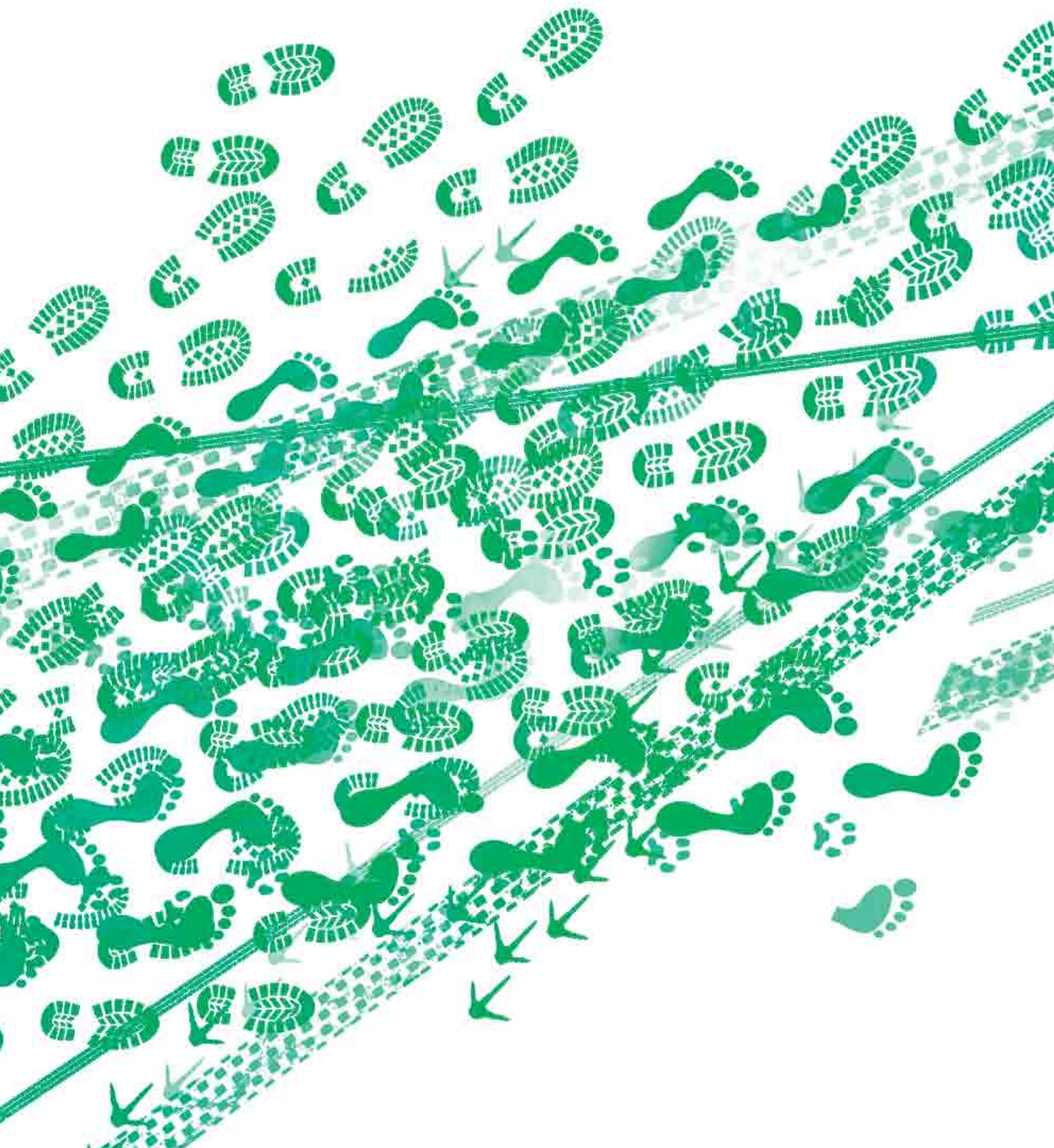


05 financial report





MASON
FIBER

4 6883



MAN CLOTHING SALE

ATURE



Safe, clean town centres

2008/2009 Community Financial Report

The Community Financial Report aims to provide a brief summary of Council's 2008/2009 Financial Statements in a form that is readily understood by members of our community, customers, employees and other stakeholders.

Budget

To provide a sound financial position for the City of Ryde, budgets are part of a detailed planning cycle. Similar to managing a household budget, money needs to be earned, bills have to be paid and savings need to be set aside for future needs.

Council's budget for 2008/2009 was \$117 million. In 2009/2010 the budget is \$101 million.

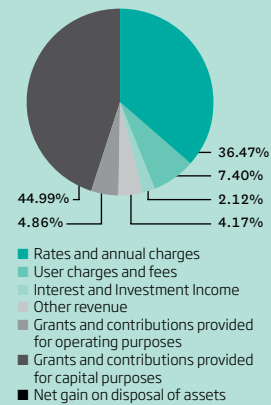
Financial Performance

Where did our money come from?

(Income Statement)

As indicated in the graph, Council's main source of income this year was from Capital grants and contributions \$64.3M or 45% (2007/2008: \$8.6M or 8%). This increase is due to \$58 million of contributed public domain infrastructure assets associated with major developments within the City such as roads, drainage works, footpath paving and associated infrastructure, tunnels and parks upgrading. Rates income contributed \$52.2 million or 36.5% (2007/2008: \$50.3 million or 47.9%). Federal and State Government grants assist in providing facilities and services in the community. User charges and fees (such as Ryde Aquatic Leisure Centre and regulatory/statutory fees) are also an important source of income.

TOTAL INCOME
\$143 MILLION



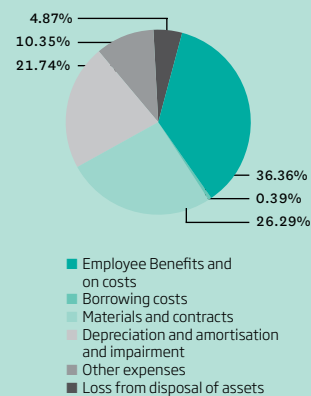
Where is the money spent?

(Income Statement)

Council provides significant services and infrastructure to the community. This work is done by Council's employees and contractors. Combined, this equates to 62.7% (2007/2008: 64.3%) of our operating expenditure.

In planning for the future, 21.7% (2007/2008: 21.5%) is allocated towards the future replacement of assets (via depreciation) and 0.4% (2007/2008: 1%) used to repay loan interest.

TOTAL OPERATING EXPENSES \$84 MILLION



How does the performance compare to previous years?

(Income Statement)

Council has achieved an operating surplus over the past six years. This indicates that the day-to-day costs incurred by Council are less than the total revenue received, allowing Council to pay for capital works.

OPERATING RESULT



Council had achieved three successive operating surpluses before capital from 2005/2006 to 2007/2008. In 2008/2009, Council's operating deficit is a direct result of the impact of the global financial crisis that has affected superannuation funds, businesses and all levels of government. It has also resulted in increased depreciation under Fair Value accounting of Council's \$2.5 billion infrastructure assets.

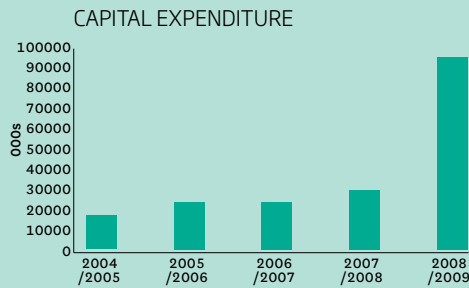
OPERATING RESULT BEFORE CAPITAL



Financial Position

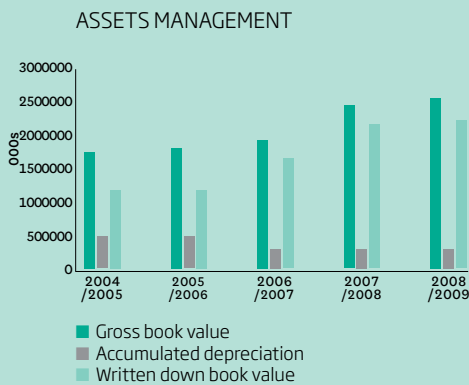
Capital Expenditure (Infrastructure, Property Plant and Equipment)

Council has substantially increased the level of capital expenditure on its assets to ensure their long term sustainability. Council delivered \$35.4 million on capital expenditure (2007/2008: \$29.9 million) and received \$58 million of contributed public domain infrastructure assets associated with major developments within the City.



Asset Management (Council's Assets - Infrastructure, Property, Plant and Equipment)

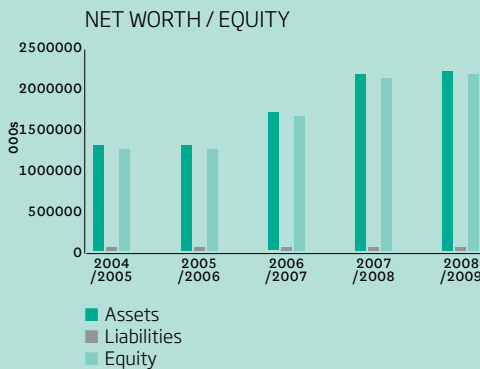
The City of Ryde owns and maintains over \$2.5 billion worth of infrastructure including roads, parks, buildings, stormwater drainage, bridges, footpaths, lighting, seawalls and wharves.



How are we going?

(Statement of Changes in Equity)

This graph compares the City of Ryde's net accumulated financial worth as at 30 June 2009 to its position over the past five years.



How we spend

Macquarie Park Corridor Special Rate

The Macquarie Park Corridor Special rate raised approximately \$1.1 million from its resident business properties. These funds assist in implementing the Macquarie Park Corridor Master Plan, which has been developed with the State Government and community stakeholders in response to the changing nature of business in the Corridor and the construction of the new Epping to Chatswood rail link.

These funds are separately accounted for and are being used to construct public domain infrastructure in the area. This will improve roads and cycleways as the area changes from a low density business park to an attractive, viable and vibrant urban centre.

Revenue and expenditure is as follows:

Macquarie Park Special Rate 2008/2009

	Budget	Actuals
Funds Brought Forward From 2007/2008 Financial Year	808,701	808,701
Revenue 2008/2009	1,100,000	1,102,832
Expenditure		
Macquarie Park Public Domain	2,300,000	2,247,923
Total Expenditure	2,300,000	2,247,923
NET RESULT	-391,299	-336,390

Council brought forward works and spent additional funds in advance to be recouped from future income.

Stormwater Management Service Charge

The Stormwater Management service charge raised approximately \$970,000 from residential and business properties (but not including vacant land or land owned by the Crown or land held under lease for private purposes under the housing Act 2001 or the Aboriginal Housing Act 1998.)

The funds raised are separately accounted for and are used to assist in the provision of stormwater management services across the City of Ryde.

(Performance Measures)

Unrestricted Current Ratio

For every \$1 of current liabilities Council has \$3.45 of working capital to satisfy these obligations in the short term. It is generally accepted that a ratio above 1:1 is satisfactory, meaning that the organisation has liquid assets that can meet short term liabilities as they fall due.

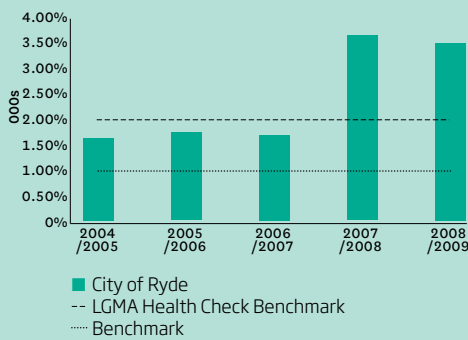
Revenue and expenditure are as follows:

Stormwater Management Charge 2008/2009

	Budget	Actuals
Funds Brought Forward from 2007/2008 Financial Year	\$230,000	\$206,994
Revenue 2008/2009	\$790,000	\$768,912
Expenditure		
Replacement of Pipes in Poor Condition	\$1,046,100	\$1,129,666
Replacement of Pits in Poor Condition	\$284,700	\$246,240
Urgent Drainage Repairs	\$0	\$0
Total Expenditure	\$1,330,800	\$1,375,906
NET RESULT	\$-130,800	\$-200,000

Council brought forward works and spent additional funds in advance to be recouped from future income.

UNRESTRICTED CURRENT RATIO



Debt Service Ratio

Council's debt service ratio has been steadily decreasing over the past five years. 1.42% of our total revenue was committed to loan repayments for 2008/2009. Council has the financial capacity to take up and service additional loan borrowings to fund infrastructure projects.

DEBT SERVICE RATIO %



Rate Coverage Ratio

Council sourced 36.5% of its revenue from rates and annual charges. Rate pegging limits Council's ability to generate additional rate revenue to cover rising costs and this puts further pressure on Council's ability to adequately fund services.

RATE COVERAGE RATIO %



Rates and Annual Charges Outstanding

The City of Ryde maintains a strong recovery rate of 3.9% of outstanding rates and annual charges as at June 2009 which compares favourably with the industry benchmark of 5%. This year saw an increase in the level of outstanding rates due in part to the global financial crisis and timing issues associated with issuing final notices following the fourth instalment.

Next Steps

Whilst Council is in a sound financial position as highlighted by the financial indicators, it faces a number of challenges in the year ahead.

One of the key challenges will be managing the ongoing impacts of the global financial crisis that has resulted in reduced development activity and decline in revenue.

Overall the most important challenges for Council will be to continue to address the maintenance and upgrading of its \$2.5 billion of infrastructure.

RATES AND ANNUAL CHARGES OUTSTANDING



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Overview

- (i) This Financial Report covers the consolidated operations for Council of the City of Ryde.
- (ii) Council of the City of Ryde is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.
- Council's Statutory Charter is specified in Section 8 of the LGA and includes;
- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
 - responsibility for administering regulatory requirements under the LGA and other applicable legislation, and
 - a role in the management, improvement and development of the resources of the local government area.
- A description of the nature of Council's operations and its principal activities are provided in Note 2(b).
- (iii) All figures presented in this Financial Report represent Australian Currency.
- (iv) This Financial Report was authorised for issue by the Council on 21/10/09.

Council has the power to amend and reissue the financial report.

Council of the City of Ryde

General Purpose Financial Report for the financial year ended 30 June 2009

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

The attached General Purpose Financial Report has been prepared in accordance with:

- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, this Report:

- presents fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 20 October 2009.



Councillor Michael Butterworth
MAYOR



Councillor Roy Magno
COUNCILLOR



Mr Michael Whittaker
GENERAL MANAGER



Mr Richard Nankivell
CHIEF FINANCIAL OFFICER
RESPONSIBLE ACCOUNTING OFFICER

FINANCIAL STATEMENTS

Income Statement for the Year Ended 30 June 2009

Budget 2009 (\$'000)		Notes	Actual 2009	Actual 2008
INCOME FROM CONTINUING OPERATIONS				
Revenue:				
52,125	Rates & Annual Charges	3a	52,159	50,335
11,314	User Charges & Fees	3b	10,662	11,270
3,783	Interest & Investment Revenue	3c	3,032	4,259
6,102	Other Revenues	3d	5,880	5,347
5,821	Grants & Contributions provided for Operating Purposes	3e,f	6,949	6,293
12,988	Grants & Contributions provided for Capital Purposes	3e,f	64,340	8,597
Other Income:				
84	Net gains from the disposal of assets	5	0	19,008
	Net Share of interests in Joint Ventures & Associated			
-	Entities using the Equity Method	19	0	0
92,217	Total Income from Continuing Operations		143,022	105,109
EXPENSES FROM CONTINUING OPERATIONS				
30,589	Employee Benefits & On-Costs	4a	30,611	29,161
694	Borrowing Costs	4b	331	475
22,795	Materials & Contracts	4c	22,177	19,667
14,832	Depreciation & Amortisation	4d	18,301	16,123
-	Impairment	4d	0	0
8,956	Other Expenses	4e	8,663	9,735
-	Net Losses from the Disposal of Assets	5	4,096	0
77,866	Total Expenses from Continuing Operations		84,179	75,161
14,351	Operating Result from Continuing Operations		58,843	29,948
DISCONTINUED OPERATIONS				
-	Net Profit/(Loss) from Discontinued Operations	24	0	0
14,351	NET OPERATING RESULT FOR THE YEAR		58,843	29,948
14,351	Net Operating Result attributable to Council		58,843	29,948
-	Net Operating Result attributable to Minority Interests		0	-
1,363	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(5,497)	21,351

(1) Original Budget as approved by Council - refer Note 16

Balance Sheet as at 30 June 2009

(\$'000)	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	44,987	34,516
Investments	6b	5,885	25,552
Receivables	7	6,288	4,683
Inventories	8	570	386
Other	8	330	303
Non-current assets classified as "held for sale"	22	0	0
Total Current Assets		58,060	65,440
Non-Current Assets			
Investments	6b	15,494	22,500
Receivables	7	488	389
Inventories	8	0	0
Infrastructure, Property, Plant & Equipment	9	2,166,375	2,109,750
Investments accounted for using the equity method	19	0	0
Investment Property	14	2,315	1,638
Intangible Assets	25	0	0
Other	8	0	0
Total Non-Current Assets		2,184,672	2,134,277
TOTAL ASSETS		2,242,732	2,199,717
LIABILITIES			
Current Liabilities			
Payables	10	16,068	14,956
Borrowings	10	453	700
Provisions	10	6,820	7,513
Total Current Liabilities		23,341	23,169
Non-Current Liabilities			
Payables	10	0	0
Borrowings	10	4,747	5,240
Provisions	10	250	188
Total Non-Current Liabilities		4,997	5,428
TOTAL LIABILITIES		28,338	28,597
Net Assets		2,214,394	2,171,120
EQUITY			
Retained Earnings	20	1,696,018	1,644,113
Revaluation Reserves	20	518,376	527,007
Council Equity Interest		2,214,394	2,171,120
Minority Equity Interest		0	0
TOTAL EQUITY		2,214,394	2,171,120

This report should be read in conjunction with the accompanying notes.

