

**Meeting Date:** Tuesday 26 September 2023  
**Location:** Council Chambers, Level 1A, 1 Pope Street, Ryde and Online  
**Time:** 6.00pm

**ATTACHMENTS FOR COUNCIL MEETING**

<b>Item</b>		<b>Page</b>
<b>8</b>	<b>REFERRAL OF 2022/23 DRAFT FINANCIAL STATEMENTS TO EXTERNAL AUDIT</b>	
	Attachment 1 Draft Annual Financial Statements for the year ended 30 June 2023	

# Council of the City of Ryde

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2023

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# Council of the City of Ryde

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2023

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# Council of the City of Ryde

## General Purpose Financial Statements

for the year ended 30 June 2023

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Contents	Page
<b>Understanding Council's Financial Statements</b>	<b>2</b>
<b>Statement by Councillors and Management</b>	<b>3</b>
<b>Primary Financial Statements:</b>	
Income Statement	4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
<b>Notes to the Financial Statements</b>	<b>9</b>
<b>Independent Auditor's Reports:</b>	
On the Financial Statements (Sect 417 [2])	67
On the Financial Statements (Sect 417 [3])	68

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### Overview

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

Council of the City of Ryde  
Level 1, Building 0  
Binary Centre  
3 Richardson Place  
North Ryde NSW 2113

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.ryde.nsw.gov.au](http://www.ryde.nsw.gov.au) .

# Council of the City of Ryde

## General Purpose Financial Statements

for the year ended 30 June 2023

### Understanding Council's Financial Statements

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#### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2023.

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

#### About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

##### 2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

##### 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

##### 4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

##### 5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

#### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

# Council of the City of Ryde

## General Purpose Financial Statements

for the year ended 30 June 2023

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

The attached general purpose financial statements have been prepared in accordance with:

- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 24 October 2023.

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Clr. Sarkis Yedalian  
**Mayor**  
dd MMMM yyyy

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Clr. Shweta Desphande  
**Deputy Mayor**  
dd MMMM yyyy

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Wayne Rylands  
**Chief Executive Officer**  
dd MMMM yyyy

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Aneesh Zahra  
**Responsible Accounting Officer**  
dd MMMM yyyy

## Council of the City of Ryde

### Income Statement

for the year ended 30 June 2023

<b>Original unaudited budget 2023</b>	<b>\$ '000</b>	Notes	<b>Actual 2023</b>	Actual 2022
	<b>Income from continuing operations</b>			
104,091	Rates and annual charges	B2-1	<b>103,730</b>	103,463
18,604	User charges and fees	B2-2	<b>17,123</b>	13,622
8,014	Other revenues	B2-3	<b>6,677</b>	4,493
5,975	Grants and contributions provided for operating purposes	B2-4	<b>8,544</b>	8,073
8,136	Grants and contributions provided for capital purposes	B2-4	<b>22,586</b>	18,407
2,400	Interest and investment income	B2-5	<b>7,606</b>	3,424
7,902	Other income	B2-6	<b>7,425</b>	17,140
100	Net gain from the disposal of assets	B4-1	-	-
<b>155,222</b>	<b>Total income from continuing operations</b>		<b>173,691</b>	168,622
	<b>Expenses from continuing operations</b>			
59,441	Employee benefits and on-costs	B3-1	<b>55,646</b>	53,441
52,486	Materials and services	B3-2	<b>47,683</b>	44,276
164	Borrowing costs	B3-3	<b>113</b>	163
25,589	Depreciation, amortisation and impairment of non-financial assets	B3-4	<b>28,209</b>	25,822
6,539	Other expenses	B3-5	<b>8,901</b>	7,382
-	Net loss from the disposal of assets	B4-1	<b>2,021</b>	3,487
<b>144,219</b>	<b>Total expenses from continuing operations</b>		<b>142,573</b>	134,571
<b>11,003</b>	<b>Operating result from continuing operations</b>		<b>31,118</b>	34,051
<b>11,003</b>	<b>Net operating result for the year attributable to Council</b>		<b>31,118</b>	34,051
<b>11,687</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>8,532</b>	15,644

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

## Council of the City of Ryde

### Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
<b>Net operating result for the year – from Income Statement</b>		<b>31,118</b>	34,051
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>337,035</b>	131,322
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>337,035</b>	131,322
<b>Total other comprehensive income for the year</b>		<b>337,035</b>	131,322
<b>Total comprehensive income for the year attributable to Council</b>		<b>368,153</b>	165,373

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

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## Council of the City of Ryde

## Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	28,561	22,874
Investments	C1-2	105,492	84,243
Receivables	C1-4	11,957	13,401
Inventories	C1-5	775	759
Other	C1-8	1,818	1,570
<b>Total current assets</b>		<b>148,603</b>	<b>122,847</b>
<b>Non-current assets</b>			
Investments	C1-2	113,644	112,789
Receivables	C1-4	612	1,812
Infrastructure, property, plant and equipment (IPPE)	C1-6	1,784,999	1,440,132
Investment property	C1-7	180,625	181,370
Right of use assets	C2-1	6,863	4,437
<b>Total non-current assets</b>		<b>2,086,743</b>	<b>1,740,540</b>
<b>Total assets</b>		<b>2,235,346</b>	<b>1,863,387</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	26,475	29,985
Contract liabilities	C3-2	12,571	5,578
Lease liabilities	C2-1	2,275	2,254
Borrowings	C3-3	369	352
Employee benefit provisions	C3-4	14,800	16,491
<b>Total current liabilities</b>		<b>56,490</b>	<b>54,660</b>
<b>Non-current liabilities</b>			
Contract liabilities	C3-2	5,284	5,461
Lease liabilities	C2-1	4,550	1,981
Borrowings	C3-3	47	415
Employee benefit provisions	C3-4	817	865
<b>Total non-current liabilities</b>		<b>10,698</b>	<b>8,722</b>
<b>Total liabilities</b>		<b>67,188</b>	<b>63,382</b>
<b>Net assets</b>		<b>2,168,158</b>	<b>1,800,005</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	1,332,786	1,301,668
IPPE revaluation reserve	C4-1	835,372	498,337
<b>Council equity interest</b>		<b>2,168,158</b>	<b>1,800,005</b>
<b>Total equity</b>		<b>2,168,158</b>	<b>1,800,005</b>

