

General & Special Purpose Financial Reports



**Year ended
30 June 2005**

City of Ryde

Council of the City of Ryde

GENERAL PURPOSE FINANCIAL REPORTS

for the year ending 30 June 2005

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Council of the City of Ryde

GENERAL PURPOSE FINANCIAL REPORTS

for the year ending 30 June 2005

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 Reports have been prepared in accordance with:

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

To the best of our knowledge and belief, these Reports

- Present fairly the Council's operating result and financial position for the year, and
- Accord with Council's accounting and other records

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

Signed in accordance with a resolution of Council made on 6 September 2005.



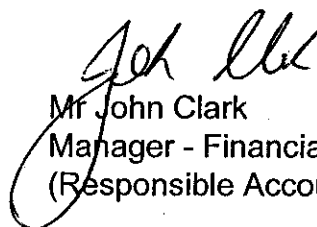
Councillor Terry Perram
Mayor



Councillor Gabrielle O'Donnell
Deputy Mayor



Mr Michael Whittaker
General Manager



Mr John Clark
Manager - Financial Services
(Responsible Accounting Officer)

Council of the City of Ryde

STATEMENT OF FINANCIAL PERFORMANCE for the year ending 30 June 2005

Original Budget* 2005 (\$'000)		Notes	Actual 2005 (\$'000)	Actual 2004 (\$'000)
	EXPENSES FROM ORDINARY ACTIVITIES			
22,172	Employee Costs	3(a)	22,393	20,755
688	Borrowing Costs	3(b)	580	413
15,747	Materials and Contracts		14,023	13,430
14,295	Depreciation	3(c)	14,794	15,023
9,710	Other Expenses from Ordinary Activities	3(d)	9,902	8,871
-	Loss from the disposal of assets	5	-	-
62,612	TOTAL EXPENSES FROM ORDINARY ACTIVITIES		61,692	58,492
	REVENUE FROM ORDINARY ACTIVITIES			
41,758	Rates & Annual Charges	4(a)	41,631	39,916
8,558	User Charges & Fees	4(b)	9,163	8,441
1,757	Interest	4(c)	2,767	2,129
1,871	Other Revenues from Ordinary Activities	4(d)	2,333	2,032
4,817	Grants & Contributions provided for non-capital purposes	4(e&f)	5,295	5,023
852	Gain from the disposal of assets	5	451	300
59,613	REVENUES FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		61,640	57,841
(2,999)	SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		(52)	(651)
6,384	Grants & Contributions provided for capital purposes	4(e&f)	10,227	2,567
3,385	SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES AFTER CAPITAL AMOUNTS		10,175	1,916
3,385	SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		10,175	1,916
3,385	SURPLUS (DEFICIT) FROM ALL ACTIVITIES		10,175	1,916

Council of the City of Ryde

STATEMENT OF FINANCIAL POSITION As at 30 June 2005

	Notes	2005 (\$'000)	(\$'000)	2004 (\$'000)	(\$'000)
CURRENT ASSETS					
Cash Assets	6	33,433		29,536	
Receivables	7	3,185		2,198	
Inventories	8	497		210	
Other	8	669		284	
TOTAL CURRENT ASSETS			37,784		32,228
NON-CURRENT ASSETS					
Cash Assets	6	14,261		9,137	
Receivables	7	166		201	
Property, Plant and Equipment	9	1,272,430		1,273,641	
TOTAL NON-CURRENT ASSETS			1,286,857		1,282,979
TOTAL ASSETS			<u>1,324,641</u>		<u>1,315,207</u>
CURRENT LIABILITIES					
Payables	10(a & c)	5,092		4,443	
Interest Bearing Liabilities	10(a & c)	1,551		1,587	
Provisions	10(a & c)	2,001		1,747	
TOTAL CURRENT LIABILITIES			8,644		7,777
NON-CURRENT LIABILITIES					
Payables	10(a)	3,519		3,965	
Interest Bearing Liabilities	10(a)	8,615		9,992	
Provisions	10(a,b & c)	4,419		4,204	
TOTAL NON-CURRENT LIABILITIES			16,553		18,161
TOTAL LIABILITIES			<u>25,197</u>		<u>25,938</u>
NET ASSETS			<u>1,299,444</u>		<u>1,289,269</u>
EQUITY					
Accumulated Surplus			1,299,444		1,289,269
TOTAL EQUITY			<u>1,299,444</u>		<u>1,289,269</u>

Council of the City of Ryde

STATEMENT OF CHANGES IN EQUITY for the year ending 30 June 2005

	Accum Surplus	Asset Revaluation Reserve	2005 (\$'000) Council Equity Interest	Outside Equity Interest	Total Equity	Accum Surplus	Asset Revaluation Reserve	2004 (\$'000) Council Equity Interest	Outside Equity Interest	Total Equity
Balance at the beginning of the reporting period	1289269	-	1289269	-	1289269	1287353	-	1287353	-	1287353
Change in Equity recognised in the Statement of Financial Performance	-	-	-	-	-	1,916	-	1916	-	1,916
Adjustments due to compliance with revised Accounting Standards	-	-	-	-	-	-	-	-	-	-
Transfers to asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Transfers from asset revaluation reserve	-	-	-	-	-	-	-	-	-	-
Distributions to/from Outside Equity Interests	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period	1,289,269	-	1,289,269	-	1,289,269	1,289,269	-	1,289,269	-	1,289,269

Council of the City of Ryde

STATEMENT OF CASH FLOWS for the year ending 30 June 2005

Original Budget* 2005 (\$'000)	Notes	2005 (\$'000)	2004 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
41,758	Rates & Annual Charges	41,354	39,898
9,752	User Charges & Fees	9,861	9,092
1,757	Interest	2,752	2,097
9,551	Grants and Contributions	15,061	8,054
4,833	Other	3,779	4,765
Payments			
(22,284)	Employee Costs	(21,829)	(21,242)
(17,322)	Materials and Contracts	(16,007)	(14,582)
(738)	Interest	(541)	(424)
(10,415)	Other	(11,070)	(10,829)
<hr/>			
	Net cash provided by (used in)		
16,892	11(b) Operating Activities	23,360	16,829
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
-	Sale of Investments	-	-
-	Sale of Real Estate Assets	-	-
6,066	Sale of Property, Plant and Equipment	2,788	2,659
-	Sale of Interests in Joint Ventures/Associates	-	-
-	Other	-	-
Payments			
-	Purchase of Investments	-	-
-	Purchase of Real Estate Assets	-	-
(27,338)	Purchase of Property, Plant and Equipment	(15,714)	(16,152)
-	Purchase of Interests in Joint Ventures/Associates	-	-
-	Other	-	-
<hr/>			
(21,272)	Net cash provided by (used in) Investing Activities	(12,926)	(13,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
-	Borrowings and Advances	-	4,000
-	Other	-	-
Payments			
(1,136)	Borrowings and Advances	(735)	(1,122)
(191)	Deferred Creditor	(318)	(319)
-	Finance Leases	(260)	(154)
<hr/>			
(1,327)	Net cash provided by (used in) Financing Activities	(1,313)	2,405
<hr/>			
(5,707)	Net Increase (Decrease) in Cash Assets Held	9,121	5,741
38,553	Cash Assets at beginning of Reporting Period	38,553	32,812
32,846	Cash Assets at end of Reporting Period	47,674	38,553

NOTES TO THE FINANCIAL STATEMENTS

Note 1

SIGNIFICANT ACCOUNTING POLICIES

This note sets out the significant accounting policies adopted by the Council in accordance with the Australian Accounting Standard AAS 6 "Accounting Policies: Determination, Application and Disclosure".

1. The Local Government Reporting Entity

The City of Ryde has its principal business office at Ryde Civic Centre, 1 Devlin Street, Ryde NSW 2112. **The City Of Ryde** is empowered by the New South Wales Local Government Act (LGA) 1993 and its Charter is specified in Section 8 of the Act.

A description of the nature of the Council's operations and its principal activities are provided in Note 2(b) of this report.

The General Purpose Financial Statements incorporate the assets and liabilities of all entities controlled by Council (the parent entity) and the results of all controlled entities for the financial period ended 30 June 2005. They include the consolidated fund and other entities through which the Council controls resources to carry on its functions. In the process of reporting on the local government as a single unit, all transactions and balances between activities (for example, loans and transfers) have been eliminated.

1.1 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.

Council has one subsidiary entity being Eastwood Plaza Committee. During 2004/05 the Committee had no financial transactions and had total assets of \$1,000 as at 30 June 2005.

2. Basis of Accounting

2.1 Compliance

This general purpose financial report 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.

2.2 Basis of Accounting

This general purpose financial report has been prepared on the accrual basis of accounting and, except for revenue derived from the issuance of parking fines which has been brought to account in a cash basis due to difficulties in determining amounts outstanding, in accordance with the historical cost convention.

The accounting policies adopted for the reporting period are consistent with those of the previous reporting period except where otherwise indicated.

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

2.3 Impacts of adopting Australian equivalents to IFRS

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the Council's financial statements for the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The transition to International Financial Reporting Standards is being managed on an industry-wide basis. A National Local government working party has been established, and the NSW Department of Local Government in

conjunction with the Local Government Accounting Advisory Group will identify significant changes affecting the industry.

The Council has established a project team to manage its own transition to AIFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has prepared a detailed timetable for managing the transition and is currently on schedule.

The project team has analysed all of the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Accounting Standard AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards. These choices have been analysed to determine the most appropriate accounting policy for the Council. In particular, exemptions to the introduction of AIFRS under AASB 1 apply to AASB 132 'Financial Instruments: Disclosure and Presentation' and AASB 139 'Financial Instruments; Recognition and Measurement' for the 2004/05 financial year. These items have been prepared using previous Australian Generally Accepted Accounting Principles (Australian GAAP). However, Council will revise the measurement of these items in order to provide comparative information for the 30 June 2006 financial report.

The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using AIFRS are set out below. The expected financial effects of adopting AIFRS are shown for each line item in the statements of financial performance and statements of financial position, with descriptions of the differences. No material impacts are expected in relation to the statements of cash flows.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the ASSB and the IASB. Therefore, until the Council prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Assets used by Council's "for profit" activities have been tested for impairment, as required by Accounting Standard AASB 136. No impairment is present. All such assets have recoverable amounts equal to or in excess of their carrying amount. Investment properties and properties held for resale have recoverable amounts in excess of carrying amount and this excess is shown in the following table.

Impact on the Statement of Financial Performance - 30 June 2005

	Notes	Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000
EXPENSES FROM ORDINARY ACTIVITIES				
Employee Costs		22,393		22,393
Borrowing Costs		580		580
Materials and Contracts		14,023		14,023
Depreciation		14,794		14,794
Other Expenses from Ordinary Activities		9,902		9,902
Loss from the disposal of assets	d	0		0
TOTAL EXPENSES FROM ORDINARY ACTIVITIES		61,692	0	61,692
REVENUE FROM ORDINARY ACTIVITIES				
Rates & Annual Charges		41,631		41,631
User Charges & Fees		9,163		9,163
Interest		2,767		2,767
Other revenues from ordinary activities	a, c	2,333	-61	2,272
Grants & Contributions provided for non-capital purposes		5,295		5,295
Gain from the disposal of assets	d	451		451
REVENUES FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		61,640	-61	61,579
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS		-52	-61	-113
Grants & Contributions provided for capital purposes		10,227		10,227
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES AFTER CAPITAL AMOUNTS		10,175	-61	10,114
SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		10,175	-61	10,114
SURPLUS (DEFICIT) FROM ALL ACTIVITIES		10,175	-61	10,114

Impact on the Statement of Financial Position - 30 June 2005

	Notes	Existing GAAP \$'000	Effect of Change \$'000	AIFRS \$'000
CURRENT ASSETS				
Cash Assets		32,321		32,321
Receivables		3,185		3,185
Inventories		497		497
Other	b	669	3,392	4,061
TOTAL CURRENT ASSETS		36,672	3,392	40,064
NON-CURRENT ASSETS				
Cash Assets		15,373		15,464
Receivables		166		166
Property, Plant and Equipment	a, b	1,272,430	-915	1,271,515
Other	c	0	0	0
TOTAL NON-CURRENT ASSETS		1,287,969	-915	1,287,054
TOTAL ASSETS		1,324,641	2,477	1,327,118
CURRENT LIABILITIES				
Payables		5,092		5,092
Interest Bearing Liabilities		1,551		1,519
Provisions		2,001		2,001
TOTAL CURRENT LIABILITIES		8,644	0	8,644
NON-CURRENT LIABILITIES				
Payables		3,519		3,519
Interest Bearing Liabilities		8,615		8,436
Provisions	c	4,419	192	4,611
TOTAL NON-CURRENT LIABILITIES		16,553	192	16,745
TOTAL LIABILITIES		25,197	192	25,389
NET ASSETS		1,299,444	2,669	1,302,113
EQUITY				
Accumulated Surplus	a	1,299,444	2,669	1,302,113
TOTAL EQUITY		1,299,444	2,669	1,302,113

Notes explaining the impacts on the statements of financial performance and statements of financial position

(a) Investment properties

Under AASB 140 'Investment Property', if investment properties are measured at fair value, gains or losses arising from changes in fair value are recognised in the Statement of Financial Performance. This will result in a change to the current accounting policy, under which investment properties are revalued to fair value and changes in fair value are recognised in the asset revaluation reserve.

(b) Non-current assets held for sale

Under AASB 5 'Non-current assets held for Sale and Discontinued Operations', a non-current asset will be classified as held for sale if its carrying amount is to be recovered principally through a sale transaction rather than through continued use. The asset will be measured at the lower of carrying amount and fair value, less costs to sell.