FINANCIAL STATEMENTS

Statement of Changes in Equity for the year ending 30 June 2009

2009

(\$'000) 2009	Notes	Retained Earnings	Reserves	Council Equity Interest	Minority Interest	Total Equity
Opening Balance (as per Last Year's Audited Accounts)		1,644,113	527,007	2,171,120	0	2,171,120
a. Correction of Prior Period Errors	20 (c)	(6,938)	-	(6,938)	-	(6,938)
b. Changes in Accounting Policies (prior year effects)	20 (d)	0	-	0	-	0
Revised Opening Balance (as at 1/7/08)		1,637,175	527,007	2,164,182	0	2,164,182
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	(8,631)	(8,631)	-	(8,631)
- Transfers to/(from) Other Reserves	20b (ii)	-	0	0	-	0
- Other Income/Expenses recognised	20b (ii)	-	0	0	-	0
- Other Adjustments	20b (ii)	-	0	0	-	0
Net Income Recognised Directly in Equity		0	(8,631)	(8,631)	0	(8,631)
d. Net Operating Result for the Year		58,843	-	58,843	0	58,843
Total Recognised Income & Expenses (c&d)		58,843	(8,631)	50,212	0	50,212
e. Distributions to/(Contributions from) Minority Interests		-	-	0	0	0
f. Transfers between Equity		0	0	0	-	0
EQUITY - BALANCE AT END OF THE REPORTING PERIOD		1,696,018	518,376	2,214,394	0	2,214,394

2008

(\$'000) 2008	Notes	Retained Earnings	Reserves	Council Equity Interest	Minority Interest	Total Equity
Opening Balance (as per Last Year's Audited Accounts)		1,607,434	81,699	1,689,133	-	1,689,133
a. Correction of Prior Period Errors	20 (c)	6,731	-	6,731	-	6,731
b. Changes in Accounting Policies (prior year effects)	20 (d)	0	-	0	-	0
Revised Opening Balance (as at 1/7/08)		1,614,165	81,699	1,695,864	0	1,695,864
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	445,308	445,308	-	445,308
- Transfers to/(from) Other Reserves	20b (ii)	-	-	0	-	0
- Other Income/Expenses recognised	20b (ii)	-	-	0	-	0
- Other Adjustments	20b (ii)	-	-	0	-	0
Net Income Recognised Directly in Equity		0	445,308	445,308	0	445,308
d. Net Operating Result for the Year		29,948	-	29,948	0	29,948
Total Recognised Income & Expenses (c&d)		29,948	445,308	475,256	0	475,256
e. Distributions to/(Contributions from) Minority Interests		-	-	0	-	0
f. Transfers between Equity		-	-	0	-	0
EQUITY - BALANCE AT END OF THE REPORTING PERIOD		1,644,113	527,007	2,171,120	0	2,171,120

This report should be read in conjunction with the accompanying notes.

Cash Flow Statement for the year ending 30 June 2009

Budget 2009	(\$'000)	Notes	Actual 2009	Actual 2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts:				
52,127	Rates & Annual Charges		51,611	50,007
13,332	User Charges & Fees		10,405	14,633
3,782	Interest & Investment Revenue Received		5,141	2,721
19,289	Grants & Contributions		13,145	14,863
5,060	Other		11,068	2,802
Payments:				
(30,684)	Employee Benefits & On-Costs		(30,428)	(28,567)
(25,700)	Materials & Contracts		(21,129)	(17,435)
(614)	Borrowing Costs		(332)	(480)
(9,810)	Other		(15,052)	(11,224)
26,782	Net Cash provided (or used in) Operating Activities	11b	24,429	27,320
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts:				
47,403	Sale of Investment Securities		26,667	121,589
2,783	Sale of Infrastructure, Property, Plant & Equipment		1,904	20,264
Payments:				
(25,552)	Purchase of Investment Securities		(5,993)	(107,200)
(59,085)	Purchase of Infrastructure, Property, Plant & Equipment		(35,796)	(26,031)
(34,451)	Net Cash provided (or used in) Investing Activities		(13,218)	8,622
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts:				
2,000	Proceeds from Borrowings & Advances		-	-
Payments:				
(737)	Repayment of Borrowings & Advances		(728)	(1,036)
-	Repayment of Finance Lease Liabilities		(12)	(16)
-	Other Financing Activity Payments		-	(318)
1,263	Net Cash Flow provided (used in) Financing Activities		(740)	(1,370)
(6,406)	Net Increase/(Decrease) in Cash & Cash Equivalents		10,471	34,572
34,516	plus: Cash & Cash Equivalents - beginning of year	11a	34,516	(56)
28,110	CASH & CASH EQUIVALENTS - END OF THE YEAR	11a	44,987	34,516

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

This report should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

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n/a - not applicable

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of this financial report are set out below in order to assist in its general understanding.

Under Australian Equivalents to International Financial Reporting Standards (AIFRS), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial reports.

(a) Basis of preparation

(i) Background

This financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian equivalents to International Financial Reporting Standards (AIFRSs),
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulations and
- the Local Government Code of Accounting Practice and Financial Reporting.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Australian Accounting Standards (AASB's) include Australian equivalents to International Financial Reporting Standards (IFRS's).

Because AASB's are sector neutral, some standards either (i) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's or (ii) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &
- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing this Financial Report and Accompanying Notes, Council has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

(iii) Application of AAS 27

AAS 27 - Financial Reporting by Local Government was withdrawn from use from 1 July 2008.

All key elements however of the former Standard have been incorporated into other current Standards including AASB 1051, 1052 and 1004.

(iv) Basis of Accounting

These financial statements have been prepared on an historical cost basis except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at Fair Valuation.

The accrual basis of accounting has also been applied in their preparation.

(v) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial reports.

(vi) Critical Accounting Estimates

The preparation of this financial report (and financial statements) requires the use of certain critical accounting estimates (in conformity with AIFRS).

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Income from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, and (i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a

particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical 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 detailed Note relating to developer contributions can be found at Note 17.

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

These financial reports incorporate (i) the assets and liabilities of Council and any entities (or operations) that it controls (as at 30/6/09) and (ii) all the related operating results (for the financial year ended the 30th June 2009).

The Financial Reports also include Council's share of the assets, liabilities, income and expenses of any Jointly Controlled Operations under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity

NOTES TO THE FINANCIAL STATEMENTS

year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, 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.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- General Purpose Operations

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property 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 property 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.

(iii) Joint Venture Entities

Jointly Controlled Assets & Operations

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

Details relating to such Entities and Partnerships (where applicable) are set out in Note 19.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the Equity Method of Accounting - in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed "Associates".

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either Finance or Operating Leases.

Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash on hand,
- deposits held at call with financial institutions,
- other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss,**
- **loans and receivables,**
- **held-to-maturity investments, and**
- **available-for-sale financial assets.**

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

Following on from amendments made to AASB 139 - Financial Instruments: Recognition & Measurement in October 2008, Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Actual Reclassifications

Council did not take up the option to reclassify some financial assets out of the held-for-trading category from 1 July 2008, following amendments made to AASB 139 in October 2008.

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at “fair value through profit or loss”, directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred

and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as “fair value through profit or loss” category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve.

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

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulations 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(g) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Department of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- Investment Properties – refer Note 1(n),
- Operational Land
- Community Land
- Buildings – Specialised/Non Specialised
- Other Structures
- Roads, Bridges & Footpaths
- Stormwater Drainage
- Plant and Equipment (as approximated by depreciated historical cost)

Council's other assets will be progressively revalued at fair value in accordance with a staged implementation advised by the Department of Local Government.

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial report at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

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.

Asset Revaluations

The methodology applied to the revaluation process was based on Asset Management Guidelines prepared and endorsed by the seven member councils of the Northern Sydney Regional Organisation of Councils (NSROC).

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

For 2008/2009, a major revaluation exercise was done on Infrastructure – Footpaths, and minor revaluations were done across other classes of assets.

The depreciation of non-current assets restated under the Fair Value review have had their accumulated depreciation adjusted based on their condition assessment.

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Land

- council land 100% Capitalised
- open space 100% Capitalised
- land under roads (purchases after 30/6/08) 100% Capitalised

Plant & Equipment

- Office Furniture > \$1,000
- Office Equipment > \$1,000
- Other Plant & Equipment > \$1,000

Buildings & Land Improvements

- Park Furniture & Equipment > \$2,000
- Building
 - construction/extensions 100% Capitalised
 - renovations > \$10,000
- Other Structures > \$2,000

Water & Sewer Assets

- Reticulation extensions > \$5,000
- Other > \$5,000

Stormwater Assets

- Drains & Culverts > \$5,000
- Other > \$5,000

Transport Assets

- Road construction & reconstruction > \$10,000
- Reseal/Re-sheet & major repairs: > \$10,000
- Bridge construction & reconstruction > \$10,000

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) is classified on purchase as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(l) 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 acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Land under roads acquired during the 2008/09 financial year has been brought on at its assessed market value.

(m) 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.

A working party of interested representatives from both State and Local Government is being formed to

consider the accounting issues related to the Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

(n) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both and is not occupied by Council.

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

(o) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Councils provisions relating to Close Down, Restoration and Remediation costs can be found at Note 26.

(p) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(q) Impairment of assets

Assets that are subject to amortisation are reviewed 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 non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as it's written down replacement cost.

NOTES TO THE FINANCIAL STATEMENTS

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(r) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

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

(t) 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.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(u) Provisions

Provisions for legal claims and service warranties are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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.

(v) Employee benefits

(i) Wages & salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

These provisions are measured at the amount expected to be paid when the liabilities are settled.

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

Long Service Leave is measured at the present value of the expected future payments to be made 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 reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) 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.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$290 million at 30 June 2009.

As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency.

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, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Define Contribution 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.

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those 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 accrued as at 30/6/09.

(w) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(x) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(y) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2009.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.

If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.

Council will apply the revised standard from 1 July 2009.

Applicable to Local Government but no implications for Council:

Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial reports as Council already capitalises borrowing costs relating to qualifying assets.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions.

It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

There will be no impact on the financial reports as Council makes no share based payments.

AASB Interpretation 15 Agreements for the Construction of Real Estate (effective 1 January 2009)

AASB-I 15 clarifies whether AASB 118 Revenue or AASB 111 Construction Contracts should be applied to particular transactions.

Council intends to apply the interpretation from 1 July 2009. It has reviewed its current agreements for the sale of real estate in light of the new guidance and concluded that there would be no change to the accounting for these agreements if AASB-I 15 was adopted in the current financial year. Consequently, it does not expect to make any adjustment on the initial application of AASB-I 15.

Applicable to Local Government but not relevant to Council at this stage;

Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes.

For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement.

There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

All acquisition-related costs must be expensed. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008.

They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met

There will be no impact on the financial reports as Council does not have any subsidiaries it is proposing to dispose of.

NOTES TO THE FINANCIAL STATEMENTS

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. Council will apply the revised rules prospectively from 1 July 2009.

After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group.

It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

There will be no impact on the financial reports as Council has no hedges of a net investment in a foreign operation.

AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

Council will apply the amended standard from 1 July 2009. It is not expected to have any impact on the financial reports.

AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders.

These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

Not applicable to Local Government per se; AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments.

(z) Rounding of amounts

Unless otherwise indicated, amounts in the financial report have been rounded off to the nearest thousand dollars.

(aa) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within this Financial Report and/or the Notes.

(ab) Disclaimer

Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

Note 2(a) Functions / Activities – Financial Disclosures

INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS / ACTIVITIES. DETAILS OF THESE FUNCTIONS / ACTIVITIES ARE PROVIDED IN NOTE 2(b)

FUNCTIONS/ACTIVITIES	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN INCOME			TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Actual 2009	Actual 2008	Actual 2009	Actual 2008	
PEOPLE														
Community Services	791	800	874	1,971	1,993	2,370	(1,180)	(1,193)	(1,496)	518	503	28,697	27,822	
Community Life	-	-	-	366	338	-	(366)	(338)	-	-	-	-	-	
Community Relations & Events	541	497	495	1,766	1,941	2,199	(1,225)	(1,444)	(1,704)	-	-	12,854	12,762	
Library Services	841	866	842	4,416	4,739	4,996	(3,575)	(3,873)	(4,154)	255	249	14,411	13,999	
Parks	489	1,164	664	3,179	3,895	10,014	(2,690)	(2,731)	(9,350)	2,007	30	1,155,603	1,142,308	
Ryde Aquatic Leisure Centre	5,288	4,765	4,668	5,325	5,582	5,632	(37)	(817)	(964)	93	-	48,047	47,600	
	7,950	8,092	7,543	17,023	18,488	25,211	(9,073)	(10,396)	(17,668)	2,873	782	1,259,612	1,244,491	
GOVERNANCE														
Governance	942	1,748	103	4,496	3,344	980	(3,554)	(1,596)	(877)	39	490	6,027	3,768	
	942	1,748	103	4,496	3,344	980	(3,554)	(1,596)	(877)	39	490	6,027	3,768	
ENVIRONMENT														
Assessment	1,653	1,051	1,563	2,518	3,024	2,803	(865)	(1,973)	(1,240)	-	-	-	2	
Environment	255	470	264	1,290	1,283	730	(1,035)	(813)	(466)	-	255	-	-	
Health and Building	1,090	726	841	1,672	1,899	1,601	(582)	(1,173)	(760)	-	-	203	81	
Regulation	3,801	4,174	3,738	2,192	2,125	2,062	1,609	2,049	1,676	-	-	91	74	
Environmental & Planning	-	-	-	-	-	523	-	-	(523)	-	-	-	-	
Urban Planning	12,574	2,671	8,481	2,476	2,603	2,451	10,098	68	6,030	49	104	-	2	
	19,373	9,092	14,887	10,148	10,934	10,170	9,225	(1,842)	4,717	49	359	294	159	
ASSETS														
Access	4,431	52,536	4,682	12,723	14,788	15,115	(8,292)	37,748	(10,433)	1,509	1,159	568,255	551,566	
Buildings & Property	1,373	2,965	20,021	6,672	6,929	3,518	(5,299)	(3,964)	16,503	-	167	49,356	43,115	
Catchments & Assets	327	1,599	1,429	5,889	6,347	6,661	(5,562)	(4,748)	(5,232)	734	256	272,437	262,268	
Waste & Fleet Management	12,311	12,939	12,202	11,404	12,774	10,563	907	165	1,639	463	181	12,563	8,279	
Operations	164	8,942	426	8,729	9,826	1,783	(8,565)	(884)	(1,357)	-	-	146	146	
	18,606	78,981	38,760	45,417	50,664	37,640	(26,811)	28,317	1,120	2,706	1,763	902,757	865,374	
TOTAL FUNCTIONS & ACTIVITIES	46,871	97,913	61,293	77,084	83,430	74,001	(30,213)	14,483	(12,708)	5,667	3,394	2,168,690	2,113,792	
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-	
General Purpose Income ¹	45,345	45,109	43,816	781	751	1,160	44,564	44,358	42,656	3,885	3,045	74,042	85,925	
Operating Result from Continuing Operations	92,217	143,022	105,109	77,866	84,179	75,161	14,351	58,843	29,948	9,552	6,439	2,242,732	2,199,717	

¹ Includes: Rates and Annual Charges (incl. Ex-gratia), Non-Capital General Purpose Grants and unrestricted Interest and Investment Income

NOTES TO THE FINANCIAL STATEMENTS

Note 2(b). Components of Functions / Activities

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

Community Services

- Social planning and Policy
- Community development
- Social service delivery

Community Relations & Events

- Co-ordination of Community Events
- Publications and Media Releases
- Management & Hire of Community Halls

Library Services

- Information and lending services
- Community information
- Local studies

Parks

- Planning and administration of all the City's sporting and recreational facilities and open space
- Management of trees in public areas and on private land
- Landscape design and recreational planning
- Review and implementation of construction and maintenance works programs for sporting and recreational facilities and open space

Ryde Aquatic Leisure Centre

- Provide a first-class aquatic and multi-purpose sports facility
- Operate the facility on a commercial basis

Corporate Services

Assessment

- Assessment of development applications

Environment

- Preparation of the State of the Environment Report
- Preparation of Environmental Policy

Health And Building

- Enforcement of illegal landuses and illegal buildings
- Maintenance of registers
- Issuing planning certificates and building certificates
- Undertaking property searches
- Food shop inspections
- Regulated system (e.g. cooling towers) inspections
- Pollution control
- Construction and compliance certificates issued
- Principal Certifying Authority activities

Regulation

- Animal control
- Street and Parking control

Support Services

- Provision of facilitation/mediation services
- Review and development of business processes
- Executive support

Urban planning

- Heritage planning and conservation
- Preparation of statutory planning instruments
- Preparation of integrated planning strategies including master plans
- Pre-lodgement advice and client management
- Progress building inspections

Access

- Management of the City's road network and other access infrastructure including wharves, boat ramps and bikeways
- Development of the Asset Management Program for access infrastructure
- Review and implementation of the construction and maintenance works programs for access assets

Buildings and Property

- Supply and maintain corporate and community land and buildings used to accommodate Council's operations and to provide facilities and services to the Community
- Commercial management of land and buildings
- Commercial disposal of surplus land and properties
- Property acquisition

Catchments and Assets

- Management of the City's stormwater network including natural creek systems
- Development of City's Catchment Management Plans
- Development of City's Stormwater Management Program for stormwater infrastructure
- Review and implementation of construction and maintenance works programs for stormwater assets and creek systems

Waste & Fleet Management

- Regular collection of domestic garbage from all residential premises and collection of commercial waste from commercial premises in the City
- Regular collection of recyclable materials from all residential premises and contracted commercial premises in the City
- Removal of litter and rubbish from public places including public footpaths, roadways, malls, small reserves and pocket parks
- Provide and maintain the organisation's vehicles and equipment

Works

- Oversee and implement the Construction and Maintenance Works Programs of Council
- Project manage procurement of capital works

General Purpose Revenues

- Rates and charges collection
- Investments and borrowings

Note 3 Revenue From Continuing Operations

(\$'000)	Notes	Actual 2009	Actual 2008
(A). RATES & ANNUAL CHARGES			
Ordinary Rates			
Residential		21,846	21,528
Environmental Management Levy		5,314	5,319
Business		11,411	10,540
Total Ordinary Rates		38,571	37,387
Special Rates			
Macquarie Park		1,099	1,081
Total Special Rates		1,099	1,081
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		11,521	10,905
Stormwater Management Services		968	962
Total Annual Charges		12,489	11,867
TOTAL RATES & ANNUAL CHARGES		52,159	50,335
Council has used 2007 valuations provided by the NSW Valuer General in calculating its rates.			
(B). USER CHARGES & FEES			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		534	560
Total User Charges		534	560
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Environmental Planning		723	1,196
Private Works - Section 67		33	79
Regulatory/ Statutory Fees		1,633	1,898
Section 611 Charges		155	152
Total Fees & Charges - Statutory/Regulatory		2,544	3,325
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Aquatic Centre		4,549	4,572
Gutter Crossings		270	196
Hall Hire		397	366
Home Maintenance & Modification		56	86
Parking Fees		876	720
Restoration Charges		743	728
Sports Facility Rental		438	432
Vacation Care		177	191
Other		78	94
Total Fees & Charges - Other		7,584	7,385
TOTAL USER CHARGES & FEES		10,662	11,270
(C). INTEREST & INVESTMENT REVENUE (INCL. LOSSES)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		148	119
- Interest earned on Investments (interest & coupon payment income)		2,883	4,140
Amortisation of Premiums & Discounts			
- "Held to Maturity" Investments		1	-
TOTAL INTEREST & INVESTMENT REVENUE		3,032	4,259
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		148	119
General Council Cash & Investments		2,348	3,234
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		536	906
Total Interest & Investment Revenue Recognised		3,032	4,259