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

## Council of the City of Ryde

### Statement of Changes in Equity

for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		1,301,668	498,337	1,800,005	1,267,617	367,015	1,634,632
Net operating result for the year		31,118	–	31,118	34,051	–	34,051
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	337,035	337,035	–	131,322	131,322
<b>Other comprehensive income</b>		–	337,035	337,035	–	131,322	131,322
<b>Total comprehensive income</b>		31,118	337,035	368,153	34,051	131,322	165,373
<b>Closing balance at 30 June</b>		1,332,786	835,372	2,168,158	1,301,668	498,337	1,800,005

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

## Council of the City of Ryde

## Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
104,395	Rates and annual charges		105,311	103,382
17,956	User charges and fees		19,254	13,723
2,388	Interest received		6,247	3,093
21,964	Grants and contributions		38,361	23,145
–	Bonds, deposits and retentions received		–	1,321
15,849	Other		13,310	8,733
<b>Payments:</b>				
(59,441)	Payments to employees		(57,385)	(53,510)
(58,054)	Payments for materials and services		(49,637)	(45,039)
(164)	Borrowing costs		(113)	(163)
–	Bonds, deposits and retentions refunded		(980)	–
(7,006)	Other		(8,509)	(2,124)
37,887	<b>Net cash flows from operating activities</b>	G1-1	<b>65,859</b>	<b>52,561</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
10,970	Sale of investments		101	–
–	Redemption of term deposits		–	47,950
–	Proceeds from sale of IPPE		1,987	1,591
<b>Payments:</b>				
–	Purchase of investments		(11,668)	(42,144)
–	Acquisition of term deposits		(11,000)	–
–	Purchase of investment property		745	(10,894)
(131,578)	Payments for IPPE		(37,733)	(51,685)
(120,608)	<b>Net cash flows from investing activities</b>		<b>(57,568)</b>	<b>(55,182)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
62,500	Proceeds from borrowings		–	–
<b>Payments:</b>				
(352)	Repayment of borrowings		(351)	(333)
(2,301)	Principal component of lease payments		(2,253)	(2,117)
59,847	<b>Net cash flows from financing activities</b>		<b>(2,604)</b>	<b>(2,450)</b>
(22,874)	<b>Net change in cash and cash equivalents</b>		<b>5,687</b>	<b>(5,071)</b>
–	Cash and cash equivalents at beginning of year		22,874	27,945
(22,874)	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>28,561</b>	<b>22,874</b>

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

# Council of the City of Ryde

## Contents for the notes to the Financial Statements for the year ended 30 June 2023

<b>A About Council and these financial statements</b>	<b>11</b>
A1-1 Basis of preparation	11
<b>B Financial Performance</b>	<b>13</b>
<b>B1 Functions or activities</b>	<b>13</b>
B1-1 Functions or activities – income, expenses and assets	13
B1-2 Components of functions or activities	14
<b>B2 Sources of income</b>	<b>15</b>
B2-1 Rates and annual charges	15
B2-2 User charges and fees	16
B2-3 Other revenues	17
B2-4 Grants and contributions	18
B2-5 Interest and investment income	22
B2-6 Other income	22
<b>B3 Costs of providing services</b>	<b>23</b>
B3-1 Employee benefits and on-costs	23
B3-2 Materials and services	23
B3-3 Borrowing costs	24
B3-4 Depreciation, amortisation and impairment of non-financial assets	25
B3-5 Other expenses	26
<b>B4 Gains or losses</b>	<b>27</b>
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	27
<b>B5 Performance against budget</b>	<b>28</b>
B5-1 Material budget variations	28
<b>C Financial position</b>	<b>29</b>
<b>C1 Assets we manage</b>	<b>29</b>
C1-1 Cash and cash equivalents	29
C1-2 Financial investments	29
C1-3 Restricted and allocated cash, cash equivalents and investments	31
C1-4 Receivables	33
C1-5 Inventories	35
C1-6 Infrastructure, property, plant and equipment	36
C1-7 Investment properties	39
C1-8 Other	39
<b>C2 Leasing activities</b>	<b>40</b>
C2-1 Council as a lessee	40
C2-2 Council as a lessor	42
<b>C3 Liabilities of Council</b>	<b>44</b>
C3-1 Payables	44
C3-2 Contract Liabilities	44
C3-3 Borrowings	45
C3-4 Employee benefit provisions	47
<b>D Risks and accounting uncertainties</b>	<b>48</b>

