
Car parks (depreciable)		178	178
Infrastructure:	10(a)		
– Buildings		7,855	6,806
– Roads		6,638	6,635
– Bridges		179	179
– Footpaths		1,568	1,235
– Other road assets		690	689
– Stormwater drainage		1,424	1,233
– Aquatic Facilities		1,448	1,180
– Wharves		78	81
– Sea walls		388	388
– Kerb and gutter		1,441	1,410
Right of use assets	14	143	–
Other assets:			
– Domestic waste vehicles		383	384
Intangible assets	12	636	499
Total gross depreciation and amortisation costs		29,271	26,594
Total depreciation and amortisation costs		29,271	26,594
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		29,271	26,594

Accounting policy for depreciation, amortisation and impairment expenses of non-financial assets

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 10 for IPPE assets, Note 12 for intangible assets and Note 14 for right of use assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above 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.

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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.

\$ '000	2020	2019
(e) Other expenses		
Advertising	412	1,149
Bad and doubtful debts	1,761	1,878
Bank charges	504	510
Computer software charges	4,769	4,112
Contributions/levies to other levels of government		
– NSW fire brigade levy	3,507	3,269
– Self Enforcing Infringement Notice Scheme (SEINS) processing fees	1,875	2,120
– Waste levy	4,703	4,273
Councillor expenses – mayoral fee (incl deputy mayor)	69	76
Councillor expenses – councillors' fees	395	351
Administration and committee fees	–	39
Donations, contributions and assistance to other organisations (Section 356)	1,432	2,088
Electricity and heating	2,989	3,230
Insurance	2,414	2,292
Postage	446	621
Printing and stationery	292	255
Street lighting	1,344	1,663
Subscriptions and publications	644	473
Telephone and communications	1,057	1,266
Valuation fees	388	350
Water rates	422	1,068
Gas	642	593
Other	2,235	2,745
Total other expenses	32,300	34,421
TOTAL OTHER EXPENSES	32,300	34,421

Accounting policy for other expenses

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

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Notes to the Financial Statements for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Infrastructure, property, plant and equipment	10(a)		
Proceeds from disposal – infrastructure		1,466	2,390
Less: carrying amount of infrastructure assets sold/written off		(5,626)	(10,672)
Net gain/(loss) on disposal		(4,160)	(8,282)
Investment properties	11		
Proceeds from disposal – investment property		73,168	–
Less: carrying amount of investment property sold/written off		(23,779)	–
Net gain/(loss) on disposal		49,389	–
Intangible assets	12		
Less: carrying amount of intangible assets sold/written off		(14)	–
Net gain/(loss) on disposal		(14)	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		45,215	(8,282)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

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 de-recognised.

Inner West Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	106,546	23,798
Total cash and cash equivalents	106,546	23,798

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	–	1,097	–	1,139
b. 'Financial assets at amortised cost'	130,800	82,594	118,330	78,544
Total Investments	130,800	83,691	118,330	79,683
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	237,346	83,691	142,128	79,683
Financial assets at fair value through the profit and loss				
Mortgage backed securities	–	1,097	–	1,139
Total	–	1,097	–	1,139
Financial assets at amortised cost				
Long term deposits	118,000	17,000	105,130	10,000
NCD's, FRN's (with maturities > 3 months)	12,800	33,150	11,200	29,500
Fixed bonds (ADIs)	–	32,444	2,000	39,044
Total	130,800	82,594	118,330	78,544

Accounting policy for investments

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

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Notes to the Financial Statements for the year ended 30 June 2020

Note 7(b). Investments (continued)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise Term Deposits, Floating Rate Notes, Fixed Rate Notes, trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in Mortgage-Backed Securities in the Statement of Financial Position.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(c). Restricted cash, cash equivalents and investments

\$ '000	2020 Current ¹	2020 Non-current	2019 Current ¹	2019 Non-current
Total cash, cash equivalents and investments	237,346	83,691	142,128	79,683
attributable to:				
External restrictions	41,372	83,691	25,914	79,683
Internal restrictions	154,464	–	53,566	–
Unrestricted	41,510	–	62,648	–
	237,346	83,691	142,128	79,683

(1) All funds, including unrestricted funds, have been allocated to upcoming Council projects in line with the Operational and Asset Management Plans. The Unrestricted funds have been set aside within internal council reserves covering the cost of projects as per these plans.

\$ '000	2020	2019
Details of restrictions		
External restrictions – other		
Developer contributions – general	77,429	63,212
Specific purpose unexpended grants (recognised as revenue) – general fund	7,531	10,645
Stormwater management	1,439	730
Watershed	60	59
Special Rate Variation Income	7,554	4,963
Mainstreet levy	240	240
Domestic waste management	29,303	24,886
3.5% levy reserve	1,507	862
External restrictions – other	125,063	105,597
Total external restrictions	125,063	105,597
Internal restrictions		
Employees leave entitlement	15,884	34,442
Deposits, retentions and bonds	17,696	16,374
Financial Assistance Grant reserve	2,941	2,750
Investment Property Reserve	80,933	–
Infrastructure Renewal Reserve	19,446	–
Depreciation Contra Reserve	17,564	–
Total internal restrictions	154,464	53,566
TOTAL RESTRICTIONS	279,527	159,163

Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	8,979	—	6,406	—
Interest and extra charges	379	—	1,428	—
User charges and fees	7,150	—	3,311	—
Accrued revenues				
– Interest on investments	750	—	1,177	—
– Other income accruals	4,764	—	3,381	—
Fines	7,258	—	8,010	—
Net GST receivable	1,232	—	2,637	—
Other debtors	—	—	24,921	—
Total	30,512	—	51,271	—
Less: provision of impairment				
Rates and annual charges	(630)	—	(341)	—
Interest and extra charges	(77)	—	(54)	—
User charges and fees	(1,046)	—	(519)	—
Fines	(3,964)	—	(2,779)	—
Total provision for impairment – receivables	(5,717)	—	(3,693)	—
TOTAL NET RECEIVABLES	24,795	—	47,578	—

\$ '000	2020	2019
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	3,693	4,054
+ new provisions recognised during the year	2,024	1,864
– amounts already provided for and written off this year	—	(452)
– amounts provided for but recovered during the year	—	(1,773)
Balance at the end of the year	5,717	3,693

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Receivables 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.

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

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating the ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

In light of the global pandemic of 2020, Council has increased the probability of debts becoming unrecoverable in line with the decrease in economic activity as per the Reserve Bank of Australia's report on economic outlook.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Rates and annual charges outstanding are secured against the property.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	143	–	148	–
Trading stock	50	–	32	–
Total inventories at cost	193	–	180	–
TOTAL INVENTORIES	193	–	180	–

(b) Other assets

Prepayments	2,659	–	3,291	–
TOTAL OTHER ASSETS	2,659	–	3,291	–

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Total unrestricted assets	2,852	–	3,471	–
TOTAL INVENTORIES AND OTHER ASSETS	2,852	–	3,471	–

Accounting policy for inventories and other assets

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 the 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.

Inner West Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period						as at 30/06/20		
\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions/transfers renewals ⁽¹⁾	Additions/transfers new assets	Carrying value of disposals	Depreciation expense	WIP additions	Adjustments and transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	36,021	—	36,021	(7,493)	(42,297)	—	—	94,940	(5,888)	75,283	—	75,283
Plant and equipment	30,033	(17,853)	12,180	—	2,627	(1,997)	(1,989)	—	—	28,929	(18,108)	10,821
Office equipment	4,400	(2,986)	1,414	—	49	(29)	(456)	—	—	3,562	(2,584)	978
Furniture and fittings	1,993	(1,394)	599	—	174	—	(154)	—	—	2,167	(1,548)	619
Land:												
– Crown land	97,858	—	97,858	—	—	—	—	—	—	97,858	—	97,858
– Operational land	396,074	—	396,074	—	—	—	—	—	—	396,074	—	396,074
– Community land	166,909	—	166,909	—	1,377	(1,408)	—	—	4,710	171,588	—	171,588
Land improvements – non-depreciable	4,259	—	4,259	—	—	—	—	—	27	4,286	—	4,286
Land improvements – depreciable	114,176	(30,935)	83,241	789	479	(488)	(3,623)	—	(27)	114,901	(34,530)	80,371
Car parks – non-depreciable	3,547	—	3,547	—	—	—	—	—	—	3,547	—	3,547
Car parks – depreciable	11,193	(3,055)	8,138	27	—	(1)	(178)	—	—	11,215	(3,229)	7,986
Infrastructure:												
– Buildings	337,613	(92,473)	245,140	1,349	37,590	(577)	(7,855)	—	—	375,567	(99,920)	275,647
– Roads	322,570	(160,783)	161,787	3,303	—	(349)	(6,638)	—	—	323,650	(165,547)	158,103
– Bridges	15,995	(4,844)	11,151	—	—	—	(179)	—	—	15,995	(5,023)	10,972
– Footpaths	119,584	(36,086)	83,478	462	—	(88)	(1,568)	—	—	119,860	(37,578)	82,284
– Kerb and gutter	194,584	(76,965)	117,619	546	—	(287)	(1,441)	—	—	194,578	(78,141)	116,437
– Other road assets	21,649	(6,891)	14,758	109	—	—	(690)	—	—	21,758	(7,581)	14,177
– Bulk earthworks (non-depreciable)	512,259	—	512,259	—	—	—	—	—	—	512,259	—	512,259
– Sea walls	37,424	(10,562)	26,862	—	—	—	(388)	—	—	37,424	(10,951)	26,473
– Wharves	6,308	(2,258)	4,050	—	—	(104)	(78)	—	—	6,077	(2,209)	3,868
– Stormwater drainage	177,833	(55,152)	122,481	908	—	(299)	(1,424)	—	—	178,105	(56,439)	121,666
– Aquatic Centres	55,122	(11,222)	43,900	—	1	—	(1,448)	—	—	55,124	(12,671)	42,453
Other assets:												
– Domestic waste vehicles	4,511	(1,771)	2,740	—	—	—	(383)	—	—	4,511	(2,154)	2,357
Total Infrastructure, property, plant and equipment	2,671,695	(515,230)	2,156,465	—	—	(5,627)	(28,492)	94,940	(1,178)	2,754,318	(538,211)	2,216,107

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

Inner West Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
\$ '000	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	27,591	—	27,591	8,430	—	—	—	—	—	36,021	—	36,021
Plant and equipment	29,340	(17,213)	12,127	—	3,736	(1,554)	(2,129)	—	—	30,033	(17,853)	12,180
Office equipment	5,208	(2,910)	2,298	—	1,089	—	(78)	(1,896)	—	4,400	(2,986)	1,414
Furniture and fittings	1,980	(1,265)	695	—	34	—	(128)	—	—	1,993	(1,394)	599
Land:												
– Operational land	395,312	—	395,312	—	—	(65)	—	827	—	396,074	—	396,074
– Community land	177,258	—	177,258	—	—	—	—	(10,349)	—	166,909	—	166,909
– Crown land	88,336	—	88,336	—	—	—	—	9,522	—	97,858	—	97,858
Land improvements – non-depreciable	4,259	—	4,259	—	—	—	—	—	—	4,259	—	4,259
Land improvements – depreciable	108,760	(27,573)	81,187	5,416	—	—	(3,362)	—	—	114,176	(30,935)	83,241
Car parks – non-depreciable	3,547	—	3,547	—	—	—	—	—	—	3,547	—	3,547
Car parks – depreciable	10,869	(2,877)	7,992	324	—	—	(178)	—	—	11,193	(3,055)	8,138
Infrastructure:												
– Buildings	318,579	(84,346)	234,234	8,873	—	(3,331)	(6,806)	8,865	3,307	337,613	(92,473)	245,140
– Roads	317,055	(155,914)	161,141	7,687	—	(407)	(7,291)	—	—	322,570	(160,783)	161,787
– Bridges	15,422	(4,667)	10,755	573	—	—	(179)	—	—	15,995	(4,844)	11,151
– Footpaths	107,756	(34,851)	72,905	11,808	—	—	(1,235)	—	—	119,564	(36,086)	83,478
– Other road assets	21,451	(6,201)	15,250	198	—	—	(33)	—	—	21,649	(6,891)	14,758
– Bulk earthworks (non-depreciable)	512,259	—	512,259	—	—	—	—	—	—	512,259	—	512,259
– Stormwater drainage	174,452	(53,919)	120,533	3,181	—	—	(1,233)	—	—	177,633	(55,152)	122,481
– Swimming pools	66,174	(11,724)	54,450	—	—	(4,812)	(1,180)	(8,865)	4,303	55,122	(11,222)	43,900
– Kerb and gutter	186,959	(75,508)	111,451	793	—	(502)	(1,410)	—	7,286	194,584	(76,965)	117,619
– Sea walls	37,424	(10,174)	27,250	—	—	—	(388)	—	—	37,424	(10,562)	26,862
– Wharves	6,308	(2,178)	4,130	—	—	—	(81)	—	—	6,308	(2,258)	4,050
Other assets:												
– Domestic waste vehicles	4,511	(1,387)	3,124	—	—	—	(384)	—	—	4,511	(1,771)	2,740
Total Infrastructure, property, plant and equipment	2,620,790	(492,706)	2,128,084	47,283	4,859	(10,671)	(26,095)	(1,896)	14,896	2,671,695	(515,230)	2,156,465

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(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 comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council 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 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.

When infrastructure, property, plant and equipment are acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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	Property Assets	Years
Office equipment	5 to 20	Buildings	9 to 151
Office furniture	2 to 10	Aquatic Centres	10 to 100
Plant and Fleet	2 to 10		
Domestic Waste Vehicles	3 to 10	Play Spaces and Sporting Fields	Years
		Land Improvements Parks (Depreciable)	5 to 124
Transport Assets	Years	Seawalls	20 to 141
Roads	25 to 151	Wharves	20 to 80
Road Formation/Bulk Earthworks	Not depreciable		
Bridges	15 to 162		
Footpaths	25 to 129		
Kerb and Gutter	30 to 273		
Traffic Devices	20 to 129		
Other Road assets	5 to 129		
Car Parks (Non Depreciable)	Not Depreciable		
Car Parks (Depreciable)	11 to 150		
Stormwater Drainage	15 - 196		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting 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 firefighting equipment has been purchased or constructed".

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

Note 10(b). Externally restricted infrastructure, property, plant and equipment

	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
\$ '000						
Domestic waste management						
Domestic waste vehicles	4,511	2,154	2,357	4,511	1,771	2,740
Total DWM	4,511	2,154	2,357	4,511	1,771	2,740
TOTAL RESTRICTED IPP&E	4,511	2,154	2,357	4,511	1,771	2,740

Inner West Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 11. Investment properties

\$ '000	2020	2019
Owned investment property		
Investment property on hand at fair value	–	28,489
Total owned investment property	–	28,489

(a) Reconciliation – owned investment property

Reconciliation of annual movement:

Opening balance	28,489	28,040
– Disposals during year	(23,779)	–
– Net gain/(loss) from fair value adjustments	–	449
– Reclassified as community land	(4,710)	–
CLOSING BALANCE – OWNED INVESTMENT PROPERTY	–	28,489

(b) Investment property income and expenditure – summary (2019 only)

Direct operating expenses on investment property:		
– that generated rental income	–	(6)
Net revenue contribution from investment property	–	(6)
Fair value movement for year	–	449
Total income attributable to investment property	–	443

Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

Properties that are under construction for future use as investment properties are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

All of council's Investment Properties were either disposed of or reclassified as Community Land during FY20.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 12. Intangible assets

Intangible assets are as follows:

\$ '000	2020	2019
Software		
Opening values at 1 July		
Gross book value	1,896	–
Accumulated amortisation	(499)	–
Net book value – opening balance	1,397	–
Movements for the year		
– Other movements	93	–
– Transfers from other asset classes	–	1,896
– Purchases	2,384	–
– Amortisation charges	(636)	(499)
– WIP movement - net	5,880	–
– Gross book value written off	(14)	–
Closing values at 30 June		
Gross book value	4,065	1,896
Accumulated amortisation	(841)	(499)
Software work in progress (WIP) balance	5,880	–
Total software – net book value	9,104	1,397
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	9,104	1,397

Accounting policy for intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to ten years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

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Notes to the Financial Statements for the year ended 30 June 2020

Note 13. Contract assets and liabilities

\$ '000	2020 Current	2020 Non-current
(a) Contract assets		
Capital Grants	1,260	—
Total Contract assets	1,260	—

\$ '000	2020 Current	2020 Non-current	2019 Current
(b) Contract liabilities			
Income in Advance	3,998	4,174	4,267
Total contract liabilities	3,998	4,174	4,267

Significant changes in contract assets and liabilities

The contract assets have arisen on adoption of AASB 15 and AASB 1058. Previously, revenue was recognised on receipt of the funds. Council now recognizes the revenue in relation to the performance obligations of the contract (as for the majority of its capital grants the receipt of funds is in arrears compared to the completion of the performance obligation).

Accounting policy for contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related interpretations.

(i) Council as a lessee

Council has leases over a range of assets including land and buildings, vehicles, machinery and IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Buildings

Council leases land and buildings for service delivery (a childcare centre and a nursery) and also leases a car park; the leases are generally between 2 and 7 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

The building leases contains an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

Plant & Equipment

Council leases vehicles with lease terms of 2 years; the lease payments are fixed during the lease term and there is generally no renewal option.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 5 years with no renewal option and the payments are fixed.

Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

Council has determined that for all leases with an extension option, it is reasonably certain that this extension option will be exercised.

\$ '000	Plant & Equipment	Buildings	Office & IT Equipment	Total
Opening balance at 30 June 2019	–	–	–	–
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	182	230	90	502
Adjustments to right-of-use assets due to re-measurement of lease liability	–	(5)	–	(5)
Depreciation charge	(50)	(71)	(22)	(143)
RIGHT OF USE ASSETS	132	154	68	354

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 14. Leases (continued)

\$ '000	2020 Current	2020 Non-current
(b) Lease liabilities		
Lease liabilities	191	176
TOTAL LEASE LIABILITIES	191	176

(i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
Cash flows	190	177	—	367	367

\$ '000	2020
---------	------

(c) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

Interest on lease liabilities	5
Variable lease payments based on usage not included in the measurement of lease liabilities	26
Depreciation of right of use assets	143
Expenses relating to short-term leases	327
Expenses relating to low-value leases	609
	1,110

(d) Statement of Cash Flows

Total cash outflow for leases	(130)
	(130)

Accounting policy

Accounting policies under AASB 16 – applicable from 1 July 2019

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Leases (continued)

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Council as a lessor

(e) Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note 11) and/or IPP&E (refer note 10a) in the Statement of Financial Position.

The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below:

\$ '000	2020	2019
(i) Operating lease income		
Other Council Properties		
Lease income (excluding variable lease payments not dependent on an index or rate)	3,695	2,940
Lease income relating to variable lease payments not dependent on an index or a rate	22	–
Other lease income		
Leaseback fees - council vehicles	581	–
(ii) Investment Properties		
Lease income (excluding variable lease payments not dependent on an index or rate)	2,779	3,059
Total income relating to operating leases	7,077	5,999

(iv) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	1,372	–
1–2 years	1,413	–
Total undiscounted contractual lease income receivable	2,785	–

Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*. The lease income is recognised on a straight-line basis over the lease term.

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Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Prepaid rates	232	–	–	–
Goods and services – operating expenditure	3,245	–	12,943	–
Accrued expenses:				
– Borrowings	317	–	19	–
– Salaries and wages	1,817	–	1,073	–
– Other expenditure accruals	6,863	–	4,210	–
Security bonds, deposits and retentions	17,885	–	16,645	–
Other	877	–	1,008	–
Total payables	31,236	–	35,898	–
Borrowings				
Loans – secured ⁽¹⁾	3,762	40,897	3,683	5,416
Total borrowings	3,762	40,897	3,683	5,416
TOTAL PAYABLES AND BORROWINGS	34,998	40,897	39,581	5,416

(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 22.

\$ '000	2020	2019
(a) Current payables and borrowings not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	11,239	10,460
Total payables and borrowings	11,239	10,460

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	9,099	35,560	–	–	–	–	44,659
Lease liabilities	–	–	–	–	367	–	367
TOTAL	9,099	35,560	–	–	367	–	45,026

	as at 30/06/18		Non-cash changes				as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement		Closing balance
\$ '000							
Loans – secured	13,336	(4,237)	–	–	–	–	9,099
TOTAL	13,336	(4,237)	–	–	–	–	9,099

\$ '000	2020	2019
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(c) Financing arrangements

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

Bank overdraft facilities ¹	1,000	2,000
Credit cards/purchase cards	274	549
Total financing arrangements	1,274	2,549

Undrawn facilities as at balance date:

– Bank overdraft facilities	1,000	2,000
– Credit cards/purchase cards	274	549
Total undrawn financing arrangements	1,274	2,549

Additional financing arrangements information

Breaches and defaults

During the current and prior year, there were no defaults or breaches on any of the loans.

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

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Payables and borrowings (continued)

will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that 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.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 16. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	9,280	–	9,647	–
Sick leave	575	–	600	–
Long service leave	19,398	1,418	19,232	1,902
Other leave	718	–	806	–
ELE on-costs	1,912	75	2,148	107
Sub-total – aggregate employee benefits	31,883	1,493	32,433	2,009
TOTAL PROVISIONS	31,883	1,493	32,433	2,009

\$ '000	2020	2019
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	20,270	19,485
	<u>20,270</u>	<u>19,485</u>

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Provisions (continued)

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

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.

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates 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) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

(i) AASB 15 and AASB 1058

Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

Principal v agent

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

Licences

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

Prepaid rates

Under AASB 1004, rates were recorded as revenue at the earliest of receipt of the funds from the ratepayer and the beginning of the rating period. Under AASB 1058, prepaid rates are recognised as a financial liability until the beginning of the rating period.

Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 1058, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a recognizable non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Balance at 1 July 2019
Opening contract balances at 1 July 2019	
Contract assets	
– Under AASB 15	–
– Under AASB 1058	230
Total Contract assets	230
Contract liabilities	
– Under AASB 15	4,267
Total Contract liabilities	4,267

Adjustments to the current year figures for the year ended 30 June 2020

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	230	230
Total assets	–	230	230
Contract liabilities	–	4,267	4,267
Income in Advance	–	(4,267)	(4,267)
Total liabilities	–	–	–
Accumulated surplus	2,182,842	(230)	2,182,612
Total equity	–	(230)	230

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 18. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	106,546	23,798
Balance as per the Statement of Cash Flows		106,546	23,798
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		81,951	16,887
Adjust for non-cash items:			
Depreciation and amortisation		29,271	26,594
Net losses/(gains) on disposal of assets		(45,215)	8,282
Non-cash capital grants and contributions		(9,089)	(2,840)
Adoption of AASB 15/1058		(230)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		(215)	–
– Investment property		–	(449)
Share of net (profits)/losses of associates/joint ventures using the equity method		(101)	(144)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(4,168)	(5,447)
Increase/(decrease) in provision for impairment of receivables		2,024	(361)
Decrease/(increase) in inventories		(13)	(2)
Decrease/(increase) in other current assets		632	536
Decrease/(increase) in contract assets		(1,260)	–
Increase/(decrease) in payables		(9,698)	4,288
Increase/(decrease) in accrued interest payable		298	(6)
Increase/(decrease) in other accrued expenses payable		3,397	3,634
Increase/(decrease) in other liabilities		1,341	5,064
Increase/(decrease) in contract liabilities		3,905	–
Increase/(decrease) in provision for employee benefits		(1,066)	4,660
Increase/(decrease) in other provisions		–	(257)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		51,764	60,439
(c) Non-cash investing and financing activities			
Developer contributions 'in kind'		9,089	2,840
Total non-cash investing and financing activities		9,089	2,840

Inner West Council

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Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2020	2019	2020	2019
Joint ventures	101	144	3,164	3,637
Total	101	144	3,164	3,637

Joint Ventures

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2020	2019
CivicRisk Mutual	Joint Venture	Equity method	214	258
CivicRisk Metro	Joint Venture	Equity method	2,950	3,379
Total carrying amounts – material associates			3,164	3,637

(b) Details

	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

\$ '000	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2020	2019	2020	2019	2020	2019	2020	2019
CivicRisk Mutual	214	258	3%	4%	3%	4%	0%	6%
CivicRisk Metro	2,950	3,379	23%	23%	23%	23%	0%	17%

(d) Summarised financial information for associates

\$ '000	CivicRisk Mutual		CivicRisk Metro	
	2020	2019	2020	2019
Statement of financial position				
Current assets				
Other current assets	12,101	9,028	15,062	10,154
Non-current assets	5,102	5,368	6,711	12,769
Current liabilities				
Other current liabilities	6,412	4,578	3,451	1,625
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	3,635	2,279	5,558	6,651
Net assets	7,156	7,539	12,764	14,647
Reconciliation of the carrying amount				
Opening net assets (1 July)	13,435	14,959	14,648	13,549

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Notes to the Financial Statements for the year ended 30 June 2020

Note 19. Interests in other entities (continued)

\$ '000	CivicRisk Mutual		CivicRisk Metro	
	2020	2019	2020	2019
Profit/(loss) for the period	211	(1,524)	(289)	1,099
Closing net assets	13,646	13,435	14,359	14,648
Council's share of net assets (%)	3%	3%	23%	23%
Council's share of net assets (\$)	214	258	2,950	3,379

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 at 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 associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Note 20. Commitments

\$ '000	2020	2019
---------	------	------

(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	11,642	43,958
Plant and equipment	3	384
Infrastructure	496	3,050
ICT	305	752
Other	102	2,578
Total commitments	12,548	50,722

These expenditures are payable as follows:

Within the next year	12,548	50,722
Total payable	12,548	50,722

Sources for funding of capital commitments:

Unrestricted general funds	12,548	50,722
Total sources of funding	12,548	50,722

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Commitments (continued)

\$ '000	2020	2019
(b) Non-cancellable operating lease commitments (2019 only)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	–	761
Later than one year and not later than 5 years	–	2,588
Total non-cancellable operating lease commitments	–	3,349

Refer to Note 14 for information relating to leases for 2020.

Note 21. Contingencies

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 is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members
Division C	2.5% salaries
Division D	1.64 times member contributions

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 21. Contingencies (continued)

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

Council's expected contribution to the plan for the next annual reporting period is \$1,484,986.92.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

* excluding member accounts and reserves in both assets and liabilities.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation	3.5% per annum
Increase in CPI	2.5% per annum

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(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.

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Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 21. Contingencies (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.

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 2020

Note 22. Financial risk management

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.

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	106,546	23,798	106,546	23,798
Receivables	24,795	47,578	24,795	47,578
Investments				
– 'Financial assets at amortised cost'	213,394	196,874	216,270	200,149
Fair value through profit and loss				
Investments				
– 'Held for trading'	1,097	1,139	1,097	1,139
Total financial assets	345,832	269,389	348,708	272,664
Financial liabilities				
Payables	31,236	35,898	31,236	35,898
Loans/advances	44,659	9,099	44,659	9,099
Lease liabilities	367	–	367	–
Total financial liabilities	76,262	44,997	76,262	44,997

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'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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 Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these 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.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **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 impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 10% movement in market values	16,983	16,983	(16,983)	(1,698)
Possible impact of a 1% movement in interest rates	1,698	1,698	(1,698)	(1,698)
2019				
Possible impact of a 10% movement in market values	27,645	27,645	(27,645)	(27,645)
Possible impact of a 1% movement in interest rates	2,765	2,765	(2,765)	(2,765)

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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.

Council has determined that the impact of the worldwide pandemic in 2020 is still yet to be fully realised. However, the credit risk of its outstanding receivables has increased and as a consequence, Council has reflected this in its calculation of its provision of doubtful debts through the Estimated Credit Loss method.

Credit risk profile

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

Receivables – rates and annual charges

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.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross carrying amount	1	4,925	1,529	446	2,078	8,979
2019						
Gross carrying amount	–	3,514	1,091	318	1,483	6,406

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2020 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	7,257	2,525	1,069	635	3,059	14,545
Expected loss rate (%)	0.00%	2.00%	5.00%	10.00%	16.00%	4.52%
2019						
Gross carrying amount	42,522	967	166	744	466	44,865

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Financial risk management (continued)

(c) Liquidity risk

Payables, lease liabilities 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 through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2020							
Trade/other payables	0.00%	17,885	13,350	–	–	31,235	31,004
Loans and advances	4.45%	–	818	4,603	39,238	44,659	44,659
Lease liabilities	1.41%	–	184	176	–	360	–
Total financial liabilities		17,885	14,352	4,779	39,238	76,254	75,663
2019							
Trade/other payables	0.00%	16,645	19,253	–	–	35,898	35,898
Loans and advances	5.16%	–	3,991	5,868	–	9,859	9,099
Total financial liabilities		16,645	23,244	5,868	–	45,757	44,997

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 23. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 25th of June, 2019 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements 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.

Material variations represent those variances between the original budget figure and the actual result that amount to 10% or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
User charges and fees	45,948	32,693	(13,255)	(29)% U
Free childcare for H2 FY20 (as per Commonwealth government policy in regards to pandemic response); closure of aquatic centres during Q3 & Q4.				
Other revenues	26,291	18,019	(8,272)	(31)% U
Rental income budgeted here; not as below				
Operating grants and contributions	10,620	17,096	6,476	61% F
Childcare state & commonwealth grants to offset free childcare delivered in H2, FY20; Grants received for the accelerated LEP/DCP Review from the Department of planning were not budgeted for.				
Net gains from disposal of assets	–	45,215	45,215	∞ F
Sale of Tempe Lands (investment properties).				
Rental income	–	7,077	7,077	∞ F
Rental income not separately budgeted.				
Joint ventures and associates – net profits	–	101	101	∞ F
Share on interests not separately budgeted for.				
EXPENSES				
Borrowing costs	1,969	425	1,544	78% F
Interest on loan for the Ashfield Aquatic Centre Redevelopment was budgeted as opex; as the loan is purely for the construction of this asset - and the asset is still in the process of being built; it was capitalized.				
Depreciation and amortisation	33,080	29,271	3,809	12% F
Budget was built on not accurate assumptions - not matched to the forecast as per the asset system. This has been addressed for FY21.				
Net losses from disposal of assets	70	–	70	100% F
Sale of tempe lands (investment properties)				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	65,576	51,764	(13,812)	(21)% U

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
As per reduction in accruals and accounts payable balances at year end.				
Cash flows from investing activities	(62,580)	(4,446)	58,134	(93)% F
Sale of Tempe Lands (investment properties)				
Cash flows from financing activities	(5,066)	35,430	40,496	(799)% F
Loan for Ashfield Aquatics Centre Redevelopment was budgeted in FY19.				

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 24. Fair Value Measurement

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

- Investment property
- Infrastructure, property, plant and equipment
- Investments

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).

Inner West Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

(1) Assets and liabilities that have been measured and recognised at fair values

		Fair value measurement hierarchy			
2020	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Recurring fair value measurements					
Financial assets					
Investments					
– 'Held for trading'	30/06/20	–	1,097	–	1,097
Total financial assets		–	1,097	–	1,097
Investment property					
Investment Property	30/06/20	–	–	–	–
Total investment property		–	–	–	–
Infrastructure, property, plant and equipment					
Crown Land	30/06/19	–	–	97,858	97,858
Operational land	30/06/18	–	396,074	–	396,074
Community land	30/06/19	–	–	171,588	171,588
Land improvements – non-depreciable	30/06/18	–	–	4,286	4,286
Land improvements – depreciable	30/06/18	–	–	80,371	80,371
Car parks – non-depreciable	30/06/18	–	–	3,547	3,547
Car parks – depreciable	30/06/18	–	–	7,986	7,986
Buildings	30/06/19	–	–	275,647	275,647
Roads	30/06/18	–	–	158,103	158,103
Bridges	30/06/18	–	–	10,972	10,972
Footpaths	30/06/18	–	–	82,284	82,284
Kerb and Gutter	30/06/19	–	–	116,437	116,437
Other road assets	30/06/18	–	–	14,177	14,177
Bulk earthworks (non-depreciable)	30/06/18	–	–	512,259	512,259
Sea walls	30/06/18	–	–	26,473	26,473
Wharves	30/06/18	–	–	3,868	3,868
Stormwater drainage	30/06/18	–	–	121,666	121,666
Aquatic Centres	30/06/19	–	–	42,453	42,453
Domestic Waste Vehicles	30/06/18	–	–	2,357	2,357
Total infrastructure, property, plant and equipment		–	396,074	1,732,332	2,128,406

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Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– 'Held for trading'	30/06/19	–	1,139	–	1,139
Total financial assets		–	1,139	–	1,139
Investment property					
Investment Property	30/06/19	–	28,489	–	28,489
Total investment property		–	28,489	–	28,489
Infrastructure, property, plant and equipment					
Crown Land	30/06/19	–	–	97,858	97,858
Operational land	30/06/18	–	396,074	–	396,074
Community land	30/06/19	–	–	166,909	166,909
Land improvements – non-depreciable	30/06/18	–	–	4,259	4,259
Land improvements – depreciable	30/06/18	–	–	83,241	83,241
Car parks – non-depreciable	30/06/18	–	–	3,547	3,547
Car parks – depreciable	30/06/18	–	–	8,138	8,138
Buildings	30/06/19	–	–	245,140	245,140
Roads	30/06/18	–	–	161,787	161,787
Bridges	30/06/18	–	–	11,151	11,151
Footpaths	30/06/18	–	–	83,478	83,478
Kerb and Gutter	30/06/19	–	–	117,619	117,619
Other road assets	30/06/18	–	–	14,758	14,758
Bulk earthworks (non-depreciable)	30/06/18	–	–	512,259	512,259
Sea walls	30/06/18	–	–	26,862	26,862
Wharves	30/06/18	–	–	4,050	4,050
Stormwater drainage	30/06/18	–	–	122,481	122,481
Aquatic Centres	30/06/19	–	–	43,900	43,900
Domestic Waste Vehicles	30/06/18	–	–	2,740	2,740
Total infrastructure, property, plant and equipment		–	396,074	1,710,177	2,106,251

Note that capital WIP is not included above since it is carried at cost.

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

(2) 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:

Infrastructure, property, plant and equipment (IPPE)

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.

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Inner West Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Fair Value Measurement (continued)

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.