NOTES TO THE FINANCIAL STATEMENTS

Note 3 Revenue From Continuing Operations

(\$'000)	Notes	Actual 2009	Actual 2008
(D). OTHER REVENUES			
Fair Value Adjustments - Investment Properties	14	677	-
Rental Income - Investment Properties	14	199	195
Rental Income - Other Council Properties		732	704
Ex Gratia Rates		2	2
Parking Fines		3,155	2,863
Other Fines		77	73
Legal Fees Recovery - Rates & Charges (Extra Charges)		-	5
Legal Fees Recovery - Other		2	1
Deed of Settlement Waste Contract		-	236
Eastwood Plaza		-	26
Insurance Claim Recoveries		5	15
Leases - Telecommunication		173	203
Recycling Income (non domestic)		29	82
Royalties		133	86
Sales - General		22	16
Staff Vehicle Leases and Other Payments		390	388
Other		284	452
TOTAL OTHER REVENUE		5,880	5,347

(\$'000)	OPERATING		CAPITAL	
	2009	2008	2009	2008
(E). GRANTS				
General Purpose (Untied)				
Financial Assistance - General Component	2,392	1,765	-	-
Financial Assistance - Local Roads Component	931	682	-	-
Pensioners' Rates Subsidies - General Component	562	598	-	-
Total General Purpose	3,885	3,045	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	208	179	-	-
Catchment Management	153	256	581	-
Community Staff Funding	166	148	-	-
Environmental Protection	-	423	-	-
Home Maintenance & Modification	300	259	-	-
Library	255	249	-	-
Masterplans	47	104	-	-
Parks	60	30	1,947	15
DEET - Apprentice Rebate Scheme	38	-	-	-
Street Lighting	330	322	-	-
Waste Performance Improvement Program	255	168	-	-
Transport (Roads to Recovery)	-	-	598	393
Transport (Other Roads & Bridges Funding)	-	-	376	748
Vacation Care	52	49	-	-
Other	152	51	149	-
Total Specific Purpose	2,016	2,238	3,651	1,156
TOTAL GRANTS	5,901	5,283	3,651	1,156
Grant Revenue is attributable to:				
- Commonwealth Funding	4,348	3,224	2,729	393
- State Funding	1,553	2,059	922	763
- Other Funding	-	-	-	-
	5,901	5,283	3,651	1,156

(\$'000)	OPERATING		CAPITAL	
	2009	2008	2009	2008
(F). CONTRIBUTIONS				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	1,226	4,693
S 94 - Buildings, Properties & Infrastructure (In Kind)	-	-	1,658	-
Total Developer Contributions	17	-	2,884	4,693
Other Contributions:				
Bus Shelters	-	105	-	-
Community Events	61	114	-	-
Customer/Resident Contributions	-	1	7	60
Other Councils - Joint Works/Services	484	469	-	-
RTA Contributions (Regional/Local, Block Grant)	332	312	-	32
Voluntary Planning Agreements	-	-	1,000	2,118
Environmental Monitoring	100	-	-	-
Macquarie Park Master Plans	68	-	-	-
Buildings, Property & Infrastructure (In Kind)	-	-	56,341	-
Other	3	9	457	538
Total Other Contributions	1,048	1,010	57,805	2,748
Total Contributions	1,048	1,010	60,689	7,441
TOTAL GRANTS & CONTRIBUTIONS	6,949	6,293	64,340	8,597

(\$'000)	2009	2008
(G) RESTRICTIONS RELATING TO GRANTS AND CONTRIBUTIONS		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	15,559	19,336
add: Grants and contributions recognised in the current period which have not been spent:	5,468	6,729
less: Grants and contributions recognised in a previous reporting period which have been in the current reporting	(11,370)	(10,506)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(5,902)	(3,777)
Unexpended at the Close of this Reporting Period and held as Restricted Assets	9,657	15,559
Comprising:		
- Specific Purpose Unexpended Grants	2,373	1,479
- Developer Contributions	7,284	14,080
- Other Contributions	9,657	15,559

NOTES TO THE FINANCIAL STATEMENTS

Note 4 Expenses From Continuing Operations

(\$'000)	Actual 2009	Actual 2008
(A) EMPLOYEE BENEFITS & ON-COSTS		
Salaries and Wages	23,444	22,782
Employee Leave Entitlements (ELE)	5,307	4,907
Superannuation	2,735	2,404
Workers' Compensation Insurance	1,324	1,216
Fringe Benefit Tax (FBT)	290	262
Training Costs (other than Salaries & Wages)	326	298
Other	431	430
Total Employee Costs	33,857	32,299
less: Capitalised Costs	(3,246)	(3,138)
TOTAL EMPLOYEE COSTS EXPENSED	30,611	29,161
Number of "Equivalent Full Time" Employees at year end	486	486
(B) BORROWING COSTS		
(i) Interest Bearing Liability Costs		
Interest on Loans	331	474
Charges relating to Finance Leases	-	1
Total Interest Bearing Liability Costs	331	475
less: Capitalised Costs	-	-
Total Interest Bearing Liability Costs Expensed	331	475
(ii) Other Borrowing Costs		
Nil		
TOTAL BORROWING COSTS EXPENSED	331	475
(C) MATERIALS & CONTRACTS		
Raw Materials & Consumables		
Contractor & Consultancy Costs	17,262	14,597
Auditors Remuneration		
i. Audit Services - Council's Auditor	66	64
ii. Other Services - Council's Auditor	-	3
Infringement Notice Contract Costs (SEINS)	451	518
Legal Expenses:		
- Legal Expenses - Planning & Development	16	39
- Legal Expenses - Other	91	192
Operating Leases:		
Operating Lease Rentals - Minimum Lease Payments (1)	-	29
Total Materials & Contracts	22,177	19,667
less: Capitalised Costs	-	-
TOTAL MATERIALS & CONTRACTS	22,177	19,667
1. Operating Lease Payments are attributable to:		
- Computers	-	29
	-	29

(\$'000)	DEPRECIATION/AMORTISATION		IMPAIRMENT COSTS	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
(D) DEPRECIATION, AMORTISATION & IMPAIRMENT				
Plant and Equipment	1,759	1,767	-	-
Office Equipment	1,113	762	-	-
Furniture & Fittings	198	197	-	-
Property, Plant & Equipment - Leased	14	16	-	-
Land Improvements (depreciable)	928	928	-	-
Buildings - Non Specialised	1,232	267	-	-
Buildings - Specialised	1,188	902	-	-
Other Structures	2,314	934	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	5,435	5,655	-	-
- Stormwater Drainage	3,801	4,326	-	-
Other Assets				
- Library Books	447	511	-	-
Total Depreciation & Impairment Costs	18,429	16,265	-	-
less: Capitalised Costs	(128)	(142)	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED	18,301	16,123	-	-

Note 4 Expenses From Continuing Operations (Continued)

(\$'000)	Actual 2009	Actual 2008
(E) OTHER EXPENSES		
Other Expenses for the year include the following:		
Advertising	209	186
Bad & Doubtful Debts	10	224
Bank Charges	182	209
Contributions to Other Levels of Government		
- NSW Fire Brigade Levy	1,370	1,393
- Department of Planning Levy	215	210
Councillor Expenses - Mayoral Fee	51	49
Councillor Expenses - Councillors' Fees	222	214
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)	125	56
Donations, Contributions & Assistance to other organisations (Section 356)	367	193
Election Expenses	405	-
Electricity & Heating	793	789
Insurance	717	1,055
Interest in Refundable Deposits	25	58
Postage & Courier Costs	234	224
Property Lease Costs	41	5
Revaluation Decrements (applicable to Fair Valuation of Investment Properties)	14	892
Street Lighting	1,549	1,398
Membership Fees	112	71
Telephone & Communications	402	459
Valuation Fees	115	129
Waste Development Tax	1,107	999
Water Rates	263	170
Other	149	752
Total Other Expenses	8,663	9,735
less: Capitalised Costs	-	-
TOTAL OTHER EXPENSES	8,663	9,735

Note 5. Gains or Losses on Disposal of Assets

(\$'000)	Actual 2009	Actual 2008
PROPERTY (EXCL. INVESTMENT PROPERTY)		
Proceeds from Disposal	-	19,393
less: Carrying Amount of Property Assets Sold	-	(174)
Net Gain/(Loss) on Disposal	-	19,219
PLANT & EQUIPMENT		
Proceeds from Disposal	1,904	871
less: Carrying Amount of P&E Assets Sold	(2,090)	(1,167)
Net Gain/(Loss) on Disposal	(186)	(296)
FINANCIAL ASSETS*		
Proceeds from Disposal	90	3,585
less: Carrying Amount of Financial Assets Sold	(4,000)	(3,500)
Net Gain/(Loss) on Disposal	(3,910)	85
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	(4,096)	19,008
* Financial Assets disposals include:		
- Net Gain/(Loss) from Financial Instruments designated "Held to Maturity"	(3,910)	85
Net Gain/(Loss) on Disposal of Financial Instruments	(3,910)	85

NOTES TO THE FINANCIAL STATEMENTS

Note 6a. - Cash Assets and Note 6b. - Investment Securities

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
CASH & CASH EQUIVALENTS (NOTE A)				
Cash on Hand and at Bank	491	-	260	-
Cash-Equivalent Assets ¹				
- Deposits at Call	18,116	-	-	-
- Short Term Deposits	26,380	-	34,256	-
Total Cash & Cash Equivalents	44,987	-	34,516	-
INVESTMENT SECURITIES (NOTE 6B)				
- Managed Funds	885	-	24,552	-
- NCD's, FRN's (with Maturities > 3 months)	1,000	2,000	-	6,000
- CDO's	-	6,000	1,000	9,000
- Other Long Term Maturity Financial Instruments	4,000	7,494	-	7,500
Total Investment Securities	5,885	15,494	25,552	22,500
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	50,872	15,494	60,068	22,500
¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.				
Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:				
Cash & Cash Equivalents				
a. "At Fair Value through the Profit & Loss"	44,987	-	34,516	-
Investments				
a. "At Fair Value through the Profit & Loss"				
- "Held for Trading"	6(b-i) 885	-	24,552	-
- "Designated At Fair Value on Initial Recognition"	6(b-i) -	-	-	-
b. "Held to Maturity"	6(b-ii) 5,000	15,494	1,000	22,500
c. "Loans & Receivables"	6(b-iii) -	-	-	-
d. "Available for Sale"	6(b-iv) -	-	-	-
Investments	5,885	15,494	25,552	22,500

Note 6(b-i) - Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
Balance at the Beginning of the Year	24,552	-	35,438	-
Revaluations (through the Income Statement)	(2,090)	-	1,418	-
Additions	-	-	102,200	-
Disposals (sales & redemptions)	(21,577)	-	(114,504)	-
Balance at End of Year	885	-	24,552	-
Comprising:				
- Managed Funds	885	-	24,552	-
Total	885	-	24,552	-

Note 6(b-ii) - Reconciliation of Investments classified as "Held to Maturity"

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
Balance at the Beginning of the Year	1,000	22,500	1,500	24,001
Amortisation of Premiums & Discounts	1	-	-	(1)
Additions	2,999	2,994	-	5,000
Disposals (sales & redemptions)	(1,000)	(8,000)	(1,500)	(5,500)
Transfers between Current/Non Current	2,000	(2,000)	1,000	(1,000)
Balance at End of Year	5,000	15,494	1,000	22,500
Comprising:				
- NCD's, FRN's (with Maturities > 3 months)	1,000	2,000	-	6,000
- CDO's	-	6,000	1,000	9,000
- Other Long Term Maturity Financial Assets	4,000	7,494	-	7,500
Total	5,000	15,494	1,000	22,500

Note 6(b-iii) - Reconciliation of Investments classified as “Loans & Receivables”

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
Nil				

Note 6(b-iv) - Reconciliation of Investments classified as “Available for Sale”

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
Nil				

Note 6c. Restricted Cash, Cash Equivalents & Investments

(\$'000)	Actual 2009 Current	Actual 2008 Non Current	Actual 2009 Current	Actual 2008 Non Current
Total Cash, Cash Equivalents and Investment Securities	50,872	15,494	60,068	22,500
attributable to:				
External Restrictions (refer below)	11,621	247	14,153	4,271
Internal Restrictions (refer below)	33,331	15,247	40,942	18,229
Unrestricted	5,920	-	4,973	-
	50,872	15,494	60,068	22,500

2009 (\$'000)	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
DETAILS OF RESTRICTIONS				
External Restrictions - Included in Liabilities				
Nil				
External Restrictions - Other				
Developer Contributions - General (A)	14,080	1,762	(8,558)	7,284
Specific Purpose Unexpended Grants (B)	1,479	2,048	(1,154)	2,373
Domestic Waste Management (C)	1,774	11,898	(11,501)	2,171
Stormwater Management (C)	207	969	(1,176)	-
Macquarie Park Special Rate (C)	809	1,103	(1,912)	-
External Works Drainage Contributions (C)	75	-	(35)	40
External Restrictions - Other	18,424	17,780	(24,336)	11,868
Total External Restrictions	18,424	17,780	(24,336)	11,868
Internal Restrictions				
Plant & Vehicle Replacement	1,140	3,815	(3,892)	1,063
Employees Leave Entitlement	1,854	55	-	1,909
Carry Over Works	4,490	2,928	(4,490)	2,928
Deposits, Retentions & Bonds	6,202	957	-	7,159
West Ryde Child Care Centre	184	9	-	193
Voluntary Planning Agreements	1,817	1,000	(2,623)	194
Asset Replacement Reserve	5,067	601	(3,957)	1,711
Ryde Aquatic Leisure Centre	2,396	778	(365)	2,809
Investment Property Reserve	26,291	-	(8,971)	17,320
Civic Centre Remediation/Redevelopment	8,842	950	(1,773)	8,019
Financial Security Reserve	-	8,000	(3,910)	4,090
Other	888	790	(495)	1,183
Total Internal Restrictions	59,171	19,883	(30,476)	48,578
TOTAL RESTRICTIONS	77,595	37,663	(54,812)	60,446

- A Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- B Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- C Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Receivables

PURPOSE	2009		2008	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Rates & Annual Charges	1,484	444	1,013	367
Interest & Extra Charges	146	44	57	22
User Charges & Fees	-	-	-	-
Environmental & Health Restorations	122	-	29	-
Recreational Facilities	252	-	117	-
Property & Infrastructure Works	92	-	140	-
Home Modification Service	108	-	115	-
Ryde Aquatic Leisure Centre	6	-	10	-
Contributions to Works	90	-	73	-
Accrued Revenues				
- Interest on Investments	286	-	418	-
Government Grants & Subsidies	1,180	-	1,035	-
Net GST Receivable	736	-	1,016	-
Commercial Waste	217	-	165	-
Workers Compensation	36	-	31	-
Voluntary Planning Agreements	1,100	-	-	-
Other Debtors	279	-	445	-
Total	6,384	488	4,768	389
less: Provision for Impairment				
User Charges & Fees	(96)	(85)	-	-
Total Provision for Impairment - Receivables	(96)	-	(85)	-
TOTAL NET RECEIVABLES	6,288	488	4,683	389
EXTERNALLY RESTRICTED RECEIVABLES				
Domestic Waste Management	356	102	229	102
Total External Restrictions	356	102	229	102
Internally Restricted Receivables				
Nil				
Unrestricted Receivables	5,932	386	4,454	287
TOTAL NET RECEIVABLES	6,288	488	4,683	389

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding. An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 10.00% (2008 10.00%).
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Note 8. Inventories & Other Assets

INVENTORIES	2009		2008	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Stores & Materials	570	-	386	-
Total Inventories	570	-	386	-
OTHER ASSETS				
Prepayments	330	-	303	-
Total Other Assets	330	-	303	-
TOTAL INVENTORIES & OTHER ASSETS	900	-	689	-
Total Unrestricted Assets	900	-	689	-
TOTAL INVENTORIES & OTHER ASSETS	900	-	689	-

Note 9a. Infrastructure, Property, Plant & Equipment

0000	At 30 June 2008				Asset Movements During the Year					As at 30 June 2008			
	At Cost	At Fair Value	Accumulated Depreciation	Carrying Value	Asset Additions	WDV- Disposals	Depreciation Expense	Transfers and Adjustments	Revaluation Decrements to Equity (ARR)	At Cost	At Fair Value	Accumulated Depreciation	Carrying Value
Capital Work in Progress	3,040	-	-	3,040	41,042	(191)	-	(2,413)	-	41,478	-	-	41,478
Plant & Equipment	-	22,744	10,708	12,036	4,028	(1,899)	(1,759)	-	-	-	23,290	10,884	12,406
Office Equipment	-	15,403	11,051	4,352	2,259	-	(1,113)	-	-	-	17,662	12,164	5,498
Furniture & Fittings	-	3,754	2,062	1,692	28	-	(198)	-	-	-	3,782	2,260	1,522
Plant & Equipment (under Finance Lease)	-	209	195	14	-	-	(14)	-	-	-	209	209	-
Land:													
- Operational Land	-	202,933	-	202,933	2,097	-	-	-	-	-	205,030	-	205,030
- Community Land	-	1,011,407	-	1,011,407	6,318	-	-	-	-	-	1,017,725	-	1,017,725
- Land under Roads (purchased post 30/6/08)	-	-	-	-	11,442	-	-	-	-	-	11,442	-	11,442
Land Improvements - non depreciable	2,564	-	-	2,564	365	-	-	10	-	2,939	-	-	2,939
Land Improvements - depreciable	11,217	-	6,272	4,945	240	-	(928)	150	-	11,607	-	7,200	4,407
Buildings - Non Specialised	-	95,849	45,046	50,803	3,056	-	(1,232)	174	-	-	99,079	46,279	52,800
Buildings - Specialised	-	43,307	9,707	33,600	-	-	(1,188)	-	-	-	43,307	10,895	32,412
Other Structures	-	93,938	26,268	67,670	5,057	-	(2,314)	(957)	-	-	97,892	28,435	69,457
Infrastructure:													
- Roads, Bridges, Footpaths	-	562,899	108,250	454,649	11,983	-	(5,435)	836	(8,631)	-	564,140	110,738	453,402
- Stormwater Drainage	-	354,202	95,717	258,485	4,385	-	(3,801)	(4,738)	-	-	364,465	110,134	254,332
Other Assets:													
- Heritage Collections	137	-	-	137	-	-	-	-	-	137	-	-	137
- Library Books	6,921	-	5,498	1,423	412	-	(447)	-	-	7,333	-	5,945	1,388
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	23,879	2,406,645	320,774	2,109,750	92,712	(2,090)	(18,429)	(6,938)	(8,631)	63,494	2,448,023	345,143	2,166,375

NOTES TO THE FINANCIAL STATEMENTS

Note 9(b) Infrastructure, Property, Plant And Equipment that is Externally Restricted

\$'000	Actual 2009								Actual 2008	
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value Cost	At Fair Value	At Impairm't	A/Dep &	Carrying Value		
Domestic Waste Management Plant & Equipment	721	-	55	666	-	721	42	679		
Total DWM	721	-	55	666	-	721	42	679		
TOTAL RESTRICTED I,PP&E	721	-	55	666	-	721	42	679		

Note 9(c) Infrastructure, Property, Plant And Equipment Gains/(Losses) arising from the Impairment of Assets

Council has not recognised any impairment losses during the reporting period nor reversed any prior period losses.