This will result in a change to the current accounting policy, under which the land held for resale is classified as non-current inventory and measured at the lower of cost or net realisable value.

(c) Retirement benefit obligations

Council is the sponsor of a defined benefit superannuation fund. Under existing Australian GAAP, a liability or asset in respect of defined benefit superannuation does not need to be recognised in the provision for employee benefits. Under AASB 119 'Employee Benefits', a liability or asset in respect of defined benefit superannuation is recognised and measured as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation fund's assets at that date.

If AASB 119 had been applied during the year ended 30 June 2005, then non-current assets and other revenue would both have been reduced by \$61,000.

(d) Revenue disclosures in relation to the sale of non-current assets

Under AIFRS, the revenue recognised in relation to the sale of non-current assets is the net gain on the sale. This is in contrast to the current Australian GAAP treatment under which the gross proceeds from the sale are recognised as revenue and the carrying amount of the assets sold is recognised as an expense. The net impact of the surplus or deficit of this difference is nil.

3. Rates

The rating period and reporting period for the council coincide, accordingly, all rates levied for the year are recognised as revenues. Uncollected rates are recognised as receivables after providing for amounts due from unknown

owners and postponed rates in accordance with the requirements of the Local Government Act 1993.

4. *Grants, Contributions and Donations*

4.1 General

Grants, contributions and donations (in cash or in kind) are recognised as revenues when the council obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt. Where notification has been received that a grant has been secured and Council acts in reliance of that notification, control is deemed at that time.

Unreceived contributions over which the Council has control are recognised as receivables.

Where grants, contributions and donations are recognised as revenues during the reporting period on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

Also disclosed is the amount of grants and contributions recognised as revenues in a previous reporting period, which were obtained in respect of the council's operations for the current reporting period.

4.2 Contributions under Section 94 of the Environmental Planning and Assessment (EPA) Act 1991

The Council has obligations to provide facilities from contributions required from developers under the provisions of S94 of the EPA Act 1991. These contributions may be expended only for the purposes for which the contributions were required, but the Council may, within each area of benefit, apply contributions according to the priorities established in the relevant contributions plans and accompanying works schedules.

Contribution plans adopted by Council are available for public inspection free of cost.

5. *Property, Plant & Equipment*

5.1 Transitional Provisions

Infrastructure assets (which were expensed prior to 1 January 1993) have been capitalised in the accounts on a "staged" basis since June 1995. All assets, apart from land under roads (the transitional provisions applicable to land under roads have now been extended pursuant to AASB 1045, released in October 2002, until 31 December 2006), have now been brought to account.

The effect of recognising these non-current assets has increased Council's accumulated wealth by \$1,606m since 1993. In addition, the annual estimated depreciation expense is approximately \$15m as compared to \$1.5m prior to their recognition.

All non-current assets purchased or constructed are capitalised as soon as the asset is held "ready for use".

5.2 Materiality

Assets with an economic life which is determined to be longer than one year are only capitalised where the cost of acquisition/construction exceeds materiality thresholds established by Council for each type of asset. In determining such thresholds, which are reviewed annually, regard is given to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year under review are provided below:

<u>Item</u>	<u>Minimum Value to be Capitalised</u>
Land – Operational	All capitalised
Land – Community	All capitalised
Open space	All capitalised
Roads, bridges, footpaths	\$1,000
Construction/reconstruction	\$25,000
Reseal/resheet/major repair	\$1,000
Office equipment	\$1,000
Computers	\$1,000
Plant and Vehicles	\$1,000

New major software is capitalised in the year of purchase. Other software upgrades and other software are expensed in the year of purchase.

5.3 Valuation of Assets

5.3.1 Recoverable Amounts Test

Council is exempt from the "Recoverable Amounts Test" except in relation to recognised trading operations under the provision of paragraph 2.1 of AAS10 "Recoverable Amount of Non Current Assets".

5.3.2 Plant & Equipment, Office Equipment & Furniture & Fittings

Assets acquired after 1 January 1993 were recorded at historical cost. Assets acquired prior to that date and depreciated in accordance with the (now superseded) Local Government Accounting Regulations 1979 were recorded at deemed cost, being the carrying amount of those assets at 31 December 1992. All assets have now been measured on

the “cost basis”, being the carrying amount of those assets at 30 June 2001.

5.3.3 Land

5.3.3.1 Operational Land

Land classified by Council as operational land in accordance with Part 2 of Chapter 6 of the Local Government Act 1993, and buildings thereon, were valued by independent valuation (Valuer General) in the reporting period ended 30 June 1995. At 1 July 2000, Council elected to adopt the ‘cost basis’ method of accounting for non-current assets and disclose them on the ‘cost basis’ in accordance with AAS 38 (AASB 1041) paragraph 10.4(a) of the Standard.

Pursuant to clause 8.2.1 of AAS 36, Council has undertaken current valuations of all land.

Current Valuation – An independent valuation of operational land based on market value was undertaken as at 1 July 2004 by the Valuer General. The market valuation is \$92,264,787. The new valuation has not been brought to account as Council has continued to adopt the ‘cost basis’ for recording this asset class.

5.3.3.2 Community Land

Land not classified by Council as operational land is deemed as community land and was valued by Council officers at municipal site value during the reporting period ended 30 June 1995. The Municipal Site Rate is calculated by dividing the land area (hectares) of all rateable land (excluding mining) into the dollar value of that rateable land as determined by the Valuer General and then applying that rate towards the non rateable property controlled by the Council. At 1 July 2000, Council elected to adopt the ‘cost basis’ method of accounting for non-current assets and disclose them on the ‘cost basis’ in accordance with AAS 38 (AASB 1041) paragraph 10.4(a) of the Standard.

Pursuant to clause 8.2.1 of AAS 36, Council has undertaken current valuations of all land.

Current Valuation – A valuation of community land was undertaken on a municipal site value basis by Council officers, using land valuations from the Valuer-General as at 1 July 2004, and totalled \$3,314,125,279. The new valuation has not been brought to account as Council has continued to adopt the ‘cost basis’ for recording this asset class.

5.3.3.3 Land Under Roads

Land Under Roads has not been valued or recognised as an asset in the statement of financial position (as allowed under transitional provisions for asset recognition contained in Australian Accounting Standard 27A – paragraph 108). The transitional provisions applicable to land under roads have now extended pursuant to AASB 1045, released in October 2002, until 31 December 2006.

5.3.4 Buildings & Land Improvements

Buildings were valued by independent valuation during the reporting period ended 30 June 1996 and pursuant to Council's election are disclosed using the 'cost basis'. All acquisitions made after the respective dates of valuation are recorded at cost.

Land improvements and other structures were valued by independent valuation during the reporting period ended 30 June 2000. All acquisitions made after the respective dates of valuation are recorded at cost.

Pursuant to clause 8.2.1 of AAS 36, Council has undertaken current valuations of all buildings.

Current Valuation – An independent valuation of buildings, based on written down current replacement costs as at 3 March 2003 was undertaken by Mr Peter Byrne, Valuer #3394. The market value of the valuation was \$106,422,251. The new valuation has not been brought to account as Council has continued to adopt the 'cost basis' for recording this asset class.

5.3.5 Infrastructure Assets

5.3.5.1 Stormwater Drainage Assets

Stormwater drainage infrastructure was valued by Council officers as at 30 June 1997 at written down current replacement cost, based on actual costs incurred during the reporting period ended 30 June 1997. All acquisitions made after the respective dates of valuation were recorded at cost. All stormwater drainage assets have now been measured on the 'cost basis', being the carrying amount of those assets at 30 June 2001 in accordance with AASB 1041.

5.3.5.2 Transport Assets

Transportation assets were valued by Council officers at written down current replacement cost during the reporting period ended 30 June 1996. All acquisitions made after the respective dates of valuation were recorded at cost. All transportation assets have now been measured on the 'cost basis', being the carrying amount of those assets at 30 June 2001 in accordance with AASB 1041.

5.4 Depreciation of Non-Current Assets

Assets are depreciated over their useful lives.

Depreciation is recognised on a straight-line basis, using a standard range for the local government industry, which is reviewed annually. Major depreciation periods are: -

Buildings	100 years
Earthmoving Equipment	6 years
Office Equipment	10 years
Computers	5 years
Office Furniture	10 years
Roads Structure & Bridges	80 years
Sealed Roads Surface	80 years
Sealed Roads Structure	80 years
Footpaving	50 years
Drainage assets – Conduits	80 years
Drainage assets – Nodes	30 years
Library Books	5 years
Motor Vehicles	10 years

5.5 Investments

Investments are recognised at cost. Interest revenues are recognised as they accrue.

5.6 Employee Benefits

In June 2001, The Australian Accounting Standards Board (AASB) issued a new standard on 'Employee Benefits', AASB 1028. The new standard replaces AAS 30 and applies to annual reporting periods beginning on or after 1 July 2002.

The City of Ryde changed its accounting policy during the financial year ended 30 June 2003 relating to the measurement and recognition of employee

benefit on-costs in order to comply with the application of Accounting Standard AASB 1028.

Employee benefits are accrued on a pro-rata basis for annual leave, sick leave, long service leave and gratuities in respect of service provided by employees up to the reporting date in accordance with AASB 1028. Such accruals are assessed as at each reporting date, having regard to a number of factors including experience of employee departures, projected employee rates of pay and their periods of service.

The Standard requires liabilities in respect of wages and salaries, annual leave, and sick leave (regardless of whether they are expected to be settled within 12 months of reporting date) to be measured at their 'nominal' amounts. The Standard also requires employee benefit liabilities (other than wages and salaries, annual leave and sick leave) expected to be settled within 12 months of reporting date to be measured at their 'nominal' amounts. The nominal basis of measurement uses remuneration rates that Council expects to pay as at each reporting period and does not discount cash flows to their present values.

Employee benefit liabilities (other than wages and salaries, annual leave and sick leave) expected to be settled more than 12 months after reporting date are to be measured at 'present value'. The standard requires the market yields on national government bonds to be used in determining the present value of the employee benefit liabilities.

Consistent with the revised standard, Council has recognised the aggregate liability and aggregate asset (where applicable) arising from the employee benefits and related on-costs. In contrast to the previous standard, Council previously disclosed the aggregate employee entitlement liability recognised which excluded on-costs.

The superannuation expense for the year is the amount of the statutory contribution that council makes to the various superannuation plans which provide benefits to its employees.

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9%). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate is currently Nil% (Nil% in 2003/04) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefit, as defined in the Trust Deed, as they accrue.

Council has an ongoing obligation to share in the future experience of the Scheme. Favourable or unfavourable variations may arise should the experience of the Scheme differ from the assumptions made by the Scheme's actuary in estimating the Scheme's accrued benefits liability. The most recent actuarial review of the Scheme was undertaken as at 30 June 2005. The Scheme's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. Some of the assumptions are:

1. The pool of assets is allocated to individual employers in proportion to the value of the accrued liabilities.
2. The same financial and demographic assumptions as used in the 30 June 2004 actuarial valuation have been adopted by the Actuary for the purposes of projecting AAS25 employer liabilities from 30 June 2004 to 30 June 2005.
3. In projecting any asset-based liabilities and the assets themselves over the year 30 June 2005, the Actuary has utilised an investment return of 12% for 2004/05 and 7% thereafter and a salary increase rate of 4% p.a.

The estimated assets and liabilities for the City of Ryde as at 30 June 2005 are as follows:

Employer Liability	Employer Assets	Surplus
\$10,089,005	\$11,429,399	\$1,340,394

The net surplus is only disclosed for information purposes. No amount has been brought to account due to Council's inability to control this asset.

The total number of "equivalent full time" employees (as per approved establishment) at the beginning and end of the financial year were 490 and 490, respectively.

Council maintains a cash reserve to meet the employee entitlements liability. The level of this reserve is reviewed annually.

5.7 Leases

Lease arrangements have been accounted for in accordance with the Australian Accounting Standard AAS 17 "Accounting for Leases".

The Council's rights and obligations under finance leases, which are leases that effectively transfer to the council substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the council is expected to benefit from the use of the leased asset.

Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

In respect of operating leases, where the lessor retains substantially all of the risks and benefits incident to ownership of the leased items, lease payments are charged as an expense over the lease term.

5.8 Inventories

5.8.1 Inventories other than real estate assets held for resale

Inventories held in respect of business undertakings have been valued at the lower of cost or net realisable value. Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential. In both cases costs have been assigned by the method of weighted average cost.

Council had no real estate assets held for resale at the end of the financial year.

5.9 Monetary Amounts

Amounts shown in the Financial Statements are in Australian currency and rounded to the nearest one thousand dollars.

5.10 Budget Information

The Statement of Financial Performance provides budget information on major income and expenditure items. Details of material budget variations are shown in Note 16. Note 2(a) provides budget information regarding the revenues and expenditures of the major activities of the Council. Budget figures represented are those approved by Council and published in its Management Plan at the

beginning of the financial year and do not reflect Council approved variations throughout the year.

5.11 Financial Instruments

AAS33 – “Presentation & Disclosure of Financial Instruments” is operative for all financial years ending on or after 31 December 1997. This standard:

- Establishes rules for the classification of financial instruments as debt or equity;
- Extends the existing rules of ‘set off’; and
- Sets out detailed disclosure requirements on financial instruments.

Where investments are held with fund managers, the net fair value has been equated to the carrying amount as money is available at call.

The net fair value of fixed term interest loans has been equated to the carrying amount, as it is Council’s intention to hold these to maturity. The net fair value of floating interest rate loans has been equated to the carrying amount, as the current interest rate is equivalent to the rate being paid.

Council has adopted all of the new disclosure requirements required by AAS33 and is detailed in Note 15.