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

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

\$ '000	Level 2 Operational land	Level 3 Remaining assets	Total
2019			
Opening balance	395,312	1,690,015	2,085,327
Transfers from/(to) another asset class	827	-	827
Purchases (GBV)	-	38,853	38,853
Disposals (WDV)	(65)	(9,052)	(9,117)
Depreciation and impairment	-	(23,474)	(23,474)
FV gains - other comprehensive income	-	13,835	13,835
Closing balance	396,074	1,710,177	2,106,251
2020			
Opening balance	396,074	1,710,177	2,106,251
Transfers from/(to) another asset class	-	4,710	4,710
Purchases (GBV)	-	46,940	46,940
Disposals (WDV)	-	(3,601)	(3,601)
Depreciation and impairment	-	(25,894)	(25,894)
Closing balance	396,074	1,732,332	2,128,406

(4) 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

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 25. Related party disclosures

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.

- Mayor (1)
- Councillors (14)
- Chief Executive Officer (1)
- Chief Operating Officer (1)
- Deputy General Manager (1)

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	1,374	1,812
Post-employment benefits	53	86
Termination benefits	338	107
Total	1,765	2,005

Note 26. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Inner West Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Statement of developer contributions

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

	as at 30/06/19		Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Cash	Non-cash					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000									
Roads	741	61	—	20	—	—	—	822	—
Traffic facilities	1,061	746	—	36	(308)	—	—	1,535	—
Parking	80	—	—	2	—	—	—	82	—
Open space	24,521	10,355	—	704	(2,396)	—	—	33,184	—
Community facilities	2,722	1,212	—	77	(46)	—	—	3,965	—
Open space and recreation	9,502	1,080	—	258	(1,169)	—	—	9,671	—
Community services and facilities	2,241	214	—	62	(7)	—	—	2,510	—
Transport and access	7,453	191	—	201	(220)	—	—	7,625	—
Administration	102	218	—	4	—	—	—	324	—
Plan preparation	900	98	—	25	(153)	—	—	870	—
S7.11 contributions – under a plan	49,323	14,175	—	1,389	(4,299)	—	—	60,588	—
S7.12 levies – under a plan	4,112	717	—	109	(1,116)	—	—	3,822	—
Total S7.11 and S7.12 revenue under plans	53,435	14,892	—	1,498	(5,415)	—	—	64,410	—
S7.4 planning agreements	9,777	3,361	9,089	61	(180)	—	—	13,019	—
Total contributions	63,212	18,253	9,089	1,559	(5,595)	—	—	77,429	—

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

	as at 30/06/19				as at 30/06/20			
	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)
\$ '000		Cash	Non-cash					
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN NUMBER 1 - Open Space and Recreation (former Leichhardt)								
Effective 18 January 2005	9,502	1,080	–	258	(1,169)	–	9,671	–
Total	9,502	1,080	–	258	(1,169)	–	9,671	–
CONTRIBUTION PLAN NUMBER 2 - Community Services and Facilities (former Leichhardt)								
Effective 23 August 2005	2,241	214	–	62	(7)	–	2,510	–
Total	2,241	214	–	62	(7)	–	2,510	–
CONTRIBUTION PLAN NUMBER 3 - Transport and Access (former Leichhardt)								
Effective 3 November 1999	7,453	191	–	201	(220)	–	7,625	–
Total	7,453	191	–	201	(220)	–	7,625	–
2004 S94 Developer Contributions Plan (former Marrickville)								
Roads	408	–	–	11	–	–	419	–
Traffic facilities	(178)	–	–	–	–	–	(178)	–
Open space	1,900	–	–	50	–	–	1,950	–
Total	2,130	–	–	61	–	–	2,191	–
2014 S94 Developer Contributions Plan (former Marrickville)								
Traffic facilities	236	613	–	9	–	–	858	–
Open space	12,019	9,123	–	366	(1,165)	–	20,343	–
Community facilities	1,149	1,133	–	35	(46)	–	2,271	–
Administration	102	218	–	4	–	–	324	–
Total	13,506	11,087	–	414	(1,211)	–	23,796	–
CONTRIBUTION PLAN NUMBER (former Ashfield)								
Roads	333	61	–	9	–	–	403	–
Traffic facilities	1,003	133	–	27	(308)	–	855	–
Parking	80	–	–	2	–	–	82	–
Open space	10,602	1,232	–	288	(1,231)	–	10,891	–

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Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 27. Statement of developer contributions (continued)

	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	Cumulative internal borrowings due/(payable)
\$ '000	Opening Balance	Cash	Non-cash				Held as restricted asset	
Community facilities	1,573	79	–	42	–	–	1,694	–
Plan preparation	900	98	–	25	(153)	–	870	–
Total	14,491	1,603	–	393	(1,692)	–	14,795	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN NUMBER (former Marrickville)

s94A Levies	2,390	255	–	60	(1,012)	–	1,693	–
Total	2,390	255	–	60	(1,012)	–	1,693	–

CONTRIBUTION PLAN NUMBER (former Ashfield)

Other	1,722	462	–	49	(104)	–	2,129	–
Total	1,722	462	–	49	(104)	–	2,129	–

Inner West Council

Notes to the Financial Statements for the year ended 30 June 2020

Note 28(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019 2018		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	931	0.38%	0.46%	3.24%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	242,513				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	225,417	81.08%	87.01%	88.83%	>60.00%
Total continuing operating revenue ¹	278,002				
3. Unrestricted current ratio					
Current assets less all external restrictions	224,881	5.68x	3.04x	3.72x	>1.50x
Current liabilities less specific purpose liabilities	39,561				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	30,627	6.07x	5.84x	6.61x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	5,042				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	8,651	5.08%	4.48%	3.92%	<5.00%
Rates, annual and extra charges collectible	170,388				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	241,546	11.53	7.42	8.05	>3.00
Monthly payments from cash flow of operating and financing activities	20,951	mths	mths	mths	mths

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

Inner West Council

Financial Statements 2020

Notes to the Financial Statements
for the year ended 30 June 2019

End of Audited Financial Statements

End of Audited Financial Statements

Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 28(b). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2019/20 result

2019/20 ratio 0.38%

The Operating Performance Ratio remains above the 0.00% set out by the NSW Office of Local Government.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2019/20 result

2019/20 ratio 81.08%

Council continues to retain its Own Source Operating Revenue ratio well above the benchmark of 60%.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2019/20 result

2019/20 ratio 5.68x

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.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

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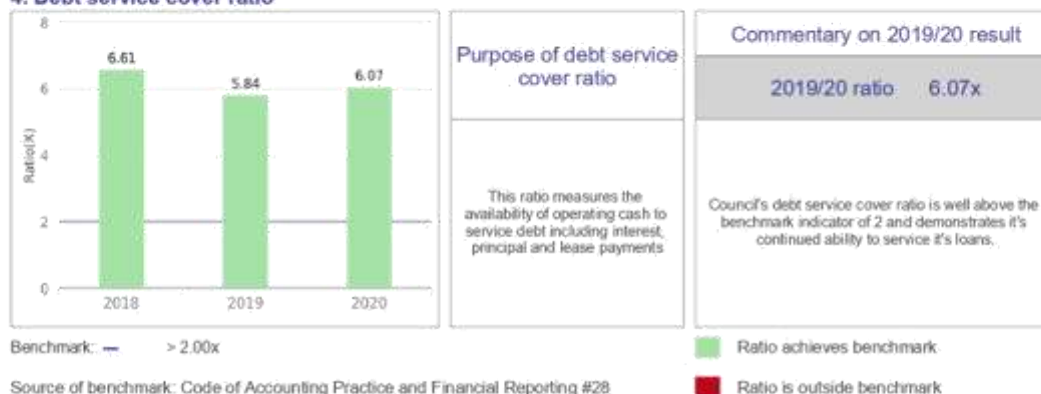
Inner West Council

Financial Statements 2020

Notes to the Financial Statements for the year ended 30 June 2020

Note 28(b). Statement of performance measures – consolidated results (graphs)

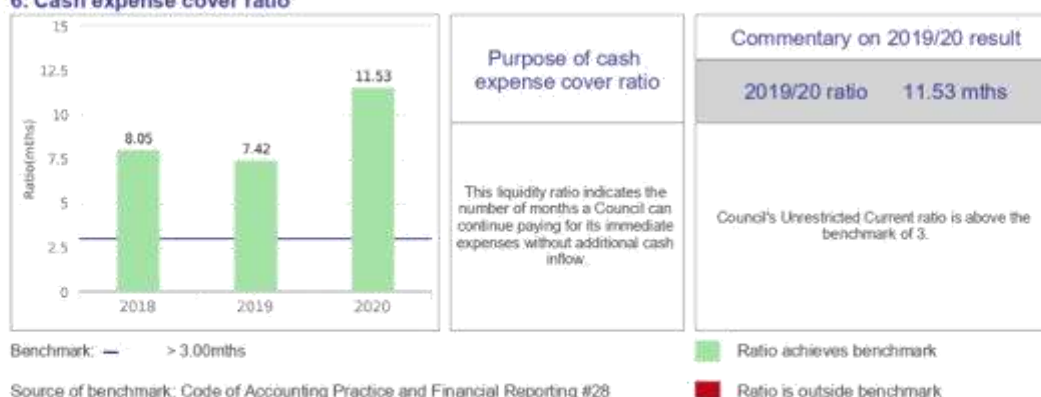
4. Debt service cover ratio



5. Rates, annual charges, interest and extra charges outstanding percentage



6. Cash expense cover ratio



Inner West Council

SPECIAL SCHEDULES
for the year ended 30 June 2020



Inner West Council

Special Schedules 2020

Special Schedules

for the year ended 30 June 2020

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Report on Infrastructure Assets - Values	5

Inner West Council

Special Schedules 2020

Permissible income for general rates

\$ '000	Notes	2020/21 Former Ashfield Council	2020/21 Former Leichhardt Council	2020/21 Former Marrickville Council	2020/21 Inner West Council	2019/20 Former Ashfield Council	2019/20 Former Leichhardt Council	2019/20 Former Marrickville Council	2019/20 Inner West Council
Notional general income calculation ¹									
Last year notional general income yield	a	28,223	44,376	49,510	122,109	27,261	43,489	48,100	118,850
Plus or minus adjustments ²	b	(1)	(13)	43	29	349	69	113	531
Notional general income	c = a + b	28,222	44,363	49,553	122,138	27,610	43,558	48,213	119,381
Permissible income calculation									
Or rate peg percentage	e	2.60%	2.60%	2.60%		2.70%	2.70%	2.70%	
Less expiring special variation amount	g	—	—	(1,541)	(1,541)	—	—	—	—
Or plus rate peg amount	i = e x (c + g)	734	1,153	1,248	3,135	745	1,176	1,302	3,223
Sub-total	k = (c + g + h + i + j)	28,956	45,516	49,260	123,732	28,355	44,734	49,515	122,604
Plus (or minus) last year's carry forward total	l	178	166	6	350	53	(144)	41	(50)
Less valuation objections claimed in the previous year	m	—	—	—	—	(7)	(48)	—	(55)
Sub-total	n = (l + m)	178	166	6	350	46	(192)	41	(105)
Total permissible income	o = k + n	29,134	45,682	49,266	124,082	28,401	44,542	49,556	122,499
Less notional general income yield	p	29,099	45,620	49,308	124,027	28,223	44,376	49,510	122,109
Catch-up or (excess) result	q = o - p	35	63	(42)	56	178	166	46	390
Plus income lost due to valuation objections claimed	r	—	—	57	57	—	—	—	—
Less unused catch-up ³	s	3	—	—	3	—	—	(40)	(40)
Carry forward to next year ⁴	t = q + r + s	38	63	15	116	178	166	6	350

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.

continued on next page ...

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Inner West Council

Special Schedules 2020

Permissible income for general rates (continued)

-
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Inner West Council

Special Schedules 2020

Report on Infrastructure Assets as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance ³	2019/20 Actual maintenance ⁴	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		to bring assets to satisfactory standard ¹	to bring to the agreed level of service set by Council ²					1	2	3	4	5
		\$ '000	\$ '000									
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings	24,468	24,468	11,238	8,887	275,539	375,567	44.9%	30.1%	18.5%	6.0%	0.5%
	Sub-total	24,468	24,468	11,238	8,887	275,647	375,567	44.9%	30.1%	18.5%	6.0%	0.5%
Roads	Roads	64,892	64,892	16,787	15,687	158,068	283,885	16.7%	38.5%	22.0%	12.7%	10.1%
	Traffic Devices	62	62	—	—	—	39,765	42.3%	43.5%	14.1%	0.1%	0.1%
	Bridges	765	765	—	—	10,972	15,995	18.7%	55.9%	20.6%	4.1%	0.7%
	Footpaths	4,144	4,144	1,464	1,520	82,260	119,861	26.3%	41.5%	28.7%	3.2%	0.3%
	Other road assets	656	656	966	1,005	14,177	21,758	23.0%	55.7%	18.3%	3.0%	0.0%
	Bulk earthworks	—	—	—	—	512,259	512,259	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and gutter	29,303	29,303	—	—	116,464	194,578	3.6%	44.7%	36.6%	13.3%	1.8%
	Car parks - Depreciable	2,036	2,036	—	—	7,986	11,215	49.1%	28.5%	4.3%	13.6%	4.5%
	Car Parks -Non Depreciable	—	—	—	—	3,547	3,547	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	101,858	101,858	19,217	18,212	905,792	1,202,863	52.5%	23.9%	15.1%	5.7%	2.8%
Stormwater drainage	Stormwater drainage	8,065	8,065	1,820	1,546	121,665	178,106	8.3%	69.8%	17.4%	4.0%	0.5%
	Sub-total	8,065	8,065	1,820	1,546	121,666	178,106	8.3%	69.8%	17.4%	4.0%	0.5%
Open space / recreational assets	Swimming pools	656	656	1,252	2,000	42,453	55,124	83.1%	13.9%	1.8%	1.2%	0.0%
	Sub-total	656	656	1,252	2,000	42,453	55,124	83.1%	13.9%	1.8%	1.2%	0.0%
Other infrastructure assets	Seawalls	817	817	21	2	26,473	37,424	22.6%	53.7%	21.6%	1.0%	1.1%
	Wharves	838	838	—	—	3,866	6,077	18.4%	46.7%	21.1%	13.8%	0.0%
	Land Improvements - Depreciable	3,732	3,732	5,085	7,512	80,363	114,901	42.2%	37.5%	17.1%	3.0%	0.2%
	Land Improvements - Non Depreciable	—	—	—	—	4,286	4,286	93.2%	0.0%	6.8%	0.0%	0.0%
	Sub-total	5,387	5,387	5,106	7,514	114,988	162,688	38.1%	40.6%	18.0%	2.9%	0.4%
TOTAL - ALL ASSETS		140,434	140,434	38,633	38,159	1,460,546	1,974,348	46.8%	30.3%	15.8%	5.3%	1.9%

(1) "Satisfactory Standard" refers to the estimated cost for the renewal of condition 4&5 assets i.e. the replacement value of condition 4&5 assets.

(2) The agreed service level is the estimated cost for renewal of condition 4&5 assets i.e. the replacement value of condition 4&5 assets.

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Inner West Council

Special Schedules 2020

Report on Infrastructure Assets - Values (continued) as at 30 June 2020

(3) "Required Maintenance" for Roads and Stormwater Drainage is the amount identified for maintenance including related operational costs in Council's budget. For other Infrastructure Assets it is the amount identified for maintenance including related operational costs plus a minor adjustment to the Required Maintenance. For Buildings and Open Space/Recreational Assets it is based on the recalculated 2019/20 requirements.

(4) "Actual Maintenance" is the amount of maintenance and related operational expenditure spent in the current year to maintain Council's 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 Schedules 2020

Report on Infrastructure Assets (continued) as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) ¹					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	7,493	34.56%	166.21%	64.09%	>=100.00%
Depreciation, amortisation and impairment	21,684				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	140,434	9.62%	9.29%	10.27%	<2.00%
Net carrying amount of infrastructure assets	1,460,546				
Asset maintenance ratio					
Actual asset maintenance	38,159	98.77%	97.65%	78.33%	>100.00%
Required asset maintenance	38,633				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	140,434	7.11%	7.35%	3.78%	
Gross replacement cost	1,974,348				

(¹) All asset performance indicators are calculated using 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.

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Inner West Council

Special Schedules 2020

Report on Infrastructure Assets (continued) as at 30 June 2020

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

19/20 ratio 34.56%

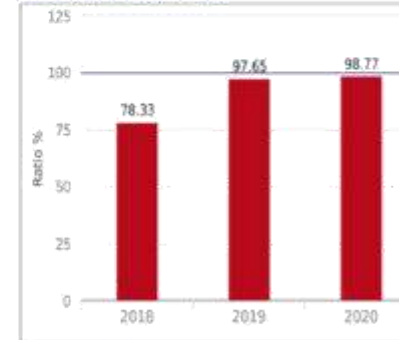
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

19/20 ratio 98.77%

The year-on-year trend shows that this ratio is heading in the right direction of being above the benchmark.