Note 10 (a) Payables, Borrowings & Provisions

\$'000	Notes	2009		2008	
		Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
PAYABLES					
Goods & Services - operating expenditure		3,932	-	2,700	-
Goods & Services - capital expenditure		1,908	-	3,119	-
Payments Received In Advance		418	-	425	-
Accrued Expenses;					
- Borrowings		-	-	1	-
- Other Expenditure Accruals		1,438	-	828	-
Security Bonds, Deposits & Retentions		7,159	-	6,581	-
Staff Salaries & Wages		417	-	548	-
Domestic Waste		479	-	459	-
Other Contributions		193	-	184	-
Other		124	-	111	-
Total Payables		16,068	-	14,956	-
BORROWINGS					
Loans - Secured ¹		453	4,747	688	5,240
Finance Lease Liabilities		-	-	12	-
Total Borrowings		453	4,747	700	5,240
PROVISIONS					
Employee Benefits;					
Annual Leave		2,526	-	2,511	-
Sick Leave		197	-	238	-
Long Service Leave		4,097	250	3,803	188
Gratuities		-	-	147	-
Sub Total - Aggregate Employee Benefits		6,820	250	6,699	188
Asset Remediation/Restoration (Future Works)	26	-	-	814	-
Total Provisions		6,820	250	7,513	188
Total Payables, Borrowings & Provisions		23,341	4,997	23,169	5,428
(i) LIABILITIES RELATING TO RESTRICTED ASSETS					
Externally Restricted Assets					
Domestic Waste Management		479	459	-	-
Liabilities relating to externally restricted assets		479	-	459	-
TOTAL LIABILITIES RELATING TO RESTRICTED ASSETS		479	-	459	-

¹ Loans are secured over the General Rating Income Council Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

	2009	2008
(ii) CURRENT LIABILITIES NOT ANTICIPATED TO BE SETTLED WITHIN THE NEXT 12 MONTHS		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	3,970	3,612
Security Bonds, Deposits & Retentions	5,548	5,099
	<u>9,518</u>	<u>8,711</u>

Note 10 (b) Description of and Movement Of Provisions

Class of Provision	2008		2009			Closing Balance as at 30/6/09
	Opening Balance as at 1/7/08	Additional Provision	Decrease due to Payments	Re-Measurement effects due to discounting	Unused amounts reversed	
Annual & Other Accrued Leave	2,511	1,985	(1,970)	0	0	2,526
Sick Leave	238	905	(946)	0	0	197
Long Service Leave	3,991	1,178	(822)	0	0	4,347
Gratuities	147	(8)	(139)	0	0	0
Asset Remediation	814	0	(814)	0	0	0
TOTAL	<u>7,701</u>	<u>4,060</u>	<u>(4,691)</u>	<u>0</u>	<u>0</u>	<u>7,070</u>

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

NOTES TO THE FINANCIAL STATEMENTS

Note 11. Cash Flow Statement - Additional Information

	Notes	Actual 2008	Actual 2009
(A) RECONCILIATION OF CASH ASSETS			
Total Cash & Cash Equivalent Assets	6a	44,987	34,516
Less Bank Overdraft	10	-	-
BALANCES as per the CASH FLOW STATEMENT		44,987	34,516
(B) RECONCILIATION OF NET OPERATING RESULT TO CASH PROVIDED FROM OPERATING ACTIVITIES			
Net Operating Result from Income Statement		58,843	29,948
Adjust for non cash items:			
Depreciation & Amortisation		18,301	16,123
Net Losses/(Gains) on Disposal of Assets		4,096	(19,008)
Non Cash Capital Grants and Contributions		(57,999)	-
Impairment Losses Recognition / (Prior Period Reversal) - Financial Investments		2,090	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		-	(1,417)
- Investment Properties		(677)	892
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- "Held to Maturity" Financial Assets		(1)	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(1,716)	(1,265)
Increase/(Decrease) in Provision for Doubtful Debts		11	65
Decrease/(Increase) in Inventories		(184)	126
Decrease/(Increase) in Other Current Assets		(27)	40
Increase/(Decrease) in Payables		1,232	1,724
Increase/(Decrease) in accrued Interest Payable		(1)	(5)
Increase/(Decrease) in other accrued Expenses Payable		610	-
Increase/(Decrease) in Other Current Liabilities		482	-
Increase/(Decrease) in Employee Leave Entitlements		183	417
Increase/(Decrease) in Other Provisions		(814)	(320)
Net Cash Provided From/(Used In)			
Operating Activities From Cash Flow Statement		24,429	27,320
(C) NON-CASH INVESTING & FINANCING ACTIVITIES			
S94 Contributions "in kind"		1,658	-
Other Dedications		56,341	-
Total Non-Cash Investing & Financing Activities		57,999	-
(D) FINANCING ARRANGEMENTS			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities (1)		-	-
Credit Cards / Purchase Cards		35	35
Other		-	-
Total Financing Arrangements		35	35

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

(E) NET CASH FLOWS ATTRIBUTABLE TO DISCONTINUED OPERATIONS

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Note 12. Commitments for Expenditure

	Actual 2009	Actual 2008
(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 & Equipment		
Plant & Equipment	43	43
Undergrounding of overhead mains	367	945
Town Centre Block Paving	472	309
Supply & Install Bus Shelters	-	116
Curtilage	60	883
Landscaping Works	13	-
Park Improvements	657	-
Stormwater Drainage	649	-
Buildings	707	-
Total Commitments	2,968	2,296
These expenditures are payable as follows:		
Within the next year	2,968	2,296
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Total Payable	2,968	2,296
Sources for Funding of Capital Commitments:		
Unrestricted General Funds	2,968	2,296
Total Sources of Funding	2,968	2,296
(B) OTHER EXPENDITURE COMMITMENTS (EXCLUSIVE OF GST)		
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
DWM & Recycling Services	35,161	43,678
Cleaning Services	602	200
Audit Services	211	265
Management Study	73	115
Security Services	339	367
Communication Services	457	914
Top Ryder Bus Service	117	-
Total Commitments	36,960	45,539
These expenditures are payable as follows:		
Within the next year	8,994	9,967
Later than one year and not later than 5 years	27,966	35,572
Later than 5 years	-	-
Total Payable	36,960	45,539
(C) FINANCE LEASE COMMITMENTS		
(i) Commitments under Finance Leases at the Reporting Date are payable as follows:		
Within the next year	-	13
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
Total Minimum Lease Payments	-	13
less: Future Finance Charges	-	(1)
Amount Recognised as a Liability	-	12
(ii) Finance Lease Liability Recognised represent;		
Current Liabilities	-	12
Non-Current Liabilities	-	-
Total Finance Lease Liabilities Disclosed	-	12
(iii) General Details		
Council Leases the following Property, Plant & Equipment under Finance Leases:		
- Term (years)		
- Option to Purchase		
- Contingent Resnt Clauses		
Other Equipment/Assets	-	12
Total Carrying Value at Year End	-	12

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Commitments for Expenditure (Continued)

	Actual 2009	Actual 2008
(D) OPERATING LEASE COMMITMENTS (NON CANCELLABLE)		
Nil		
(E) INVESTMENT PROPERTY COMMITMENTS		
Nil		
(F) REMUNERATION COMMITMENTS		
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:		
Within the next year	6,227	5,415
Later than one year and not later than 5 years	13,723	13,266
Later than 5 years	-	-
TOTAL PAYABLE	19,950	18,681
(G) INVESTMENT IN ASSOCIATES / JOINT VENTURES - COMMITMENTS		
For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)		

Note 13. Statement of Performance Measurement - Indicators

\$'000	Amounts 2009	Indicator 2009	2008	Prior Periods 2007
1. UNRESTRICTED CURRENT RATIO				
Current Assets less all External Restrictions (1)	46,083	3.45 : 1	3.65	1.71
Current Liabilities less Specific Purpose Liabilities (2,3)	13,344			
2. DEBT SERVICE RATIO				
Debt Service Cost	1,071	1.42%	1.98%	2.59%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	75,618			
3. RATES & ANNUAL CHARGES COVERAGE RATIO				
Rates & Annual Charges	52,159	36.47%	47.90%	57.20%
Revenue from Continuing Operations	143,022			
4. RATES, ANNUAL CHARGES, INTEREST & EXTRA CHARGES OUTSTANDING PERCENTAGE				
Rates, Annual & Extra Charges Outstanding	2,118	3.94%	2.82%	2.49%
Rates, Annual & Extra Charges Collectible	53,766			
5. BUILDING & INFRASTRUCTURE RENEWALS RATIO				
Asset Renewals(4) [Buildings & Infrastructure]	14,283	122.54%	119.40%	123.20%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	11,656			

Notes

(1) Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

(2) Refer to Note 10(a).

(3) Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.

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

Note 13(a) Statement of Performance Measures – Graphs

Purpose of Unrestricted Current Ratio

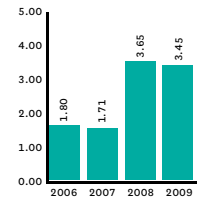
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2008/09 Result

2008/09 Ratio 3.45 : 1

For every \$1 of current liabilities, Council has \$3.45 of working capital to satisfy these obligations in the short term. It is generally accepted that a ratio of anything above 1 is satisfactory meaning you can meet your short term liabilities as they fall due.

1. Unrestricted Current Ratio



Purpose of Debt Service Ratio

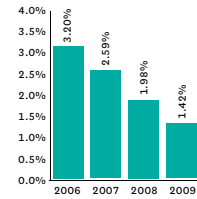
To assess the impact of loan principal & interest repayments on the discretionary revenue of council.

Commentary on 2008/09 Result

2008/09 Ratio 1.42%

Council’s debt service ratio has been steadily decreasing over the past six years. 1.42% of total revenue was committed to loan repayments for 2008/09. Council was proposing to take up loan funds of \$2 million to fund the Ryde Integrated Traffic Solution however this was subsequently funded from the Civic Centre Precinct Reserve.

2. Debt Service Ratio



Purpose of Rates & Annual Charges Coverage Ratio

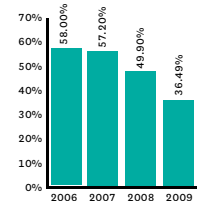
To assess the degree of Council’s dependence upon revenue from rates and annual charges and to assess the security of Council’s income.

Commentary on 2008/09 Result

2008/09 Ratio 36.47%

Council received 36.47% of its revenue from Rates and Annual Charges. The main reason for the reduction in this ratio was due to the recognition of app \$58 million in public domain contributed assets.

3. Rates & Annual Charges Coverage Rates



Purpose of Rates & Annual Charges Outstanding Ratio

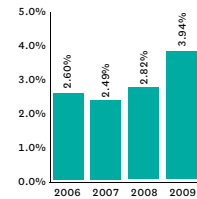
To assess the impact of uncollected rates and annual charges on Council’s liquidity and the adequacy of recovery efforts.

Commentary on 2008/09 Result

2008/09 Ratio 3.94%

Ryde maintains a strong recovery rate of 3.94% outstanding rates and annual charges for 2009 which compares favorably with the industry benchmark of 5%. This year saw an increase in the level of outstanding rates due in part to the Global Financial Crisis and timing issues associated with issuing of final notices following the 4th Installment

4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage



NOTES TO THE FINANCIAL STATEMENTS

Note 14 Investment Properties

	Actual 2009	Actual 2008
(A) INVESTMENT PROPERTIES AT FAIR VALUE		
Investment Properties on Hand	2,315	1,638
Reconciliation of Annual Movement:		
Opening Balance	1,638	2,530
- Net Gain/(Loss) from Fair Value Adjustments	677	(892)
Closing Balance - Investment Properties	2,315	1,638
(B) VALUATION BASIS		
<p>The basis of Valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.</p> <p>The 2008 valuations was based on Independent Assessments made by a member of the Australian Property Institute. In 2009 a desktop audit was undertaken by Coucil's Property Manager Mr D Nagel who is a registered valuer - Registered Valuer No 2748.</p>		
(C) CONTRACTUAL OBLIGATIONS AT REPORTING DATE		
Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.		
(D) LEASING ARRANGEMENTS		
Details of leased Investment Properties are as follows;		
Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:		
Within 1 year	161	190
Later than 1 year but less than 5 years	220	357
Later than 5 years	-	-
Total Minimum Lease Payments Receivable	381	547
(E) INVESTMENT PROPERTY INCOME & EXPENDITURE - SUMMARY		
Rental Income from Investment Properties:		
- Minimum Lease Payments	199	195
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(20)	(16)
Net Revenue Contribution from Investment Properties	179	179
plus:		
Fair Value Movement for year	677	(892)
Total Income attributable to Investment Properties	856	(713)

Note 15 Financial Risk Management

RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) 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.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	CARRYING VALUE		FAIR VALUE	
	2009 (\$'000)	2008 (\$'000)	2009 (\$'000)	2008 (\$'000)
FINANCIAL ASSETS				
Cash and cash equivalents	44,987	34,516	44,987	34,516
Investments				
- "Held for Trading"	885	24,552	885	24,552
- "Held to Maturity"	20,494	23,500	16,285	16,849
Receivables	6,776	5,072	6,776	5,072
TOTAL FINANCIAL ASSETS	73,142	87,640	68,933	80,989
FINANCIAL LIABILITIES				
Payables	15,650	14,531	15,650	14,531
Loans/Advances	5,200	5,928	5,200	5,928
Lease Liabilities	-	12	-	12
TOTAL FINANCIAL ASSETS	20,850	20,471	20,850	20,471

Fair value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- **Financial Assets classified (i) "at fair value through profit & loss" or (ii) Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

NOTES TO THE FINANCIAL STATEMENTS

Note 15 Financial Risk Management (Continued)

(a) Cash and cash equivalents, Financial assets “at fair value through profit and loss” “Available-for-sale” financial assets & “Held-to-maturity” investments

Council’s objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council has an Investment Policy which complies with the Local Government Act & Minister’s Investment Order. 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.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) 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.

The following represents a summary of the sensitivity of Council’s Income Statement and Accumulated Surplus (during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

	INCREASE OF VALUES/RATES		DECREASE OF VALUES/RATES	
	Profit	Equity	Profit	Equity
2009				
Possible impact of a 10% movement in Market Values	89	89	(89)	(89)
Possible impact of a 1% movement in Interest Rates	641	641	(641)	(641)
2008				
Possible impact of a 10% movement in Market Values	2,455	2,455	(2,455)	(2,455)
Possible impact of a 1% movement in Interest Rates	421	421	(421)	(421)

(B) Receivables

Council’s major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

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

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & annual charges at higher than market rates which further encourages the payment of debt.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

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

	2009	2009	2008	2008
	Rates and Annual Charges	Other Receivables	Rates and Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	4,558	-	3,166
Past due by up to 30 days	1,928	386	1,380	611
	1,928	4,944	1,380	3,777
(ii) Movement in Provision for Impairment of Receivables			2009	2008
Balance at the beginning of the year			85	20
+ new provisions recognised during the year			11	224
- amounts already provided for & written off this year			-	(159)
Balance at the end of the year			96	85

Note 15. Financial Risk Management (continued)

(c) Payables & Borrowings

Payables & 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.

As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$'000	PAYABLE IN							Total Cash Outflows	Actual Carrying Values
	Subject to no maturity	≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
Trade/Other Payables	7,159	8,491	-	-	-	-	-	15,650	15,650
Loans & Advances	-	453	499	517	536	555	2,640	5,200	5,200
Total Financial Liabilities	7,159	8,944	499	517	536	555	2,640	20,850	20,850
2008									
Trade/Other Payables	6,581	7,950	-	-	-	-	-	14,531	14,531
Loans & Advances	-	688	370	401	433	470	3,566	5,928	5,928
Lease Liabilities	-	12	-	-	-	-	-	12	12
Total Financial Liabilities	6,581	8,650	370	401	433	470	3,566	20,471	20,471

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs & debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities & interest rate structures.

The following interest rates were applicable to Council's Borrowings at balance date:

	Carrying Value	2009	Carrying Value	2008
		Average Interest Rate		Average Interest Rate
Trade/Other Payables	15,650	0.0%	14,531	0.0%
Loans & Advances - Fixed Interest Rate	-	0.0%	344	6.8%
Loans & Advances - Variable Interest Rate	5,200	3.4%	5,584	8.1%
Lease Liabilities	-	0.0%	12	
	20,850		20,471	

NOTES TO THE FINANCIAL STATEMENTS

Note 16. Material Budget Variations

Council's Original Financial Budget for 08/09 was incorporated as part of its Management Plan and was adopted by the Council on 3rd June 2008.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act 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.

In accordance with section 407 of the Local Government Act 1993, variations to Council's budget are reported to Council on a quarterly basis as part of the Management Plan Implementation Report. These documents can be viewed on Council's website at www.ryde.nsw.gov.au 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 that amount to 10% or more of the original budgeted figure.