5.12 Borrowings

Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it became due and is disclosed in the notes.

5.13 Payables and Other Current Liabilities

Creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after initial recognition. Interest is not payable on these.

5.14 Provisions, Contingent Liabilities and Contingent Assets

In October 2001, the Australian Accounting Standards Board (AASB) issued a standard on ‘Provisions, Contingent Liabilities and Contingent Assets’, AASB 1044. The new standard applies to annual reporting periods beginning on or after 1 July 2002.

Council has recognised and disclosed all provisions (Note 10(a), (b) & (c)), Contingencies and Other Assets and Liabilities Not Recognised (Note 18) as required by AASB 1044.

6. *Prior Year*

Where new categorisations of costs or revenues have been introduced in the current year, prior year figures shown have been adjusted to suit the new category.

NOTES TO THE FINANCIAL STATEMENTS

Note 2(a)

FUNCTIONS

REVENUES, 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	EXPENSES FROM ORDINARY ACTIVITIES			REVENUES FROM ORDINARY ACTIVITIES			OPERATING RESULTS FROM ORDINARY ACTIVITIES BEFORE SHARE OF OUTSIDE PROFITS & CORRECTIONS			GRANTS INCLUDED IN REVENUES FROM ORDINARY ACTIVITIES		TOTAL ASSETS HELD (CURRENT AND NON-CURRENT)	
	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000
CORPORATE SERVICES													
Corporate Services	35	184	57	35	58	57	0	(126)	0	0	0	610	372
Leased Properties	477	385	401	533	614	528	56	229	127	0	0	15,264	15,504
Property Services	789	601	72	3,014	710	185	2,226	109	113	0	0	13,057	11,113
	1,300	1,170	530	3,581	1,382	768	2,281	211	240	0	0	28,931	26,989
ENVIRONMENTAL PLANNING													
Environmental Strategy	436	375	322	4	31	16	(432)	(344)	(306)	27	0	344	257
Land & Property Use	3,581	3,675	3,513	1,572	1,466	1,445	(2,009)	(2,209)	(2,069)	0	0	3,358	2,744
Policy & Review	439	383	313	4	2	5	(435)	(381)	(309)	0	0	350	242
Ryde Certification Service	573	576	607	293	292	276	(280)	(284)	(331)	0	0	532	479
Standards Enforcement	1,473	1,319	1,378	589	675	629	(884)	(645)	(749)	0	0	1,209	1,111
Statutory Information	182	169	112	305	278	307	123	109	195	0	0	152	89
Strategic Planning	1,224	987	1,011	232	1,708	122	(991)	721	(889)	74	36	923	804
	7,907	7,484	7,257	2,999	4,453	2,800	(4,908)	(3,031)	(4,458)	101	36	6,868	5,726
CIVIC SERVICES													
City Promotions & Events	976	925	903	81	116	92	(896)	(809)	(812)	0	0	832	690
Community Services	2,045	2,059	1,867	610	699	560	(1,435)	(1,360)	(1,307)	410	343	8,060	7,362
Executive & Customer Services	3,451	3,368	3,250	63	79	86	(3,388)	(3,289)	(3,164)	8	0	3,054	2,529
Library Services	4,702	4,577	4,374	804	815	836	(3,898)	(3,762)	(3,538)	232	264	10,589	9,874
Venue Support	355	284	341	355	284	282	0	0	(59)	0	0	275	280
	11,530	11,212	10,735	1,912	1,992	1,855	(9,617)	(9,219)	(8,879)	650	607	22,810	20,735

NOTES TO THE FINANCIAL STATEMENTS**Note 2(a)****FUNCTIONS**

REVENUES, 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	EXPENSES FROM ORDINARY ACTIVITIES			REVENUES FROM ORDINARY ACTIVITIES			OPERATING RESULTS FROM ORDINARY ACTIVITIES BEFORE SHARE OF OUTSIDE PROFITS & CORRECTIONS			GRANTS INCLUDED IN REVENUES FROM ORDINARY ACTIVITIES		TOTAL ASSETS HELD (CURRENT AND NON - CURRENT)	
	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
PUBLIC WORKS and SERVICES													
Access Facilities and Services	12,556	12,832	12,295	3,071	3,470	3,113	(9,485)	(9,362)	(9,182)	729	572	224,840	223,156
Enviroserve	1,523	1,582	1,651	250	545	254	(1,273)	(1,037)	(1,397)	9	17	8,135	7,758
Plant and Fleet Management	109	105	199	109	212	165	0	107	(34)	0	0	9	9
Ryde Aquatic Leisure Centre	4,875	5,178	4,949	3,718	4,191	3,656	(1,157)	(987)	(1,293)	0	0	28,352	28,293
Stormwater Facilities and Services	4,990	4,814	4,823	1,882	3,859	811	(3,108)	(955)	(4,012)	0	0	98,789	100,225
Urban Landscape Facilities and Services	7,080	7,802	6,789	1,702	4,175	1,804	(5,378)	(3,627)	(4,986)	510	184	897,781	895,647
Waste Facilities & Services	8,870	7,972	7,866	9,262	9,346	8,758	392	1,375	892	201	196	6,793	5,645
	40,002	40,284	38,573	19,993	25,797	18,562	(20,009)	(14,487)	(20,012)	1,449	969	1,264,698	1,260,733
Total Functions & Activities	60,739	60,150	57,094	28,486	33,624	23,985	(32,253)	(26,526)	(33,109)	2,200	1,612	1,323,308	1,314,183
Shares of gains in associates & joint ventures using the equity method													
Fundamental error													
Extraordinary items													
General Purpose Revenues*	1,724	1,542	1,397	37,363	38,243	36,422	35,639	36,701	35,025	2,816	2,803	1,333	1,024
Surplus/(Deficit) from all activities	62,463	61,692	58,492	65,848	71,867	60,408	3,385	10,175	1,916	5,016	4,415	1,324,641	1,315,207

* Includes: Rates and Annual Charges (incl. Ex-gratia); Non-Capital General Purpose Grants; Interest on Investments

NOTES TO THE FINANCIAL STATEMENTS
Note 2(b)

COMPONENTS OF FUNCTIONS

The activities relating to the Council's functions and activities reported on in Note 2 (a) are as follows:

CORPORATE SERVICES

- Internal support services. eg. Information Technology & Telecommunication, Human Resources, Records Management Services, Financial Services, Procurement Services

LEASED PROPERTIES

- Commercial management of land and buildings
- Commercial disposal of surplus land and properties
- Property acquisition

PROPERTY SERVICES

- Supply and maintain corporate and community land and buildings used to accommodate Council's operations and to provide facilities and services to the Community

ENVIRONMENTAL STRATEGY

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

LAND AND PROPERTY USE

- Assessment of development applications
- Pre-lodgement advice and client management
- Progress building inspections
- Enforcement of illegal landuses and illegal buildings
- Fire safety and swimming pool safety

POLICY AND REVIEW

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

RYDE CERTIFICATION SERVICE

- Principal Certifying Authority activities
- Construction and compliance certificates issued

STANDARDS ENFORCEMENT

- Animal control
- Street and Parking control
- Food shop inspections
- Regulated system (e.g. cooling towers) inspections
- Pollution control

STATUTORY INFORMATION

- Maintenance of registers
- Issuing planning certificates and building certificates
- Undertaking property searches

STRATEGIC PLANNING

- Heritage planning and conservation
- Preparation of statutory planning instruments
- Preparation of integrated planning strategies including master plans

CITY PROMOTIONS AND EVENTS

- Co-ordination of Community Events
- Publications and Media Releases

COMMUNITY SERVICES

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

EXECUTIVE AND CUSTOMER SERVICES

- Executive support
- Civic coordination, functions and ceremonies
- Public enquiry services

LIBRARY SERVICES

- Information and lending services
- Community information
- Local studies

VENUE SUPPORT

- Hall hire
- Civic Centre operations
- Functions and events support

ACCESS FACILITIES AND SERVICES

- 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

ENVIROSERVE

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

PLANT AND FLEET MANAGEMENT

- Provide and preserve the organisation's vehicles and equipment

RYDE AQUATIC LEISURE CENTRE

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

STORMWATER FACILITIES AND SERVICES

- 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

URBAN LANDSCAPE FACILITIES AND SERVICES

- 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

WASTE FACILITIES AND SERVICES

- 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

GENERAL PURPOSE REVENUES

- Rates and charges collection
- Investments and borrowings

NOTES TO THE FINANCIAL STATEMENTS
Note 3

EXPENSES FROM ORDINARY ACTIVITIES

	2005 (\$'000)	2004 (\$'000)
(a) EMPLOYEE COSTS		
Salaries and Wages	17,616	16,836
Employee Leave Entitlements	3,983	3,195
Superannuation	1,254	1,250
Workers' Compensation Insurance	834	1,049
F.B.T.	119	154
Training Costs (excluding salaries)	234	233
Other	371	251
Less: Capitalised Costs	<u>(2,018)</u>	<u>(2,213)</u>
Total Employee Costs Expensed	<u>22,393</u>	<u>20,755</u>
(b) BORROWING COSTS EXPENSE		
Interest on Overdraft	-	-
Interest on Loans	565	391
Charges on Finance Leases	15	22
Total Borrowing Costs Expensed	<u>580</u>	<u>413</u>
(c) DEPRECIATION		
Plant and Equipment	1,625	1,528
Office Equipment	544	956
Furniture & Fittings	87	83
Leased Plant & Equipment	164	207
Land Improvements	824	693
Buildings	948	944
Other Structures	587	512
Infrastructure		
- Roads, Bridges and Footpaths	6,131	6,084
- Stormwater Drainage	3,532	3,662
Other Assets		
- Library Books	537	537
Total Depreciation Costs	<u>14,979</u>	<u>15,206</u>
Less: Capitalised Costs	<u>(185)</u>	<u>(183)</u>
Total Depreciation Costs Expensed	<u>14,794</u>	<u>15,023</u>

(d) OTHER EXPENSES	2005 (\$'000)	2004 (\$'000)
Other expenses for the year include the following:-		
Auditor's Remuneration		
- Audit Services	40	38
- Other Services	-	-
Bad & Doubtful Debts	4	62
Legal Expenses - Planning & Development	397	242
Legal Expenses - Other	298	191
Legal Expenses - West Ryde Drainage	-	-
Temporary & Casual Staff - Agencies	815	729
Mayoral Fee	45	42
Councillors' Fees	196	186
Councillors' (incl. Mayor) Expenses	30	30
Election Costs (excl. Employee Costs)	0	56
Interest on Refundable Deposits	76	52
Insurance	1,045	993
Insurance - Statewide Mutual Provision	-	(393)
Street Lighting	1,076	1,051
Communications Costs	386	424
Contribution to Fire Control	1,328	1,228
Contribution to Dept of Planning	193	189
Contributions & Donations - Community Grants	167	157
Consultancies	795	550
Waste Development Tax	660	635
Membership Fees	53	54
Valuation Fees	108	114
Electricity & Heating	635	608
Water Rates	186	237
Bank Fees & Charges	240	218
Property Lease Costs	32	59
Postage & Courier Costs	165	163
Advertising	246	309
Parking Infringement Collection	111	114
Eastwood Plaza	3	3
Other Expenses	572	530
Total Other Expenses From Ordinary Activities	9,902	8,871

NOTES TO THE FINANCIAL STATEMENTS
Note 4

REVENUES FROM ORDINARY ACTIVITIES

	2005	2004
	(\$'000)	(\$'000)
(a) RATES & ANNUAL CHARGES		
<u>Ordinary Rates</u>		
Residential	19,547	18,828
Business	8,141	7,671
Environmental Management Levy	5,284	5,301
Total Ordinary Rates	<u>32,972</u>	<u>31,800</u>
<u>Annual Charges</u> (s.496 & s.501)		
Domestic Waste Management	8,659	8,116
Total Annual Charges	<u>8,659</u>	<u>8,116</u>
Total Rates & Annual Charges	<u>41,631</u>	<u>39,916</u>
(b) USER CHARGES & FEES		
<u>User Charges</u> (s.502)		
Aquatic Centre	4,183	3,648
Sports Facility Rental	298	286
Hall Hire	282	278
Road Restorations	935	900
Gutter Crossings	213	207
Commercial Waste Service	456	402
Other	3	14
Total User Charges	<u>6,370</u>	<u>5,735</u>
<u>Fees</u>		
Regulatory/Statutory Fees	1,478	1,451
Discretionary		
- Section 611(1)	119	119
- Environmental Planning	833	845
- Private Works	102	81
- Vacation Care	144	108
- Home Maintenance & Modification	64	50
- Other	53	52
Total Fees	<u>2,793</u>	<u>2,706</u>
Total User Charges & Fees	<u>9,163</u>	<u>8,441</u>
(c) INTEREST		
Interest on Investments with Funds Managers	1,137	816
Interest on Floating Rate Notes	900	596
Interest on Investments - Other	9	166
Interest on Development Contributions - Sect. 94	644	486
Capital Gains/Losses from Securities	1	2
Interest on Overdue Rates & Charges	76	63
Total Interest Revenue	<u>2,767</u>	<u>2,129</u>

	2005 (\$'000)	2004 (\$'000)
(d) OTHER OPERATING REVENUES		
Fines	592	564
Materials Recycling	264	44
Lease Rental	716	633
Lease - Telecommunications	65	59
Legal Fees Recoveries	127	131
Insurance Claims	13	12
Staff Vehicle Leases & Other Payments	274	254
Eastwood Plaza	55	52
Legal Compensation	43	113
Sundry Sales	25	29
Other	159	141
Total Other Revenue from Ordinary Activities	<u>2,333</u>	<u>2,032</u>