## Council of the City of Ryde

### Contents for the notes to the Financial Statements for the year ended 30 June 2023

D1-1 Risks relating to financial instruments held	48
D2-1 Fair value measurement	51
D3-1 Contingencies	54
<b>E People and relationships</b>	<b>58</b>
<b>E1 Related party disclosures</b>	<b>58</b>
E1-1 Key management personnel (KMP)	58
E1-2 Councillor and Mayoral fees and associated expenses	59
E1-3 Other related parties	59
<b>E2 Other relationships</b>	<b>59</b>
E2-1 Audit fees	59
<b>F Other matters</b>	<b>60</b>
F1-1 Statement of Cash Flows information	60
F2-1 Commitments	61
<b>F3 Statement of developer contributions as at 30 June 2023</b>	<b>62</b>
F3-1 Summary of developer contributions	62
F3-2 Developer contributions by plan	63
F3-3 Contributions not under plans	63
F3-4 S7.4 planning agreements	63
<b>F4 Statement of performance measures</b>	<b>64</b>
F4-1 Statement of performance measures – consolidated results	64
<b>G Additional Council disclosures (unaudited)</b>	<b>65</b>
G1-1 Statement of performance measures – consolidated results (graphs)	65

## A About Council and these financial statements

### A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 26 September 2023. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

#### **Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- i. estimated fair values of investment property – refer Note C1-7
- ii. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- iii. employee benefit provisions – refer Note C3-4.

#### **Significant judgements in applying the Council's accounting policies**

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.
- iii. Determination of the lease term, discount rate (when not implicit in the lease) and whether an arrangement contains a lease – refer to Note C2-1.

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

### **Monies and other assets received by Council**

#### **The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the *Local Government Act 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.

## A1-1 Basis of preparation (continued)

The Consolidated Fund has been included in the financial statements of the Council.

### The Trust Fund

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

Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

### Volunteer services

Council offers a variety of services, events and programs that are fulfilled with the generosity of volunteers who offer their time and skills. Such services include bushcare, festivals, library and multicultural programs. The nature of such activities would not be purchased if not donated, and is not reliably measured. As such, Council does not recognise these services in the income statement.

### New accounting standards and interpretations issued but not yet effective

#### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

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

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

### New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2023.

## B Financial Performance

### B1 Functions or activities

#### B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Functions or activities</b>										
Catchment Waterway	126	575	6,577	5,666	(6,451)	(5,091)	126	549	263,313	218,493
City Development	19,225	8,038	6,070	6,332	13,155	1,706	16,832	5,914	-	-
City Economy	260	24	1,332	870	(1,072)	(846)	261	2	-	-
City Sports and Recreation	11,268	8,267	21,655	17,120	(10,387)	(8,853)	2,922	3,136	963,241	721,424
Community Connectedness and Engagement	532	138	5,501	5,106	(4,969)	(4,968)	210	-	-	-
Community Inclusion and Wellbeing	1,515	1,185	5,117	4,625	(3,602)	(3,440)	752	650	23,155	17,144
Community Safety and Amenity	6,890	5,406	5,724	4,976	1,166	430	-	-	-	-
Governance & Corporate Services	3,567	15,802	24,057	20,612	(20,490)	(4,810)	109	623	338,524	292,109
Library	502	463	7,106	6,452	(6,604)	(5,989)	434	422	7,882	9,548
Paths and Cycleways	321	458	2,651	3,897	(2,330)	(3,439)	60	189	81,242	77,203
Resilience and Sustainability	357	244	3,508	3,270	(3,151)	(3,026)	291	131	-	-
Roads	2,247	5,956	12,316	13,235	(10,069)	(7,279)	1,756	1,866	287,204	271,011
Service Delivery Support	944	305	7,691	8,220	(6,747)	(7,915)	-	-	-	-
Strategic Property	2,947	2,836	6,946	6,635	(3,999)	(3,799)	-	16	207,936	210,904
Traffic and Transport	6,198	6,171	3,986	4,684	2,212	1,487	1,546	5,042	62,849	45,551
Waste and Recycling	26,019	26,084	22,336	22,871	3,683	3,213	176	303	-	-
Other	-	-	-	-	-	-	-	4,013	-	-
General purpose income	90,773	86,670	-	-	90,773	86,670	5,655	3,624	-	-
<b>Total functions and activities</b>	<b>173,691</b>	<b>168,622</b>	<b>142,573</b>	<b>134,571</b>	<b>31,118</b>	<b>34,051</b>	<b>31,130</b>	<b>26,480</b>	<b>2,235,346</b>	<b>1,863,387</b>



## B1-2 Components of functions or activities

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Details relating to the Council's functions or activities as reported in B1-1 are as follows:

### City Development

Creating a vibrant and liveable city environment that balances development, land use, amenity and sustainable growth.

### Community Safety and Amenity

Ensuring high standards of public health, safety and amenity are maintained across the City of Ryde.

### City Sports and Recreation

Providing community sporting and recreation facilities, parks and open spaces so residents of all ages can access leisure, lifestyle and recreation opportunities that enhance and maintain their connections with the community.

### Library

Providing high quality, contemporary library services and accessible public spaces so residents have opportunities to participate and engage with others in lifelong learning, recreation and cultural opportunities.

### City Economy

Supporting an economically diverse and resilient City economy that is globally competitive.

### Resilience and Sustainability

Protecting and enhancing our natural areas and ecosystems, and improving the overall environmental performance of the City's built environment, managing risk and building resilience as we adapt and grow through changing climate.

### Catchments and Waterways

Improving the health of the city's waterways and foreshore areas and managing the city's stormwater networks to reduce flooding and risk of inundation for private properties.

### Waste and Recycling

Providing comprehensive and convenient waste disposal and resource recovery services for residents and businesses.