Note that for Variations: F = Favourable Budget Variation, U = Unfavourable Budget Variation

\$'000	2009 Budget	2009 Actual	2009 Variance*		
REVENUES					
Interest & Investment Revenue	3,783	3,032	(751)	(20%)	U
Council received interest revenue of \$3.032M which was below the original budget by \$751K (-20%)					
This reduced interest revenue is largely attributed to a reduction in the interest rates applicable to long and short term investments as well as the reduction in the mark to market valuation of a number of CDO investments held for trading as part of the former Lehman Bros Individually Managed Portfolio.					
Official interest rates fell from 7.25% in July 2008 to 3% in June 2009					
Operating Grants & Contributions	5,821	6,949	1,128	19%	F
Council's revenue from Operating Grants and Contributions exceeded the original budget by \$1.13M. Council received an additional \$203K in respect of the Financial Assistance Grant compared to the original budget. The Federal Government as part of its economic stimulus package also brought forward the payment of the 2009/10 Financial Assistance Grant. This represented an additional \$670K that was required to be recognised as revenue in 2008/09 and was not included in the original budget. These funds will be utilised to assist with funding the 2009/10 budget as per the adopted 2009/13 Management Plan. Council received an additional \$254K from the Department of Environment Climate Change & Water under the Water & Sustainability Improvement Program as well as \$100K from Sydney Water for a Business Audit program.					
Capital Grants and Contributions	12,988	64,340	51,352	395%	F
Council has brought to account \$57.9M of contributed assets in 2008/09 arising from major development activity within the City as a number of these development involve the provision of public infrastructure benefits with the control and ownership of these assets being vested with Council.					
Council was successful in receiving a number of unbudgeted capital grants during 2008/09. The major grants received are listed below:					
The Federal Government approved a \$3.5M grant towards the construction of the Ryde Community & Sports Centre at ELS Hall Park . Council received the 1st instalment of this grant of \$1.75M in 2008/09. The Federal Government provided one-off funding of \$381K as part of the Regional and Local Community Infrastructure Program for ready to proceed community infrastructure projects. These funds were put towards the Field of Mars walking trails project.					
Council received additional grant funding under the Federal Government Roads to Recovery Program of \$221K for the reconstruction of Lakeside Avenue (Wingate Avenue to Hillview Street).					
Council had originally budgeted to receive \$10M in Section 94 Developer Contributions during 2008/09. As a result of the Global Financial Crisis, Council only received \$1.2M in cash contributions, which was below the original budget by \$8.7M. Council did receive Section 94 contributed assets to the value of \$1.7M.					

Note 16. Material Budget Variations (cont.)

\$'000	2009 Budget	2009 Actual	2009 Variance*		
EXPENSES					
Borrowing Costs	694	331	363	52%	F
<p>Borrowing costs were \$363K less than originally budgeted. This was due to Council not acquiring any new loans during the financial year compared to those that were used to formulate the budget.</p> <p>Instead of taking up new loan funds, Council funded the acquisition of land for the Ryde Integrated Traffic Solution from Internal Reserves.</p>					
Depreciation & Amortisation	14,832	18,301	(3,469)	(23%)	U
<p>Depreciation expense was \$3.469M more than originally budgeted. Council's depreciation budget excludes depreciation for Council's Fleet - Motor Vehicles and Plant. Depreciation for Fleet is included in the plant hire recovery for these items classified as Materials & Contracts.</p> <p>Actual depreciation for Council's Fleet was \$987K and for the purposes of the Financial Statements has been transferred from Materials & Contracts to Depreciation.</p> <p>All Council assets (with the exception of land under roads) are valued at Fair Value.</p> <p>2008/09 is the first year that all these assets have the depreciation expense determined by utilising the decay method model outlined in the NSROC Asset Management Guidelines.</p> <p>Depreciation expense for 2008/09 was \$18.3 M.</p>					
Net Losses from Disposal of Assets	-	4,096	(4,096)	0%	U
<p>The Global Financial Crisis (GFC) and the associated ongoing volatility in financial markets has impacted on Council's structured investments, particularly CDOs. Council has sustained losses of \$3.9 M in respect 3 CDOs which were originally AAA or AA rated that have since defaulted. These have been reported to Council in detail as part of Council's monthly Investment Report. This loss has been funded from Council's \$8M Financial Security Reserve (created from interest earned on Council investments) to limit any impact associated with the GFC.</p>					

NOTES TO THE FINANCIAL STATEMENTS

Note 17 Statement of Developer Contributions

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are “restricted” in their future use.

Summary of Contributions and Levies

Purpose	Opening Balance	Contributions Received During Year		Interest Earned in Year	Expenditure During Year	Internal Borrowings (To/from)	Held As Restricted Asset	Projections			
		Cash	Non-cash					Future Income	Exp Still Outstanding	Over or (under) funding	Cumulative Internal Borrowings due/(payable)
Community & Culture	0	92	0	3	(46)	0	49	51,724	(55,702)	(3,929)	-
Open Space & Public Domain	6,563	617	625	81	(6,844)	0	1,042	138,681	(139,444)	279	-
Roads, Traffic, Carparks & Cycleways	404	69	892	0	(1,701)	(336)	0	35,088	(35,088)	0	(336)
Stormwater Management	6,766	345	141	422	(1,581)	336	5,757	3,398	(9,155)	0	336
Administration	247	103	0	30	(44)	0	436	565	(1,001)	0	-
S94 Contributions - Under a Plan	14,080	1,226	1,658	536	(10,216)	0	7,284	229,456	(240,390)	(3,650)	-
S94a Levies - Under a Plan	0	0	0	0	0	0	0				
Total S94 Revenue Under a Plan	14,080	1,226	1,658	536	(10,216)	0	7,284				
S94 Not Under Plans	0	0	0	0	0	0	0				
S93F Planning Agreements	0	0	0	0	0	0	0				
S64 Contributions	0	0	0	0	0	0	0				
Total Contributions	14,080	1,226	1,658	536	(10,216)	0	7,284	229,456	(240,390)	(3,650)	-

Summary of Contributions and Levies

Purpose	Opening Balance	Contributions Received During Year		Interest Earned in Year	Expenditure During Year	Internal Borrowings (To/from)	Held As Restricted Asset	Projections			
		Cash	Non-cash					Future Income	Exp Still Outstanding	Over or (under) funding	Cumulative Internal Borrowings due/(payable)
Community & Culture	-	92	-	3	(46)	-	49	51,724	(56,702)	(3,929)	-
Open Space & Public Domain	6,563	617	625	81	(6,844)	-	1,042	138,681	(139,444)	279	-
Roads, Traffic, Carparks & Cycleways	404	69	892	-	(1,701)	(336)	-	35,088	(35,088)	-	(336)
Stormwater Management	6,766	345	141	422	(1,581)	336	5,757	3,398	(9,155)	-	336
Administration	347	103	-	30	(44)	-	436	565	(1,001)	-	-
Total	14,080	1,226	1,658	536	(10,216)	-	7,284	229,456	(240,390)	(3,650)	-

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

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

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category and that member Councils will need to make significantly higher contributions from 2009/10 & beyond.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its Defined Benefit Scheme obligations in accordance with AASB 119.

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

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils 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.

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 of any increased prudential requirements of 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) Council Investments

Council's Investments are made in compliance with the Minister for Local Government's Investment Order and Council's Investment Policy.

Council has always invested in highly rated AAA and AA rated investment products. Council's investment portfolio (cash & cash equivalents) as at 30 June 2009 totalled \$65.9 million.

Approximately \$6 million (9%) of Council's investments are held in structured products (CDO'S). These investments are shown in the Financial Report at face value as they were acquired on the basis of holding the

investment to maturity and are valued at amortised cost in accordance with AASB 139.

The Global Financial Crisis has severely impacted Council's structured investments. They are not widely traded and many independent valuations are technical prices based on modelling the unwinding of the investment. It is extremely difficult to obtain independent verifiable valuations given the limited market data available. Council created an \$8 million Financial Security Reserve in October 2008 to protect Council from any future fall-out from the Global Financial Crisis. The Reserve was created from interest from investments Council had received from its investment portfolio over the previous six years.

Security Reserve had a balance of \$4.1 million and Council in reviewing the adequacy of the reserve to cover future defaults in these CDO investments maintained the reserve at this level.

ASSETS NOT RECOGNISED:

(i) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

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

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Equity - Retained Earnings and Revaluation Reserves

	Notes	Actual 2009	Actual 2008
A. RETAINED EARNINGS			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,644,113	1,607,434
a. Correction of Prior Period Errors	20 (c)	(6,938)	6,731
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Current Year Income & Expenses Recognised direct to Equity excluding direct to Reserves transactions		-	-
d. Net Operating Result for the Year		58,843	29,948
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		1,696,018	1,644,113
B. RESERVES			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		518,376	527,007
- "Available for Sale" Financial Investments Revaluation Reserve		-	-
- Other Reserves (Specify)		-	-
Total		518,376	527,007
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		527,007	81,699
- Revaluations for the year	9(a)	(8,631)	445,308
- Balance at End of Year		518,376	527,007
TOTAL VALUE OF RESERVES		518,376	527,007
(iii) Nature & Purpose of Reserves			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.			
C. CORRECTION OF ERROR/S RELATING TO A PREVIOUS REPORTING PERIOD			
Council, as part of its ongoing review of the asset data, has made adjustments to reflect assets not previously recognised, and where the condition of asset was materially different than what was previously recorded. An adjustment has been made against current year asset balances and Retained Earnings to correct the errors because it was found to be impractical to restate the prior year comparatives.			
Council revalued the following asset classes for the 07/08 Year End:			
- Operational Land			
- Community Land			
- Other Structures			
This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.			
Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/08 (the closing date for the comparative figures in last year's report). As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/08 to reflect the correct value of accumulated depreciation:			
		(6,938)	6,731
This adjustment resulted in a net increase / (decrease) in Council's Accumulated Surplus as at 30/6/08.			
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/07 (relating to adjustments for the 30/6/07 reporting year end and prior periods)			6,731
- Adjustments to Closing Equity - 30/6/08 (relating to adjustments for the 30/6/08 year end)		(6,938)	-
Total Prior Period Adjustments - Prior Period Errors		(6,938)	6,731
D. VOLUNTARY CHANGES IN ACCOUNTING POLICIES			
Council made no voluntary changes in any accounting policies during the year.			

Note 21. Financial Result & Financial Position by Fund

Council has opted not to include this Note in the Financial Report.

Note 22. Non Current Assets/Liabilities classified as "Held for Sale"

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2009, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Accordingly, the "authorised for issue" date is 21/10/09

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2009.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2009 and which are only indicative of conditions that arose after 30 June 2009.

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

Note 24. Discontinued Operations

Council has not classify any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant their recognition in the Financial Reports, including either internally generated and developed assets or purchased assets.

NOTES TO THE FINANCIAL STATEMENTS

Note 26. Reinstatement, Rehabilitation & Restoration abilities

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations;
Wellington Road Works Depot
Parsonage Street Works depot

Asset/Operation	Estimated year of year of restoration	NPV of Provision	
		2009	2008
Road Works Depot	2009	-	814
Balance at End of the Reporting Period	10	-	814

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in Provision for year:

Balance at beginning of year	814	1,134
Expenditure incurred attributable to Provisions	(814)	(320)
Total - Reinstatement, rehabilitation and restoration provision	-	814

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

GENERAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *general purpose financial report* of the *City of Ryde*, which comprises the Balance Sheet as at 30 June 2009, Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial report includes the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Cash Flow Statement and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the commentary provided in Note 13(a) or the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Auditor's Opinion

Since July 2007, global financial markets have experienced a period of high volatility led by events in the US housing market, particularly sub prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets including Collateralised Debt Obligations (CDOs).

At 30 June 2009, Council's investment portfolio totalled \$65.875 million and included CDO securities totalling \$6 million and classified as 'held to maturity'. Whilst these investments are carried at face value, their fair value was \$2.193 million which is included in the fair value disclosure in Note 15. These securities do not have market values that are independently quoted and they are not widely traded. Independent market valuations are not readily available and in many cases, values are assessed based on estimates from issuers and/or valuation models for which there is limited market evidence available to verify their reasonableness in the current economic environment. Further, the ongoing volatility of financial markets creates greater uncertainty in the valuation process and determination of future cash flows.

These circumstances have resulted in our inability to obtain sufficient appropriate audit evidence to satisfy ourselves as to the value and recoverability of \$6 million of Council's total investment portfolio.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial statements of the matter referred to in the paragraph titled *Basis for Qualified Auditor's Opinion*,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial report:
 - (i) has been presented in accordance with the requirements of this Division;
 - (ii) is consistent with the Council's accounting records;
 - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial report that we have become aware of during the course of the audit.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 21st day of October 2009



SPENCER STEER
CHARTERED ACCOUNTANTS

21 October 2009

The Mayor
City of Ryde
1 Devlin Street
RYDE NSW 2112

Mayor,

Audit Report - Year Ended 30 June 2009

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2009 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Reports.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Reports of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

1. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a Surplus of \$58.843 million as compared with \$29.948 million in the previous year.



The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2009 \$000	% of Total	2008 \$000	% of Total	Increase (Decrease) \$000
Revenues before capital items					
Rates & annual charges	52,159	66%	50,335	52%	1,824
User charges, fees & other revenues	16,542	21%	17,625	18%	(1,083)
Grants & contributions provided for operating purposes	6,949	9%	6,293	7%	656
Interest & investment revenue	3,032	4%	4,259	4%	(1,227)
Proceeds from the sale of stratum land	-	0%	18,000	19%	(18,000)
	78,682	100%	96,512	100%	(17,830)
Expenses					
Employee benefits & costs	30,611	36%	29,161	39%	1,450
Materials, contracts & other expenses	34,936	42%	29,402	39%	5,534
Depreciation, amortisation & impairment	18,301	22%	16,123	21%	2,178
Borrowing costs	331	0%	475	1%	(144)
	84,179	100%	75,161	100%	9,018
Surplus(Deficit) before capital items	(5,497)		21,351		(26,848)
Grants & contributions provided for capital purposes	64,340		8,597		55,743
Net Surplus(Deficit) for the year	58,843		29,948		28,895

The table above shows an overall increase over the previous year of \$28.895 million and also highlights the variances over the previous year.

- total operating revenues increased by \$37.968 million and included in kind contributions of \$56.341 million offset by the proceeds from the sale of stratum land in the previous year of \$18 million.
- increased operating expenses included a realised loss from the disposal of investments amounting to \$3.910 million.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.



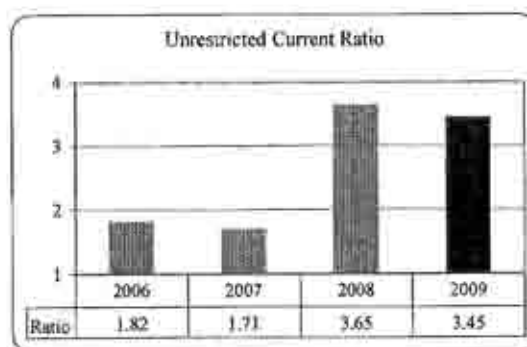
	2009	2008
Funds were provided by:-	\$000	\$000
Operating Result (as above)	58,843	29,948
Add back non funding items:-		
- Depreciation, amortisation & impairment	18,301	16,123
- Book value of non current assets sold	2,090	1,341
- Non cash Contributions of assets acquired	(57,999)	0
- (Gain)Loss of fair value to investment properties	(677)	892
	<u>20,558</u>	<u>48,304</u>
Decrease/Redemption in Non Current Investments	7,006	1,501
Transfers from externally restricted assets (net)	2,425	8,241
Transfers from internal reserves (net)	7,611	0
Net Changes in current/non current assets & liabilities	<u>0</u>	<u>574</u>
	<u>37,600</u>	<u>58,620</u>
Funds were applied to:-		
Purchase and construction of assets	(34,586)	(28,325)
Principal repaid on loans	(728)	(1,354)
Finance lease instalments	(12)	(16)
Transfers to internal reserves (net)	0	(29,078)
Net Changes in current/non current assets & liabilities	<u>(152)</u>	<u>0</u>
	<u>(35,478)</u>	<u>(58,773)</u>
Increase(Decrease) in Available Working Capital	2,122	(153)

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$32.739 million representing a factor of 3.45 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal restrictions held for future purposes.

At the close of the year the Available Working Capital of Council stood at \$4.322 million as detailed below;



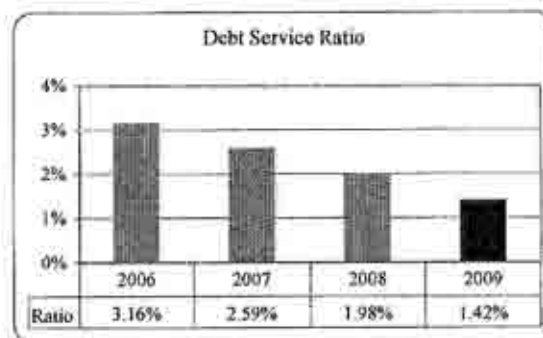
	2009	2008	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	34,719	42,271	(7,552)
<i>Add:</i> Payables & provisions not expected to be realised in the next 12 months included above	9,518	8,711	807
Adjusted Net Current Assets	44,237	50,982	(6,745)
<i>Add:</i> Budgeted & expected to pay in the next 12 months			
- Borrowings	453	700	(247)
- Employees leave entitlements	2,850	3,087	(237)
- Site remediation	0	814	(814)
- Deposits & retention moneys	1,611	1,482	129
<i>Less:</i> Externally restricted assets	(11,498)	(13,923)	2,425
<i>Less:</i> Internally restricted assets	(33,331)	(40,942)	7,611
Available Working Capital as at 30 June	4,322	2,200	2,122

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2009 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service these repayments was 1.42%.

Total debt at 30 June 2009 amounted to \$5.2 million.



2.4 Summary

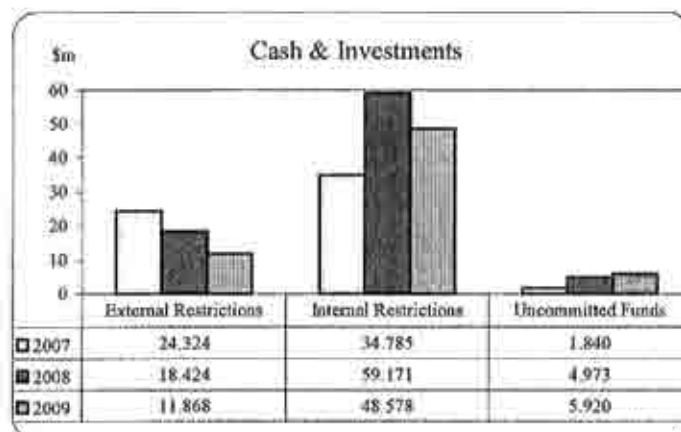
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$66,366 million as compared with \$82,568 million and \$60,949 million at the close of financial years 2008 and 2007 respectively.

The chart alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 of \$7.284 million, domestic waste management charges of \$2.171 million and specific purpose grants and contributions of \$2.413 million.