	OPERATING		CAPITAL	
	2005	2004	2005	2004
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(e) GRANTS				
<u>General Purpose (Untied) Grants</u>				
Financial Assistance	2,207	2,189	-	-
Pensioner Rebate Subsidy - Rates	609	614	-	-
Total General Purpose (Untied) Grants	<u>2,816</u>	<u>2,803</u>	<u>-</u>	<u>-</u>
<u>Specific Purpose Grants</u>				
Pensioner Rebate Subsidy - Domestic Waste	201	196		
Vacation Care	45	48	-	-
Macquarie Park Master Plans	74	36	-	-
Library Subsidy	232	264	-	-
Home Maintenance & Modification	155	152	-	-
Child Care Assistance	84	63	-	-
EPA	-	-	2	108
DEET - Apprentice Rebate Scheme	17	17	-	-
Community Staff Funding	82	58	-	-
Storm Damage	347	-	-	-
Roads To Recovery	-	-	511	383
RTA Transport	-	-	218	189
Parks Grants	-	-	161	41
Other	71	25	-	32
Total Specific Purpose Grants	<u>1,308</u>	<u>859</u>	<u>892</u>	<u>753</u>

	OPERATING		CAPITAL	
	2005	2004	2005	2004
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(f) CONTRIBUTIONS				
Developer Contributions (s94)				
- Open Space	-	-	3,168	983
- Parking	-	-	195	-
- Drainage	-	-	3,543	530
- Traffic Facilities	-	-	-	-
- Other	-	-	198	41
- Meadowbank	-	-	1,420	-
Other Councils	472	456	-	1
Brush Farm House	-	-	425	-
Living Centres Program	-	-	-	-
Riverside Corporate Park	-	51	-	-
Community Events	83	74	-	-
Other	25	15	88	35
RTA Contributions				
- Street & Traffic Lighting	299	292	-	-
- Roads & Bridges	221	219	-	-
- Other	67	71	-	-
Ex Gratia Payments in Lieu of Rates	4	4	-	-
West Ryde Library	-	-	77	-
Customer/Resident Contributions	-	-	221	224
Building Refurbishment Contribution	-	-	-	-
Macquarie Park Master Plans	-	20	-	-
Santa Rosa Park	-	159	-	-
Total Contributions	<u>1,171</u>	<u>1,361</u>	<u>9,335</u>	<u>1,814</u>
Total Grants & Contributions	<u>5,295</u>	<u>5,023</u>	<u>10,227</u>	<u>2,567</u>

NOTES TO THE FINANCIAL STATEMENTS**Note 5****GAIN OR LOSS ON DISPOSAL OF ASSETS**

	2005 (\$'000)	2004 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from disposal	284	142
Less: Carrying amount of assets sold/disposed	34	-
Gain (or loss) on disposal	<u>250</u>	<u>142</u>
GAIN (OR LOSS) ON DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	2,364	2,593
Less: Carrying amount of assets sold	2,163	2,435
Gain (or loss) on disposal	<u>201</u>	<u>158</u>
GAIN (OR LOSS) ON DISPOSAL OF REAL ESTATE ASSETS HELD FOR SALE		
Proceeds from Sales	-	-
Less: Cost of Sales	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>451</u>	<u>300</u>

NOTES TO THE FINANCIAL STATEMENTS
Note 6a

CASH ASSETS & INVESTMENT SECURITIES

	Notes	2005		2004	
		<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
<u>CASH ASSETS</u>					
Cash on Hand	11	10	-	9	-
Total Cash Assets		<u>10</u>	<u>-</u>	<u>9</u>	<u>-</u>
<u>CASH EQUIVALENTS</u>					
Term Deposits	11	-	-	-	-
Deposits with Fund Managers	11	26,227	-	22,643	-
Floating Rate Notes	11	7,196	14,261	6,883	9,137
Other - Loan Offset Facility	11	-	-	-	-
Cash at Bank		-	-	1	-
Total Cash Equivalents		<u>33,423</u>	<u>14,261</u>	<u>29,527</u>	<u>9,137</u>
CASH & CASH EQUIVALENTS		<u>33,433</u>	<u>14,261</u>	<u>29,536</u>	<u>9,137</u>

RESTRICTED CASH ASSETS AND INVESTMENT SECURITIES

<u>Purpose</u>	Notes	2005		2004	
		<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
<u>EXTERNAL RESTRICTIONS</u>					
- Included in Liabilities					
Domestic Waste Management (E)	10(c)	209	-	93	-
- Other					
Developer Contributions (A)	6(b), 17	2,098	11,122	1,479	6,620
Specific Purpose Unexpended Grants (B)	6(b), 14	1,112	-	146	600
Public Roads (C)	6(b)	-	-	142	30
External Works Drainage Contributions	6(b)	-	134	-	55
RTA Contributions (D)	6(b)	21	5	10	33
Domestic Waste Management (E)	6(b)	58	3,000	-	1,799
TOTAL EXTERNAL RESTRICTIONS		<u>3,498</u>	<u>14,261</u>	<u>1,870</u>	<u>9,137</u>
TOTAL INTERNAL RESTRICTIONS	6(b)	<u>25,930</u>	<u>-</u>	<u>20,595</u>	<u>-</u>
TOTAL UNRESTRICTED		<u>4,005</u>	<u>-</u>	<u>7,071</u>	<u>-</u>
TOTAL CASH ASSETS AND INVESTMENT SECURITIES		<u>33,433</u>	<u>14,261</u>	<u>29,536</u>	<u>9,137</u>

RESTRICTED CASH ASSETS AND INVESTMENT SECURITIES

- A. Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (See separate Note 17).
- B. Grants which are not yet expended for the purposes for which the grants were obtained. (See separate Note 14 "Conditions over Grants and Contributions").
- C. Funds reserved under the Public Roads Act (Section 43(4)).
- D. RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- E. Domestic Waste Management funds are externally restricted assets which must be applied for the purposes for which they were raised.

NOTES TO THE FINANCIAL STATEMENTS

Note 6b

**DETAILS OF MOVEMENTS & UTILISATION OF
RESTRICTED CASH ASSETS & INVESTMENTS**

Restrictions	Notes	Movements			Closing Balance 30 June 2005 \$'000	Proposed Utilisation of Restrictions		
		Opening Balance 30 June 2004 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000		Less than 1 Year	Between 1 and 5 Years	Greater than 5 years
External								
Developer Contributions	6(a), 17	8,099	9,168	4,047	13,220	2,098	11,122	0
Specific Purpose Unexpended Grants	6(a), 14	746	2,828	2,462	1,112	1,112	0	0
Public Roads	6(a)	172	60	232	-	0	0	0
External Works Drainage Contrib	6(a)	55	91	12	134	0	134	0
RTA Contributions	6(a)	43	0	17	26	21	5	0
Domestic Waste Management	6(a)	1,892	8,804	7,429	3,267	267	3,000	0
Total External Restrictions		11,007	20,951	14,199	17,759	3,498	14,261	0
Internal								
Employee Leave Entitlements	6(a)	1,626	40	0	1,666	0	1,666	0
Refundable Deposits	6(a)	5,414	-136	0	5,278	0	5,278	0
West Ryde Child Care Centre	6(a)	145	9	2	152	141	11	0
Construction of a Building	6(a)	835	0	159	676	676	0	0
Parklands Acquisition & Embellishment	6(a)	285	0	0	285	285	0	0
North Ryde Traffic Facilities	6(a)	813	0	362	451	451	0	0
Special Projects Reserve	6(a)	2,278	546	113	2,711	0	2,711	0
Waste Recycling	6(a)	96	80	87	89	42	47	0
Environmental Management Reserve	6(a)	36	1,249	1,099	186	0	186	0
Asset Replacement Reserve	6(a)	1,530	1,450	354	2,626	0	2,626	0
Ryde Aquatic Leisure Centre	6(a)	562	4,759	4,260	1,061	320	741	0
Civic Centre Remediation/Redevelopment	6(a)	6,140	2,200	663	7,677	0	7,677	0
Incompleted/Carry Over Works and Projects	6(a)	0	1,777	0	1,777	1,777	0	0
Other	6(a)	835	460	0	1,295	274	1,021	0
Total Internal Restrictions		20,595	12,434	7,099	25,930	3,966	21,964	0
Total Restrictions		31,602	33,385	21,298	43,689	7,464	36,225	0

NOTES TO THE FINANCIAL STATEMENTS
Note 7

RECEIVABLES

<u>Purpose</u>	2005		2004	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Rates and Annual Charges	829	125	588	138
Rates Interest & Extra Charges	160	27	109	29
User Charges & Fees				
Environmental & Health	16	-	31	-
Restorations	104	-	115	-
Recreational Facilities	17	-	18	-
Property & Infrastructure Works	66	-	27	-
Home Modification Service	7	-	6	-
Ryde Aquatic Leisure Centre	69	-	12	-
Interest on Investments	149	-	134	-
Contributions to Works	365	-	-	-
Government Grants & Subsidies	741	-	348	-
Commercial Waste	2	-	-	-
GST	432	-	599	-
Asset Sales	56	-	196	-
Workers Compensation	19	-	9	-
Other	208	14	62	34
Total	3,240	166	2,254	201
Less: <u>Provision for Doubtful Debts</u>				
- Rates and Annual Charges	-	-	-	-
- User Charges and Fees	55	-	56	-
	3,185	166	2,198	201

EXTERNALLY RESTRICTED RECEIVABLES (Included Above)

Domestic Waste Management	211	35	168	45
TOTAL RESTRICTED RECEIVABLES	211	35	168	45
UNRESTRICTED RECEIVABLES	2,974	131	2,030	156
TOTAL RECEIVABLES	3,185	166	2,198	201

Rates and Annual Charges

Rates are secured by underlying properties.

Interest is charged on overdue rates at 9% (2004 9%). Rates are due for payment on 31 August, 30 November, 28 February and 31 May in each financial year. Overdue rates are those not paid within 1 day of the due date. The amount of the overdue debts upon which interest is charged is \$954,000 (2004 \$726,000)

User Charges and Fees

User charges and fees are unsecured. The credit risk for this class of debtor is 100% of the carrying value. A provision for doubtful debts in respect of the class of debtor has already been provided in an amount of \$55,000.

Government Grants

Government grants and subsidies (subject to terms and conditions of the relevant agreement) have been guaranteed.

NOTES TO THE FINANCIAL STATEMENTS

Note 8

INVENTORIES AND OTHER ASSETS

	2005		2004	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<u>Inventories</u>				
- Stores and Materials	497	-	210	-
- Real Estate	-	-	-	-
- Other	-	-	-	-
TOTAL	<u>497</u>	<u>-</u>	<u>210</u>	<u>-</u>
<u>Other</u>				
Prepayments	669	-	284	-
TOTAL	<u>669</u>	<u>-</u>	<u>284</u>	<u>-</u>

EXTERNALLY RESTRICTED ASSETS

NIL

NOTES TO THE FINANCIAL STATEMENTS

Note 9 (a)

PROPERTY, PLANT AND EQUIPMENT

ASSET TYPE	At 30 June 2004			MOVEMENTS DURING THE YEAR						At 30 June 2005		
	At Cost	Accumulated Depreciation	Book Value	Asset Purchases	Transfers From WIP	Asset Disposals	Depreciation	Asset Reclassification GBV	Accum Depn	At Cost	Accumulated Depreciation	Book Value
Plant and Equipment	19,188	6,632	12,556	3,554	4	2,163	1,625			19,948	7,622	12,326
Office Equipment	10,304	8,530	1,774	448	-	-	544			10,752	9,074	1,678
Furniture and Fittings	2,283	1,522	761	154	49	-	87			2,486	1,609	877
Leased Plant & Equipment	598	316	282	1	-	-	164			424	305	119
Land												
- Operational Land	45,244	-	45,244	1,336	-	-	-			46,580	-	46,580
- Community Land	860,487	-	860,487	-	-	34	-			860,454	-	860,454
- Land Improvements (non-depr'n)	975	-	975	92	1	-	-			1,068	-	1,068
- Land Improvements (depr'n)	6,536	2,954	3,582	1,060	236	-	824			7,832	3,778	4,054
- Land Under Infrastructure	-	-	-	-	-	-	-			-	-	-
Buildings	63,463	21,253	42,210	182	220	-	948	(261)	(261)	63,604	21,940	41,664
Other Structures	22,230	11,295	10,935	493	57	-	587	261	261	23,041	12,142	10,899
Infrastructure												
- Roads, Bridges and Footpaths	473,460	276,936	196,524	4,869	1,089	-	6,131			479,418	283,067	196,351
- Stormwater Drainage	246,988	154,113	92,875	310	1,499	-	3,532			248,797	157,645	91,152
Other Assets												
- Heritage Collections	137	-	137	-	-	-	-			137	-	137
- Library Books	4,841	3,445	1,396	515	-	-	537			5,356	3,982	1,374
Capital Works in Progress	3,903	-	3,903	2,949	(3,155)	-	-			3,697	-	3,697
TOTALS	1,760,637	486,996	1,273,641	15,963	-	2,197	14,979	-	-	1,773,594	501,164	1,272,430

Note: Land under roads has not been valued

NOTES TO THE FINANCIAL STATEMENTS
Note 10 (a)

PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	2005		2004	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
<u>Payables</u>				
Goods and Services	1,826	-	1,137	-
Payments received in advance	275	-	725	-
Payments received in advance - Rates	82	-	71	-
Accrued Expenses	7	-	709	-
Interest Expenses	47	-	8	-
Deposits and Retentions	1,803	3,519	1,493	3,965
Staff Taxation Payments	-	-	14	-
Staff Salaries & Wages	239	-	47	-
Domestic Waste	209	-	93	-
Other Contributions	152	-	117	-
Other	452	-	29	-
Total Payables	5,092	3,519	4,443	3,965
<u>Interest Bearing Liabilities</u>				
Bank Overdraft	20	-	120	-
Loans	1,091	7,950	887	8,889
Finance Leases	122	29	262	149
Olympic Construction Authority	318	636	318	954
Total Interest Bearing Liabilities	1,551	8,615	1,587	9,992
<u>Provisions</u>				
Annual & Other Accrued Leave	1,484	353	1,247	505
Sick Leave	76	286	50	310
Long Service Leave	266	3,331	284	2,944
Gratuities	-	111	-	101
Employee Leave Entitlements On Costs	175	338	166	344
Self Insurance Liabilities	-	-	-	-
Other Employee Provisions	-	-	-	-
Total Provisions	2,001	4,419	1,747	4,204

NOTES TO THE FINANCIAL STATEMENTS
Note 10 (b)

DESCRIPTIONS OF MOVEMENTS IN PROVISIONS

Class of Provision	Opening Balance 30 June 2004 (\$'000)	2005 Increases To (\$'000)	2005		2005 Closing Balance (\$'000)
			Reduction of Provision		
			Payments (\$'000)	Re-Measurement (\$'000)	
Self Insurance	0	0	0	0	0
Annual & Other Accrued Leave	1,752	1,466	1,381	0	1,837
Other Employee Entitlements	3,689	2,517	2,136	0	4,070
TOTAL	5,441	3,983	3,517	0	5,907

NOTES TO THE FINANCIAL STATEMENTS
Note 10 (c)

DETAILS OF CURRENT PAYABLES, INTEREST BEARING LIABILITIES AND PROVISIONS

	Specific Purpose		General Purpose		Total	
	DWM		Current		Current	
	Current		Current		Current	
	(\$'000)		(\$'000)		(\$'000)	
	2005	2004	2005	2004	2005	2004
Payables	209	93	4,883	4,350	5,092	4,443
Interest Bearing Liabilities	-	-	1,409	1,205	1,409	1,205
Provisions	-	-	2,001	1,747	2,001	1,747
Finance Leases	-	-	122	262	122	262
Bank Overdraft	-	-	20	120	20	120
Total	209	93	8,435	7,684	8,644	7,777

NOTES TO THE FINANCIAL STATEMENTS

Note 11

STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash Assets

	Notes	2005 (\$'000)	2004 (\$'000)
Total Cash Assets & Investment Securities	6(a)	47,694	38,673
<u>Less:</u> Bank Overdraft		<u>(20)</u>	<u>(120)</u>
Balances as per Statement of Cash Flows		<u>47,674</u>	<u>38,553</u>

**(b) Reconciliation of Surplus/(Deficit) from Ordinary
Activities to Cash from Operating Activities**

		2005 (\$'000)	2004 (\$'000)
Surplus/(Deficit) from Ordinary Activities		10,175	1,916
Add:			
Depreciation (Note 3)		14,794	15,023
Increase in provision for doubtful debts (Note 7)		-	17
Increase in employee leave entitlements (Note 10)		469	-
Increase in Other Provisions (Insurance) (Note 10)		-	-
Decrease in receivables (Note 7)		-	150
Decrease in inventories (Note 8)		-	91
Decrease in other current assets (Note 8)		-	24
Increase in payables (Note 10)		-	-
Increase in accrued interest payable (Note 10)		39	-
Increase in other current liabilities (Note 10)		449	520
Loss on sale of assets (Note 5)		-	-
Less:			
Decrease in provision for doubtful debts (Note 7)		(1)	-
Decrease in employee leave entitlements (Note 10)		-	(33)
Decrease in Other Provisions - Insurance (Note 10)		-	(393)
Increase in receivables (Note 7)		(1,091)	-
Increase in inventories (Note 8)		(287)	-
Increase in other current assets (Note 8)		(385)	-
Decrease in payables (Note 10)		(351)	(175)
Decrease in accrued interest payable (Note 10)		-	(11)
Decrease in other current liabilities (Note 10)		-	-
Gain on sale of Assets (Note 5)		(451)	(300)
Non Cash Capital Grants & Contributions		-	-
Net cash provided by (used in) operating activities		<u>23,360</u>	<u>16,829</u>

	2005	2004
	(\$'000)	(\$'000)
<u>(c) Non-Cash Financing and Investing Activities</u>		
Acquisition of Plant & Equipment by means of finance leases	-	212
Property Refurbishment	-	-
	<u>-</u>	<u>212</u>
<u>(d) Financing Arrangements</u>		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts Facility used at balance date	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
Note 12

COMMITMENTS FOR EXPENDITURE

	2005	2004
	(\$'000)	(\$'000)
<u>(a) Capital Commitments</u>		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Vehicle Purchases (subject to trade-ins)	1,800	3,600
Construction of SES Depot	923	
Total	<u>2,723</u>	<u>3,600</u>
These expenditures are payable:		
- Not later than one year	2,723	1,800
- Later than one year and not later than 5 years	-	1,800
- Later than 5 years	-	-
Total	<u>2,723</u>	<u>3,600</u>
<u>(b) Service Commitments</u>		
Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include:		
- Waste Management Services	1,929	8,926
- Cleaning Services	385	-
- Audit Services	84	114
Total	<u>2,398</u>	<u>9,040</u>
These expenditures are payable:		
- Not later than one year	2,117	7,303
- Later than one year and not later than 5 years	281	1,737
- Later than 5 years	-	-
Total	<u>2,398</u>	<u>9,040</u>

(c) Finance Lease Commitments

Commitments under finance leases at the reporting date are payable as follows:

- Not later than one year	126	276
- Later than one year and not later than 5 years	29	155
- Later than 5 years	-	-
Total	<u>155</u>	<u>432</u>
Minimum lease payments	155	432
Less: future finance charge	<u>5</u>	<u>20</u>
Lease liability	150	412
Representing lease liabilities:		
- Current	122	262
- Non-current	29	150
Total	<u>150</u>	<u>412</u>

(d) Operating Lease Commitments

Council has no Operating Lease commitments

NB: Adjustments were made to previous year's commitments for Motor Vehicle purchases and Finance Leases

NOTES TO THE FINANCIAL STATEMENTS
Note 13

STATEMENT OF PERFORMANCE MEASUREMENT
for the year ending 30 June 2005

	<u>Current Year</u> <u>Amounts</u> (\$'000)	<u>Indicators</u>	<u>2004</u> <u>Year</u>	<u>2003</u> <u>Year</u>	<u>2002</u> <u>Year</u>
<u>1. CURRENT RATIO</u>					
<u>Current Assets</u>	\$37,784	Ratio	4.4:1	4.1:1	3.5:1
<u>Current Liabilities</u>	\$8,644			3.7:1	
<u>2. UNRESTRICTED CURRENT RATIO</u>					
<u>Current Assets Less All External Restrictions *</u>	\$34,075	Ratio	4:1	3.9:1	3.1:1
<u>Current Liabilities Less Specific Purpose Liabilities **</u>	\$8,435			2.8:1	
<u>3. DEBT SERVICE RATIO</u>					
<u>Debt Service Cost (Principal & Interest Payments)</u>	\$1,893		3.2%	3.6%	3.7%
<u>Revenue from Ordinary Activities</u>	\$59,161			3.7%	3.7%
<u>4. RATE COVERAGE RATIO</u>					
<u>Rates & Annual Charges</u>	\$41,631		57.9%	66.1%	43.4%
<u>Total Revenue</u>	\$71,867			63.7%	
<u>5. RATES & ANNUAL CHARGES</u>					
<u>OUTSTANDING PERCENTAGE</u>					
<u>Rates, Annual Charges, Interest & Extra Charges Outstanding</u>	\$1,141		2.7%	2.1%	2.6%
<u>Rates, Annual Charges, Interest & Extra Charges Collectable</u>	\$42,698			2.2%	

* Refer to Notes 6 - 8 Inclusive

** Refer to Note 10(c)

NOTES TO THE FINANCIAL STATEMENTS

Note 14

CONDITIONS OVER GRANTS AND CONTRIBUTIONS

	Notes	2005		2004	
		Grants (\$'000)	Contributions (\$'000)	Grants (\$'000)	Contributions (\$'000)
Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:					
Grants for:					
Community Services		265	-	286	-
Library Services		209	-	212	-
Environmental Planning		36	-	-	52
Corporate Services		-	-	-	-
Access Facilities & Services		10	552	11	658
Stormwater Facilities & Services		37	5,320	37	5,585
Urban Landscapes Facilities & Services		173	2,184	38	3,032
Waste Facilities & Services		16	-	16	-
Other		-	44	-	-
Unexpended at the close of the previous reporting period	6(a&b)	<u>746</u>	<u>8,100</u>	<u>600</u>	<u>9,327</u>
Grants for:					
Community Services		231	-	168	-
Library Services		10	-	21	-
Environmental Planning		36	-	-	-
Corporate Services		-	-	-	-
Access Facilities & Services		-	105	1	136
Stormwater Facilities & Services		36	1,134	-	1,102
Urban Landscapes Facilities & Services		42	2,731	34	1,977
Waste Facilities & Services		-	-	-	-
Other		-	77	-	52
LESS: Expended during the current reporting period from revenues recognised in previous reporting periods		<u>355</u>	<u>4,047</u>	<u>224</u>	<u>3,267</u>
Grants for:					
Community Services		205	-	146	-
Library Services		-	-	18	-
Environmental Planning		35	-	-	-
Corporate Services		425	-	-	-
Access Facilities & Services		-	255	-	30
Stormwater Facilities & Services		39	5,373	-	837
Urban Landscapes Facilities & Services		17	3,325	169	1,129
Waste Facilities & Services		-	-	-	-
Other		-	215	36	44
PLUS: Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions.		<u>721</u>	<u>9,168</u>	<u>369</u>	<u>2,040</u>
Grants for:					
Community Services		239	-	265	-
Library Services		199	-	209	-
Environmental Planning		35	-	-	-
Corporate Services		425	-	-	-
Access Facilities & Services		10	702	10	552
Stormwater Facilities & Services		40	9,559	37	5,320
Urban Landscapes Facilities & Services		148	2,778	173	2,184
Waste Facilities & Services		16	-	16	-
Other		-	182	36	44
Unexpended at the close of the current reporting period and held as restricted assets		<u>1,112</u>	<u>13,221</u>	<u>746</u>	<u>8,100</u>
Grants for:					
Community Services		(26)	-	(21)	-
Library Services		(10)	-	(3)	-
Environmental Planning		(1)	-	-	(52)
Corporate Services		425	-	-	-
Access Facilities & Services		-	150	(1)	(106)
Stormwater Facilities & Services		3	4,239	-	(265)
Urban Landscapes Facilities & Services		(25)	594	135	(848)
Waste Facilities & Services		-	-	-	-
Other		-	138	36	44
Net increase (decrease) in restricted assets in the current reporting period		<u>366</u>	<u>5,121</u>	<u>146</u>	<u>(1,227)</u>

NOTES TO THE FINANCIAL STATEMENTS
Note 15

FINANCIAL INSTRUMENTS

The council's exposure to interest rate risk, and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below. Exposures arise predominantly from assets and liabilities bearing variable interest rates, which the Council intends to hold as fixed rate assets and liabilities to maturity.

2005	Notes	Fixed interest maturing in:				Non-interest bearing (\$'000)	Total (\$'000)
		Floating Interest Rate (\$'000)	<1 year (\$'000)	>1 year <5 years (\$'000)	>5 years (\$'000)		
Financial Assets							
Cash and deposits	6a	-				10	10
Receivables	7	-				3,351	3,351
Other Fin. Assets - Investments	6a	47,684				-	47,684
Total		47,684	-	-	-	3,361	51,045
Weighted Ave. interest rate		6.08%				0.00%	5.68%
Financial Liabilities							
Bank overdraft	10a	-				20	20
Finance Leases	10a	-	122	29		-	151
Trade and Other payables	10a	5,322				3,289	8,611
Loans	10a	6,530	780	1,731	-	954	9,995
Total		11,852	902	1,760	-	4,263	18,777
Weighted Ave. Interest rate		3.61%	6.46%	6.55%		0.00%	3.20%
Net Financial assets/(liabilities)		35,832	(902)	(1,760)	-	(902)	32,268

NOTES TO THE FINANCIAL STATEMENTS
Note 15 (continued)

FINANCIAL INSTRUMENTS

2004	Notes	Fixed interest maturing in:				Non- interest bearing (\$'000)	Total (\$'000)
		Floating interest rate (\$'000)	<1 year (\$'000)	>1 year <5 years (\$'000)	>5 years (\$'000)		
Financial Assets							
Cash and deposits	6a	1				9	10
Receivables	7	-				2,399	2,399
Investments	6a	38,663				-	38,663
Total		38,664	-	-	-	2,408	41,072
Weighted Ave. interest rate		5.81%				0.00%	5.47%
Financial Liabilities							
Bank overdraft	10a	-				120	120
Finance Leases	10a	-	262	149		-	411
Trade and Other payables	10a	5,458	-	-	-	2,950	8,408
Loans	10a	6,825	590	2,361	-	1,272	11,048
Total		12,283	852	2,510	-	4,342	19,987
Weighted Ave. interest rate		3.62%	6.50%	6.43%		0.00%	3.31%
Net Financial assets/(liabilities)		26,381	(852)	(2,510)	-	(1,934)	21,085

NOTES TO THE FINANCIAL STATEMENTS
Note 15 (continued)

FINANCIAL INSTRUMENTS

Reconciliation of Net Financial Assets	Notes	2005 (\$'000)	2004 (\$'000)
Net financial assets as above		32,268	21,084
Non-financial assets and liabilities			
- Inventories	8	497	210
- Property, Plant and Equip.	9	1,272,430	1,273,641
- Other assets	8	669	284
- Provisions	10	(6,420)	(5,951)
Net Assets per Statement of Financial Position		1,299,444	1,289,268

Net Fair Value of Financial Assets

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximates their carrying value.