### Traffic and Transport

Building a sustainable, safe, convenient and accessible transport system for the City by improving mobility, connectivity, and access for all types of transport.

### Roads

Maintaining the City's extensive network of local and regional road assets to ensure that they remain safe and are in serviceable condition and meet community expectations Paths and cycleways.

### Paths and Cycleways

Building the City's network of paths and cycleways to increase the walkability of our suburbs, improve conditions for cyclists, and connect residents with activity centres and public transport connections.

### Community Inclusion and Wellbeing

Working to increase social and community wellbeing and empowering people to fully participate in community life.

### Community Connectedness and Engagement

Supporting residents to become connected, engaged and informed and have opportunities to celebrate our culture, build their connections within the community, and contribute to decisions that affect the City.

### Strategic Property Management

Developing and managing Council's portfolio of properties and buildings to maximise their return on investment for the community.

### Service Delivery Support

Providing a broad range of key support Council functions that underpin delivery across all of the programs.

### Governance and Corporate Services

Providing specialist and corporate services to enable the effective governance and operation of the Council organisation.

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	2023	2022
<b>Ordinary rates</b>		
Residential	36,060	34,946
Business	20,221	20,633
Less: pensioner rebates (mandatory)	(668)	(666)
<b>Rates levied to ratepayers</b>	<b>55,613</b>	<b>54,913</b>
Pensioner rate subsidies received	369	367
<b>Total ordinary rates</b>	<b>55,982</b>	<b>55,280</b>
<b>Special rates</b>		
Environmental	8,012	7,904
Infrastructure special rate levy	13,584	13,397
Macquarie park	1,781	1,807
<b>Rates levied to ratepayers</b>	<b>23,377</b>	<b>23,108</b>
<b>Total special rates</b>	<b>23,377</b>	<b>23,108</b>
<b>Annual charges (pursuant to s496, 496A, 496B, 501 &amp; 611)</b>		
Domestic waste management services	23,508	24,204
Stormwater management services	1,145	1,144
Section 611 charges	243	243
Non-rateable waste management charges	79	110
Less: pensioner rebates (mandatory)	(398)	(421)
Less: pensioner rebates (Council policy)	(426)	(437)
<b>Annual charges levied</b>	<b>24,151</b>	<b>24,843</b>
Pensioner annual charges subsidies received:		
– Domestic waste management	220	232
<b>Total annual charges</b>	<b>24,371</b>	<b>25,075</b>
<b>Total rates and annual charges</b>	<b>103,730</b>	<b>103,463</b>

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

#### Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

## B2-2 User charges and fees

\$ '000	Timing *	2023	2022
<b>Specific user charges (per s502 - specific 'actual use' charges)</b>			
Aquatic centre	2	6,234	3,739
Commercial waste service	2	1,315	1,273
Road restorations	2	253	1,041
Hall hire	2	1,432	762
Sports facility rental	2	364	165
Gutter crossings	2	125	70
<b>Total specific user charges</b>		<b>9,723</b>	<b>7,050</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s608)</b>			
Regulatory/ statutory fees	2	3,390	2,856
Section 10.7 certificates (EP&A Act)	2	452	459
Section 603 certificates	2	248	250
Tree Preservation	2	49	83
Private works – section 67	2	1	9
Other	2	47	35
<b>Total fees and charges – statutory/regulatory</b>		<b>4,187</b>	<b>3,692</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s608))</b>			
Road activity and hoarding	2	1,106	1,278
Parking fees	2	1,490	900
Environmental planning	2	204	485
Home maintenance and modification	2	120	74
Other	2	293	143
<b>Total fees and charges – other</b>		<b>3,213</b>	<b>2,880</b>
<b>Total other user charges and fees</b>		<b>7,400</b>	<b>6,572</b>
<b>Total user charges and fees</b>		<b>17,123</b>	<b>13,622</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		17,123	13,622
<b>Total user charges and fees</b>		<b>17,123</b>	<b>13,622</b>

### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 14 days of the provision of the service or in some cases the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

(\*) Timing refers to the revenue recognition pattern for the material streams of Council revenue identified in AASB15 and AASB1058

## B2-3 Other revenues

\$ '000	Timing *	2023	2022
Fines – parking	2	3,963	2,588
Fines – other	2	18	15
Materials recycling	2	662	517
Other rebates	2	405	465
Recoveries – other	2	136	113
Legal fees recovery – other	2	164	107
Sundry sales	2	276	251
Sale of abandoned vehicles	2	37	30
JV agreement Porters Creek	2	637	–
Other	2	379	407
<b>Total other revenue</b>		<b>6,677</b>	<b>4,493</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)		4,493
<b>Total other revenue</b>		<b>4,493</b>

### Accounting policy for other revenue

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

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier. The only exception is Fines Revenue which is recognised as revenue upon payment of the infringement rather than at the time of the infringement being issued.