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". These Reserves totalled \$48.578 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$5.920 million, which are available to provide liquidity for day to day operations.

3.2 Cash Flows

The Cash Flow Statement illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that Cash increased by \$10.471 million to \$44.987 million at the close of the year.

In addition to operating activities which contributed net cash of \$24.429 million were the proceeds from the sale of investments (\$26.667 million) and other assets (\$1.904 million). Cash outflows other than operating activities were used to purchase investments (\$5.993 million), repay loans (\$740,000) and to purchase and construct assets (\$35.796 million).

4. RECEIVABLES

4.1 Rates & Annual Charges (excluding interest & extra charges)

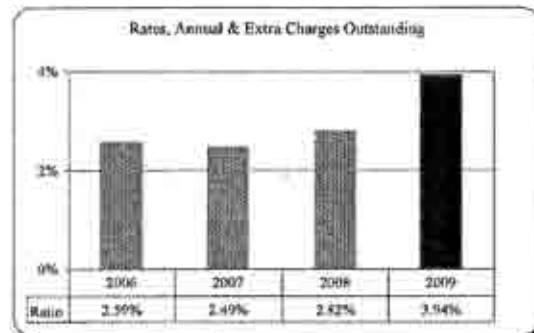
Net rates and annual charges levied during the year totalled \$52.159 million and represented 36.47% (2008 - 47.89%) of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$53.539 million of which \$51.611 million (96.40%) was collected.



4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$2.118 million at the end of the year & represented 3.94% of those receivables.



4.3 Other Receivables

Receivables (other than rates, annual & extra charges) totalled \$4.754 million and mainly consisted of user charges and fees (\$920,000) and amounts due from government departments (\$1.916 million).

Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$96,000.

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$7.070 million.

A cash reserve of \$1.909 million was held at year end representing 27% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$7.159 million which was fully funded by internally restricted cash and investments.

6. REVALUATION OF ASSETS

The valuation at 'fair value' of Council's infrastructure, property, plant and equipment is being introduced in a staged approach. In previous years several asset categories, including land and buildings, plant and equipment, infrastructure and other structures have been revalued.

Fair valuation of remaining asset categories will be required over the next two reporting years. The Department of Local Government has issued guidance on the revaluation implementation plan which outlines the major steps and suggested timeframes.

We have discussed the guidelines and milestones with management and advise that nothing has come to our attention to suggest that Council will not satisfactorily complete the remaining revaluation projects within the required timeframes.

7. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

SPENCER STEER

Chartered Accountants



N. MAH CHUT

Partner

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Special Purpose Financial Report

For the financial year ended 30 June 2009

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- Income Statement of Other Business Activities	131
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Background

- (i) These Special Purpose Financial Reports have been prepared for the use by both Council and the Department of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and (b) those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Council of the City of Ryde

Special Purpose Financial Reports for the financial year ended 30 June 2009

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Reports have been prepared in accordance with:

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Department of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Water and Energy Best-Practice Management of Water and Sewerage Guidelines.

To the best of our knowledge and belief, these Reports:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

We are not aware of any matter that would render these reports false or misleading in any way.

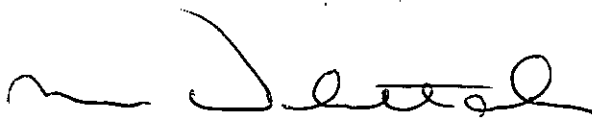
Signed in accordance with a resolution of Council made on 20 October 2009.



Councillor Michael Butterworth
MAYOR



Councillor Roy Maggio
COUNCILLOR



Mr Michael Whittaker
GENERAL MANAGER



Mr Richard Nankivell
CHIEF FINANCIAL OFFICER
RESPONSIBLE ACCOUNTING OFFICER

SPECIAL PURPOSE FINANCIAL REPORTS

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2009

	Ryde Aquatic	Leisure Centre	Commercial Waste Management	
	actual 2009	actual 2008	actual 2009	actual 2008
Income from continuing operations				
Access charges	-	-	-	-
User charges	4,475	4,572	534	560
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	-	-
Total Income from Continuing Operations	4,551	4,668	534	560
Expenses from continuing operations				
Employee benefits and on-costs	2,431	2,483	27	17
Borrowing costs	-	-	-	-
Materials and contracts	1,357	1,587	194	177
Depreciation and impairment	1,762	944	-	-
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	143	149	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	555	617	52	55
Total Expenses from Continuing Operations	6,248	5,780	273	249
Surplus (deficit) from Continuing Operations before capital amounts	(1,697)	(1,112)	261	311
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(1,697)	(1,112)	261	311
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(1,697)	(1,112)	261	311
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(78)	(93)
SURPLUS (DEFICIT) AFTER TAX	(1,697)	(1,112)	183	218
plus Opening Retained Profits	33,166	33,539	199	199
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	143	149	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	78	93
add:				
- Subsidy Paid/Contribution To Operations	415	739	-	-
less:				
- TER dividend paid	(143)	(149)	(78)	(93)
- Dividend paid	-	-	(183)	(218)
Closing Retained Profits	31,884	33,166	199	199
Return on Capital %	-3.7%	-2.3%	n/a	n/a
Subsidy from Council	-	-	-	-

This report should be read in conjunction with the accompanying notes.

SPECIAL PURPOSE FINANCIAL REPORTS

Balance Sheet of Council's Other Business Activities for the financial year ended 30 June 2009

\$'000	Ryde Aquatic Leisure Centre Category 1		Commercial Waste Management Category 2	
	actual 2009	actual 2008	actual 2009	actual 2008
ASSETS				
Current Assets				
Cash and cash equivalents	99	170	-	-
Investments	-	-	-	-
Receivables	61	73	217	165
Inventories	33	10	-	-
Other	-	-	9	54
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	193	253	226	219
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	45,915	47,347	-	-
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	45,915	47,347	-	-
TOTAL ASSETS	46,108	47,600	226	219
LIABILITIES				
Current Liabilities				
Payables	294	483	21	14
Interest bearing liabilities	-	-	-	-
Provisions	490	515	3	6
Total Current Liabilities	784	998	24	20
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	18	14	2	-
Total Non-Current Liabilities	18	14	2	-
TOTAL LIABILITIES	802	1,012	26	20
NET ASSETS	45,306	46,588	200	199
EQUITY				
Retained earnings	31,884	33,166	200	199
Revaluation reserves	13,422	13,422	-	-
Council equity interest	45,306	46,588	200	199
Minority equity interest	-	-	-	-
TOTAL EQUITY	45,306	46,588	200	199

NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORT

For the financial year ended 30 June 2009

Note 1 Significant Accounting Policies

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council and the Department of Local Government.

For the purposes of these statements, the council's business activities (reported herein) are not reporting entities.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with;

- applicable Australian Accounting Standards
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Consensus Views,
- the Local Government Act and Regulations,
- the Local Government Code of Accounting Practice and Financial Reporting,
- and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

- a. Ryde Aquatic Leisure Centre Aquatic and dry court sports and leisure facilities

Category 2

where gross operating turnover is less than \$2 million)

- a. Commercial Waste Removal Commercial waste collection, recycling and disposal
Monetary Amounts Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs.

However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR.

For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first \$368,000 of combined land values attracts 0%. From \$368,001 to \$2,250,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,250,000, a premium marginal rate of 2.0% applies.

Payroll Tax – 5.875% on the value of taxable salaries and wages in excess of \$623,000.

Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in the GPFR.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance

date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.54% at 30/6/09.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

SPECIAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying *special purpose financial report* of the *City of Ryde*, which comprises the Balance Sheet as at 30 June 2009, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Department of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.



The financial report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Council or the Department of Local Government, or for any purpose other than that for which it was prepared.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial report of the Council is presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 21st day of October 2009

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Special Schedules are not audited.

Background

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

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedule No. 1 - Net Cost of Services for the year ending 30 June 2009

Function or Activity	Expenses from Continuing Operations		Income from Continuing Operations			Net Cost Of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE							
	1,963	1,963	5	-	5	(1,958)	(1,958)
ADMINISTRATION							
Corporate Support	1,649		63	-		(1,586)	-
Engineering and Works	1,825		146	200		(1,479)	
Other Support Services	17,176	20,650	1,218	-	1,627	(15,958)	(19,023)
PUBLIC ORDER AND SAFETY							
Contributions to Fire Service Levy	1,370		-	-		(1,370)	
Fire Protection - Other	-		-	-		-	
Animal Control	239		50	-		(189)	
Beach Control	-		-	-		-	
Enforcement of Local Govt Regs	758		1,918	-		1,160	
Emergency Services	132		-	-		(132)	
Other	1,292	3,791	2,528	-	4,496	1,236	705
HEALTH							
Administration and Inspection	613		237	-		(376)	-
Immunisations	105		52	-		(53)	
Food Control	-		-	-		-	
Insect/Vermin Control	15		-	-		(15)	
Noxious Plants	15		34	-		19	
Health Centres	56		-	-		(56)	
Other	-	804	-	-	323	-	(481)
COMMUNITY SERVICES AND EDUCATION							
Administration	495		19	-		(476)	
Family Day Care	-		-	-		-	
Child Care	-		-	-		-	
Youth Services	124		30	-		(94)	
Other Families and Children	424		218	-		(206)	
Aged and Disabled	400		398	-		(2)	
Migrant Services	-		-	-		-	
Aboriginal Services	-		-	-		-	
Other Community Services	972		132	-		(840)	
Education	18	2,433	45	-	842	27	(1,591)
HOUSING AND COMMUNITY AMENITIES							
Housing	-		-	-		-	
Town Planning	5,040		2,599	1,000		(1,441)	
Domestic Waste Management	9,119		12,030	-		2,911	
Other Waste Management	902		696	-		(206)	
Street Cleaning	863		-	-		(863)	
Other Sanitation and Garbage	-		-	-		-	
Urban Stormwater Drainage	5,057		1,183	1,713		(2,161)	
Stormwater Management	-		-	-		-	
Environmental Protection	909		112	-		(797)	
Public Cemeteries	-		-	-		-	
Public Conveniences	224		1	-		(223)	
Other Community Amenities	-	22,114	-	-	19,334	-	(2,780)
RECREATION AND CULTURE							
Public Libraries	4,364		865	6		(376)	
Museums	-		-	-		-	
Art Galleries	-		-	-		-	
Community Centres	143		5	1,750		1,612	
Swimming Pools	4,848		4,566	93		(189)	
Sporting Grounds	4,600		426	179		(3,995)	
Parks and Gardens (Lakes)	5,632		55	9,335		3,758	
Other Sport and Recreation	156	20,497	190	-	17,927	34	(2,570)

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedule No. 1 (cont.)

Function or Activity	Expenses from Continuing Operations		Income from Continuing Operations			Net Cost Of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
FUEL AND ENERGY							
Gas Supplies	-		-	-		-	
MINING, MANUFACTURING AND CONSTRUCTION							
Building Control	671		212	-		(459)	
Abattoirs	-		-	-		-	
Quarries and Pits	-		-	-		-	
Other	-	671	-	-	212	-	(459)
TRANSPORT AND COMMUNICATION							
Urban Roads (UR) - Local	7,972		1,778	50,064		43,870	
Urban Roads - Regional	60		49	-		(11)	
Sealed Rural Roads (SRR) - Local	-		-	-		-	
Sealed Rural Roads - Regional	-		-	-		-	
Unsealed Rural Roads (URR) - Local	-		-	-		-	
Unsealed Rural Roads - Regional	-		-	-		-	
Bridges on UR - Local	146		-	-		(146)	
Bridges on UR - Regional	-		-	-		-	
Bridges on SRR - Local	-		-	-		-	
Bridges on SRR - Regional	-		-	-		-	
Bridges on URR - Local	-		-	-		-	
Bridges on URR - Regional	-		-	-		-	
Footpaths	722		-	-		(722)	
Aerodromes	-		-	-		-	
Parking Areas	97		-	-		(97)	
Bus Shelters and Services	39		-	-		(39)	
Water Transport	-		-	-		-	
RTA Works (State)	-		-	-		-	
Street Lighting	1,555		330	-		(1,225)	
Other	327	10,918	263	52,484		(64)	41,566
ECONOMIC AFFAIRS							
Camping Areas	-		-	-		-	
Caravan Parks	-		-	-		-	
Tourism and Area Promotion	8		-	-		(8)	
Industrial Development Promotion	-		-	-		-	
Saleyards and Markets	-		-	-		-	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	328	336	663	-	663	-	
TOTALS - FUNCTIONS		84,179	33,573	64,340	97,914		13,735
GENERAL PURPOSE REVENUES(1)							
			45,109		45,109	45,109	45,109
Share of interests - joint ventures associates using the equity method	-		-	-		-	
NET OPERATING RESULT FOR YEAR	84,179		78,682	64,340	143,022	58,843	58,843

Notes: (1) Includes: Rates & Annual Charges (incl. Ex Gratia), Non Capital General Purpose Grants & Interest on Investments (excl. Restricted Assets)

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedules - Schedule No. 2 (a)
Statement of Long-term Debt (All Purposes)
 for the year ended 30 June 2009

Classification of Debt (\$'000)	Principal Outstanding at beginning of Year		New loans raised during the Year	Debt Redemption during the year	Transfers to Sinking Funds	Interest Applicable For Year	Principal Outstanding at end of Year		Total
	Current	Non-Current					From Revenue	Sinking Funds	
LOANS (BY SOURCE)									
Commonwealth Bank	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-
Public Subscriptions	-	-	-	-	-	-	-	-	-
Financial Institutions	688	5,240	-	728	-	331	453	4,747	5,200
Other	-	-	-	-	-	-	-	-	-
TOTAL LOANS	688	5,240	-	728	-	331	453	4,747	5,200
OTHER LONG TERM DEBT									
Ratepayer's Advances	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-
Finance Leases	12	-	-	12	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	12	-	-	12	-	-	-	-	-
TOTAL DEBT	700	5,240	-	740	-	331	453	4,747	5,200

Notes: (1) Internal Loans & (2) Principal Inflows/Outflows relating to Loan Re-Financing.
 This schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFs)

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedule No. 7
Condition of Public Works
 as at 30 June 2009

(\$'000)

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	Carrying Amount (WDV)	Asset Condition #	Estimated Cost to bring up to a satisfactory standard	Required Annual Maintenance (2)	Current Annual Maintenance (3)
		Per Note 1	Per Note 4								
					Per Note 9				Per Section 428(2d)		
Buildings	Buildings	1.74%	1,188	-	142,386	57,174	85,212	1)	21,718	1,642	4,130
	Sub total		1,188	-	142,386	57,174	85,212		21,718	1,642	4,130
Public Roads	Public Roads	0.98%	5,435	-	564,140	110,738	453,402				
	Road Pavement/ Road Ancillary							2)	12,071	5,249	7,969
	Bridges							3)	878	237	21
	Footpaths/Cycleways							4)	3,228	783	1,803
	Kerb & Gutter							5)	806	1,003	137
	Sub total		5,435	-	564,140	110,738	453,402		16,983	7,271	9,930
Other Structures	Other structures	various	2,314	-	97,892	28,435	69,457	6)	7,315	2,146	3,599
	Sub total		2,314	-	97,892	28,435	69,457		7,315	2,146	3,599
Drainage Works	Drainage Works	1.06%	3,801	-	364,465	110,134	254,331	7)	32,920	4,153	3,005
	Sub total		3,801	0	364,465	110,134	254,331		32,920	4,153	3,005
TOTAL			12,738		1,168,883	306,481	862,402		78,936	15,213	20,664

ASSET CONDITION #

- 1) 61.3% OF BUILDINGS ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 2) 89% OF ROAD SEGMENTS ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 3) 71.9% OF BRIDGES ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 4) 71% OF FOOTPATHS ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 5) 95.3% OF KERB & GUTTER ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 6) 92% OF PARK ASSETS CONSIDERED TO BE IN A SATISFACTORY CONDITION
- 7) 70% OF CONDUIT ASSETS ARE CONSIDERED TO BE IN A SATISFACTORY CONDITION

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedule No. 7

Condition of Public Works (Continued)

as at 30 June 2009

Notes:

Satisfactory condition refers to an asset rating condition of 1 or 2, where a condition rating scale of 1 (very Good Condition) to 5 (Asset Unservicable) is Utilised (Source: International Infrastructure Management Manual 2006). It does not include any planned 'enhancements' to assets.

Condition Rating	Condition Description
1	Very good condition - Only normal maintenance required
2	Minor Defects Only - Minor maintenance required (5%)
3	Maintenance Required to Return to Accepted Level of Service - Significant maintenance required (10% - 20%)
4	Require Renewal - Significant renewal/upgrade required (20% - 40%)
5	Asset Unservicable - Over 50% of asset requires replacement

Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard (asset rating 1 or 2).

Current Annual Maintenance is what has been spent in the current year to maintain assets.

Council undertook a major review of its Asset Management practices for Buildings, Roads and Drainage Assets in 2006/07, further reviews were undertaken in 2007/08 for Land and Other Structures.

Buildings

In assessing the condition of the building assets, an overall condition rating is applied to the building. When a building is noted as satisfactory, this should be interpreted that the

majority of assets within the building (i.e. building components) are in a satisfactory condition. However there may be individual assets within the building that may be in an Special Schedules 2009 unsatisfactory condition.

Public Roads

Included within the "Public Roads" group of assets is Urban Roads, Footpaths, and Kerb and Gutter.

Urban Roads

Council has adopted the use of a Pavement Management System (PMS) and condition Rating data has been collected since 1991. Some 20% of the roads network is condition rated each year. The current replacement cost of the road assets is \$386M.

Footpaths

Council's footpath network has a current replacement value of \$48M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1 to 5 rating basis.

Kerb & Gutter

Council has designed and implemented a Kerb & Gutter Management System with approximately 100% of the network inspected and rated. The current replacement value is \$92M.

Bridges

The current replacement value of bridges is \$21M.