The net fair value of other monetary assets and liabilities is based upon market prices, where a market exists, or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The carrying amounts of net fair values of financial assets and liabilities at balance date are as follows:

	2005		2004	
	Carrying Amount (\$'000)	Net Fair Value (\$'000)	Carrying Amount (\$'000)	Net Fair Value (\$'000)
Financial Assets				
Trade debtors	829	829	588	588
Other debtors	2,522	2,522	1,811	1,811
Investments	47,694	47,785	38,673	38,702
Other assets	-	-	-	-
Total	51,045	51,136	41,072	41,101
Financial Liabilities				
Bank loans	10,015	10,015	11,168	11,168
Finance Leases	151	151	412	412
Other liabilities	8,611	8,611	8,408	8,408
Total	18,777	18,777	19,988	19,988

NOTES TO THE FINANCIAL STATEMENTS

Note 16

MATERIAL BUDGET VARIATIONS

Council's original budget was incorporated as part of the Management Plan adopted by the Council in June 2004. The original projections on which the budget was based have been affected by a number of factors.

This Note sets out the details of material variations between the original budget and actual results for the Statement of Financial Performance. Material favourable (F) and unfavourable (U) variances represent amounts of 10% or more of the budgeted amount.

Expenses

Borrowing Costs -\$108K -16% (F)

Borrowing Costs were under budget due to the fact that Council renegotiated its loans in June 2004. This resulted in lower interest rates being paid than those that were used to develop the budget. In addition to this, interest rates did not increase during the year as anticipated.

Materials and Contracts -\$1,724K -11% (F)

Major variations for Material & Contracts are as follows:

- Domestic Waste Management was under budget \$675K due to the tonnage rates for waste disposal being less than anticipated when the budget was developed.
- Property Services was \$291K under budget mainly due to the expenditure on the remediation of Council's two former depot sites not progressing as planned. These funds have been carried forward to the 2005/06 financial year.
- Information technology and Telecommunications was under budget by \$318K due to software purchases not proceeding and savings made on licencing agreements.

Revenues

Other Revenues from Ordinary Activities \$462K 25% (F)

Major variations for Other Revenue from Ordinary Activities are as follows:

- Council received additional income as a result of recycled material from the construction of the Chatswood to Epping Rail Link being received at 162 Wick Road North Ryde. These products are stockpiled and used for construction works undertaken by Council. The recognition of the income and inventory asset is a non-cash transaction.
- Additional income for Car Parking Fines

Interest \$1,010K 57% (F)

Interest income exceeded budget due to higher than anticipated returns from investments and expenditure not being incurred in line with budgeted cash flows.

Grants & Contributions provided for non Capital Purposes \$478K 10% (F)

Income for Grants & Contributions provided for non Capital Purposes was over budget due to costs being recovered for Storm Damage (approximately \$350K).

Gain from the disposal of assets -\$401K -47% (U)

The 2004/2005 budget for the Disposal of Assets included a \$2 million write off of part of a roadway associated with a development in West Ryde. This development did not proceed during 2004/2005 therefore the write-off did not occur. In addition to this, property sales for 55 Pellisier Road, 330 Pittwater Road, and Well Street did not proceed as anticipated.

Grant & Contributions Provided for Capital Puposes \$3,843M 60% (U)

As part of the development in West Ryde mentioned above in the "Gain from the disposal of assets" explanation, an in-kind contribution was also to be received by Council to recognise the value of the new West Ryde library. The value of the contribution was \$2 million and as the development did not proceed in line with the budgeted timetable the contribution was not recognised. Also, Section 94 Contributions were approximately \$5.5M over budget. The income from this source is dependant on the value and number of development applications received by Council.

In addition to the above mentioned items, minor favourable and unfavourable variations occurred throughout the year in a number of revenue and expense items. All variations have been monitored and reported to Council on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS
Note 17

STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR *		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	EXPENDED IN ADVANCE	HELD AS RESTRICTED ASSET **	WORKS PROVIDED TO DATE
		CASH	NON-CASH					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	5,320	4,963	-	410	1,134	-	9,559	3,738
Parking	149	-	-	10	-	-	159	2,403
North Ryde Traffic Fund	175	195	-	3	105	-	268	1,554
Traffic Facilities	228	-	-	33	-	-	261	-
Open Space	2,183	3,168	-	157	2,731	-	2,777	28,217
Streetscape	-	-	-	14	-	-	14	-
Community Facilities	-	-	-	10	-	-	10	-
Other	44	198	-	7	77	-	172	174
TOTAL	8,099	8,524	-	644	4,047	-	13,220	36,086

CONTRIBUTION PLAN NO. 1

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR *		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	EXPENDED IN ADVANCE	HELD AS RESTRICTED ASSET **	WORKS PROVIDED TO DATE
		CASH	NON-CASH					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	4,770	3,543	-	220	-	-	8,533	1,282
Parking	78	-	-	9	-	-	87	-
North Ryde Traffic Fund	175	195	-	3	105	-	268	1,554
Traffic Facilities	228	-	-	20	-	-	248	-
Open Space	2,183	3,168	-	150	2,731	-	2,770	17,267
Other	44	198	-	6	77	-	171	174
TOTAL	7,478	7,104	-	408	2,913	-	12,077	20,277

MEADOWBANK CONTRIBUTION PLAN

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR *		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	EXPENDED IN ADVANCE	HELD AS RESTRICTED ASSET **	WORKS PROVIDED TO DATE
		CASH	NON-CASH					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	-	1,420	-	153	1,121	-	452	1,121
Traffic Facilities	-	-	-	13	-	-	13	-
Streetscape	-	-	-	14	-	-	14	-
Open Space	-	-	-	7	-	-	7	-
Community Facilities	-	-	-	10	-	-	10	-
Other	-	-	-	1	-	-	1	-
TOTAL	-	1,420	-	198	1,121	-	497	1,121

CONTRIBUTIONS NOT UNDER PLANS

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR *		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	EXPENDED IN ADVANCE	HELD AS RESTRICTED ASSET **	WORKS PROVIDED TO DATE
		CASH	NON-CASH					
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	550	-	-	37	13	-	574	1,335
Parking	71	-	-	1	-	-	72	2,403
Open Space	-	-	-	-	-	-	-	10,950
TOTAL	621	-	-	38	13	-	646	14,688

* Reconcilable with Note 4

** Reconcilable with Note 6 (Restricted assets excludes 'amounts expended in advance')

NOTES TO THE FINANCIAL STATEMENTS
Note 18

CONTINGENCIES AND OTHER ASSETS AND LIABILITIES NOT RECOGNISED

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources:

- (a) Council is currently negotiating the sale of a stratum lot. Part of 1 Devlin Street Ryde will be subdivided with a stratum lot to be sold. Council will retain ownership of the areas above and below the stratum.
- (b) During 2003 Council demolished its former Works Depot in Parsonage Street Ryde. As a consequence to this, land adjacent to the site previously owned by NSW Waterways Authority, was identified as requiring remediation works to alleviate contamination problems. The cost of the remediation works are estimated to be approximately \$960,000. Negotiations between Council, the Department of Lands and the NSW Waterways Authority have been unsuccessful in obtaining funding assistance toward the remediation.
- (c) Remediation of Council's other former Works Depot site in Wellington Road Ryde is also required. Preliminary estimated costs for these works are \$325,000. Council is requesting a contribution from the Department of Infrastructure, Planning and Natural Resources towards the costs of the remediation.
- (d) Council has entered into an agreement with the Department of Corrective Services (DSC) in relation to the refurbishment of Brush Farm House. Council has received \$400,000 from the DSC and the agreement allows for them to partially occupy the top floor of the building. The total contribution from the DSC is \$800,000.
- (e) Superannuation Defined Benefits Schemes - Council employs staff that belong to defined superannuation schemes. These schemes offer their members a defined superannuation benefit at retirement. Accordingly Council as an employer of staff under these schemes may have future obligations to pay or receive additional employer superannuation contributions depending upon the assets and liabilities of the defined benefits schemes.

The Scheme's liability for accrued benefits was determined by reference to expected future salary levels and by application of a market-based risk-adjusted discount rate and relevant actuarial assumptions. The estimated assets and liabilities for the City of Ryde as at 30 June are as follows:

Employer Liability	10,089,005
Employer Assets	<u>11,429,399</u>
Surplus	1,340,394

The net surplus is only disclosed for information purposes. No amount has been brought to account due to Council's inability to control this asset.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

GENERAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *general purpose financial report* of the City of Ryde for the year ended 30 June 2005, comprising the Statement by Council, Statement of Financial Performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Accounts. The financial statements include the consolidated accounts of the economic entity comprising the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council. In respect of the original budget figures disclosed in the Statement of Financial Performance, Statement of Cash Flows and Note 2(a), we have not examined the underlying basis of their preparation. Similarly, we have not examined the variations from the adopted budget disclosed in Note 16 and therefore express no opinion on them.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements under the Local Government Act 1993 so as to present a view which is consistent with our understanding of the Council's and the economic entity's financial position, the result of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion,

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
- (b) the general purpose financial report
 - (i) has been prepared in accordance with the requirements of Division 2 of Part 3 of the Local Government Act, 1993;
 - (ii) is consistent with the Council's accounting records; and
 - (iii) presents fairly the Council's financial position and the results of its operations
- (c) we have been able to obtain all the information relevant to the conduct of our audit; and
- (d) there were no material deficiencies in the accounting records or financial reports.

SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Dated at Sydney this 8th day of September 2005



SPENCER STEER
CHARTERED ACCOUNTANTS

8 September 2005

The Mayor
City of Ryde
1 Devlin Street
RYDE NSW 2112

Mayor,

Audit Report - Year Ended 30 June 2005

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2005 and that all information required by us was readily available. We have signed and attached 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 Accounting Standard AAS27 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 \$10.175 million as compared with \$1.916 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.

	2005	% of	2004	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
Ordinary Expenses					
Employees Costs	22,393	36%	20,755	35%	1,638
Depreciation	14,794	24%	15,023	26%	(229)
Other	24,505	40%	22,714	39%	1,791
	61,692	100%	58,492	100%	3,200
Ordinary Revenues before Capital					
Rates & Annual Charges	41,631	68%	39,916	69%	1,715
Grants & Contributions	5,295	9%	5,023	9%	272
Other	14,714	24%	12,902	22%	1,812
	61,640	100%	57,841	100%	3,799
Surplus(Deficit) from Ordinary Activities before Capital items	\$ (52)		\$ (651)		\$ 599
Capital Revenues	10,227		2,567		7,660
Surplus(Deficit) for the year	\$ 10,175		\$ 1,916		\$ 8,259

The table above shows an overall increase over the previous year of \$8.259 million. Fluctuations of note consisted of;

- o rates levied increased by \$1.172 million to \$32.972 million.
- o domestic waste management charges increased by \$543,000 to \$8.659 million.
- o increases in other revenues of \$1.812 million was mainly attributable to increases in aquatic centre operations (\$535,000), interest on investments (\$638,000) and recycled building materials (\$240,000).
- o capital contributions from developers under Section 94 increased by \$6.970 million to \$8.524 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.



	2005	2004
	\$000	\$000
Funds were provided by:-		
Operating Result (as above)	10,175	1,916
Add back non funding items:-		
- Depreciation	14,794	15,023
- Book Value of Assets Sold	2,197	2,435
	<u>27,166</u>	<u>19,374</u>
New Loan Borrowings	0	4,000
Deferred Payment Creditors	0	212
Net Transfers from Externally Restricted Assets	0	5,916
	<u>27,166</u>	<u>29,502</u>
Funds were applied to:-		
Purchase and Construction of Assets	(15,780)	(16,215)
Principal repaid on Loans	(735)	(1,122)
Principal Repaid on Deferred Creditors	(578)	(473)
Net Transfers to Externally Restricted Assets	(1,555)	0
Net Transfers to Internal Reserves	(5,025)	(5,436)
Net Changes in Current/Non Current Assets & Liabilities	(5,066)	(5,043)
	<u>(28,739)</u>	<u>(28,289)</u>
Increase(Decrease) in Available Working Capital	\$ (1,573)	\$ 1,213

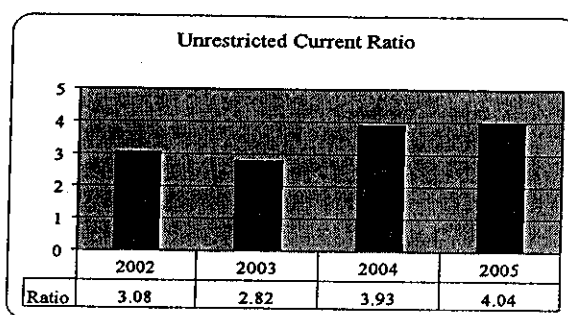
2. FINANCIAL POSITION

2.1 Current Ratios

The *Current Ratio* is a good indicator of the ability of a business to meet its debts and obligations as they fall due. Current assets exceeded current liabilities by \$29.140 million representing a factor of 4.37 to 1.

The *Unrestricted Current Ratio* is a more specific financial indicator for local government. It eliminates net externally restricted assets that must be set aside by law and it in fact represents the general funds of Council.