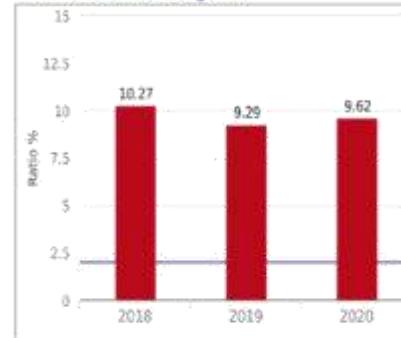
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

19/20 ratio 9.62%

The percentage has increased by approximately 0.2% compared to 2019. Although the ratio was expected to be lower due to the increase of renewal works undertaken, there are still some anomalies in the asset condition ratings which will have an impact on this ratio. Future asset condition audits will improve the confidence in the asset condition ratings.

Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

19/20 ratio 7.11%

Percentage value is consistent with FY19, noting a slight reduction compared to FY18.

Item No: C1120(2) Item 6
Subject: INVESTMENT REPORT AS AT 31 OCTOBER 2020
Prepared By: Brendhan Barry - Manager Financial Services
Authorised By: Daryl Jackson - Chief Financial Officer

RECOMMENDATION

THAT the report be received and noted.

DISCUSSION

Council's holding in various investment categories are listed in the table below. Council's portfolio size is \$223.5m. All Socially Responsible Investments (SRI's) are investments that comply with the Non-Fossil Fuel standards. Council's annualised return continues to exceed the bank bill index benchmark. Council's portfolio had a One-Month Portfolio Investment Return of 1.85%, above the UBSWA Bank Bill Index Benchmark (0.13%).

The attachments to this report summarise all investments held by Council and interest returns for periods ending 31 October 2020.

The Current Market value is required to be accounted for. The Current Market Value is a likely outcome if Council were to consider recalling the investment prior to its due date.

All investments made for the month of October 2020 have been made in accordance with the Local Government Act, Local Government Regulations and the Inner West Council Investment Policy.

ADI Lending Status *	Current Month (\$)		Previous Month (\$)	
Non Fossil Fuel Lending ADIs				
Bendigo and Adelaide Bank	4,000,000		4,000,000	
Credit Union Australia	2,000,000		2,000,000	
Emerald Reverse Mortgage 2006A	516,521		516,521	
Emerald Reverse Mortgage 2006B	1,000,000		1,000,000	
Heritage Bank	5,800,000		5,800,000	
Members Equity Bank	17,054,074		17,049,658	
Newcastle Permanent Building Society	1,700,000		1,700,000	
Suncorp Bank	31,750,000		39,250,000	
Suncorp Bank (Covered)	5,500,000		5,500,000	
Teachers Mutual Bank	4,000,000		4,000,000	
	73,320,595	33%	80,816,179	36%
Socially Responsible Investments				
Bank Australia (Sustainability)	6,000,000		6,000,000	
CBA (Climate)	18,200,000		18,200,000	
CBA (Green TD)	80,000,000		80,000,000	
National Australia Bank (Social)	7,444,000		7,444,000	
NSW T-Corp (Green)	5,000,000		5,000,000	
Westpac Group (Green TD)	33,500,000		26,000,000	
	150,144,000	67%	142,644,000	64%
	223,464,595		223,460,179	

* source: <http://www.marketforces.org.au>
Percentages may not add up to 100% due to rounding

EXTERNAL / INTERNAL RESTRICTIONS

Restricted	Oct 20
External Restrictions	99,078,971
Internal Restrictions	124,381,208
Total	223,464,595

ATTACHMENTS

1. [IWC Oct20](#)
2. [IWC Economic and Investment Portfolio Commentary Oct20](#)



**Investment Summary Report
October 2020**

Inner West Council Executive Summary - October 2020

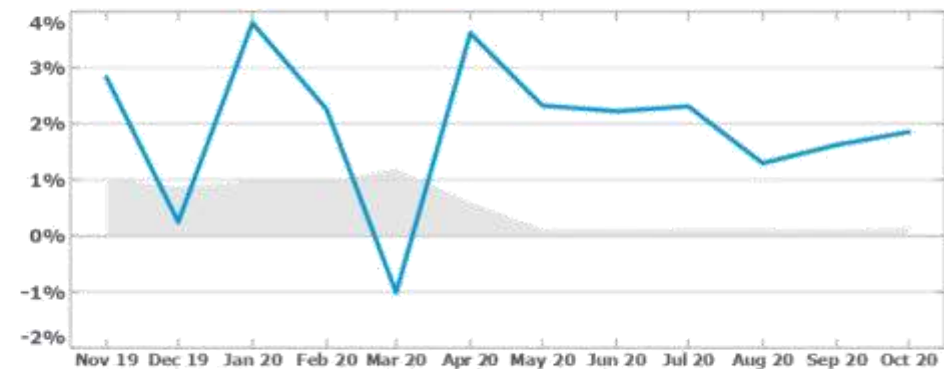


Investment Holdings

By Product	Face Value (\$)	Current Value (\$)	Current Yield (%)
Bonds	32,444,000.00	34,778,455.61	3.2115
Cash	8,554,073.58	8,554,073.58	0.5500
Floating Rate Note	40,950,000.00	41,371,038.39	1.1625
Mortgage Backed Security	1,516,520.95	1,090,284.16	0.7463
Term Deposit	140,000,000.00	140,358,729.32	0.9495
	223,464,594.53	226,152,581.06	1.3003

Face Value = capital value to be repaid upon maturity
Current Value = current market value + accrued interest
Current Yield = weighted average interest rate

Monthly Portfolio Return (%pa) based on Current Market Value of Securities



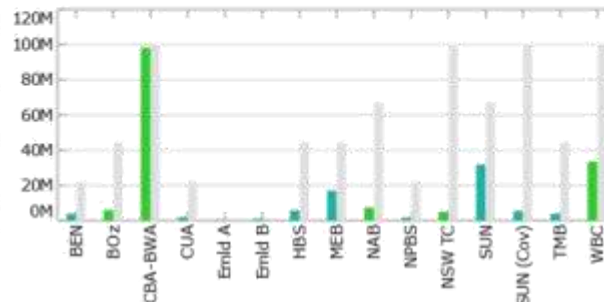
Portfolio Annualised Return Bloomberg BB Index Annualised Return

Investment Policy Compliance sorted by Socially Responsible Investments (SRIs) and non-Fossil Fuel (NFF) banks

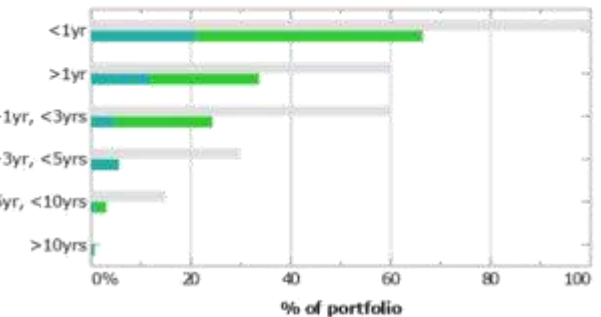
Total Credit Exposure



Individual Exposures



Term to Maturities

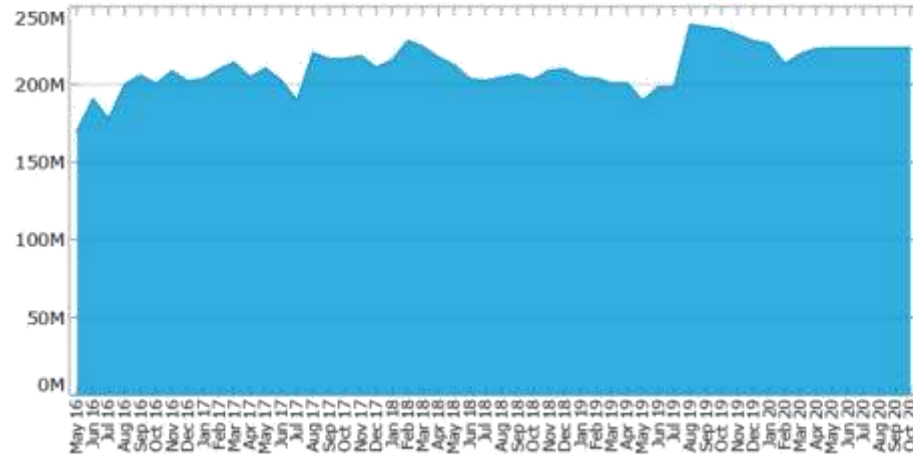


Inner West Council

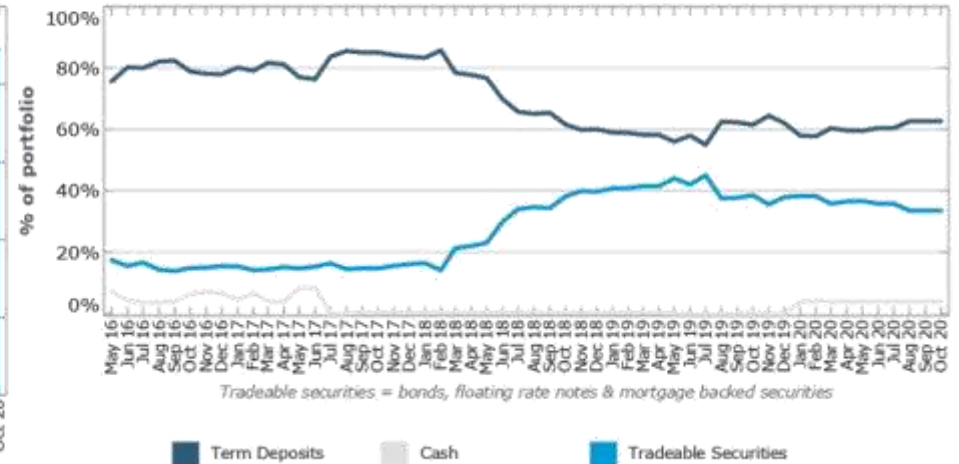
Historical Graphs - October 2020



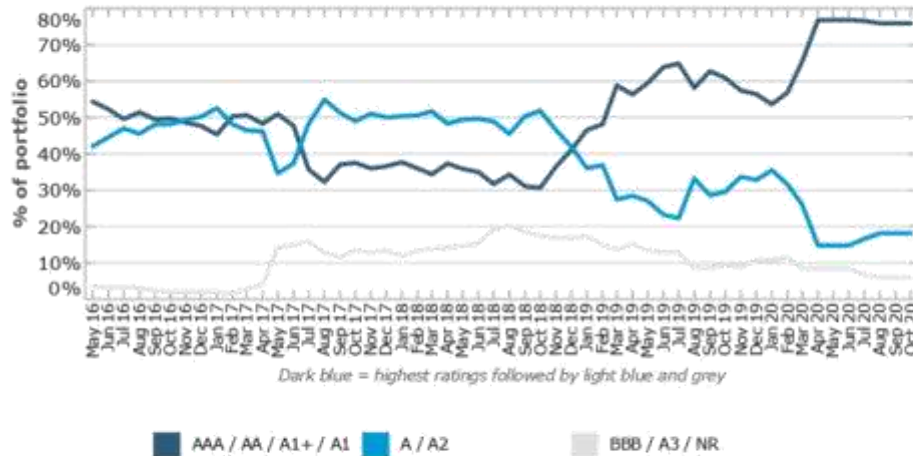
Month end investment balances since amalgamation



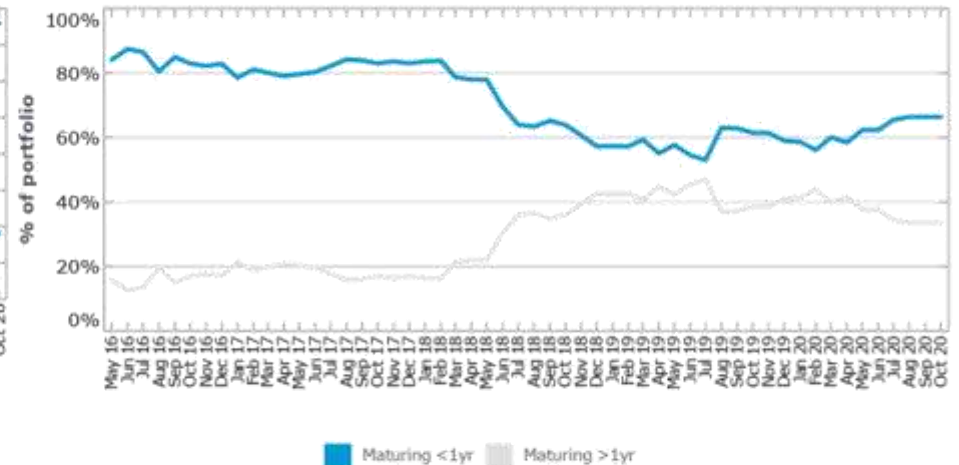
Composition of portfolio by asset type



Composition of portfolio by credit rating categories



Composition of portfolio by short (<1 yr) and long term (> 1 yr) holdings



Inner West Council Investment Holdings Report - October 2020



Cash Accounts

Face Value (\$)	Current Yield	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
8,554,073.58	0.5500%	ME Bank	A-2	8,554,073.58	539404	
8,554,073.58	0.5500%			8,554,073.58		

Term Deposits

Maturity Date	Face Value (\$)	Rate	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Coupon Frequency	Reference
18-Nov-20	5,000,000.00	1.6300%	Suncorp Bank	A-1	5,000,000.00	31-Mar-20	5,048,006.85	539605	48,006.85	At Maturity	
9-Dec-20	6,500,000.00	0.6500%	ME Bank	A-2	6,500,000.00	31-Aug-20	6,507,176.71	540163	7,176.71	At Maturity	
16-Dec-20	5,000,000.00	1.5800%	Suncorp Bank	A-1	5,000,000.00	31-Mar-20	5,046,534.25	539606	46,534.25	At Maturity	
27-Jan-21	15,000,000.00	0.7500%	Commonwealth Bank of Australia	A-1+	15,000,000.00	29-May-20	15,048,082.19	539858	48,082.19	At Maturity	Green
27-Jan-21	5,000,000.00	0.7300%	Commonwealth Bank of Australia	A-1+	5,000,000.00	30-Jul-20	5,009,400.00	540071	9,400.00	At Maturity	Green
17-Feb-21	10,000,000.00	0.7000%	Suncorp Bank	A-1	10,000,000.00	31-Aug-20	10,011,890.41	540161	11,890.41	At Maturity	
24-Feb-21	10,000,000.00	0.7700%	Commonwealth Bank of Australia	A-1+	10,000,000.00	29-May-20	10,032,909.59	539859	32,909.59	At Maturity	Green
27-Apr-21	20,000,000.00	0.8100%	Commonwealth Bank of Australia	A-1+	20,000,000.00	29-Apr-20	20,082,553.42	539647	82,553.42	At Maturity	Green
21-May-21	9,000,000.00	1.4100%	Westpac Group	A-1+	9,000,000.00	21-Nov-19	9,025,032.33	538748	25,032.33	Quarterly	Green
15-Jun-21	20,000,000.00	0.6700%	Commonwealth Bank of Australia	A-1+	20,000,000.00	31-Aug-20	20,022,761.64	540164	22,761.64	At Maturity	Green
26-Jul-21	3,000,000.00	1.5800%	Westpac Group	A-1+	3,000,000.00	31-Jul-19	3,000,259.73	538346	259.73	Quarterly	Green
28-Sep-21	10,000,000.00	0.7000%	Commonwealth Bank of Australia	A-1+	10,000,000.00	30-Sep-20	10,006,136.99	540345	6,136.99	At Maturity	Green
27-Oct-21	7,500,000.00	0.5400%	Westpac Group	A-1+	7,500,000.00	30-Oct-20	7,500,221.92	540480	221.92	Quarterly	Green
28-Jun-22	10,000,000.00	1.8700%	Westpac Group	AA-	10,000,000.00	28-Jun-19	10,017,419.18	538091	17,419.18	Quarterly	Green
25-Jul-22	4,000,000.00	1.5700%	Westpac Group	AA-	4,000,000.00	31-Jul-19	4,000,344.11	538347	344.11	Quarterly	Green
140,000,000.00	0.9495%				140,000,000.00		140,358,729.32		358,729.32		