(\*) Timing refers to the revenue recognition pattern for the material streams of Council revenue identified in AASB15 and AASB1058

## B2-4 Grants and contributions

\$ '000	Timing *	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance	2	1,190	1,944	-	-
<b>Payment in advance - future year allocation</b>					
Financial assistance	2	4,465	2,988	-	-
<b>Amount recognised as income during current year</b>		<b>5,655</b>	<b>4,932</b>	<b>-</b>	<b>-</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
Library	2	434	421	-	-
Economic development		236	-	-	-
Kerb and Gutter	2	-	-	-	2,737
Street & traffic lighting	2	378	446	-	-
Transport	2	545	592	1,208	2,893
Home maintenance and modification	2	615	436	-	-
Waste Management	2	176	292	-	-
Community staff funding	2	193	185	-	-
Sportsground Expansion	2	-	-	-	878
Emergency Services Levy Contribution	2	-	623	-	-
Passive parks expansion	2	-	-	256	239
Sportsground amenities renewal	2	-	-	2,625	1,660
Playground renewals/upgrades	2	-	-	-	300
Other specific grants	2	54	133	313	875
Transport (roads to recovery)	2	-	-	162	175
Community & Culture		210	-	-	-
<b>Previously contributions:</b>					
Other contributions	2	48	13	169	43
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>2,889</b>	<b>3,141</b>	<b>4,733</b>	<b>9,800</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>2,889</b>	<b>3,141</b>	<b>4,733</b>	<b>9,800</b>
<b>Total grants and non-developer contributions</b>		<b>8,544</b>	<b>8,073</b>	<b>4,733</b>	<b>9,800</b>
<b>Comprising:</b>					
– Commonwealth funding		5,655	5,553	-	-
– State funding		2,889	2,520	4,733	9,800
		<b>8,544</b>	<b>8,073</b>	<b>4,733</b>	<b>9,800</b>

(\*) Timing refers to the revenue recognition pattern for the material streams of Council revenue identified in AASB15 and AASB1058

## B2-4 Grants and contributions (continued)

## Developer contributions

\$ '000	Notes	Timing <sup>*</sup>	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Developer contributions:</b>						
<b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	16,538	200
S 7.4 – contributions using planning agreements		2	–	–	21	–
S 7.12 – fixed development consent levies		2	–	–	294	376
S 94 – community facilities		2	–	–	–	1,719
S 94 – open space		2	–	–	–	2,919
S 94 – traffic facilities		2	–	–	–	699
Other developer contributions			–	–	1,000	–
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>17,853</b>	<b>5,913</b>
<b>Non-cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	–	2,694
<b>Total developer contributions non-cash</b>			<b>–</b>	<b>–</b>	<b>–</b>	<b>2,694</b>
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>17,853</b>	<b>8,607</b>
<b>Total contributions</b>			<b>–</b>	<b>–</b>	<b>17,853</b>	<b>8,607</b>
<b>Total grants and contributions</b>			<b>8,544</b>	<b>8,073</b>	<b>22,586</b>	<b>18,407</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			–	–	–	–
Grants and contributions recognised at a point in time (2)			8,544	8,073	22,586	18,407
<b>Total grants and contributions</b>			<b>8,544</b>	<b>8,073</b>	<b>22,586</b>	<b>18,407</b>

(\*) Timing refers to the revenue recognition pattern for the material streams of Council revenue identified in AASB15 and AASB1058

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	742	3,268	8,841	7,625
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
<b>Add:</b> Funds received and not recognised as revenue in the current year	203	560	6,828	3,337
<b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	(466)	(3,086)	(1,888)	(2,121)
<b>Unspent funds at 30 June</b>	<b>479</b>	<b>742</b>	<b>13,781</b>	<b>8,841</b>
<b>Unspent contributions</b>				
Unspent funds at 1 July	–	–	20,798	19,166
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	17,678	5,846
<b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(1,611)	(4,214)
<b>Add:</b> Reimbursement of Reserve funding	–	–	42,733	–
<b>Unspent contributions at 30 June</b>	<b>–</b>	<b>–</b>	<b>79,598</b>	<b>20,798</b>

### Accounting policy

#### Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

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

#### Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

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

## B2-4 Grants and contributions (continued)

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### **Developer contributions**

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

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

Developer contributions may only be expended for the purposes for which the contributions were required.

### **Other grants and contributions**

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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

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## B2-5 Interest and investment income

\$ '000	2023	2022
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	157	110
– Cash and investments	7,102	3,236
<b>Amortisation of premiums and discounts</b>		
– Debt securities at amortised cost	347	78
<b>Total interest and investment income (losses)</b>	<b>7,606</b>	<b>3,424</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
General Council cash and investments	5,761	3,352
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11 <sup>1</sup>	1,845	72
<b>Total interest and investment income</b>	<b>7,606</b>	<b>3,424</b>

### Accounting policy

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

(1) Increase in Section 7.11 Interest is due to interest that would have been earned on developer contribution funds that were transferred to Internally Restricted Reserves in 2020 that were in breach of the Environmental Planning and Assessment Act 1979.

## B2-6 Other income

\$ '000	Notes	2023	2022
<b>Fair value increment on investment properties</b>			
Fair value increment on investment properties		–	13,241
<b>Total fair value increment on investment properties</b>	C1-7	<b>–</b>	<b>13,241</b>
<b>Rental income</b>			
<b>Investment properties</b>			
Lease income (excluding variable lease payments not dependent on an index or rate)		627	588
<b>Total Investment properties</b>		<b>627</b>	<b>588</b>
<b>Other lease income</b>			
Commercial buildings		955	998
Affordable housing		684	639
Leaseback fees - council vehicles		705	715
Advertising on Structures		3,677	214
Other		777	745
<b>Total other lease income</b>		<b>6,798</b>	<b>3,311</b>
<b>Total rental income</b>	C2-2	<b>7,425</b>	<b>3,899</b>
<b>Total other income</b>		<b>7,425</b>	<b>17,140</b>

## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	48,416	46,444
Employee leave entitlements (ELE)	5,329	4,686
Superannuation	4,832	5,384
Workers' compensation insurance	736	1,460
Fringe benefit tax (FBT)	371	176
Training costs (other than salaries and wages)	353	368
Other	350	510
<b>Total employee costs</b>	<b>60,387</b>	<b>59,028</b>
Less: capitalised costs	(4,741)	(5,587)
<b>Total employee costs expensed</b>	<b>55,646</b>	<b>53,441</b>

#### Accounting policy

Employee benefit expenses are recorded when the service has been provided by the employee.