The *Unrestricted Current Ratio* at the close of the year was 4.04 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 \$5.045 million as detailed below;

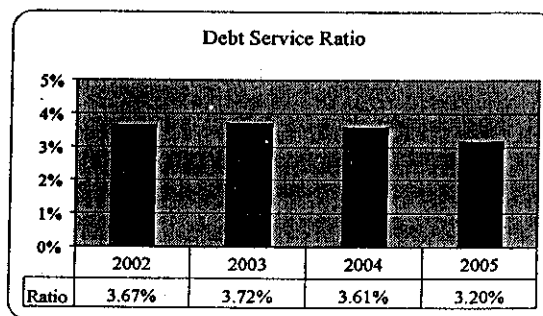


	2005	2004	Change
	\$000	\$000	\$000
Net Current Assets (Working Capital) as per Accounts	29,140	24,451	4,689
<i>Add:</i> Budgetted to Pay in the next 12 mths			
- Borrowings	1,531	1,467	64
- Employees Leave Entitlements	2,001	1,747	254
Adjusted Working Capital	32,672	27,665	5,007
<i>Less:</i> Externally Restricted Assets	(3,500)	(1,945)	(1,555)
<i>Less:</i> Internally Restricted Assets	(24,127)	(19,102)	(5,025)
Available Working Capital as at 30 June	\$ 5,045	\$ 6,618	\$ (1,573)

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 2005 was sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 3.20%.



2.4 Summary

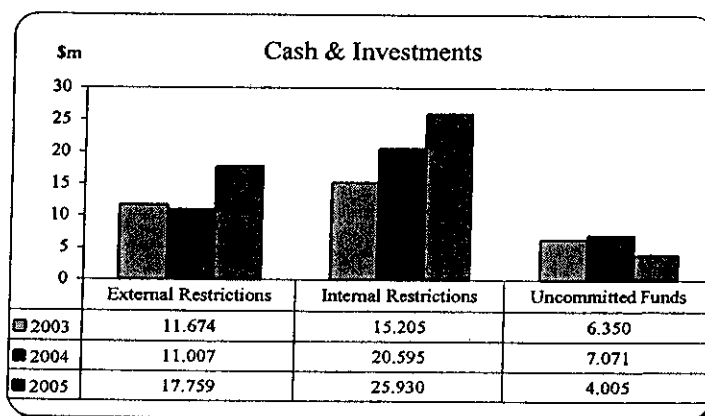
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

3. CASH ASSETS

3.1 Cash & Investments

Cash and investments held at the close of the year amounted to \$47.694 million as compared with \$38.673 million and \$33.229 million at the close of financial years 2004 and 2003 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 consist of unexpended development contributions under Section 94 of \$13.220 million, domestic waste management charges of \$3.267 million and specific purpose grants and contributions of \$1.272 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 \$25.930 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

Unrestricted cash and investments amounted to \$4.005 million, which are available to provide liquidity for day to day operations and form the basis of Council's sound financial position.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash moving in and out of Council during the year and reveals that Cash Assets increased by \$9.121 million to \$47.674 million at the close of the year. In addition to operating activities which contributed net cash of \$23.360 million were the proceeds from the sale of assets (\$2.788 million). Cash outflows other than operating activities were used to repay loans and deferred payment creditors (\$1.313 million) and to purchase and construct assets (\$15.714 million).

4. RECEIVABLES

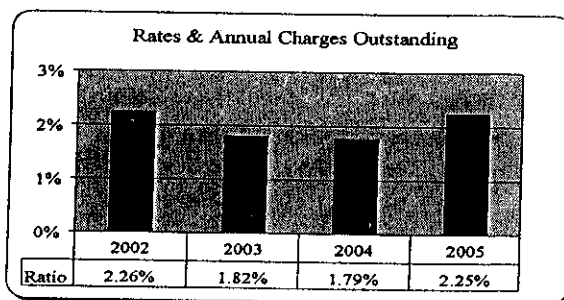
4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$41.631 million and represented 57.93% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$42.357 million of which \$41.403 million (97.75%) was collected.



Arrears stood at \$954,000 at the end of the year and represented 2.25% of those receivables. Both the above indicators are commendable.



4.2 Other Receivables

Receivables (other than Rates & Annual Charges) totalled \$2.452 million. Receivables considered to be uncertain of collection have been provided for as doubtful debts and this provision in respect to these receivables stood at \$55,000.

5. PAYABLES

Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$6.420 million. A cash reserve of \$1.666 million was held at year end representing 25.95% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

6. NEW ACCOUNTING STANDARDS

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) for reporting periods beginning on or after 1 January 2005. The Australian equivalents to IFRS will be first reflected in Council's financial statements for the year ending 30 June 2006. Whilst the new accounting standards may have a significant impact on the reported results and financial position of some councils, we do not see any significant impact to Ryde's financial results, cash flows or financial position. Current standards require the disclosure of the likely monetary impacts of the new standards had they been applied for the year ending 30 June 2005. These impacts are detailed in Note 1 to the financial statements.

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 and once again commend your staff for the early completion and presentation of the financial statements.

Yours faithfully,
SPENCER STEER
Chartered Accountants

N. MAH CHUT
Partner

Council of the City of Ryde
SPECIAL PURPOSE FINANCIAL REPORTS

for the year ending 30 June 2005

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Council of the City of Ryde

SPECIAL PURPOSE FINANCIAL REPORTS

for the year ending 30 June 2005

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:

- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Department of Local Government Guidelines *"Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality"*
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Reports

- Present fairly the Council's operating result and financial position for the year, and
- Accord with Council's accounting and other records

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

Signed in accordance with a resolution of Council made on 6 September 2005.

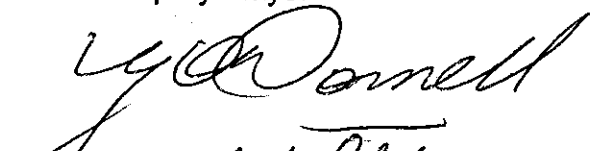
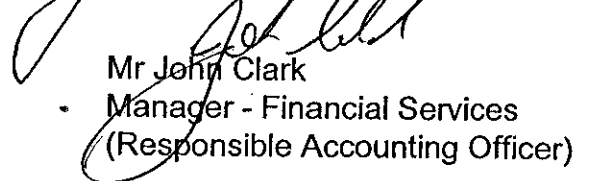


Councillor Terry Perram
Mayor

Councillor Gabrielle O'Donnell
Deputy Mayor



Mr Michael Whittaker
General Manager

Mr John Clark
• Manager - Financial Services
(Responsible Accounting Officer)

Council of the City of Ryde

STATEMENT OF FINANCIAL PERFORMANCE OF OTHER BUSINESS ACTIVITIES

as at 30 June 2005

(\$000's)

	Domestic Waste Management		Ryde Aquatic Leisure Centre		Property Leasing		Ryde Certification Service		Commercial Waste Management		Enviroserve Commercial Works	
	(Category 1)		(Category 1)		(Category 2)		(Category 2)		(Category 2)		(Category 2)	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
EXPENSES FROM ORDINARY ACTIVITIES												
Employee Costs	340	297	2,261	2,001	51	53	308	295	12	29	31	24
Materials and Contracts	6,540	6,626	1,455	1,432	136	124	212	259	213	216	40	20
Interest Charges	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	3	3	850	847	106	128	-	-	-	-	-	-
Loss On Asset Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Taxation Equivalent Payments	-	-	147	129	218	155	-	-	-	-	-	-
Other expenses from ordinary activities	832	652	612	677	93	84	57	55	32	43	1	2
Total Expenses From Ordinary Activities	7,715	7,578	5,325	5,086	604	544	577	609	257	288	72	46
REVENUE FROM ORDINARY ACTIVITIES												
Annual Charges	8,649	8,116	-	-	-	-	-	-	-	-	-	-
User Charges	-	-	4,183	3,648	-	-	-	-	456	402	-	-
Fees	-	-	-	-	-	-	276	259	-	-	102	81
Interest	19	16	-	-	-	-	-	-	-	-	-	-
Other revenues from ordinary activities	11	28	8	8	614	528	16	17	-	-	-	-
Grants & Contributions provided for Non-Capital Purposes	201	196	-	-	-	-	-	-	-	-	-	-
Gain On Asset Disposal	-	-	-	-	-	-	-	-	-	-	-	-
Revenue from Ordinary Activities before capital amounts	8,880	8,356	4,191	3,656	614	528	292	276	456	402	102	81
Surplus(Deficit) from Ordinary Activities before Revenue for Capital Purposes	1,165	778	(1,134)	(1,430)	10	(16)	(285)	(333)	199	114	30	35
Grants & Contributions provided for Capital Purposes	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Deficit) from Ordinary Activities after capital amounts	1,165	778	(1,134)	(1,430)	10	(16)	(285)	(333)	199	114	30	35
Correction of Fundamental Error	-	-	-	-	-	-	-	-	-	-	-	-
Surplus(Deficit) from All Activities before Tax	1,165	778	(1,134)	(1,430)	10	(16)	(285)	(333)	199	114	30	35
Corporate Taxation Equivalent (30%) [based on Operating result before capital]	350	233	-	-	3	-	-	-	60	34	9	11
Surplus(Deficit) After Tax	815	545	(1,134)	(1,430)	7	(16)	(285)	(333)	139	80	21	24
Dividend Payment (non restricted activities) [Percent of Surplus after tax]	- 0%	- 0%	- 0%	- 0%	228 3257%	75 -469%	- 0%	- 0%	199 143%	114 143%	30 143%	35 286%
Surplus(Deficit) After Dividend Payment	815	545	(1,134)	(1,430)	(221)	(91)	(285)	(333)	(60)	(34)	(9)	(11)
Opening Retained profits	2,406	1,628	23,427	24,708	8,205	11,309	-	-	-	-	-	-
Subsidy from Council	-	-	-	-	-	-	285	333	-	-	-	-
Plus: Equity Contributions	-	-	21	20	1,485	538	-	-	-	-	-	-
Less: Equity Withdrawals	-	-	-	-	-	(3,706)	-	-	-	-	-	-
Adjustments for Amounts Unpaid:-												
Dividend Payment	-	-	-	-	228	-	-	-	199	-	30	-
Taxation Equivalent Payments	-	-	147	129	218	155	-	-	-	-	-	-
Corporate Taxation Equivalent	350	233	-	-	3	-	-	-	60	34	9	11
Closing Retained Profits	3,571	2,406	22,461	23,427	9,918	8,205	-	-	199	-	30	-
RETURN ON CAPITAL (%)	2234%	1260%	-5%	-6%	0%	0%	N/A	N/A	N/A	N/A	N/A	N/A
SUBSIDY FROM COUNCIL	-	-	-	-	-	-	285	333	-	-	-	-

Council of the City of Ryde

STATEMENT OF FINANCIAL POSITION OF OTHER BUSINESS ACTIVITIES for the year ending 30 June 2005 (\$000's)

	Domestic Waste Management		Ryde Aquatic Leisure Centre		Property Leasing		Ryde Certification Service		Commercial Waste Management		Enviroserve Commercial Works	
	(Category 1)		(Category 1)		(Category 2)		(Category 2)		(Category 2)		(Category 2)	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
CURRENT ASSETS												
Cash Assets	3,781	2,382	-	-	228	-	-	-	-	-	-	-
Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	35	123	69	12	19	10	8	-	2	20	-	10
Inventories	-	-	24	16	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	73	85	223	-	39	7
TOTAL CURRENT ASSETS	3,816	2,505	93	28	247	10	81	85	225	20	39	17
NON-CURRENT ASSETS												
Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	35	45	-	-	-	-	-	-	-	-	-	-
Property, Plant and Equipment	18	18	23,704	24,526	9,684	8,300	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NON-CURRENT ASSETS	53	63	23,704	24,526	9,684	8,300	-	-	-	-	-	-
TOTAL ASSETS	3,869	2,568	23,797	24,554	9,931	8,310	81	85	225	20	39	17
CURRENT LIABILITIES												
Payables	209	85	233	210	-	-	-	8	23	3	-	10
Interest Bearing Liabilities	-	-	508	395	-	91	-	-	-	9	-	-
Provisions	28	19	185	127	4	4	25	19	1	2	3	2
TOTAL CURRENT LIABILITIES	237	104	926	732	4	95	25	27	24	14	3	12
NON-CURRENT LIABILITIES												
Payables	-	-	-	-	-	-	-	-	-	-	-	-
Interest Bearing Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Provisions	62	58	409	395	9	10	56	58	2	6	6	5
TOTAL NON-CURRENT LIABILITIES	62	58	409	395	9	10	56	58	2	6	6	5
NET ASSETS	3,571	2,406	22,461	23,427	9,918	8,205	-	-	199	-	30	-
EQUITY												
Accumulated Surplus	3,571	2,406	22,461	23,427	9,918	8,205	-	-	199	-	30	-
Asset Revaluation Reserve	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EQUITY	3,571	2,406	22,461	23,427	9,918	8,205	-	-	199	-	30	-

NOTES TO THE SPECIAL PURPOSE FINANCIAL REPORTS

Note 1

SIGNIFICANT ACCOUNTING POLICIES

This statement summarises the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Report (SPFR) for National Competition Policy reporting purposes. These financial statements are a SPFR prepared for use by the Council and Department of Local Government. For the purposes of these statements, the Council is not a reporting entity.

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. It is also based on the accounting policies as outlined in Note 1 to the Council's General Purpose Financial Report.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. 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).