Inner West Council Investment Holdings Report - October 2020



Floating Rate Notes

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Coupon Reference Date
9-Nov-20	2,000,000.00	1.3521%	ME Bank Snr FRN (Nov20) BBSW+1.25%	A-2	2,000,000.00	9-Nov-17	2,006,472.04	535918	6,149.28	9-Nov-20
29-Mar-21	5,800,000.00	1.3200%	HBS Snr FRN (Mar21) BBSW+1.23%	P-2	5,800,000.00	29-Mar-18	5,828,265.86	536454	6,921.86	29-Dec-20
2-Jul-21	4,000,000.00	1.4600%	TMB Snr FRN (Jul21) BBSW+1.37%	A-2	4,000,000.00	2-Jul-18	4,033,520.00	536788	4,800.00	4-Jan-21
30-Aug-21	2,000,000.00	1.3900%	BOz 'SRI' Snr FRN (Aug21) BBSW+1.30%	A-2	2,000,000.00	30-Aug-18	2,014,922.19	536986	4,722.19	30-Nov-20
19-Jan-22	2,500,000.00	1.0900%	BEN Snr FRN (Jan22) BBSW+1.01%	BBB+	2,500,000.00	19-Oct-18	2,523,445.55	537202	970.55	19-Jan-21
16-Aug-22	1,000,000.00	1.0700%	SUN Snr FRN (Aug22) BBSW+0.97%	A+	1,000,000.00	16-Aug-17	1,014,677.95	535607	2,227.95	16-Nov-20
16-Aug-22	4,000,000.00	1.0700%	SUN Snr FRN (Aug22) BBSW+0.97%	A+	4,037,600.00	31-Oct-18	4,058,711.78	537263	8,911.78	16-Nov-20
2-Dec-22	4,000,000.00	0.9900%	BOz 'SRI' Snr FRN (Dec22) BBSW+0.90%	BBB	4,000,000.00	2-Dec-19	3,991,829.59	538824	6,509.59	2-Dec-20
25-Jan-23	1,500,000.00	1.1100%	BEN Snr FRN (Jan23) BBSW+1.05%	BBB+	1,500,000.00	25-Jan-18	1,522,218.70	536141	273.70	25-Jan-21
6-Feb-23	1,700,000.00	1.5000%	NPBS Snr FRN (Feb23) BBSW+1.40%	BBB	1,700,000.00	6-Feb-18	1,734,264.08	536175	6,078.08	6-Nov-20
30-Jul-24	6,000,000.00	0.8368%	SUN Snr FRN (Jul24) BBSW+0.78%	A+	6,000,000.00	30-Jul-19	6,066,815.11	538330	275.11	29-Jan-21
30-Jul-24	750,000.00	0.8368%	SUN Snr FRN (Jul24) BBSW+0.78%	A+	749,182.50	1-Oct-19	758,351.89	538563	34.39	29-Jan-21
24-Oct-24	2,000,000.00	1.1800%	CUA Snr FRN (Oct24) BBSW+1.12%	BBB	2,000,000.00	24-Oct-19	2,023,807.95	538603	387.95	25-Jan-21
24-Apr-25	3,700,000.00	1.1800%	SUN Cov FRN (Apr25) BBSW+1.12%	AAA	3,700,000.00	27-Apr-20	3,793,735.70	539640	717.70	25-Jan-21
40,950,000.00		1.1625%			40,986,782.50		41,371,038.39		48,980.13	

Fixed Rate Bonds

Maturity Date	Face Value (\$)	Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	Reference
24-Mar-22	3,444,000.00	3.2500%	NAB 'Social' Snr Bond (Mar22) 3.25%	AA-	3,502,479.12	26-Jun-18	3,600,707.52	536771	11,749.56	3.0000%	
24-Mar-22	4,000,000.00	3.2500%	NAB 'Social' Snr Bond (Mar22) 3.25%	AA-	4,066,280.00	1-Nov-18	4,182,006.41	537279	13,646.41	2.8400%	
31-Mar-22	10,000,000.00	3.2500%	CBA 'Climate' Snr Bond (Mar22) 3.25%	AA-	10,088,200.00	28-Mar-18	10,455,971.43	536469	28,571.43	3.0348%	
31-Mar-22	1,100,000.00	3.2500%	CBA 'Climate' Snr Bond (Mar22) 3.25%	AA-	1,111,198.00	22-May-18	1,150,156.86	536652	3,142.86	3.1115%	
31-Mar-22	3,100,000.00	3.2500%	CBA 'Climate' Snr Bond (Mar22) 3.25%	AA-	3,143,462.00	13-Jun-18	3,241,351.14	536721	8,857.14	3.0592%	
31-Mar-22	4,000,000.00	3.2500%	CBA 'Climate' Snr Bond (Mar22) 3.25%	AA-	4,083,240.00	31-Jul-18	4,182,388.57	536896	11,428.57	2.9908%	

Inner West Council
Investment Holdings Report - October 2020



Fixed Rate Bonds

Maturity Date	Face Value (\$)	Coupon	Security Name	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Purchase Yield	Reference
24-Aug-26	1,300,000.00	3.2500%	SUN Cov Bond (Aug26) 3.25%	AAA	1,427,881.00	30-Apr-20	1,468,172.88	539692	7,921.88	1.7000%	
24-Aug-26	500,000.00	3.2500%	SUN Cov Bond (Aug26) 3.25%	AAA	549,310.00	5-May-20	564,681.88	539728	3,046.88	1.7000%	
15-Nov-28	5,000,000.00	3.0000%	NSWTC 'Green' Snr Bond (Nov28) 3.00%	AAA	5,000,000.00	15-Nov-18	5,933,018.92	537310	68,918.92	3.2350%	
32,444,000.00					32,972,050.12		34,778,455.60		157,283.64	2.9634%	

Mortgage Backed Securities

Maturity Date	Face Value (\$)	Current Coupon	Security Name	Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Reference
21-Aug-51	516,520.95	0.5485%	Emerald Reverse Mortgage (2006A)	NR	1,000,000.00	17-Jul-06	408,610.41	310321	558.86	
21-Aug-56	1,000,000.00	0.8485%	Emerald Reverse Mortgage (2006B)	NR	1,000,000.00	17-Jul-06	681,673.75	310334	1,673.75	
1,516,520.95					2,000,000.00		1,090,284.16		2,232.61	

Inner West Council Accrued Interest Report - October 2020



Accrued Interest Report

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Bonds									
NAB 'Social' Snr Bond (Mar22) 3.25%	536771		3,444,000.00	26-Jun-18	24-Mar-22		31	9,585.17	3.28%
NAB 'Social' Snr Bond (Mar22) 3.25%	537279		4,000,000.00	01-Nov-18	24-Mar-22		31	11,132.60	3.28%
CBA 'Climate' Snr Bond (Mar22) 3.25%	536469		10,000,000.00	29-Mar-18	31-Mar-22		31	27,678.57	3.26%
CBA 'Climate' Snr Bond (Mar22) 3.25%	536652		1,100,000.00	24-May-18	31-Mar-22		31	3,044.65	3.26%
CBA 'Climate' Snr Bond (Mar22) 3.25%	536721		3,100,000.00	13-Jun-18	31-Mar-22		31	8,580.35	3.26%
CBA 'Climate' Snr Bond (Mar22) 3.25%	536896		4,000,000.00	31-Jul-18	31-Mar-22		31	11,071.43	3.26%
SUN Cov Bond (Aug26) 3.25%	539692		1,300,000.00	30-Apr-20	24-Aug-26		31	3,559.11	3.22%
SUN Cov Bond (Aug26) 3.25%	539728		500,000.00	05-May-20	24-Aug-26		31	1,368.89	3.22%
NSWTC 'Green' Snr Bond (Nov28) 3.00%	537310		5,000,000.00	15-Nov-18	15-Nov-28		31	12,567.57	2.96%
Bonds Total								88,588.34	3.21%
Cash									
ME Bank	539404		8,554,073.58			4,565.14	31	4,415.32	.61%
Cash Total						4,565.14		4,415.32	.61%
Floating Rate Note									
ME Bank Snr FRN (Nov20) BBSW+1.25%	535918		2,000,000.00	09-Nov-17	09-Nov-20		31	2,296.72	1.35%
HBS Snr FRN (Mar21) BBSW+1.23%	536454		5,800,000.00	29-Mar-18	29-Mar-21		31	6,502.35	1.32%
TMB Snr FRN (Jul21) BBSW+1.37%	536788		4,000,000.00	02-Jul-18	02-Jul-21	14,820.82	31	4,961.09	1.46%
BOz 'SRI' Snr FRN (Aug21) BBSW+1.30%	536986		2,000,000.00	30-Aug-18	30-Aug-21		31	2,361.09	1.39%
BEN Snr FRN (Jan22) BBSW+1.01%	537202		2,500,000.00	19-Oct-18	19-Jan-22	6,949.03	31	2,345.08	1.10%
SUN Snr FRN (Aug22) BBSW+0.97%	535607		1,000,000.00	16-Aug-17	16-Aug-22		31	908.77	1.07%
SUN Snr FRN (Aug22) BBSW+0.97%	537263		4,000,000.00	31-Oct-18	16-Aug-22		31	3,635.07	1.07%
BOz 'SRI' Snr FRN (Dec22) BBSW+0.90%	538824		4,000,000.00	02-Dec-19	02-Dec-22		31	3,363.29	.99%

Inner West Council
Accrued Interest Report - October 2020



Accrued Interest Report

Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
BEN Snr FRN (Jan23) BBSW+1.05%	536141		1,500,000.00	25-Jan-18	25-Jan-23	4,308.54	31	1,457.37	1.14%
NPBS Snr FRN (Feb23) BBSW+1.40%	536175		1,700,000.00	06-Feb-18	06-Feb-23		31	2,165.75	1.50%
SUN Snr FRN (Jul24) BBSW+0.78%	538330		6,000,000.00	30-Jul-19	30-Jul-24	13,308.49	31	4,470.18	.88%
SUN Snr FRN (Jul24) BBSW+0.78%	538563		750,000.00	01-Oct-19	30-Jul-24	1,663.56	31	558.77	.88%
CUA Snr FRN (Oct24) BBSW+1.12%	538603		2,000,000.00	24-Oct-19	24-Oct-24	6,287.96	31	2,060.28	1.21%
SUN Cov FRN (Apr25) BBSW+1.12%	539640		3,700,000.00	27-Apr-20	24-Apr-25	11,632.72	31	3,811.51	1.21%
Floating Rate Note Total						58,971.12		40,897.32	1.18%
<u>Mortgage Backed Securities</u>									
Emerald Reverse Mortgage Series 2006-1 Class A	310321		516,520.95	17-Jul-06	21-Aug-51		31	240.62	.55%
Emerald Reverse Mortgage Series 2006-1 Class B	310334		1,000,000.00	17-Jul-06	21-Aug-56		31	720.64	.85%
Mortgage Backed Securities Total								961.26	.75%
<u>Term Deposits</u>									
Suncorp Bank	539576		7,500,000.00	17-Mar-20	21-Oct-20	76,150.68	20	6,986.30	1.70%
Suncorp Bank	539605		5,000,000.00	31-Mar-20	18-Nov-20		31	6,921.92	1.63%
ME Bank	540163		6,500,000.00	31-Aug-20	09-Dec-20		31	3,588.35	.65%
Suncorp Bank	539606		5,000,000.00	31-Mar-20	16-Dec-20		31	6,709.59	1.58%
Commonwealth Bank of Australia	539858		15,000,000.00	29-May-20	27-Jan-21		31	9,554.79	.75%
Commonwealth Bank of Australia	540071		5,000,000.00	30-Jul-20	27-Jan-21		31	3,100.00	.73%
Suncorp Bank	540161		10,000,000.00	31-Aug-20	17-Feb-21		31	5,945.20	.70%
Commonwealth Bank of Australia	539859		10,000,000.00	29-May-20	24-Feb-21		31	6,539.73	.77%
Commonwealth Bank of Australia	539647		20,000,000.00	29-Apr-20	27-Apr-21		31	13,758.90	.81%
Westpac Group	538748		9,000,000.00	21-Nov-19	21-May-21		31	10,777.81	1.41%
Commonwealth Bank of Australia	540164		20,000,000.00	31-Aug-20	15-Jun-21		31	11,380.82	.67%

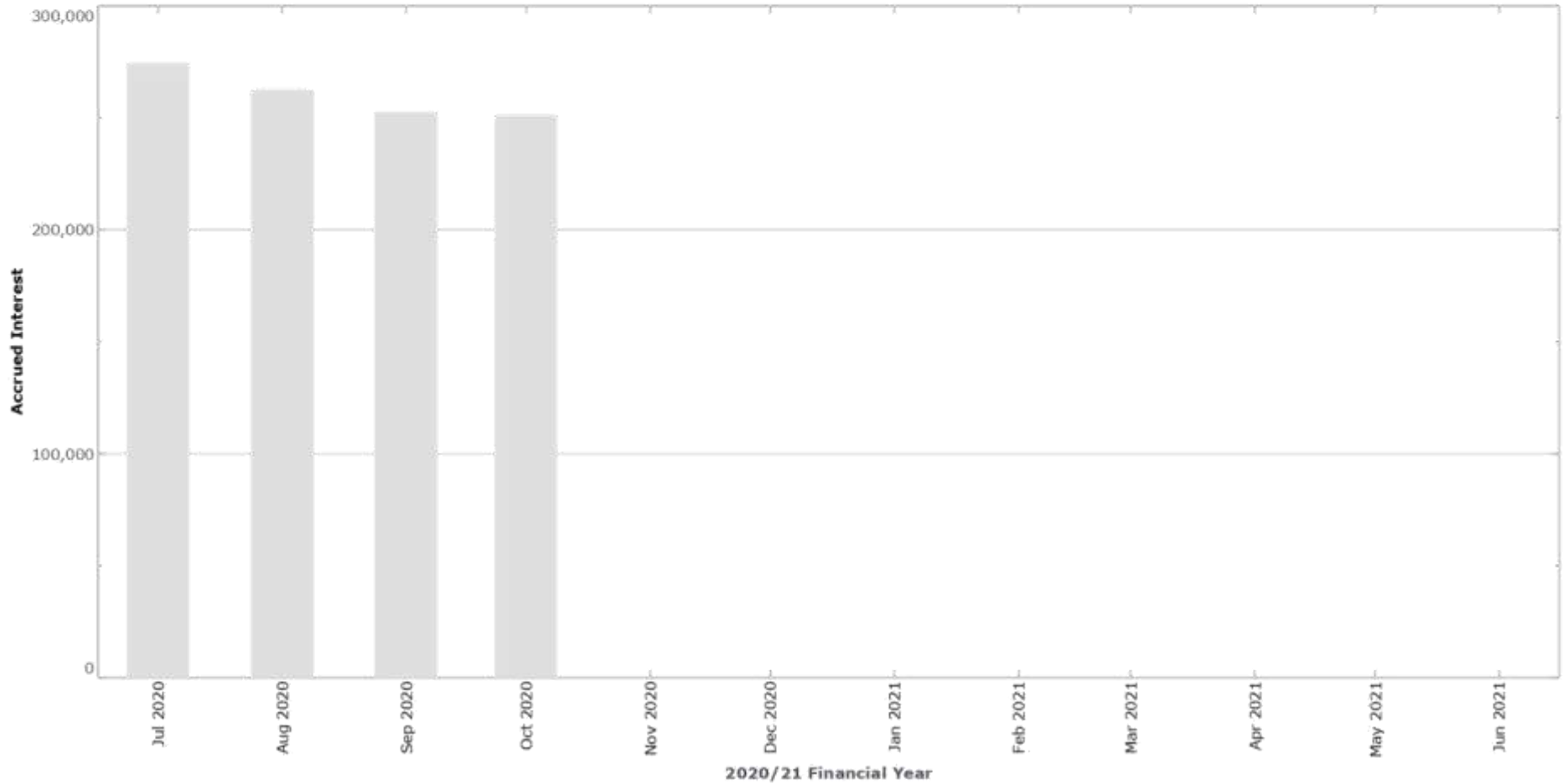
Inner West Council
Accrued Interest Report - October 2020



Accrued Interest Report

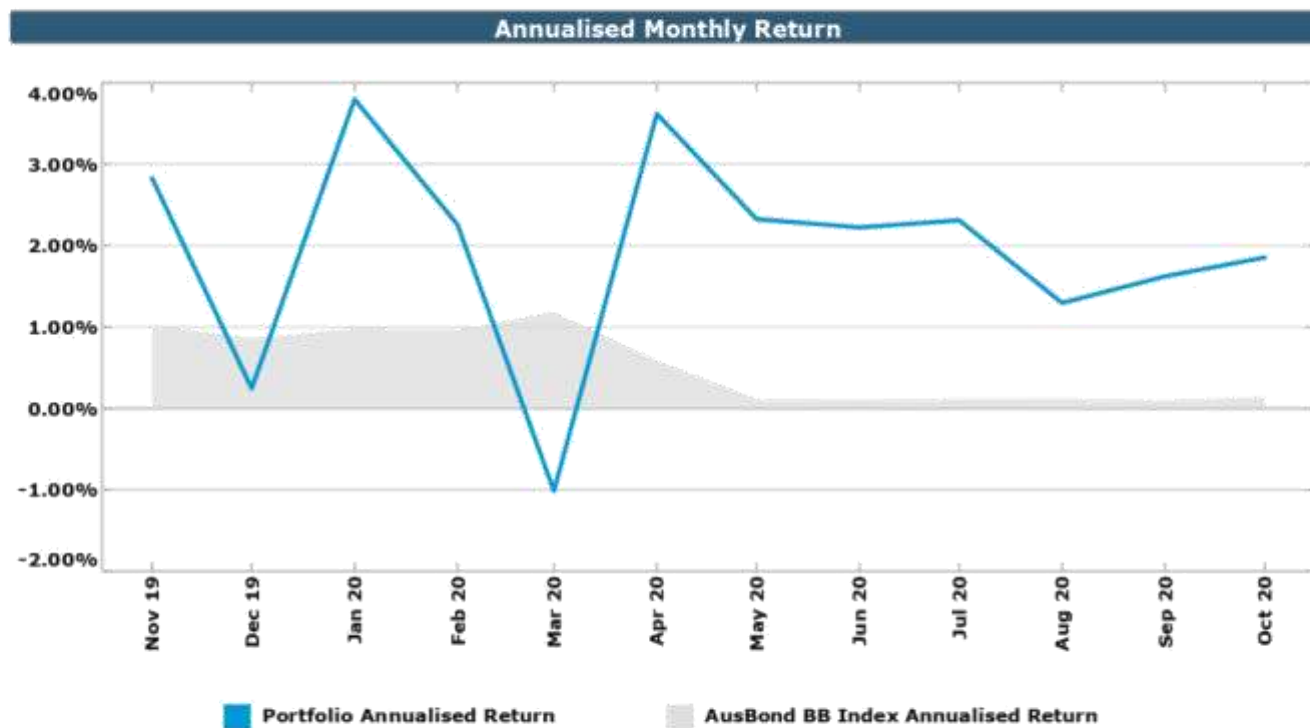
Investment	Deal No.	Ref	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Percentage Return
Westpac Group	538346		3,000,000.00	31-Jul-19	26-Jul-21	11,817.53	31	4,025.75	1.58%
Commonwealth Bank of Australia	540345		10,000,000.00	30-Sep-20	28-Sep-21		31	5,945.21	.70%
Westpac Group	540480		7,500,000.00	30-Oct-20	27-Oct-21		2	221.92	.54%
Westpac Group	538091		10,000,000.00	28-Jun-19	28-Jun-22		31	15,882.19	1.87%
Westpac Group	538347		4,000,000.00	31-Jul-19	25-Jul-22	15,656.99	31	5,333.70	1.57%
Term Deposits Total						103,625.20		116,672.18	1.00%
						167,161.46		251,534.42	1.34%