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note D3-1 for more information.

### B3-2 Materials and services

\$ '000	Notes	2023	2022
Raw materials and consumables		3,483	3,633
Contractor Costs			
– Waste disposal, collection and recycling		14,088	15,005
– Building cleaning and maintenance		1,837	1,426
– Parks maintenance		1,746	1,380
– Temporary and agency staff		1,525	1,257
– Roads and footpaths maintenance		910	809
– Electrical		668	594
– Events		1,052	446
– Construction recycling		379	443
– Security		373	386
– Repairs and maintenance		489	359
– Labour hire		512	305
– Parking meter		385	177
– Other contractor costs		4,151	4,161
Consultancy Costs			
– Consultants fees – town planning		183	183
– Consultants fees – project development design		92	42
– Consultants fees – risk management		68	19
– Consultants fees – other consultancy costs		701	771
Audit Fees	E2-1	101	99
Infringement notice contract costs (SEINS)		640	284
Computer software charges		3,032	2,683
Insurance		1,722	1,624
Street lighting		1,675	1,387
Electricity and heating		1,515	973

**B3-2 Materials and services (continued)**

\$ '000	Notes	2023	2022
Election expenses		427	594
Membership fees		470	581
Property lease costs		492	555
Library books		531	503
Councillor and Mayoral fees and associated expenses	E1-2	529	483
Property rates and levies		468	411
Advertising		502	385
Printing and stationery		540	371
Postage		339	366
Water rates		358	361
Communications costs		594	206
Valuation fees		200	198
Office expenses (including computer expenses)		242	131
Bank fees and charges		148	111
Hire and rentals expense		82	57
Other expenses		929	992
<b>Legal expenses:</b>			
– Legal expenses: planning and development		464	932
– Legal expenses: other		663	423
<b>Total materials and services</b>		<b>49,305</b>	<b>46,106</b>
Less: capitalised costs		(1,622)	(1,830)
<b>Total materials and services</b>		<b>47,683</b>	<b>44,276</b>

**Accounting policy**

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

**B3-3 Borrowing costs**

Interest on leases	86	131
Interest on loans	27	32
<b>Total borrowing costs expensed</b>	<b>113</b>	<b>163</b>

**Accounting policy**

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

## B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2023	2022
<b>Depreciation and amortisation</b>			
Plant and equipment		2,103	2,045
Office equipment		2,078	1,742
<b>Infrastructure:</b>	C1-6		
– Buildings – non-specialised		4,095	3,511
– Buildings – specialised		1,599	1,407
– Roads, bridges and other road assets		7,359	7,005
– Stormwater drainage		3,176	2,927
– Bridges		277	241
– Footpaths		1,847	1,645
– Other open space/recreational assets		2,757	2,423
– Other structures		501	459
Right of use assets	C2-1	2,417	2,417
<b>Total gross depreciation and amortisation costs</b>		<b>28,209</b>	<b>25,822</b>
<b>Total depreciation and amortisation costs</b>		<b>28,209</b>	<b>25,822</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>28,209</b>	<b>25,822</b>

### Accounting policy

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

## B3-5 Other expenses

\$ '000	Notes	2023	2022
<b>Impairment of receivables</b>			
Other		61	83
<b>Total impairment of receivables</b>	C1-4	<b>61</b>	<b>83</b>
<b>Fair value decrement on investments</b>			
Fair value decrement on investments through profit and loss		911	–
<b>Total Fair value decrement on investments</b>	C1-7	<b>911</b>	<b>–</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Contribution to Dept of Planning		296	291
– Emergency services levy (includes FRNSW, SES, and RFS levies)		2,526	2,069
– Waste levy		4,424	3,397
– Other contributions/levies		8	13
Contributions & donations - community grants		675	1,529
<b>Total other</b>		<b>7,929</b>	<b>7,299</b>
<b>Total other expenses</b>		<b>8,901</b>	<b>7,382</b>

### Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

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## B4 Gains or losses

### B4-1 Gain or loss from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2023	2022
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Less: carrying amount of property assets sold/written off		(1,708)	(63)
<b>Gain (or loss) on disposal</b>		<b>(1,708)</b>	<b>(63)</b>
<b>Gain (or loss) on disposal of plant and equipment</b>			
	C1-6		
Proceeds from disposal – plant and equipment		1,987	1,591
Less: carrying amount of plant and equipment assets sold/written off		(898)	(764)
<b>Gain (or loss) on disposal</b>		<b>1,089</b>	<b>827</b>
<b>Gain (or loss) on disposal of Roads, bridges and footpaths</b>			
	C1-6		
Less: carrying amount of Roads, bridges and footpaths assets sold/written off		(1,023)	(2,656)
<b>Gain (or loss) on disposal</b>		<b>(1,023)</b>	<b>(2,656)</b>
<b>Gain (or loss) on disposal of investments</b>			
	C1-2		
Proceeds from disposal/redemptions/maturities – financial assets <sup>1</sup>		101	–
<b>Gain (or loss) on disposal</b>		<b>101</b>	<b>–</b>
<b>Gain (or loss) on disposal of Traffic Facilities &amp; Structures</b>			
Less: carrying amount of Road ancillary assets sold/written off		(15)	(691)
<b>Gain (or loss) on disposal</b>		<b>(15)</b>	<b>(691)</b>
<b>Gain (or loss) on disposal of Recreation &amp; Land Improvements</b>			
Less: carrying amount of Park assets sold/written off		(302)	(241)
<b>Gain (or loss) on disposal</b>		<b>(302)</b>	<b>(241)</b>
<b>Gain (or loss) on disposal of Drainage assets</b>			
Less: carrying amount of drainage assets sold/written off		(24)	(115)
<b>Gain (or loss) on disposal</b>		<b>(24)</b>	<b>(115)</b>
<b>Gain (or loss) on disposal of Kerb and gutter</b>			
Less: carrying amount of kerb and gutter assets sold/written off		(139)	(548)
<b>Gain (or loss) on disposal</b>		<b>(139)</b>	<b>(548)</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(2,021)</b>	<b>(3,487)</b>

#### Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

(1) This does not include investments that are rolled over, in full, with the same authorised deposit-taking institution.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 28 June 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

**Material variations of more than 10%** between original budget and actual results or where the variance is considered material by nature are explained below.

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

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
<b>Revenues</b>				
<b>Other revenues</b>	8,014	6,677	(1,337)	(17)% <b>U</b>
Mainly due to less than anticipated parking fine income within the Macquarie Park precinct as people continue to work from home following the Covid-19 pandemic.				
<b>Operating grants and contributions</b>	5,975	8,544	2,569	43% <b>F</b>
Mainly due to the Financial Assistance Grant (FAG) received in advance for FY23/24.				
<b>Capital grants and contributions</b>	8,136	22,586	14,450	178% <b>F</b>
Mainly due to greater than anticipated Section 7.11 contributions received as a result of increased development.				
<b>Expenses</b>				
<b>Materials and services</b>	52,486	47,683	4,803	9% <b>F</b>
Mainly due to savings in contractor expenditure in the Domestic Waste program, Property and Buildings and Streetlighting.				
<b>Depreciation, amortisation and impairment of non-financial assets</b>	25,589	28,209	(2,620)	(10)% <b>U</b>
Mainly due to greater than anticipated depreciation of Councils buildings and adjustment for the North Ryde Office lease.				
<b>Other expenses</b>	6,539	8,901	(2,362)	(36)% <b>U</b>
Mainly due to the fair value decrement in Councils Investment Properties.				
<b>Statement of cash flows</b>				
<b>Cash flows from investing activities</b>	(120,608)	(57,568)	63,040	(52)% <b>F</b>
A number of Council projects were deferred or delayed during the year which resulted in the variance from budget for the statement of cash flows. The current global environment sees extended lead times and availability of contractors.				

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2023	2022
<b>Cash assets</b>		
Cash on hand and at bank <sup>1</sup>	3,747	(1,312)
Cash equivalent assets		
– Deposits at call <sup>2</sup>	24,814	24,186
<b>Total cash and cash equivalents</b>	<b>28,561</b>	<b>22,874</b>

(1) Bank account is not in overdraft. The balance includes the creditors payment run for the current financial year which was processed on 30 June 2022.

(2) Includes term deposits with a term of less than 3 months

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	28,561	22,874
<b>Balance as per the Statement of Cash Flows</b>	<b>28,561</b>	<b>22,874</b>

#### Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

#### C1-2 Financial investments

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits <sup>2</sup>	87,000	–	53,000	23,000
NCD's, FRN's (with maturities > 3 months)	3,000	53,093	16,000	24,484
Fixed bonds	15,492	60,551	15,243	65,305
<b>Total</b>	<b>105,492</b>	<b>113,644</b>	<b>84,243</b>	<b>112,789</b>
<b>Total financial investments</b>	<b>105,492</b>	<b>113,644</b>	<b>84,243</b>	<b>112,789</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>134,053</b>	<b>113,644</b>	<b>107,117</b>	<b>112,789</b>

(2) Does not include term deposits with a term of less than 3 months

#### Accounting policy

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

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

#### Financial assets

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



## C1-2 Financial investments (continued)

### Classification

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

### Recognition and de-recognition

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

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

### Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act 1993 (NSW) and Clause 212 of the Local Government (General) Regulation 2005 (NSW).

Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it, or its representatives, exercise the care, diligence and skill that a prudent person would exercise in investing Council funds.

Council amended its policy following revisions to the Ministerial Local Government Investment Order (the Order) arising from the Cole Inquiry recommendations.

### Impairment of financial assets

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

### Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

## C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
<b>Total cash, cash equivalents and investments</b>	<b>247,697</b>	219,906
Less: Externally restricted cash, cash equivalents and investments	<u>(130,599)</u>	<u>(62,550)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>117,098</b>	157,356
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>14,260</u>	9,583
<b>External restrictions – included in liabilities</b>	<b>14,260</b>	9,583
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<b>79,599</b>	20,798
Stormwater management	<b>1,009</b>	1,143
Macquarie park special rate	<b>3,706</b>	2,293
Infrastructure special rate reserve	<b>9,818</b>	9,037
Domestic waste management	<b>22,207</b>	19,696
<b>External restrictions – other</b>	<b>116,339</b>	52,967
<b>Total external restrictions</b>	<b>130,599</b>	62,550