NOTES TO THE FINANCIAL STATEMENTS - SPECIAL SCHEDULES

Special Schedules - Schedule No. 8

Financial Projections

(\$'000)	Actual 08/09 ⁽¹⁾	Forecast 09/10	Forecast 10/11	Forecast 11/12 ⁽³⁾
(I) RECURRENT BUDGET				
Income From Continuing Operations	92,217	88,840	89,693	95,124
Expenses From Continuing Operations	77,866	81,053	83,831	86,728
Operating Result From Continuing Operations	14,351	7,787	5,862	8,396
CAPITAL BUDGET				
New Capital Works ⁽²⁾	-	-	-	-
Replacement/Refurbishment of existing Assets	36,181	36,125	29,535	28,601
Total Capital Budget	36,181	36,125	29,535	28,601
Funded By:				
Loans	-	-	-	-
Asset sales	-	-	-	-
Reserves	18,547	11,477	3,122	2,143
Grants & Contributions	5,835	9,901	8,331	10,922
Recurrent Revenue	11,799	14,747	18,082	15,536
Other	-	-	-	-
	36,181	36,125	29,535	28,601

Notes

(1) From 08/09 Income Statement

(2) New Capital Works are major non-recurrent projects, eg new leisure centre, new library, new swimming pool etc

(3) If council has only adopted 3 years of projections then only show 3 years

06 statutory information

LOCAL GOVERNMENT ACT
1993 - SECTION 428 (2)

LOCAL GOVERNMENT (GENERAL)
REGULATION 2005

FREEDOM OF INFORMATION ACT
1989 - SECTION 68 AND CL.10

PRIVACY AND PERSONAL
INFORMATION PROTECTION ACT
1998 - SECTION 33

ENVIRONMENTAL PLANNING
AND ASSESSMENT ACT 1979 -
SECTION 93G(5)

GLOBAL REPORTING INDEX

GLOSSARY

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Our natural playgrounds surround our town centres



SCOE
3072

Local Government Act 1993 - Section 428 (2)


Financial statements – S.428 (2) (a)

The City of Ryde's audited financial reports for the 2008/2009 financial year are presented on page 76 (see General Purpose Financial Statements and Special Purpose Financial Statements).

Performance of Principal Activities – S.428 (2) (b)

Report on Council performance for the year 2008/2009 using key focus areas from the City of Ryde 2008 – 2012 Management Plan is presented in the 'Our Performance' section on pages 44 and 91.

State of the Environment Report – S.428 (2) (c)

Council's supplementary State of Environment Report 2008/2009 is available on www.ryde.nsw.gov.au/soe. 

Condition of Public Works – S.428 (2) (d)

Details are included in Special Schedule 7 contained within the 2008/2009 Financial Report on page 35.

Legal Proceedings: Expenses and Progress – S.428 (2) (e)

During 2008/2009, expenses incurred by the City of Ryde in relation to legal proceedings were as follows:
proceedings against City of Ryde: 23
proceedings by City of Ryde: 2

Name	Nature	Status	Legal Fees
29 Enterprise Pty Ltd v Council	Land and Environment Court – Class 1	Appeal upheld	Nil
Ball Avenue Pty Limited v Council	Land and Environment Court – Class 1	Proceedings continuing	Nil
Bonser v Council	District Court – damages claim	Proceedings continuing	Nil
Brifman and Jedrychowski v Council	Land and Environment Court – Class 1	Appeal upheld	Nil
Council v Felici	Land and Environment Court – Class 5	Defendant convicted and fined	Costs order in favour of Council
Flood v Council	Land and Environment Court – Class 1	Discontinued	Nil
Jepson v Council	Land and Environment Court – Class 1	Appeal upheld – consent orders	Nil
Krajcs v Council	Land and Environment Court – Class 1	Appeal upheld – consent orders	Nil
Moujalli v Council	Land and Environment Court – Class 1	Discontinued	Nil
Nascone v Council	Land and Environment Court – Class 1	Discontinued	Nil
Needs and Browne v Council	Land and Environment Court – Class 1	Appeal upheld – consent orders	Nil
Orth Constructions Pty Ltd v Council	Land and Environment Court – Class 4	Proceedings continuing	Nil
Owners Strata Plan 58577 v Council	Supreme Court – damages claim	Proceedings dismissed	Nil
Packer v Council	Dust Diseases Tribunal of New South Wales	Proceedings settled out of court	Nil
Council v Pedras	Court of Criminal Appeal	Decision pending	\$5,425
Sutanto v Council	Land and Environment Court – Class 1	Appeal upheld – consent orders	Nil
Telstra Corporation Limited v Council	Land and Environment Court – Class 1	Appeal upheld	\$4,125
Ting Lan Li (x3) v Council	Land and Environment Court – Class 1	Appeals Dismissed	Nil
Van Oosten v Council	Local Court – appeal against dangerous dog declaration	Proceedings continuing	Nil
Willis v Council	Land and Environment Court – Class 1	Appeal dismissed	Nil
Zaymill Pty Ltd v Council	Land and Environment Court – Class 1	Discontinued	Nil
Zaymill Pty Ltd v Council	Land and Environment Court – Class 4	Declaration granted – submitting appearance by Council	Nil
Zufferey v Council	Land and Environment Court – Class 1	Appeal upheld	Nil

Council expenses

Mayoral and Councillor fees, expenses, provision of facilities – S428 (2) (f)

The City of Ryde has in place a Councillors Expenses Policy that governs the expenses paid and facilities provided to the Mayor and Councillors in the discharge of their civic duties.

In 2008/2009 the cost of expenses incurred by and facilities provided to the City of Ryde Councillors was \$222,391.42. This includes domestic travel expenses such as accommodation and registration fees for seminars and conferences, as well as office administration such as telephones, faxes, postage, meals and refreshments. It also includes salaries and salary on costs for Councillors' support staff and agency temporary staff, totalling \$86,635.78.

The Local Government Remuneration Tribunal is constituted under Chapter 9, Division 4 of the Local Government Act 1993 and sets remuneration for the Mayor and Councillors.

The Mayor and Councillors receive an annual fee established by Council and set within the approved range by the Local Government Remuneration Tribunal in July 2008.

- The Mayor's Fee for 2008/2009 was \$46,017 plus Councillor Fee of \$19,250
- The Deputy Mayor's Fee for 2008/2009 was \$5,113 plus Councillor Fee of \$19,250
- Councillor's Fee for 2008/2009 was \$19,250 for each Councillor.

Details of particular categories of expenditure are as follows:

- The cost of the provision of dedicated office equipment allocated to Councillors on a personal basis was \$1,941.13
- Telephone calls made by Councillors, including mobile telephones provided by the Council and from the landline telephones and facsimile services installed in Councillors' homes totalled \$28,151.72
- The cost of the attendance of Councillors at conferences and seminars was \$22,356.02
- Expenditure on the training of Councillors and the provision of skill development for Councillors was \$10,393.11
- The cost of interstate visits undertaken by the Mayor and Councillors while representing Council was \$1,436.13.

Senior Staff Remuneration Packages –

S.428 (2) (g)

The total amount of money payable in respect of senior staff employment including salaries, fringe benefits and all other on-costs connected with their employment was \$2,120,302.02.

Number of Positions	Salary Component Ranges	Comments
1	\$250,000 - \$300,000	General Manager
4	\$150,000 - \$250,000	Group Manager Environment & Planning ⁽¹⁾⁽²⁾ Group Manager Public Works Group Manager Community Life Group Manager Corporate Services
5	\$100,000 - \$150,000	General Counsel Chief Financial Officer Manager Operations Manager Human Resources
Total Salary Components		\$1,760,777.18
Total Superannuation		\$126,484.48
Total Bonus/Performance		\$73,837.20
Total Non Cash Benefits		\$88,788.46
Total FBT		\$70,414.70
Total		\$2,120,302.02

Note:

(1) The Group Manager Environment & Planning resigned on 28 November 2008 and the contract payments amount includes payment of accrued leave entitlements

(2) The Group Manager Environment & Planning commenced employment with City of Ryde on 27 January 2009

Contracts

Contracts awarded by council - S.428(2)(h)
Contracts exceeding \$150,000, not including employment contracts

Payee Name	2008/2009 Actual (incl. GST)	Payment Type	Description
Actual (incl. GST)		Payment Type	Description
Acron Building Services	\$485,515.81	Contract	Building works
Athassel Excavations Pty Ltd	\$490,805.57	Contract	Supply and installation of a stormwater harvesting system
Brad Garlick Ford	\$361,821.22	Contract	Supply of motor vehicles and parts
C & M Construction Group	\$936,412.02	Contract	Construction Services – café and park amenities upgrade
Caltex Card Centre	\$731,315.07	Contract	Fuel
Citiguard Protection Services P/L	\$622,239.78	Contract	Security install and monitor
Civica Pty Ltd	\$223,377.13	Contract	Software maintenance
Davis Earthmoving & Quarrying Pty Ltd	\$245,384.38	Contract	Concrete crushing services
EDAW (Australia) Pty Ltd	\$220,154.00	Contract	Architectural design and consulting services
Fuji Xerox Australia Pty Ltd	\$273,553.74	Contract	Supply MFDs
Garden Growing Solutions P/L	\$175,305.24	Contract	Supply and lay turf
GMW Urban Pty Ltd	\$1,046,583.93	Contract	Construction – Brush Farm House
Hassell Pty Ltd	\$174,659.60	Contract	Design and consulting services
Hunter Holden	\$751,250.35	Contract	Supply of motor vehicles and parts
MacDonald Johnston Engineering Co	\$295,578.00	Contract	Supply of street sweeper
Optus Billing Services Pty Ltd	\$978,460.72	Contract	Communication
Poles & Underground P/L	\$566,253.71	Contract	Street lighting Macquarie University Station
SRS Roads Pty Ltd	\$225,600.72	Contract	Roadworks
Storm International Pty Ltd	\$357,244.22	Contract	Cleaning
Streetscape Projects (Aust) Pty Ltd	\$454,978.92	Contract	Smart Pole Units – parks
Sydney City Toyota	\$1,929,297.79	Contract	Supply of motor vehicles
Technology One Ltd	\$746,611.62	Contract	Software install and maintenance
Telstra	\$297,361.43	Contract	Communication
The Glascott Group Pty Ltd	\$1,213,792.94	Contract	Landscape construction services
The Truck Centre	\$279,908.00	Contract	Supply of motor vehicles
Tirawley Contracting Pty Ltd	\$469,443.73	Contract	Undergrounding of overhead mains and installation of lightning
Westrac P/L	\$213,002.60	Contract	Supply of construction equipment
Waste Recycling & Processing Corp	\$8,244,731.46	Contract	Waste removal and recycling contract
A J Paving	\$1,715,560.17	Schedule of Rates	Heavy patching and asphalt works
All Tippers Pty Ltd	\$523,479.20	Schedule of Rates	Minor works
Allard's Plant Hire Pty Ltd	\$180,364.25	Schedule of Rates	Plant hire
Ally Property Services Pty Ltd	\$654,345.87	Schedule of Rates	Minor works
Boral Construction Materials Group Ltd	\$211,435.39	Schedule of Rates	Minor works
C W Concrete Pty Ltd	\$491,790.67	Schedule of Rates	Minor works
Cumberland Newspaper Group	\$184,351.20	Schedule of Rates	Printing and advertising
Hickey's Earthmoving Pty Ltd	\$318,295.45	Schedule of Rates	Plant hire
Jardine Lloyd Thompson	\$237,774.11	Schedule of Rates	Legal services
Kelbon Project Services Pty Ltd	\$594,609.69	Schedule of Rates	Minor works
Leonard Holt Robb	\$356,601.88	Schedule of Rates	Advertising
M J Smooth Concreting Services	\$594,207.10	Schedule of Rates	Concreting
Sam the Paving Man Pty Ltd	\$744,844.98	Schedule of Rates	Minor works
Sorrento Constructions Pty Ltd	\$1,319,973.92	Schedule of Rates	Minor works
Stabilised Pavements of Australia P/L	\$260,735.02	Schedule of Rates	Cement stabilisation of road pavements
Sydney Metro Tree Services Pty Ltd	\$152,563.95	Schedule of Rates	Tree services
Bluedog Fences Australia	\$156,960.10	Other	Supply and installation of fences
Colorfen Constructions	\$210,318.03	Other	Supply and installation of fences and gates
Colquhon Murphy Trust Account	\$150,000.00	Other	Acquisition of properties – Blaxland Road
Complete Office Supplies Pty Ltd	\$155,182.41	Other	Supply of stationery
Corporation Sole EPA Act	\$241,265.43	Other	Contribution
Cunneen Group Pty Ltd	\$291,732.45	Other	Construction – park amenities upgrade

Payee Name	2008/2009 Actual (incl. GST)	Payment Type	Description
Democorp Pty Ltd	\$151,069.39	Other	Building Works – demolition and asbestos removal
Department of Planning	\$281,146.70	Other	Development Application fees
Downer EDi Works Pty Ltd	\$932,559.66	Other	Roadworks
Energy Australia	\$2,293,015.83	Other	Supply electricity
Flash Plumbing Services	\$171,835.95	Other	Plumbing
Havencord Pty Ltd T/As Connor Electrical	\$185,720.40	Other	Electrical services
Hays Specialist Recruitment Aust P/L	\$301,070.46	Other	Agency staff
Hudson Global Resources (Aust) Pty Ltd	\$366,707.59	Other	Agency staff
James Bennett Pty Ltd	\$155,310.59	Other	Library material
Kompan Playscape P/L	\$285,839.30	Other	Supply of playground equipment
Local Gov Super Scheme - Div A	\$1,759,662.00	Other	Employee superannuation
Local Govt Super Scheme - Div B	\$560,992.79	Other	Employee superannuation
Long Service Payments Corporation	\$545,062.25	Other	Agent payments
Marsdens Law Group	\$1,363,223.37	Other	Acquisition of properties – Blaxland Road
National Australia Bank Ltd	\$703,114.30	Other	Loan repayments
New South Wales Fire Brigades	\$1,401,992.00	Other	Contribution
NSW Electoral Commission	\$220,385.00	Other	2008 Local Government election charges
Playrope Pty Ltd	\$212,026.13	Other	Supply and installation of playground equipment
Randall Technology Services P/L	\$178,062.50	Other	Information technology services – Technology One
Randstad Pty Ltd	\$246,700.64	Other	Agency staff
Scout Association of Australia	\$959,238.26	Other	Acquisition of properties
Spectrum Employment Services Co-op Ltd	\$503,017.84	Other	Agency staff
State Debt Recovery Office	\$467,219.17	Other	Infringement processing
StateCover Mutual Limited	\$1,856,485.67	Other	Workers compensation
Statewide Mutual	\$707,569.61	Other	Insurances
Sustainable Turf Renovations	\$259,724.60	Other	Supply and lay turf
Sydney Training & Employment Ltd	\$201,904.25	Other	Apprentices and casual staff
Sydney Water	\$258,796.22	Other	Water supply
Terraforma Property Developments	\$249,066.42	Other	Construction – Park and library amenities upgrade
Town Planning Assessment Services	\$179,665.75	Other	Consulting – town planning services
VIVA Recreation Pty Ltd	\$163,925.30	Other	Supply of playground equipment

Contract: Represents a contractual agreement for the supply of one or more products or the supply of services at a lump sum value

Schedule of Rates: Represents a contractual agreement whereby the goods and/or services are supplied at agreed rates

Other: All other payments greater than \$150K

Bushfire hazard reduction – S428 (2) (i)

Nil

Accessible services for people with diverse cultural and linguistic backgrounds – S428 (2) (j)

Report on Council performance for the year 2008/2009 under Social Key Outcomes from the City of Ryde 2008 – 2012 Management Plan is presented in the 'Our Performance' section on page 48

Work on private land – S428 (2) (k)

93 Western Crescent, Gladesville – Repairs to Council's stormwater line, value \$20,000

Contributions/grants to organisations and individuals – S428 (2) (l)

Details are included Notes to the Financial Statements contained within the 2008/2009 Financial Report on page 94-95

Human Resource Activities – S.428 (2) (m)

Report on Council performance for the year 2008/2009 from the City of Ryde 2008-2012 Management Plan is presented under Human Resources and Organisational Development on page 32

Equal Employment Opportunity (EEO) Activities – S.428 (2) (n)

Report on Council performance for the year 2008/2009 from the City of Ryde 2008-2012 Management Plan is presented under Human Resources and Organisational Development on page 33

External bodies exercising delegated functions – S428 (2) (o)

Nil return

Controlling interest in companies – S428 (2) (p)

Nil return

Partnerships, cooperatives and other joint ventures – S428 (2) (q)

Details are included Notes to the Financial Statements contained within the 2008/2009 Financial Report

Local Government (General) Regulation 2005

Rates and Charges

Clause 132

Rates & Charges Written Off 2008/2009

Rates and charges in respect of pensioners, revaluations, postponed rates and non rateable properties	\$11,358
Statutory and Voluntary Pension rebates	\$1,504,379
Total	\$1,515,737

Council overseas visits

Clause 217 (1)

(a) Overseas visits undertaken by Councillors and others representing Council

Nil

Councillor payments

(a)(1) Payment of expenses and provision of facilities during the year

See S428 (2) (f)

(b) Senior staff remuneration packages

See S428 (2) (g)

Children's services

(c) Activities to develop and promote services and programs that provide for the needs of children

See 'Our Performance' - People on page 49

Residents' services

(d)(i) Activities to promote services and access to services for residents and other service users

See 'Our Performance' - from page 48

Business activities

(ii) Category 1 Business Activities

(iii) Category 2 Business Activities

(iv) Category 1 Business Activities - Statement of Expenses, Revenues and Assets

(v) Implementing Principles of Competitive Neutrality

(vi) Application of Competitive Neutrality Pricing Requirements to Category 1 Businesses

(vii) Competitive Neutrality Complaints Mechanism

(viii) Performance of Category 1 Businesses

Details regarding Competitive Neutrality are contained within the Special Purpose Financial Report from page 29-132.

Council's Competitive Neutrality Complaints Handling Policy can be obtained by calling the Customer Service Centre on (02) 9952 8222 during normal office hours. It is also available on www.ryde.nsw.gov.au.

The policy details the procedure that Council will follow when dealing with a competitive neutrality complaint. Enquiries and complaints in respect of Competitive Neutrality should be directed to the Chief Financial Officer. Council did not receive any complaints in respect of Competitive Neutrality during the 2008/2009 financial year.

Stormwater, coasts and estuaries and waste management services

Clause 217 (1) (e) Comparison of actual stormwater, coasts and estuaries and waste management services as proposed in Management Plan 2008 - 2012.

The Ryde Local Government Area is comprised of fourteen discrete stormwater drainage catchments, with a total area of over 4,000 hectares. With the exception of Macquarie Park, the predominant land use is urban residential, which is characterised by low to medium-density development.

What are we doing?

The City has prepared Stormwater Management Plans for the Lower Parramatta River, the Mid Parramatta River and the Lane Cove River Catchments. The preparation of these plans involved extensive stakeholder and community consultation and resulted in an extensive set of recommended activities and actions to guide the management of stormwater quality throughout the City. The plans detailed short, medium and long term actions for the City. These actions are being progressively incorporated into the Council's management plan and capital works programs. The City has an ongoing water quality monitoring program to assess changes in aquatic health and to guide actions aimed at improving water quality.