Inner West Council
Accrued Interest Report - October 2020



Inner West Council

Investment Performance Report - October 2020



Historical Performance Summary

	Portfolio	AusBond BB Index	Outperformance
Oct 2020	1.85%	0.13%	1.72%
Last 3 Months	1.59%	0.11%	1.48%
Last 6 Months	1.94%	0.11%	1.83%
Financial Year to Date	1.77%	0.11%	1.66%
Last 12 months	1.94%	0.51%	1.43%

Inner West Council

Environmental Commitments Report - October 2020

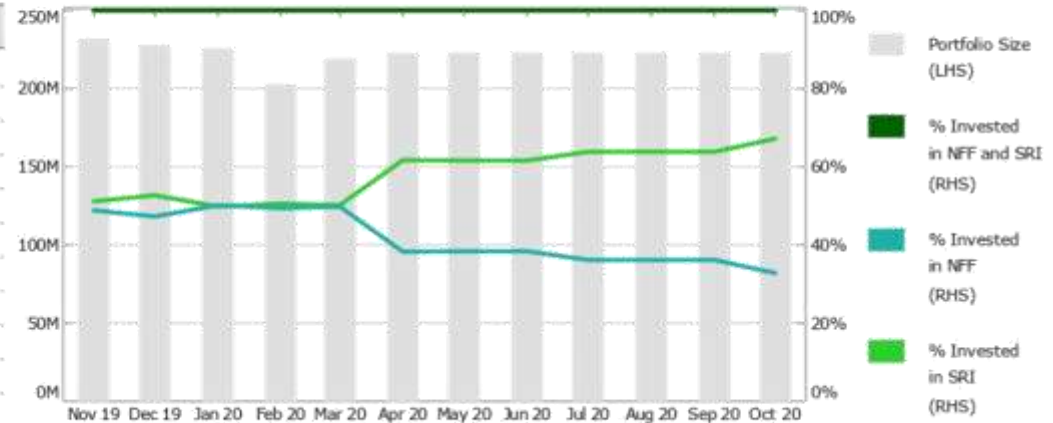


Current Breakdown

ADI Lending Status *	Current Month (\$)	Previous Month (\$)
Non Fossil Fuel Lending ADIs		
Bendigo and Adelaide Bank	4,000,000	4,000,000
Credit Union Australia	2,000,000	2,000,000
Emerald Reverse Mortgage 2006A	516,521	516,521
Emerald Reverse Mortgage 2006B	1,000,000	1,000,000
Heritage Bank	5,800,000	5,800,000
Members Equity Bank	17,054,074	17,049,658
Newcastle Permanent Building Society	1,700,000	1,700,000
Suncorp Bank	31,750,000	39,250,000
Suncorp Bank (Covered)	5,500,000	5,500,000
Teachers Mutual Bank	4,000,000	4,000,000
	73,320,595	80,816,179
	33%	36%
Socially Responsible Investments		
Bank Australia (Sustainability)	6,000,000	6,000,000
CBA (Climate)	18,200,000	18,200,000
CBA (Green TD)	80,000,000	80,000,000
National Australia Bank (Social)	7,444,000	7,444,000
NSW T-Corp (Green)	5,000,000	5,000,000
Westpac Group (Green TD)	33,500,000	26,000,000
	150,144,000	142,644,000
	67%	64%
	223,464,595	223,460,179

* source: <http://www.marketforces.org.au>
Percentages may not add up to 100% due to rounding

Historical Portfolio Exposure to NFF Lending ADIs and SRIs



Socially Responsible Investments Glossary

Investment	Use of Funds
Bank Australia (Sustainability)	Reduced Inequalities, sustainable cities and communities, life on land **
CBA (Climate)	Wind farms, low carbon transport, low carbon commercial buildings ***
CBA (Green TD)	Wind farms, low carbon transport, low carbon commercial buildings ***
National Australia Bank (Social)	Employers of Choice for Gender Equality ****
NSW T-Corp (Green)	Low carbon transport, water infrastructure ***
Westpac Group (Green TD)	Wind farms, low carbon commercial buildings ***

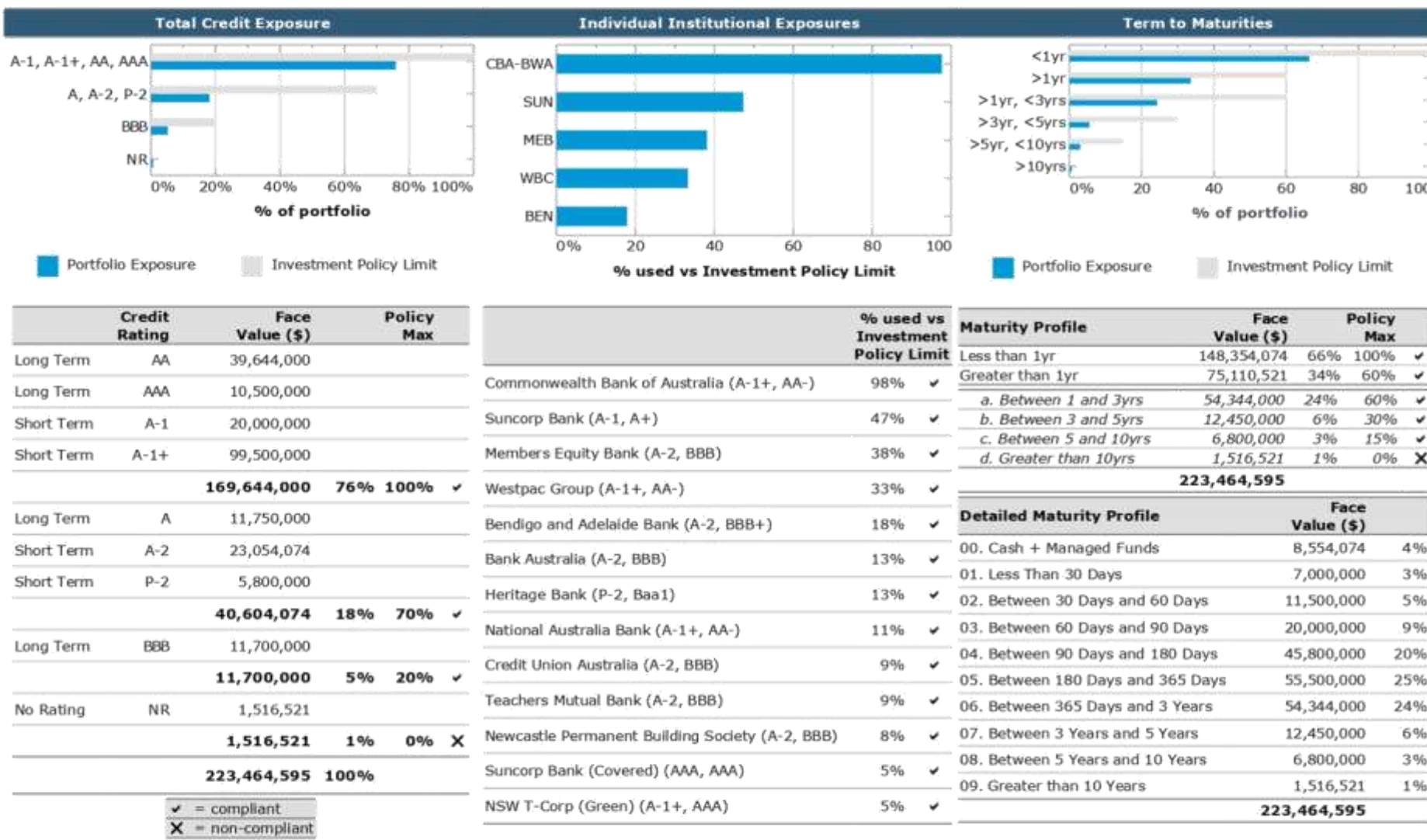
** United Nations Sustainable Development Goals

*** Climate Bonds Standard

**** Cited by the Workplace Gender Equality Agency as Employers of Choice for Gender Equality

Inner West Council

Investment Policy Compliance Report - October 2020



Inner West Council

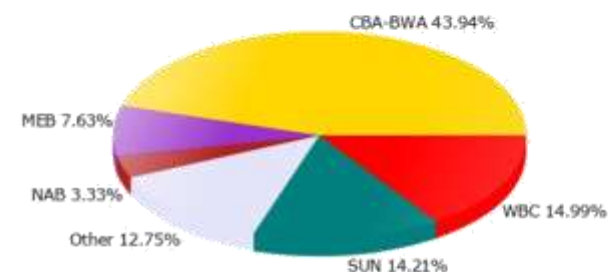
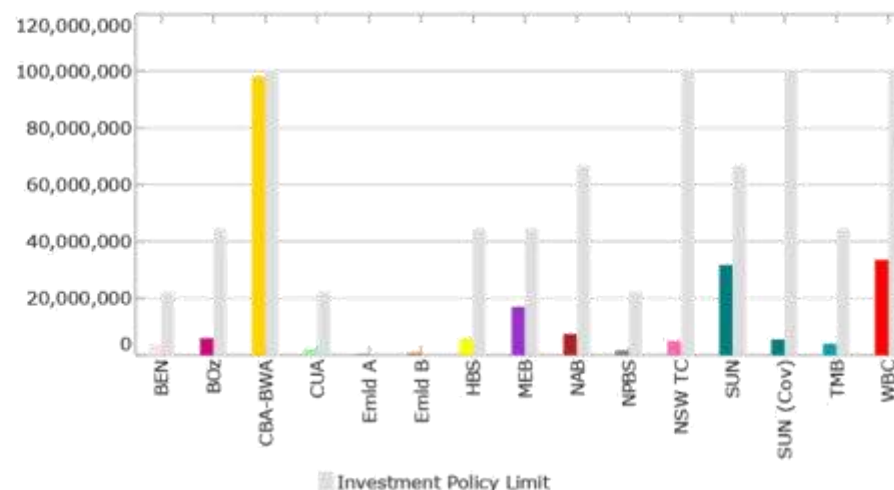
Individual Institutional Exposures Report - October 2020



Individual Institutional Exposures

Parent Group	Credit Rating	Portfolio Exposure (\$)	Investment Policy Limit (\$)
Bank Australia	A-2, BBB	6,000,000	44,692,919
Bendigo and Adelaide Bank	A-2, BBB+	4,000,000	22,346,459
Commonwealth Bank of Australia	A-1+, AA-	98,200,000	100,559,068
Credit Union Australia	A-2, BBB	2,000,000	22,346,459
Emerald Reverse Mortgage 2006A	NR	516,521	0
Emerald Reverse Mortgage 2006B	NR	1,000,000	0
Heritage Bank	P-2, Baa1	5,800,000	44,692,919
Members Equity Bank	A-2, BBB	17,054,074	44,692,919
National Australia Bank	A-1+, AA-	7,444,000	67,039,378
Newcastle Permanent Building Society	A-2, BBB	1,700,000	22,346,459
NSW T-Corp (Green)	A-1+, AAA	5,000,000	100,559,068
Suncorp Bank	A-1, A+	31,750,000	67,039,378
Suncorp Bank (Covered)	AAA, AAA	5,500,000	100,559,068
Teachers Mutual Bank	A-2, BBB	4,000,000	44,692,919
Westpac Group	A-1+, AA-	33,500,000	100,559,068
		223,464,595	

Individual Institutional Exposure Charts



Inner West Council Cash Flows Report - October 2020



Current Month Cashflows					
Transaction Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Cashflow Received
2-Oct-20	536788	Teachers Mutual Bank	Floating Rate Note	Coupon - Received	14,820.82
				<u>Deal Total</u>	<u>14,820.82</u>
				Day Total	14,820.82
19-Oct-20	537202	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	6,949.03
				<u>Deal Total</u>	<u>6,949.03</u>
				Day Total	6,949.03
21-Oct-20	539576	Suncorp Bank	Term Deposits	Maturity Face Value - Received	7,500,000.00
		Suncorp Bank	Term Deposits	Interest - Received	76,150.68
				<u>Deal Total</u>	<u>7,576,150.68</u>
				Day Total	7,576,150.68
26-Oct-20	536141	Bendigo and Adelaide Bank	Floating Rate Note	Coupon - Received	4,308.54
				<u>Deal Total</u>	<u>4,308.54</u>
	538603	Credit Union Australia	Floating Rate Note	Coupon - Received	6,287.96
				<u>Deal Total</u>	<u>6,287.96</u>
	539640	Suncorp Bank (Covered)	Floating Rate Note	Coupon - Received	11,632.72
				<u>Deal Total</u>	<u>11,632.72</u>
				Day Total	22,229.21
30-Oct-20	538330	Suncorp Bank	Floating Rate Note	Coupon - Received	13,308.49
				<u>Deal Total</u>	<u>13,308.49</u>
	538346	Westpac Group	Term Deposits	Interest - Received	11,817.53
				<u>Deal Total</u>	<u>11,817.53</u>
	538347	Westpac Group	Term Deposits	Interest - Received	15,656.99
				<u>Deal Total</u>	<u>15,656.99</u>
	538563	Suncorp Bank	Floating Rate Note	Coupon - Received	1,663.56
				<u>Deal Total</u>	<u>1,663.56</u>
	540480	Westpac Group	Term Deposits	Settlement Face Value - Paid	-7,500,000.00
				<u>Deal Total</u>	<u>-7,500,000.00</u>

Inner West Council Cash Flows Report - October 2020



Current Month Cashflows

Transaction Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Cashflow Received
				Day Total	-7,457,553.42
				Net Cash Movement for Period	162,596.33