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

Name	Brief Description of Activity
Domestic Waste Removal	Domestic waste collection, recycling and disposal and sale of recycling aids.
Ryde Aquatic Leisure Centre	Provision of aquatic and dry court sports and leisure facilities

Category 2

Name	Brief Description of Activity
Property Leasing	Acquisition, management, leasing and disposal of property assets surplus to Council's operating requirements.
Ryde Certification Service	Certification of Development proposals under Part 4a of The Environmental Planning and Assessment Act.
Commercial Waste Removal	Commercial waste collection, recycling and disposal.
Enviroserve Commercial Works	The provision of urban services to customers within Ryde and its surrounding districts

Taxation Equivalent Payments

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) 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:

Tax	Notional Rate Applied %
Corporate Tax Rate	30%
Land Tax	0.4% of property value to \$400,000
	\$1,600 plus 0.6% of value in excess of \$400,000 up to \$500,000
	\$2,200 plus 1.4% of the value in excess of \$500,000
Payroll Tax	6.0% of total labour payments for the individual business activity in excess of \$600,000
Stamp Duty	Statutory rates as published by the Office of State Revenue.

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 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.

Income tax is only applied where a gain 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.

Local Government Rates & Charges

A calculation of the equivalent rates and charges for all Category 1 and 2 businesses have been applied to all assets owned or exclusively used by the business activity.

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

For Business Activities which incur a trading loss, with the exception of Domestic Waste Management, Council provides a subsidy based on the trading loss, before imputed taxes, and after consideration of any cash deficit within the business.

If Business Activities, other than Domestic Waste Management, require extra capital, this is supplied by Council (following consideration in the annual Management Planning process) as an equity contribution. Business Activities may also dispose of assets or return assets to general Council control. This is shown as an equity withdrawal by Council.

Any trading losses incurred by Domestic Waste Management may be funded temporarily by Council's general funds, but must be recouped in subsequent years by adjustments to the Domestic Waste charge.

Trading Surplus

If a business activity, other than Domestic Waste Management, produces a trading surplus, Council requires the payment of a dividend equal to the amount of the surplus before imputed taxes, and subject to the business having a sufficient cash surplus to effect dividend payment.

Any trading surplus produced by the Domestic Waste Management business activity is retained in an externally restricted reserve and exhausted over the long term by appropriate adjustments to the Domestic Waste Management charge.

Return on Investments (Rate of Return)

The Competitive Neutrality 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". Funds are subsequently available for meeting commitments or financing future investment strategies. Where a business activity has required the investment of capital assets, the rate of return on investment is disclosed in the Statement of Financial Performance of Business Activities.

Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities. Consequently, any form of dividend payment is purely notional. Dividend payments to Council are also restricted to those activities which do not levy special rates or charges (domestic waste management).

Council's Domestic Waste Management activity relates to the collection and disposal of waste and recycling items from domestic premises. This is operated as a restricted activity. The Local Government Act 1993 requires that all operating surpluses or deficits are credited/debited to the equity of this fund.

Corporate Overheads

Council allocates a proportion of corporate overhead to Business Activities in relation to their usage of corporate resources as measured by various physical parameters. This overhead allocation is included as "Materials and Contracts" costs in the Business Activity Statement of Financial Performance.



SPENCER STEER
CHARTERED ACCOUNTANTS

CITY OF RYDE

SPECIAL PURPOSE FINANCIAL REPORT

INDEPENDENT AUDITORS' REPORT

SCOPE

We have audited the *special purpose financial report* of the City of Ryde for the year ended 30 June 2005, comprising the Statement by Council, Statement of Financial Performance of Business Activities, Statement of Financial Position by Business Activities and accompanying Notes to the Accounts. The financial statements include the accounts of the declared business activities of the Council. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

The special purpose 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 statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with those Australian Accounting Standards adopted and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the result of their operations.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT 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 8th day of September 2005

Council of the City of Ryde

General Purpose Financial Statements

For the Year Ended

30 June 2005

Special Schedules

Council of the City of Ryde**SPECIAL SCHEDULES**
for the year ended 30 June 2005**TABLE OF CONTENTS**

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Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 1

NET COST OF SERVICES

for the year ended 30 June 2005

(\$'000)

Function or Activity	EXPENSES FROM ORDINARY ACTIVITIES		REVENUES FROM ORDINARY ACTIVITIES			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	2,348		9	0		2,339	
		2,348			9		2,339
ADMINISTRATION							
Corporate Support	434		2	0		433	
Engineering & Works	1,700		82	201		1,418	
Other Support Services	9,057		218	676		8,163	
		11,192			1,178		10,013
PUBLIC ORDER & SAFETY							
Statutory Contribution to Fire Service Levy	1,328		0	0		1,328	
Fire Protection - Other	0		0	0		0	
Animal Control	70		24	0		47	
Beach Control	0		0	0		0	
Enforcement of Local Govt Regs	141		0	0		141	
Emergency Services	80		0	0		80	
Other	447		561	0		(113)	
		2,067			584		1,483
HEALTH							
Administration & Inspection	299		86	0		213	
Immunisation	91		53	0		38	
Food Control	0		0	0		0	
Insect/Vermin Control	16		0	0		16	
Noxious Plants	0		0	0		0	
Health Centres	76		0	0		76	
Other	240		5	0		235	
		721			143		579
COMMUNITY SERVICES & EDUCATION							
Administration	0		0	0		0	
Family Care	0		0	0		0	
Child Care	0		0	0		0	
Youth Services	97		2	0		95	
Other Families & Children	441		292	0		149	
Aged & Disabled	296		219	0		78	
Migrant Services	0		0	0		0	
Aboriginal Services	0		0	0		0	
Other Community Services	588		134	0		454	
Education	0		0	0		0	
		1,422			646		776

NET COST OF SERVICES (CONT)

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
HOUSING & COMMUNITY AMENITIES							
Housing	0		0	0		0	
Town Planning	4,150		2,128	1,618		403	
Domestic Waste Management	7,522		8,761	0		(1,238)	
Other Waste Management	711		973	0		(262)	
Street Cleaning	715		0	0		715	
Other Sanitation & Garbage	0		0	0		0	
Urban Stormwater Drainage	4,354		10	3,848		495	
Environmental Protection	0		31	0		(31)	
Public Cemeteries	0		0	0		0	
Public Conveniences	193		0	0		193	
Other Community Amenities	0		0	0		0	
		17,645			17,370		275
WATER SUPPLIES							
SEWERAGE SERVICES							
RECREATION & CULTURE							
Public Libraries	3,692		815	0		2,877	
Museums	0		0	0		0	
Art Galleries	0		0	0		0	
Community Centres	103		0	0		103	
Public Halls	284		284	0		1	
Other Cultural Services	0		0	0		0	
Swimming Pools	4,772		4,191	0		581	
Sporting Grounds	3,043		779	0		2,264	
Parks & Gardens (Lakes)	3,557		0	3,377		180	
Other Sport & Recreation	0		0	0		0	
		15,452			9,445		6,007
FUEL & ENERGY SUPPLIES							
Gas Supplies							
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	0		0	0		0	
Abattoirs	0		0	0		0	
Quarries & Pits	0		0	0		0	
Other	0		0	0		0	
		0			0		0

NET COST OF SERVICES (CONT)

Function or Activity	OPERATING EXPENSES		OPERATING REVENUES			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
TRANSPORT & COMMUNICATION							
Urban Roads : Local	8,275		2,514	760		5,001	
Urban Roads : Regional	96		0	0		96	
Sealed Rural Roads : Local	0		0	0		0	
Bridges on Urban Roads : Local	5		0	0		5	
Bridges on Urban Roads : Regional	0		0	0		0	
Bridges on Urban Roads : Other	0		0	0		0	
Footpaths	714		0	0		714	
Aerodromes	0		0	0		0	
Parking Areas	83		0	195		(112)	
Bus Shelters & Services	32		0	0		32	
Water Transport	0		0	0		0	
RTA Works (State)	0		0	0		0	
Street Lighting	1,075		0	0		1,075	
Other	142		0	0		142	
		10,423			3,469		6,954
ECONOMIC AFFAIRS							
Camping Areas	0		0	0		0	
Caravan Parks	0		0	0		0	
Tourism & Area Promotion	0		0	0		0	
Industrial Development & Promotion	0		0	0		0	
Saleyards & Markets	0		0	0		0	
Real Estate Development	0		0	0		0	
Commercial Nurseries	0		0	0		0	
Other Business Undertakings	421		774	0		(352)	
		421			774		(352)
TOTALS - FUNCTIONS		61,692			33,618		28,073
GENERAL PURPOSE REVENUES ⁽¹⁾		0			38,249		(38,249)
SHARE OF GAIN(DEFICIT) FROM ASSOCIATES AND JOINT VENTURES USING EQUITY METHOD ⁽²⁾							
CORRECTION OF FUNDAMENTAL ERROR ⁽²⁾							
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS ⁽²⁾		61,692			71,867		(10,175)
EXTRAORDINARY ITEMS ⁽²⁾							
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾		61,692			71,867		(10,175)

NOTE : 1 Includes:

- Rates and Annual Charges (incl. Ex-Gratia)
- Non-Capital General Purpose Grants
- Interest on Investments

2. As reported on the Statement of Financial Performance

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 2(a)

STATEMENT OF LONG-TERM DEBT (ALL PURPOSES)

for the year ended 30 June 2005

(\$,000)

Classification of Debt	Principal Outstanding at beginning of Year			New Loans Raised during the year	Debt Redemption during the year		Interest Applicable For Year	Principal Outstanding at end of Year		
	Current	Non-Current	Total		From Revenue	Sinking Funds		Current	Non-Current	Total
LOANS (By Source)										
Commonwealth Bank										
Treasury Corporation										
Other State Government										
Public Subscriptions										
Financial Institutions *	1122	5776	6898	0	735	0	565	1,091	7950	9041
Other										
TOTAL LOANS	1122	5776	6898	0	735	0	565	1,091	7950	9041
OTHER LONG TERM DEBT										
Ratepayer's Advances										
Government Advances										
Finance Leases	117	236	353	0	260	0	15	122	29	151
Deferred Payments	318	1273	1591	0	318	0	0	318	636	954
TOTAL LONG TERM DEBT	1557	7285	8842	0	1313	0	580	1531	8615	10146

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 2(b)

STATEMENT OF INTERNAL LOANS (Section 410(3) LGA 1993) for the year ended 30 June 2005 (\$'000)

SUMMARY OF INTERNAL LOANS

Borrower (by Purpose)	Amount Originally Raised	Total Repaid During the Year Principal & Interest	Principal Outstanding at End of Year
General			
Water			
Sewerage			
Domestic Waste Management			
Gas			
Other			
TOTALS			0

DETAILS OF INDIVIDUAL INTERNAL LOANS

Borrower (by purpose)	Lender (by Purpose)	Date of Minister's Approval	Date Raised	Dates of Maturity	Rate of Interest	Amount Originally Raised	Total Repaid During the Year Principal & Interest	Principal Outstanding at End of Year
TOTALS								0

Council of the City of Ryde

SPECIAL SCHEDULES - Schedule No. 7

CONDITION OF PUBLIC WORKS AS AT 2004/2005 (\$'000)

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	WDV	Asset Condition	Estimated Cost to bring to a satisfactory standard	Estimated Annual Maintenance Expense	Program Maintenance Works for current year
		Per Note 1	Per Note 3	Per Note 9			Per Section 428(2d)				
Buildings		1.00%	948	63,604	0	21,940	41,664				
Amenities/Toilets								Satisfactory		255	88
Early Childcare Centres								Satisfactory	-	35	15
Kindergarten/Childhood Centres								Unsatisfactory	250	97	80
Community Aid Centres								Satisfactory	-	35	20
Residences								Satisfactory	-	125	22
Public Halls								Satisfactory	-	205	156
Senior Citizens Centres								Satisfactory	-	17	8
Womens Rest Centres								Satisfactory	-	8	2
Town Centre Toilets								Satisfactory	-	4	1
Civic Centre								Unsatisfactory	1,500	300	180
Libraries								Unsatisfactory	2,900	80	52
Ryde Aquatic Centre								Satisfactory	-	800	600
EnviroServe Operation Centre								Unsatisfactory	100	100	78
Public Buildings								Satisfactory	-	80	64
Commercial Buildings								Satisfactory	-	30	8
Other Community Buildings								Unsatisfactory	3,500	50	56
Total									8,250	2,221	1,430
**Public Roads		1.25%	6,131	479,418	0	283,067	196,351				
Bridges								Satisfactory	50	5	5
Footpaths								Unsatisfactory	7,100	1,400	492
Kerb & Gutter								Unsatisfactory	14,200	1,400	126
Urban Roads								Satisfactory	-	6,965	5,575
Total									21,350	9,770	6,198
Drainage Works		1.25%	3,532	248,797	0	157,645	91,152	Unsatisfactory	328,000	6,650	1,357
Totals			10,611	791,819	0	462,652	329,167		357,600	18,641	8,985

Note: Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned 'enhancements' to the asset.

****Public Roads**

Bridges

Council has eight bridges & culvert structures. The bridges are considered to be in a satisfactory condition and maintenance is on an as-needs basis.

Footpaths

Council's footpath network has a current replacement value of \$43M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1(new) to 5 (replacement required) rating basis. Footpaths with a condition rating of 1,2 or 3 are considered to be in a satisfactory condition.

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 \$59.4M. Kerb and gutter with condition rating 1, 2, or 3 is considered to be in a satisfactory condition

As well, considerable lengths will require construction of additional street drainage systems as part of the work.

Urban Roads

Council has adopted the use of a Pavement Management System (PMS) and condition Rating data has been collected since 1991. Some 15% of the road network is condition rated each year. The current replacement cost of road pavement is \$388.1M. The aim of the maintenance strategy is to maintain the current condition of the road network. Innovative road pavement rehabilitation techniques have been investigated and adopted to reduce maintenance costs. These include recycling of concrete, asphalt and road pavement materials, the adoption of cement stabilisation and bitumen stabilisation pavement rehabilitation processes, the use of bitumen rejuvenators and the use of different asphalt types to extend the life of road pavements and surfaces.