The ability of Council to implement the various recommended activities and actions is governed by the availability of funding and the prioritisation of measures and actions across the various catchments. Council has adopted a Floodplain Management Plan for Eastwood and Terrys Creek and has several Floodplain Management Committees in operation. The City of Ryde is a member of the Parramatta River Estuary Management Committee, which is guiding and overseeing the preparation of the Parramatta River Estuary Management Plan, and is also a member of the Parramatta River Catchment Group. The Group is leading efforts to improve the condition of the Parramatta River and its tributaries by improving the environment and environmental management of the Parramatta River Catchment.

The City of Ryde has developed draft water sensitive urban design (WSUD) development controls and guidelines and is progressively implementing WSUD initiatives to assist in conserving potable water, minimising waste

water and improving stormwater quality across the Ryde LGA.

Waste Management

The waste collection service delivered by WSN Environmental Solutions commenced in May 2006. During that time Council and the contractor have worked together to ensure that there are minimum complaints and missed services. In general the number of complaints and missed services meets the key performance indicators in the contract of 1 in 2,000 services.

Council has again met the Annual Performance Payment Criteria set by the Department of Environment and Climate Change to qualify for the allotted payment paid in November to Council for 2009/2010 of \$391,806.94.

Waste education and communication programs continue to be developed and delivered to increase public awareness of waste minimisation, reuse and recycling. These programs also complement and assist the collection service in minimising contamination rates.

The programs delivered in 2008/2009 include:

- Free 'Follow your Waste Tours' in conjunction with WSN Environmental Solutions
- REEN - Ryde Environmental Education Network for schools - quarterly meetings
- Waste education trailer used at local schools, Granny Smith Festival local shopping centres and other venues
- SecondHand Saturday program
- Clean Up Australia Day (March 2009)
- Promotion of the Chipping and Mulching Service
- National Recycling Week (November 2009)
- International Compost Awareness Week (May 2008)
- Mobile Muster/Planet Ark
- Rubbish Free Lunch Challenge (RFLC)
- Compact Fluorescent Light (CFL) recycling
- Cartridge recycling programs
- eWaste free collection from kerbside
- Public Place Recycling education program for new waste and recycling bin stations at Eastwood
- Roll out of new Butt Bins across the City.

Community Workshops

- Meadowbank TAFE Students - Waste Services Information Session (March 2009)
- CoR Residents - Worm Farming and Composting Workshop (May 2009)
- North Ryde Community Aid Centre - Waste Services Information Session (May 2009)
- Eastwood Evening Garden Club - Waste Services Overview (June 2009)
- Chinese ESL Group at Eastwood Anglican Church - Worm Farming and Composting Workshop (June 2009)

Companion animals

(f) Companion Animals Act 1998 Reporting

Companion Animal Management has been a key operational program throughout the year, with a 15% increase in demand for services provided by the Regulatory Services Unit.

The introduction of a Companion Animal Advisory Committee in early 2009 has resulted in Council receiving good feedback from members of the community and staff involved in the Committee.

- Compliance Rangers handled 773 complaints regarding companion animal issues from the general public, a 17% increase on the previous year's figures.
- Compliance Rangers handled 226 complaints in relation to stray, abandoned or roaming dogs, an 8.5% reduction on the previous year's figures.
- 132 companion animals were impounded by Compliance Rangers, a 27% reduction on last year.
- 96 companion animals or 73% of all impounded animals were returned home to their owners.
- 36 companion animals or 27% were impounded and transported to Blacktown Pound, which is the City of Ryde's contractor for pound operations.
- 131 barking dog complaints were investigated, an increase of 21% from last year.
- 47 reported dog attacks, a reduction of 34% from last year.

Council conducted three successful free Microchipping Open Days, along with promoting the Companion Animals legislation at community events such as the Granny Smith Festival.

The number of Companion Animals impounded has continued to reduce and this may be attributed to ongoing education such as Council's free Microchipping Open Days and the promotion of the Regulatory Services Unit at the Granny Smith Festival.

The Regulatory Services Unit has continued to implement new systems throughout the year to assist Companion Animal owners. These include linking photographs of impounded animals onto our website and a new Companion Animals link on the website to provide further information to the public.

Overall the management of Companion Animal matters within the City of Ryde has continued to improve throughout the year, however the increase in complaints, particularly relating to barking dogs is an area of concern.

Freedom of Information (FOI) Act 1989 and Regulation

The impact during the year of the FOI requirements on the organisation's activities was that considerable assistance continued to be provided to persons seeking access to

City of Ryde's documents and enquiries were able to be satisfied without the need for an FOI application. A total of 13 FOI requests were made in 2008/2009 and are summarised below:

Number of new FOI Requests

FOI Requests	Personal	Other	Total
New	0	13	13
Brought forward	0	0	0
Total to be processed	0	0	0
Completed	0	13	13
Transferred out	0	0	0
Withdrawn	0	0	0
Total processed	0	13	13
Unfinished (carried forward)	0	0	0
Referred to Section 12	0	2	2

What Happened to Completed Requests

Result of FOI Requests	Personal	Other
Granted in full		1
Granted in part		9
Refused		3
Deferred		
Completed		1
Under Section 12		3

Basis of disallowing or refusing access

Basis of disallowing access	Personal	Other
Section 19		
Section 22		
Section 25 (1) (a1)		
Section 25 (1) (a) - exempt		2
Section 25 (1) (b), (c), (d)		
Section 28 (1) (b)		1
Section 24 (2)		
Section 31 (4)		
Totals		3

Costs and fees of requests processed

	Assessed Costs	FOI Fees Received
All completed requests		171.00

Days to process

Elapsed Time	Personal	Other
0-21 days	8	
22-35 days	5	
Over 35 days		
Totals	13	

Processing Times

Reviews and Appeals

Number of internal reviews finalised: 3

Number of ombudsman reviews finalised: Nil

Number of District Court appeals finalised: Nil

Details of Internal Review Results

Bases of internal review	Personal Upheld	Varied	Other Upheld	Varied
Access refused			1	
Deferred				
Exempt matter			2	
Unreasonable charges				
Charge unreasonable incurred				
Amendment refused				
Totals			3	

Privacy and Personal Information Protection (PIIP) Act 1998

The City of Ryde has adopted the Model Privacy Management Plan and Privacy Code of Practice for Local Government. Through staff education and training and review of files and public reports prior to release, Council endeavours to comply with the requirements of the PIIP Act. There were no internal reviews under Part 5 of the PIIP Act in 2008/2009.

Environmental Planning and Assessment Act 1979 - Section 93G (5)

In 2008/2009 the City of Ryde entered into three Planning Agreements pursuant to Section 93G(5) of the Environmental Planning & Assessment Act 1979. Details of these Planning Agreements are as follows:

1. Planning Agreement entered into with Waterpoint Shepherds Bay Pty Limited with the value of public benefit being \$1 million in the form of a monetary contribution.
2. Planning Agreement entered into with Eastwood Centre Developments with the value of public benefit being \$1.45 million in the form of upgrade and improvements to Eastwood Plaza plus \$1 million in the form of a monetary contribution.
3. Planning Agreement entered into with Conca D'oro Lounge Pty Limited with the value of public benefit being \$3.391 million in the form of dedication of land (and embellishment), upgrade of existing pedestrian and cycle path, tree planting and stormwater infrastructure and drainage system.

Global Reporting Initiative (GRI)

Content Index

The Global Reporting Initiative (GRI) is a process that introduces globally applicable guidelines that enable an understanding of an organisation's contribution to sustainable development.

The guidelines are designed to ensure GRI based reports:

- provide a balanced and reasonable picture of their economic, environmental and social performance
- facilitate comparability, benchmarking and assessment of performance
- address issues of concern to stakeholders.

The City is not fully compliant but we are working towards progressive integration of our sustainability reporting against the GRI criteria.

The areas in the table below are being achieved.


GRI indicators that have been discussed in this report (either wholly or in part), are referenced in the following table.

Indicator	Page	Comment
1 Strategy and analysis		
1.1 CEO statement	Introduction	General Manager Message
1.2 Risk and Opportunities	Introduction	General Manager Message
2 Organisational profile		
2.1 Name of the organisation	Cover	Vision
2.2 Primary brands, products, and/or services including volume or quantity	Inside Front Cover Section 1	Highlights Our Performance
2.3 Operational Structure	Section 3	Organisation Chart
2.4 Operational headquarters	Section 6 Page 138	
2.5 Jurisdiction or area in which the council operates	Introduction	
2.6 Legal form of the council	Section 2	
2.7 The main target groups of the council's activities	Introduction	Who are we?
2.8 Scale of the council - number of employees - net revenues - total assets	Introduction Section 3 Section 5	Community Financial Report
2.9 Significant changes to the council during the reporting period.	Section 2	Council elections held September 2008
2.10 Awards received in the reporting period	Section 1	
3 Report parameters		
Report profile		
3.1 Reporting period	Introduction	
3.2 Date of most recent previous report		City of Ryde's Annual Report 2007/2008 was published in November 2008
3.3 Reporting cycle	Introduction	1 July 2008 to 30 June 2009
3.4 Contact point	Inside back cover	
Report scope and boundary		
3.5 Process for defining report content	Introduction	Report prepared across Council service units and reviewed by Executive Team
3.6 Boundary of the report	Introduction	About this report
3.7 Limitations on the scope of the report	Introduction	About this report
3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other situations.	Section 6	
3.9 Data measurement techniques and the basis of calculations	Section 4 & 5	Data measures distributed throughout report
3.11 Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report		No significant changes
3.12 Table identifying the location of the standard disclosures in the report	Section 5 Section 6	Statutory Reporting and GRI Table

Indicator	Page	Comment
3.13 Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s).	Introduction	
4 Governance, commitments and engagement		
Governance		
4.1 Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks.	Section 2	
4.2 Indicate whether the chair of the highest governance body is also an executive officer.	Section 2 Section 3	
4.3 Number of members of the highest governance body that are independent and/or non-executive members.		Not relevant
4.4 Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body.	Section 2 Section 3	Democratic Governance What is our organisation?
4.5 Linkage between compensation for senior executives and the organisation's performance	Section 6	Statutory Information
4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided	Section 2 Section 3	Civic leadership Corporate Governance
4.7 Process for determining required qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental and social performance.	Section 2	Details on Audit Committee
4.8 Internally developed statements of values and codes of conduct	Inside Front Cover Section 2	
4.9 Procedures of highest governance body for overseeing identification and management of economic, environmental and social performance.	Section 2	Corporate Governance
4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.		Performance is measured through the Management Plan developed each year with a four year capital works program.
4.12 Externally developed voluntary economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses.	Introduction Section 2	About this report and Environment Strategy
4.13 Association memberships and national/international advocacy organisations in which the organisation has positions in governance bodies, participates in projects or committees, provides substantive funding beyond routine membership dues and strategic memberships.	Section 2	
4.14 List of stakeholder groups engaged by the organisation.	Section 2	

Indicator	Page	Comment
4.15 Basis for identification and selection of stakeholders with whom to engage	Section 2 Section 3	Civic Leadership Corporate Governance
4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Section 2 Section 3	Civic Leadership Corporate Governance
4.17 Issues and concerns raised through stakeholder engagement and how the organisation has responded.	Section 2	
PA2 State the definition of sustainable development adopted and identify any statements or principles adopted to guide sustainable development policies	Section 2	Corporate Directions
PA3 Identify the aspects for which the organisation has established sustainable development policies.		Our specific sustainability related policies include: Greenhouse Action Plan 2006-10 Parks on Track 2025 Waste Management Strategy
EC Economic performance indicators		
EC1 Economic value generated and distributed.	Section 5 & 6	Community Financial Report and Financial Statements
EC4 Financial assistance received from government.	Section 6	Financial Statements
EC8 Investments that provide public benefit t	Section 6	Financial Statements
EN Environmental Performance Indicators		
EN2 Percentage of materials used that are recycled input materials.	Section 3	Purchasing policy provides for the use of environmental factors when making procurement decisions although it doesn't specifically refer to the recycled input materials. The extent to which the policy is applied is not currently measured.
EN3 Direct energy consumption by primary energy source	Section 4	
EN6 Initiatives to provide energy efficient products and services	Section 4	
EN13 Area of habitats protected or restored.	Section 4	
EN14 Programmes for managing impacts on biodiversity	Section 4	
EN16/17 Greenhouse gas emissions	Section 4	
EN22 Total weight of waste by type and disposal method	Section 4	
LA Social performance indicators		
Labour practices and decent work		
LA1 Breakdown of total workforce.	Section 3	Human Resource and Organisational Development

Indicator	Page	Comment
LA2 Employee turnover	Section 3	Human Resource and Organisational Development
LA3 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section 3	Human Resource and Organisational Development
LA6 Percentage of workforce represented in health and safety committees	Section 3	Human Resource and Organisational Development
LA7 Such as rates of injury and lost time	Section 3	Human Resource and Organisational Development
LA11 Workforce skills management and lifelong learning	Section 3	Human Resource and Organisational Development
LA12 Performance review and career development	Section 3	Human Resource and Organisational Development
SO Society		
SO1 Impacts of operations on communities	Section 4	Our performance
SO2 Business units analysed for risks related to corruption	Section 2	Risk Management
SO3 Employees trained in anti-corruption policies	Section 2 Section 4	Risk Management Our Performance
Social Performance: product responsibility performance indicators		
PR5 Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Section 4	Our Performance

More information about the GRI is available at www.globalreporting.org 

Glossary of Terms

Advocacy The act of speaking or arguing in favour of something, such as a cause, idea, or policy. In the context of the Strategic Priorities it refers to another sphere of government or organisation delivering a service or outcome for the City.

Benchmarking A process of comparing performance with standards achieved in a comparable environment with the aim of improving performance.

Business Continuity Plan A clearly defined and documented plan that provides the guidelines for the organisation that establishes the ground rules for the Critical Operations of the City of Ryde. It contains the guidelines for the business to continue to operate within a defined timeframe utilising a set of predefined resources and workarounds.

Community Land Land classified as community land must be kept for use by the general community. All community land must be regulated by a Plan of Management which may apply to one or more areas of land.

Crown Land Crown Land is land that is owned and by State Government but managed on their behalf by Council.

Management Plan A strategic document with a minimum four-year outlook, which outlines the key strategies the organisation will undertake to achieve its desired outcomes. Note: this is a legislative requirement.

EEO Equal Employment Opportunity.

Enterprise Architecture (EA) EA is a design for the arrangement and interoperation of business components in an information and communications technology (ICT) environment, for example policies, operations, infrastructure, and information that together make up the organisation's means of operation.

ET Executive Management Team, consisting of the General Manager and four Group Managers.

Financial Year The financial year we are reporting on in this annual report is the period from 1 July 2008 to 30 June 2009

FTE Full-time equivalent. In relation to staff numbers this refers to a figure that is based on the wages for full-time staff

HR Human Resources.

ICLEI An international association of local governments and their associations that have made a commitment to sustainable development

Key Performance Indicator Objective evidence on the extent of, or progress towards, achievement of a desired outcome

LEP Local Environment Plan

LGA Local Government Area

MOU Memorandum of Understanding

Operational Plan A document with a one-year outlook which outlines the key activities to be undertaken to achieve the desired outcomes set out in the Corporate Plan. Note: this is a legislative requirement

Partnering A structured approach to working together with other parties to achieve a mutually beneficial outcome

Performance The results of activities and progress in achieving the desired outcomes over a given period of time

Plan of Management (POM) A document which regulates the use and management of community land

PPP Public Private Partnership

Risk Management A discipline for developing appropriate procedures to reduce the possibility of adverse effects from future events

Scorecard A visual display of the most important performance information, consolidated so an overall understanding of performance can be viewed at a glance

Sustainable Development Development that meets the needs of the present generation without compromising the capacity of future generations to meet their needs

Target A goal to be reached by a specific date which may be higher than the forecasted performance. It aims to continually improve performance

TRIM Electronic system that registers incoming and outgoing correspondence and documentation and provides ready access to files

Vision A statement that embraces the desired future that the organisation is working towards

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Contact Us

Many of the City's services and projects are listed in this Annual Report but if you need further assistance or information on a service or facility not listed, simply contact us via one of the following easy ways:

Web www.ryde.nsw.gov.au

Telephone Pick up the phone between 8.00am – 5.30pm, Monday to Friday (61) 2 9952 8222

Post Write to us at:
City of Ryde, Locked Bag 2069
North Ryde NSW 1670

Fax Send us a fax on (61) 2 9952 8070

Email Get online and drop us an email at cityofryde.ryde.nsw.gov.au

Mayor and Councillors Contact details for the Mayor and Councillors is available on our website at www.ryde.nsw.gov.au or contact our customer service officers for details on (61) 2 9952 8222

In Person You can always visit us at any one of our customer service office located at 1 Devlin Street, Ryde or anyone of our five libraries.

Acknowledgements

The City of Ryde would like to acknowledge all staff who contributed to the completion of this Annual Report, including those whose hard work throughout the year provided the material for the project team.

Design and Art Direction

Spoonful (www.spoonfuldesign.com.au)

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Sue Ledingham and Louise Downe

Editing

Louise Downe

Financials

Richard Nankivell and Christine Joyce

Photography

Sarah Nguyen (info@sarah-nguyen.com) and staff photographers

Translations

ENGLISH

To understand this document ring the Translating and Interpreting Service on 131 450 and ask an interpreter to contact Council for you on 9952 8222.

ARABIC

لفهم هذه الوثيقة، اتصل بخدمة الترجمة التحريرية والشفهية على رقم 131 450 واطلب من المترجم الاتصال بالمجلس نيابة عنك على رقم 9952 8222.

ARMENIAN

Այս փաստաթուղթը հասկնալու համար հեռաձայնեցէք Թարգմանութեան Սպասարկութիւն 131 450, եւ խնդրեցէք որ թարգման մը ձեզի համար կապ հաստատէ Քաղաքային Խորհուրդին հետ, հեռաձայնելով 9952 8222 թիւին:

CHINESE

欲了解本文件内容，請致電翻譯和傳譯服務，電話：131 450，要求傳譯員為致電9952 8222，聯絡協會。

FARSI

شما می توانید برای کمک در درک مطالب نوشته شده در این متن به خدمات ترجمه شفاهی و ترجمه کتبی به شماره 131450 زنگ بزنید و خواهش کنید یک مترجم شفاهی برای شما به شورا به شماره 99528222 تلفن کند تا بدین ترتیب توضیحات لازم را از شورا دریافت کنید.

ITALIAN

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KOREAN

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