Next Month Cashflows

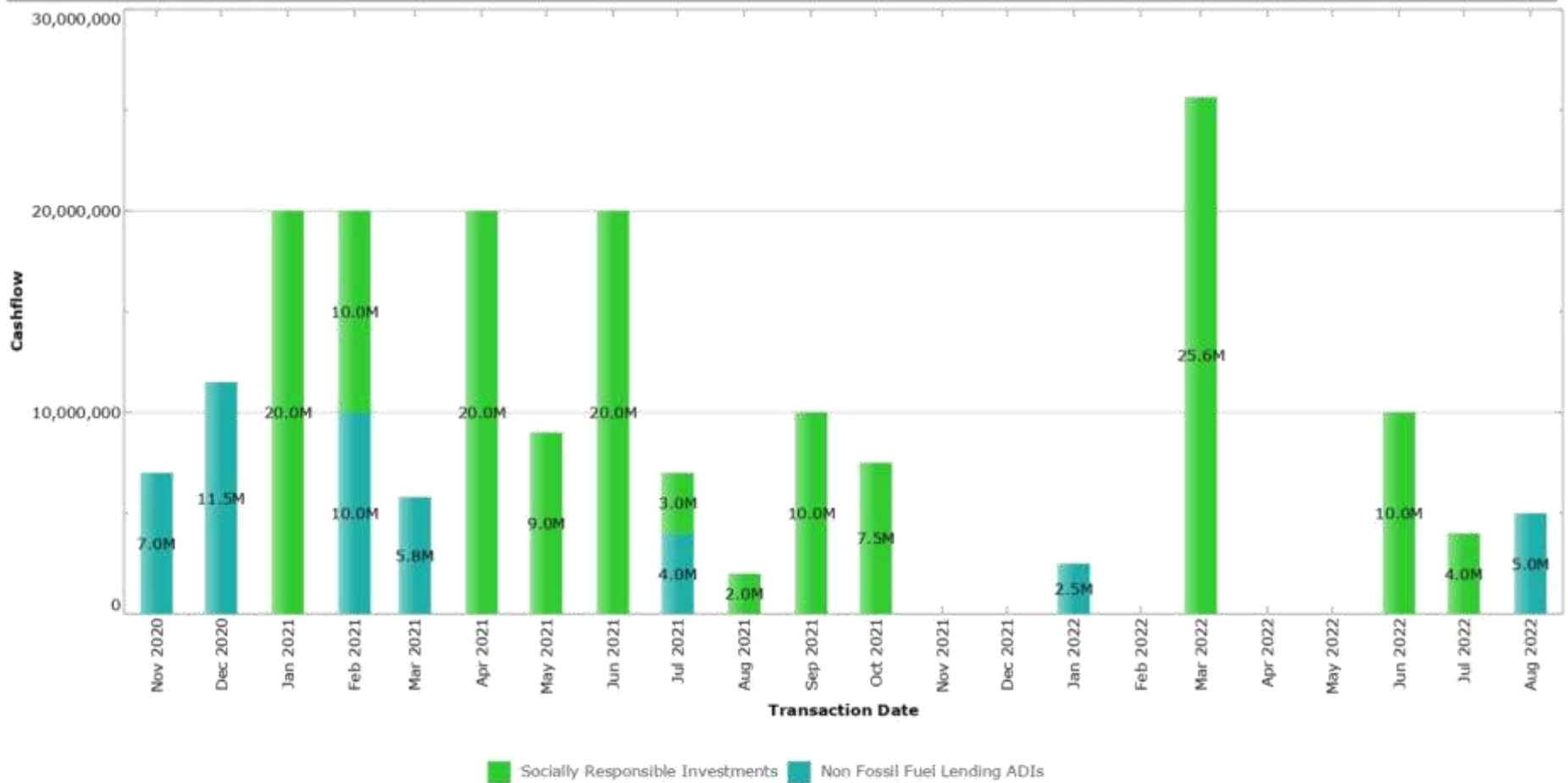
Transaction Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Cashflow Due
6-Nov-20	536175	Newcastle Permanent Building Society	Floating Rate Note	Coupon - Received	6,427.40
				<u>Deal Total</u>	<u>6,427.40</u>
				Day Total	6,427.40
9-Nov-20	535918	ME Bank	Floating Rate Note	Coupon - Received	6,741.98
		ME Bank	Floating Rate Note	Maturity Face Value - Received	2,000,000.00
				<u>Deal Total</u>	<u>2,006,741.98</u>
				Day Total	2,006,741.98
16-Nov-20	535607	Suncorp Bank	Floating Rate Note	Coupon - Received	2,667.67
				<u>Deal Total</u>	<u>2,667.67</u>
	537263	Suncorp Bank	Floating Rate Note	Coupon - Received	10,670.68
				<u>Deal Total</u>	<u>10,670.68</u>
	537310	NSW T-Corp (Green)	Bonds	Coupon - Received	75,000.00
				<u>Deal Total</u>	<u>75,000.00</u>
				Day Total	88,338.36
18-Nov-20	539605	Suncorp Bank	Term Deposit	Maturity Face Value - Received	5,000,000.00
		Suncorp Bank	Term Deposit	Interest - Received	51,802.74
				<u>Deal Total</u>	<u>5,051,802.74</u>
				Day Total	5,051,802.74
23-Nov-20	310321	Emerald Reverse Mortgage (2006A)	Mortgage Backed Securities	Coupon - Received	729.62
				<u>Deal Total</u>	<u>729.62</u>
	310334	Emerald Reverse Mortgage (2006B)	Mortgage Backed Securities	Coupon - Received	2,185.18
				<u>Deal Total</u>	<u>2,185.18</u>
	538748	Westpac Group	Term Deposit	Interest - Received	32,681.10
				<u>Deal Total</u>	<u>32,681.10</u>
				Day Total	35,595.90
30-Nov-20	536986	Bank Australia	Floating Rate Note	Coupon - Received	6,930.96
				<u>Deal Total</u>	<u>6,930.96</u>

Inner West Council Cash Flows Report - October 2020



Next Month Cashflows

Transaction Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Cashflow Due
Day Total					6,930.96
Net Cash Movement for Period					7,195,837.33



**Inner West Council
Economic and Investment Portfolio Commentary
October 2020**

Investment Portfolio Commentary

Council's investment portfolio posted a return of 1.85%pa for the month of October versus the bank bill index benchmark return of 0.13%pa. Council's long dated fixed rate bonds continued to increase in value as markets factored in more monetary policy action from the RBA. For the past 12 months, the investment portfolio returned 1.94%pa, exceeding the bank bill index benchmark's 0.51%pa by 1.43%pa.

Without marked-to-market influences, Council's investment portfolio yielded 1.34%pa for the month. This is based on the actual interest rates being received on existing investments and excludes the underlying changes to the market value of the securities/deposits.

During October, Council's investment portfolio had a \$7.5m 7 month non-fossil fuel bank term deposit mature which had a rate of 1.70%pa. Current 7 month TD rates are only in the 0.50% - 0.55% area. Council invested \$7.5m in a 12 month "green" deposit with Westpac at a rate of 0.54%.

Council's entire investment portfolio remains invested in non fossil fuel lending ADIs (33% of portfolio) and socially responsible investments (67% of portfolio).

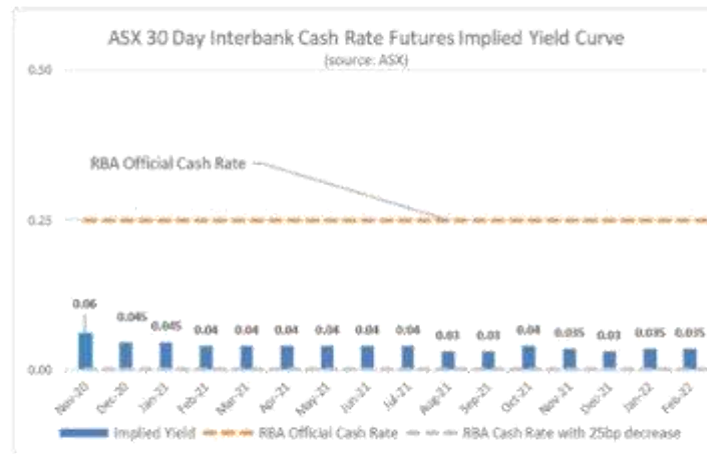
Over the past year, Council has proactively reduced its exposure to banks with long term credit ratings in the BBB+ and BBB categories in order to comply with NSW TCorp loan covenant requirements. This goal has now been achieved on schedule and Council's portfolio is now in full compliance with the NSW TCorp requirements while continuing to adhere to Council's ESG goals.

Domestic issues:

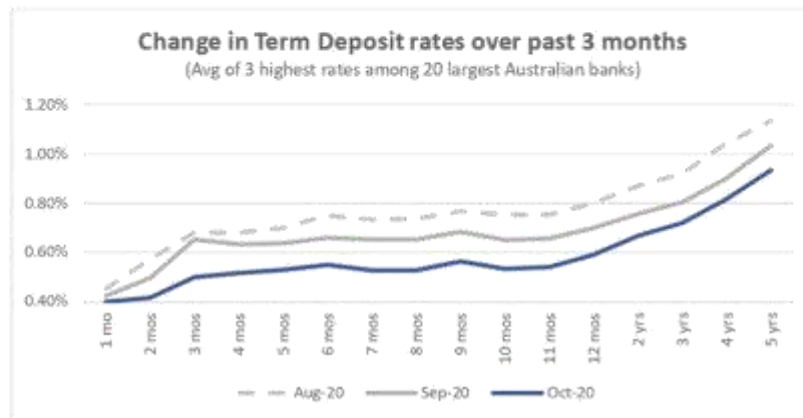
- In Australia, the Government's budget allocated a further \$41 billion to pandemic related stimulus measures. Total fiscal stimulus over the calendar year represents 10% of GDP, well above that of other countries.
- Economic data was mixed over the month as business conditions and consumer confidence surveys surged off the back of the budget's spending measures, meanwhile retail sales slipped (but remain above their long term average trend) and employment fell by nearly 30k as the unemployment rate rose to 6.9%.
- The Australian share market (ASX200) ended the month with modest gains despite trending lower over the last two weeks of October and the AUD/USD closed out October at 0.70c down from 0.71c at September month end.

Interest rates

- The RBA has made it clear that its primary focus is the jobs market and that it will maintain an accommodative interest rate environment, i.e. low rates, until there is substantive progress towards full employment and actual, rather than forecasted, inflation in the 2-3% range. The market is expecting interest rates to remain low for several years given this stance.
- Many economists are predicting the central bank will cut the official cash rate target from 0.25% to 0.10% before the end of 2020. RBA stimulus measures continue to keep cash rate futures below the official 0.25% pa level and term deposit rates are still reflecting banks' ample liquidity and access to cheap RBA sourced funding.



- Average term deposit rates continued to drop across all maturities over the month. The average of the best term deposit rates among large banks was 10 basis points lower versus September month end. Rates are down close to 20 basis points across the 3 month – 5 year range since the end of August:



Global issues:

- In the US, the highly contentious presidential campaign is mercifully coming to an end with the election on November 3rd although extended vote tabulation and legal tussles may postpone the final results for several weeks if no landslide occurs.
- A possible Democratic clean sweep of the presidency, Senate and House of Representatives has been hinted at and even regarded as positive for the markets by some leading economists. A national plan for controlling the pandemic promised by the Democrats is regarded as essential to get the economy back on its feet.
- In Europe, the virus is surging again as winter approaches. Daily cases hit record highs and hospital ICUs are reaching their maximums, as England is joining France, Germany, Italy, Spain, Belgium, and Greece with a second round of lockdowns. Consumer sentiment and business conditions surveys are trending lower across the region.

Disclaimer: The statements and opinions contained in this report are based on currently prevailing conditions in financial markets and are so contained in good faith and in the belief that such statements and opinion are not false or misleading. In preparing this report, Prudential Investment Services Corp has relied upon information which it believes to be reliable and accurate. Prudential Investment Services Corp believes that this report and the opinions expressed in this report are accurate, but no warranty of accuracy or reliability is given. Prudential Investment Services Corp does not warrant that its investigation has revealed all of the matters which a more extensive examination might disclose. This report may not be reproduced, transmitted, or made available either in part or in whole to any third party without the prior written consent of Prudential Investment Services Corp. AFS Licence No. 468145.

Item No: C1120(2) Item 7

Subject: STATISTICAL REPORT ON CODE OF CONDUCT COMPLAINTS

Prepared By: Katherine Paixao - Acting Governance Manager

Authorised By: Elizabeth Richardson - Acting General Manager

RECOMMENDATION

THAT Council note the Statistical Report on Code of Conduct Complaints relating to Councillors and the Chief Executive Officer for the period 1 September 2019 to 31 August 2020.

DISCUSSION

Part 12 of the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* (the Procedures) require that Council's Complaints Coordinator must report annually to the Council and to the Office of Local Government on a range of complaint statistics within three months of the end of each September. The Procedures mandate the format of this statistical report for all councils to ensure consistency. The prescribed annual reporting period is from 01 September to 31 August each year. The report has been provided to the Office of Local Government as required under the Procedures and is replicated below:

Number of Complaints					
1	a	The total number of complaints received in the period about councillors and the General Manager (GM) under the code of conduct	20		
	b	The total number of complaints finalised in the period about councillors and the GM under the code of conduct	16		
Overview of Complaints and Cost					
2	a	The number of complaints finalised at the outset by alternative means by the GM or Mayor	3		
	b	The number of complaints referred to the Office of Local Government under a special complaints management arrangement	0		
	c	The number of code of conduct complaints referred to a conduct reviewer	17		
	d	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	10		
	e	The number of code of conduct complaints referred back to GM or Mayor for resolution after preliminary assessment by conduct reviewer	2		
	f	The number of finalised code of conduct complaints investigated by a conduct reviewer	3		
	g	The number of finalised complaints investigated where there was found to be no breach	1		
	h	The number of finalised complaints investigated where there was found to be a breach	2		
	i	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police	0		
	j	The number of complaints being investigated that are not yet finalised	5		

	k	The total cost of dealing with code of conduct complaints within the period made about councillors and the GM including staff costs	\$52034.46		
Preliminary Assessment Statistics					
3		The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:			
	a	To take no action	0		
	b	To resolve the complaint by alternative and appropriate strategies	4		
	c	To refer the matter back to the GM or the Mayor, for resolution by alternative and appropriate strategies	2		
	d	To refer the matter to another agency or body such as the ICAC, the NSW Ombudsman, OLG or the Police	5		
	e	To investigate the matter	6		
Investigation Statistics					
4		The number of investigated complaints resulting in a determination that there was no breach , in which the following recommendations were made:			
	a	That the council revise its policies or procedures	0		
	b	That a person or persons undertake training or other education	0		
5		The number of investigated complaints resulting in a determination that there was a breach in which the following recommendations were made:			
	a	That the council revise any of its policies or procedures	0		
	b	In the case of a breach by the GM, that action be taken under the GM's contract for the breach (clause 7.36(h) of the 2018 Procedures or clause 7.37(a) of the 2020 Procedures)	0		
	c	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 (clause 7.36(i) of the 2018 Procedures or clause 7.37(b) of the 2020 Procedures)	0		
	d	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Local Government Act 1993 and that the matter be referred to OLG for further action (clause 7.36(j) of the 2018 Procedures or clause 7.37(c) of the 2020 Procedures)	0		
6		Matter referred or resolved after commencement of an investigation under clause 8.20 of the Procedures and clause 7.20 of the new Procedures	0		
Categories of misconduct					
7		The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:			
	a	General conduct (Part 3)	1		
	b	Non-pecuniary conflict of interest (NMCC Part 5)	1		
	c	Personal benefit (FMCC Part 5 / NMCC Part 6)	0		

	d	Relationship between council officials (FMCC Part 6 / NMCC Part 7)	0		
	e	Access to information and resources (FMCC Part 7 / NMCC Part 8)	0		
Outcome of determinations					
8		The number of investigated complaints resulting in a determination that there was a breach in which the council failed to adopt the conduct reviewers recommendation	0		
9		The number of investigated complaints resulting in a determination that there was a breach in which the council's decision was overturned following a review by OLG	0		

Confidentiality

Clause 13.1 of the *Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW* requires that information about Code of Conduct complaints and their management and investigation, is to be treated as confidential and is not to be publicly disclosed or discussed except as may be otherwise specifically required or permitted under the Procedures.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 8
Subject: NOTICE OF MOTION TO RESCIND: C1120(1) ITEM 15 UPDATE ON PERMANENT GENERAL MANAGER RECRUITMENT - 10 NOVEMBER 2020
From: Councillors Julie Passas, John Stamolis and Marghanita Da Cruz

MOTION:

We, the abovementioned Councillors, hereby submit a Notice of Motion to rescind Council's resolution of **C1120(1) Item 15 Update on Permanent General Manager Recruitment**, and propose the alternative Motion be adopted as follows:

THAT Council:

1. Approve a change in title of the existing position of Chief Executive Officer to General Manager;
2. Approve the recruitment consultancy recommended in Confidential Attachment 1 to assist Council in recruiting a permanent General Manager;
3. Appoint the Mayor, Deputy Mayor, Councillors Da Cruz and Raciti to the recruitment panel;
4. Delegate to the selection panel the authority to conduct the selection process and make a recommendation on the appointment of a new General Manager for determination by Council;
5. Determine the Position Description and Selection Criteria; to come back to Council for discussion; and
6. Receive progress reports on the GM recruitment activity until the appointment takes place.

Background

Council considered a Notice of Motion from 10 November 2020 **C1120(1) Item 15 Update on Permanent General Manager Recruitment as resolved:**

C1120(1) Item 15 Update on Permanent General Manager Recruitment

Motion: (Byrne/Hesse)

THAT Council:

1. Approve a change in title of the existing position of Chief Executive Officer to General Manager;
2. Approve the recruitment consultancy recommended in Confidential Attachment 1 to assist Council in recruiting a permanent General Manager;
3. Appoint the Mayor, Deputy Mayor, Councillors Hesse and Raciti to the recruitment panel; and

4. Delegate to the selection panel the authority to conduct the selection process and make a recommendation on the appointment of a new General Manager for determination by Council.

Motion Carried

For Motion: Crs Byrne, Da Cruz, Drury, Hesse, Kiat, Lockie, Macri, McKenna OAM, Porteous, Raciti and Steer
Against Motion: Crs Passas, Stamolis and York
Absent: Cr Iskandar

At the meeting of 10 November 2020, Council raised **Item 15 Update on Permanent General Manager Recruitment** for discussion. For reasons unknown this item was discussed in confidential session.

The original motion from the staff was:

Determine a selection panel to recruit the permanent a General Manager comprising the Mayor, Deputy-Mayor, one other female Councillor and potentially an independent member.

The motion which came to the meeting suggested that the Mayor (Darcy Byrne), Deputy-Mayor (Vic Macri) and Cr Colin Hesse be the 3 Councillors on the panel. That is, 3 male Councillors were proposed. NONE of the 8 female Councillors were proposed. A number of Councillors felt very concerned about this; and remain concerned. Nor was there consultation with the broad base of Councillors on the panel composition. How the 3 male Councillors were selected remains unclear.

The Council meeting managed, only very narrowly, to add one female Councillor (Vittoria Raciti) by a split vote of 7 vs 7. The second female Councillor Cr Da Cruz was excluded by a vote of 6 vs 8. The results are as shown:

Amendment (Passas/Steer)

THAT Council appoint Councillor Da Cruz to be on the recruitment panel.

Motion Lost

For Motion: Crs Da Cruz, Kiat, Passas, Porteous, Stamolis and Steer
Against Motion: Crs Byrne, Drury, Hesse, Lockie, Macri, McKenna OAM, Raciti and York
Absent: Cr Iskandar

Amendment (Stamolis/Macri)

THAT Council appoint Councillor Raciti to be on the recruitment panel.

Motion Tied

For Motion: Crs Byrne, Da Cruz, Macri, Passas, Porteous, Raciti and Stamolis
Against Motion: Crs Drury, Hesse, Kiat, Lockie, McKenna OAM, Steer and York
Absent: Cr Iskandar

Council needs to reflect gender balance on its panel. The new motion achieves this while also ensuring political balance (Labor, Green, Liberal, Independent) is achieved.

Council may also wish to discuss 'Ward balance' as there are no Councillors from Ashfield or Stanmore Ward.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 9
Subject: NOTICE OF MOTION: COST OF AMALGAMATION
From: Councillor Marghanita Da Cruz

MOTION:

THAT Council receive a report on the cost of the amalgamation.

Officer's Comments:

Comment from Chief Operating Officer, Director Development and Recreation

Council does not have compiled costs or savings as a result of the amalgamation. Given the considerable period of time which has lapsed since the amalgamation, this is an extensive project in its own right which is expected to take several (up to 6) months to complete. It should be recognised that in the early part of 2021, Council's Finance team will heavily focused on Rates Harmonisation and FY21/22 budget development from which staff resources are unable to be diverted.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 10
Subject: NOTICE OF MOTION: RACISM NOT WELCOME CAMPAIGN
From: Councillor Pauline Lockie

MOTION:

THAT Council:

1. Notes the alarming rise in incidents of racism in our society and in many other countries;
2. Endorses the “Racism Not Welcome” campaign developed by the Inner West Multicultural Network (IWMN), of which Inner West Council is a member;
3. Supports the instalment of up to 40 “Racism Not Welcome” street signs in key locations around the Inner West as part of this campaign;
4. Works with the IWMN to install the “Racism Not Welcome” street signs, noting that the Network has allocated a budget of \$9,000 to fund the campaign; and
5. Notes that the IWMN aims to promote our LGA as a model for other Councils to emulate for community engagement in tackling social problems such as racism.

Background

The Inner West Multicultural Network (IWMN) is an independent network of government and non-government service providers and organisations that works with, advocates for and supports people from multicultural communities in the Inner West LGA.

The purpose of the IWMN is to work in partnership with others to identify and address issues of community need. The IWMN works from a community development lens which aims to empower communities to achieve a just and equal society.

The IWMN ‘Racism NOT Welcome’ campaign emerged as a response to an increase in racist attacks on people in our communities. There is research-based evidence for the rise in racism, including reports published by UTS and UNSW¹, and Per Capita and the Asian-Australian Alliance².

The aim of the campaign is to create:

1. An Inner West where racism is not welcome. A place with strong social cohesion where racism is ‘called out’.
2. A place where people feel a sense of belonging and are equal.

¹ Farbenblum, B. and Berg, L. *As If We Weren’t Humans: The Abandonment of Temporary Migrants in Australia During COVID-19*, Sep 2020. mwji.org/s/As-if-we-werent-humans-Report.pdf

² Asian-Australian Alliance and Chiu, O. *COVID-19 Coronavirus Racism Incident Report*, Apr 2020. asianaustalianalliance.net/covid-19-coronavirus-racism-incident-report/

3. A place where decision making is shared, and diversity is valued and celebrated.
4. Through the street sign element of the campaign: a call to action for other Councils, and to encourage the local community to have these important if difficult conversations and call out racism when they see it.

As part of the campaign, IWMN will also:

- Create branded “Racism Not Welcome” stickers and posters that businesses and individuals can use to spread the word, and demonstrate their own commitment to calling out racism
- Produce a video portraying real experiences of racism and racial discrimination
- Work with the local Aboriginal community and exploring opportunities for Truth-Telling projects
- Hold an art exhibition featuring local artists using the anti-racism theme
- Hold an event on 21 March 2021 for the International Day for the Elimination of Racial Discrimination
- Facilitate bystander action training and toolkits.

In relation to the “Racism Not Welcome” street signs, my initial discussions with Council officers indicate there are minimal barriers to installing such signs, as long as they don’t interfere with road or pedestrian safety.

For this reason, I have proposed that Council works with the IWMN to ensure these signs are placed in appropriate locations. The IWMN has prepared an initial list of locations (see below), which will be finalised pending approval from Council.

Inner West Council and the previous Ashfield, Leichhardt and Marrickville Councils have a long history of standing against all forms of racism, and this motion would further exemplify our commitment and leadership in this area.

Concept designs for Racism Not Welcome



Proposed street sign locations

Midjuburi - Marrickville Ward

1. Addison Road Community Centre (Marrickville)
2. Marrickville Rd and Illawarra Rd (Marrickville)
3. Precinct 75 (St Peters)

4. Marrickville Metro Shopping Centre (Marrickville)
5. Sydenham Green (Sydenham)

Damun - Stanmore Ward

6. Audley St and New Canterbury Rd (Petersham)
7. Australia St and Bedford St (The Hub - Newtown)
8. Victoria and Addison Rd (Enmore)
9. Douglas St and Salisbury Rd (Stanmore)
10. Camperdown Memorial Rest Park (Camperdown)
11. Crystal St (outside TAFE – Petersham)
12. Albermarle and Australia St (Newtown)

Djarrawunang - Ashfield Ward

13. Liverpool Rd (outside Ashfield mall – Ashfield)
14. Lackey St and Hardie Av (Summer Hill)
15. Marrickville Rd and Seaview St (Dulwich Hill)
16. Ashfield Park (Ashfield)

Gulgadya - Leichhardt Ward

17. Norton Street (Leichhardt)
18. Ramsay St (Haberfield)
19. Booth and Johnston St (Annandale)

Baludarri - Balmain Ward

20. Darling and Beattie Street (Balmain)
21. Refugee Welcome Centre (Callan Park – Rozelle)
22. Lilyfield and Canal Rd (Lilyfield)
23. Wharf and Balmain Rd (Lilyfield)
24. Balmain East Ferry Terminal (Balmain East)
25. Dawn Fraser Baths (Balmain)

Officer's Comments:

Staff have no comment.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 11
Subject: NOTICE OF MOTION: SEAVIEW STREET DULWICH HILL
From: Councillor Colin Hesse

MOTION:

THAT:

1. Council seek discussions with the NSW Minister for Education and the community with a view to developing shared community and public educational facilities in Seaview Street Dulwich Hill;
2. Any agreement with the NSW Department of Education and Council ensure permanent community access to the Graham Green outside school hours, and the elimination of the long term need to place demountable classrooms on the Graham Green;
3. Any development takes into account the contribution of the former library to local heritage; and
4. The member for Summer Hill, Jo Haylen, be invited to work with Council and the community to achieve a better school and permanent green open space for the community.

Background

Inner West Council owns three adjacent properties in Seaview Street Dulwich Hill; the Seaview Street Hall, the former Dulwich Hill Branch Library, both fronting Seaview Street, and the former Baby Heath Centre to the rear of the former Library fronting the Jack Shanahan Car Park.

The latter two buildings are currently leased, and not used for Council purposes.

The success of our local high schools in increasing enrolments is a testimony to the quality of public education, but has caused pressures on the limited open space at Dulwich High School as it properly seeks to meet the needs of an increasing population. The land known at the Graham Green, shared with the community after hours for many decades, is now planned for use to house a number of demountable classrooms.

The perfectly reasonable need for more classrooms highlights both the failure of successive NSW Governments to provide appropriate infrastructure for an increasing population, and the associated serious shortage of open space in the inner west.

With the Council property located immediately opposite the High School there may be an opportunity to negotiate an agreement between Council and the NSW Department of Education to use the land for educational and community purposes. The existing zoning of the area could allow a more modern community space, including a community hall, and classrooms for the school. Such an agreement would require the NSW Department of Education to agree to a permanent and legally enforceable covenant that ensured the Graham Green be retained as open space in perpetuity under the same access regime that has existed over the past decades, that is that the area is for the school use only during school hours, and open to the public after school hours.

Officer's Comments:

Comment from Chief Operating Officer, Director Development and Recreation:

In respect of Graham Green, staff at the Department of Education has confirmed that they are proceeding with the placement of a demountable classroom on the Green. The location of the classroom, together with community access to the Green remains under discussion with Council staff.

The buildings on Seaview Street are currently tenanted by the Marrickville Legal Centre and the NSW Federation of Community Languages School, and these groups would be displaced should any agreement be reached with Department of Education.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 12
Subject: NOTICE OF MOTION: SOLAR PANELS FOR ROOFTOP CARPARK AT ASHFIELD TOWN HALL AND SHOPPING CENTRE
From: Councillor Tom Kiat

MOTION:

THAT Council receive a report addressing how it can install solar panel shades on the council rooftop car park at Ashfield Shopping Centre, similar to the installation at Leichhardt Marketplace, including options for partnerships with the shopping centre through a power purchase agreement.

Officer's Comments:

Comment from Urban Sustainability Manager:

Inner West Council does not own the carpark at Ashfield Shopping Centre and has no authority to install solar panels.

Inner West Council has launched a new project resulting from this year's solar EOI – *Go solar for business* with delivery partners *Energy Action*. Energy specialists, Energy Action were advisors and project managers for the large carpark solar shade structure at Leichhardt Marketplace. Energy Action will be providing solar business cases and advice on financing, including Power Purchase Agreements (PPA's) to Inner West commercial and industrial businesses (targeting larger roofs). Energy Action can also manage the procurement process (for a fee to the business), including via a reverse auction with pre-vetted suppliers. The Ashfield Shopping Centre would be eligible to apply for this Council program.

Council's Pathway to a Carbon Neutral Council report identified an opportunity to install solar on the Ashfield Administration Centre roof to supply energy to the administration building. Further assessment of project is pending the outcome of the Long-Term Accommodation Strategy.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 13
Subject: NOTICE OF MOTION: GLOBE WILKINS PRESCHOOL TENDER
From: Councillors Tom Kiat and Anna York

MOTION:

THAT Council:

1. Reiterate its commitment to continuing to operate Globe Wilkins Preschool;
2. Note that the existing licence to operate the Preschool will end in 2021, which will require Council to win a competitive tender process and fund a fit out of the rebuilt Preschool;
3. Receive a report detailing how Council will allocate its resources to ensure it can submit a high-quality tender and have funds available to ensure a high-quality fit out of the rebuilt Preschool;
4. Recognise the ongoing community campaign to ensure that the Preschool continue to be operated by Council, maintaining the excellent standard of education and care.

Officer's Comments:

Comment from Acting Director City Living:

The Department of Education - School Infrastructure has advised that a builder has been appointed for the construction of the tender and work will commence once DA approval has been granted (likely December 2021). It was indicated the Globe Wilkins Preschool Tender is expected to open in approximately February / March 2021.

Officers are currently reviewing the available plans to identify the amount of funds that will be required for the fit-out. Until the Tender documents are received, this will be an approximate only.

Officers continue to attend monthly meetings with the Save Globe Wilkins Group.

ATTACHMENTS

Nil.

Item No: C1120(2) Item 14
Subject: NOTICE OF MOTION:WESTCONNEX BLASTING
From: The Mayor, Councillor Darcy Byrne

MOTION:

THAT Council:

1. **Notes the announcement (See background) that WestConnex contractors are proposing to use explosive blasting beneath homes between Norton and MacKenzie streets in Leichhardt ;**
2. **Opposes the use of explosive blasting by WestConnex contractors to carve out tunnels for the motorway's underground M4-M5 Link, and;**
3. **Writes to the Minister for Transport expressing its opposition to the use of explosives for tunnel exploration while building WestConnex, explaining the process threatens to cause serious damage to properties located above and close to the blasting sites, and that the Minister reject all proposals to use explosive blasting in Rozelle, Lilyfield, Annandale and Leichhardt.**

Background

WestConnex contractors propose blasting beneath homes in Leichhardt

By [Megan Gorrey](#)

November 11, 2020 — 12.25pm

The contractors digging tunnels for the WestConnex motorway are pursuing plans to blast through rocky ground under more homes in Sydney's inner-west, months after abandoning the method on an earlier section of the route.

Residents were alarmed when they were told [construction crews would test blasting](#) in Annandale in July after hitting hard sandstone carving tunnels for the \$16.8 billion toll-road's M4-M5 Link from Haberfield to St Peters.

The project's joint-venture contractor, Acciona Samsung Bouygues, [later decided the method was not viable](#) in that location following a one-day trial of three "small-scale controlled blasts" beneath homes on Reserve Street.

Acciona Samsung Bouygues has since applied for planning permission to allow blasting to break rock for excavation on a section of the motorway route between Norton and MacKenzie streets in Leichhardt.

Residents' shock over the prospect of blasting under their houses has underscored concerns about tunneling noise and vibrations [experienced along earlier sections of the WestConnex route](#), as the NSW government pushes ahead with its ambitious agenda to build a toll-road network beneath thousands of homes across Sydney.

A WestConnex spokeswoman said the contractor had made the application to the Department of Planning, Industry and Environment to "maintain the option" to use blasting in the event it hit hard rock along the route in Leichhardt in 2021.

It was too early to determine if the method would be required.

"If the contractor determines blasting is recommended in this location, the community will be closely consulted well ahead of time," the spokeswoman said.

The move prompted Balmain Greens MP Jamie Parker to urge the state government and contractors to abandon any further intentions to blast the tunnels, which run under hundreds of homes in densely-populated suburbs.

"They can complete these tunnels with conventional roadheaders and residents along the tunnel route don't need the threat of blasting held over them for the next three years," Mr Parker said.

The small section of the motorway subject to the most recent proposal runs about 40 to 50 metres beneath homes, as well as the Sydney Secondary College Leichhardt Campus and Pioneers Memorial Park.

The [environmental impact statement](#) for the M4-M5 Link, published in August 2017, indicated a combination of roadheader excavation and drill and blast methods would be used to dig the tunnels for the M4-M5 Link.

The tunnel blasting method involves pre-drilling a series of holes in the underground rock face, loading those holes with explosives and detonating them to blow apart the rock into more manageable pieces to remove.

Mr Parker said blasting was a concern in Leichhardt as the area's heritage homes would be "particularly vulnerable to cracking and damage from the strong vibrations generated by explosives".

"Blasting underneath homes is inherently risky and threatens serious and unnecessary damage over and above the damage that is already being caused by conventional tunnelling," he said.

However, the WestConnex spokeswoman said blasting was a common tunnel excavation method that had been used "safely and effectively" in other tunnelling projects in Sydney, including the Metro rail line.

"When it is used in areas of hard rock it can significantly reduce the duration of noise and vibration impacts for local communities, compared to using rock-breakers and roadheaders."

Any blasting would be subject to strict conditions and monitored to ensure all vibration levels were within the limits set by the Planning Department and the NSW Environment Protection Authority, the spokeswoman said.

She would not say whether blasting was being considered for other sites in Leichhardt, Annandale, Lilyfield and Rozelle but said it "remains a potential methodology for areas of the tunnel with hard rock".

ATTACHMENTS

Nil.

Item No: C1120(2) Item 15

Subject: ARLINGTON RESERVE - RENEWAL WORKS

Prepared By: Cathy Edwards-Davis - Director Infrastructure

Authorised By: Elizabeth Richardson - Acting General Manager

RECOMMENDATION

THAT the report be received and noted.

DISCUSSION

In October 2019, the original synthetic turf contractor for Arlington Reserve and Council agreed that the synthetic surface was failing to the point where it is not worth repairing. There was a failure of the turf seams and the turf was shedding large quantities of fibers. There were significant safety concerns for the people utilising the grounds.

Prior to this time, the defects were fixed regularly, until it was determined that the entire surface needed to be replaced. The contractor had previously undertaken repair works (at their expense), including replacement of turf in the goal boxes, seam repairs and additional sand and rubber infill.

The works were renewal (replacing like for like) and as such community engagement was limited to construction notification only. The works were undertaken in summer to minimise impacts to the sporting clubs and were completed in April 2020.

The synthetic turf is composed of two key components, the synthetic grass surface and the shockpad. The surface has an expected useful life of eight years. The shockpad has an expected useful life of 20 to 25 years.

The new synthetic grass surface was installed at Arlington Reserve in 2020 and it is anticipated that it will need to be renewed again around 2028.

Council has over \$1.9 billion of assets which require renewal and maintenance at different times. The same asset type can have a variable useful life depending on a number of factors, including: expected usage of the asset, expected physical wear and tear, technical or commercial obsolescence, and legal or similar limits on use of the asset. For example, street signage has a different expected useful life dependent on the environment that it sits in. Signs that face north will fade more quickly due to sun exposure and will need to be replaced more frequently than south facing signs. These variable useful lives are outlined in Council's Asset Strategy and Asset management Plans.

The cost to renew \$1.9 billion of assets is substantial. Council's current depreciation costs are \$23.4 million per year.

The renewal of the new synthetic turf was supervised by qualified Council project managers. At the completion of works, the following handover documents were received:

- Surfacing specification for the new synthetic turf that has been installed
- Maintenance guidelines for the synthetic turf
- As-built drawing of the completed pitch
- Lab test report for the surfacing system installed
- Pitch Maintenance Guidelines

- FIFA Quality Certificate

The above will help ensure that Council receives the maximum life expectancy and performance from the pitch surface.

The response to some of the questions is contained within the confidential attachment.

FINANCIAL IMPLICATIONS

The financial implications are outlined in the confidential attachment.

ATTACHMENTS

1. Arlington Reserve - Renewal Works - *Confidential*