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2023	2022
(b) Internal allocations		
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>117,098</b>	157,356
Less: Internally restricted cash, cash equivalents and investments	<u>(108,600)</u>	<u>(149,493)</u>
<b>Unrestricted and unallocated cash, cash equivalents and investments</b>	<b>8,498</b>	7,863
<b>Internal allocations</b>		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	<b>7,440</b>	6,670
Employees leave entitlement	<b>4,556</b>	5,541
Incomplete/carry over works and projects	<b>601</b>	881
Refundable deposits	<b>17,652</b>	19,000
Asset replacement reserve	<b>10,588</b>	3,155
Investment property reserve	<b>21,632</b>	24,023
Ryde Central reserve	<b>9,375</b>	50,093
Accommodation reserve	<b>16,488</b>	20,850
Workers compensation	<b>3,000</b>	3,000
Council election reserve	<b>845</b>	631
Asset expansion reserve	<b>4,779</b>	6,950
Affordable housing reserve	<b>1,521</b>	1,061
Information Technology Reserve	<b>2,195</b>	2,270

**C1-3 Restricted and allocated cash, cash equivalents and investments (continued)**

\$ '000	2023	2022
Other	7,928	5,368
<b>Total internal allocations</b>	<b>108,600</b>	<b>149,493</b>
\$ '000	2023	2022

**(c) Unrestricted and unallocated**

<b>Unrestricted and unallocated cash, cash equivalents and investments</b> <sup>1, 2</sup>	<b>8,498</b>	<b>7,863</b>
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(1) Internal allocations include those assets, the use of which are only restricted by a resolution or policy of Council. These assets are disclosed with details of the nature of the internal allocation.

(2) Increase in externally restricted reserves relating to developer contributions and the corresponding decrease in internal reserves, is mainly due to correction of transfers completed in 2020. Transactions involved transferring funds from externally restricted to internally restricted and the issue is that these transactions were not authorised by the Environmental Planning and Assessment Act 1979 nor the Local Government Act 1993. As a result certain transactions needed to be reversed. These transfers do not affect Councils total Cash, Cash Equivalent and Investments.

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## C1-4 Receivables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Rates and annual charges <sup>1</sup>	2,658	590	3,299	1,790
Interest and extra charges	373	–	286	–
User charges & fees <sup>2</sup>				
User charges and fees – recreational facilities	1,371	–	872	–
User charges and fees – environmental and health	946	–	801	–
User charges and fees – property and infrastructure works	437	–	533	–
User charges and fees – restorations	661	–	267	–
User charges and fees – Ryde Aquatic leisure centre	132	–	124	–
User charges and fees – home modification service	29	–	27	–
Government grants and subsidies	1,065	–	3,619	–
Net GST receivable	1,628	–	2,151	–
Accrued revenues				
– Interest on investments	2,084	–	1,159	–
Commercial waste	450	–	435	–
Fines	408	–	297	–
Other debtors	217	–	41	–
Community Recycle Centre	–	22	–	22
<b>Total</b>	<b>12,459</b>	<b>612</b>	<b>13,911</b>	<b>1,812</b>
<b>Less: provision for impairment</b>				
User charges and fees	(502)	–	(510)	–
<b>Total provision for impairment – receivables</b>	<b>(502)</b>	<b>–</b>	<b>(510)</b>	<b>–</b>
<b>Total net receivables</b>	<b>11,957</b>	<b>612</b>	<b>13,401</b>	<b>1,812</b>

(1) Rates and annual charges are secured by underlying properties

(2) User fees and charges are unsecured. A provision for impairment (doubtful debts) has already been provided

\$ '000	2023	2022
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	510	556
+ new provisions recognised during the year	73	70
– amounts already provided for and written off this year	(6)	–
– amounts provided for but recovered during the year	(26)	(116)
– previous impairment losses reversed	(49)	–
<b>Balance at the end of the year</b>	<b>502</b>	<b>510</b>

## C1-4 Receivables (continued)

### Accounting policy

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 14 days.

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

### Impairment

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

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

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

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

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

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

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

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

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

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

None of the receivables that have been written off are subject to enforcement activity

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

Rates and annual charges outstanding are secured against the property.

## C1-5 Inventories

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
<b>(i) Inventories at cost</b>				
Stores and materials	775	-	759	-
<b>Total inventories at cost</b>	<b>775</b>	<b>-</b>	<b>759</b>	<b>-</b>
<b>Total inventories</b>	<b>775</b>	<b>-</b>	<b>759</b>	<b>-</b>

### Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2023	2022
Stores and materials <sup>1</sup>	447	447
	<b>447</b>	<b>447</b>

(1) This represents a stockpile of material that is held at Porters Creek, made from recycled building materials and it will take more than 12 months for this to be used.

### Accounting policy

#### Raw materials and stores, work in progress and finished goods

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

#### Inventory held for distribution

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

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period							At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Asset revaluation – gross book value	Asset revaluation – accumulated depreciation and impairment	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	34,492	–	34,492	5,449	18,394	–	–	(3,808)	–	–	54,527	–	54,527
Plant and equipment	29,455	(18,570)	10,885	–	3,221	(898)	(2,103)	–	–	–	30,037	(18,932)	11,105
Office equipment	17,863	(12,266)	5,597	–	–	–	(2,078)	–	–	–	17,863	(14,344)	3,519
Leased plant and equipment	163	(163)	–	–	–	–	–	–	–	–	163	(163)	–
<b>Land:</b>													
– Operational land	420,396	–	420,396	–	–	–	–	–	174,464	–	594,860	–	594,860
– Community land	104,671	–	104,671	–	–	–	–	–	45,642	–	150,313	–	150,313
– Crown land	46,203	–	46,203	–	–	–	–	–	20,362	–	66,565	–	66,565
– Land under roads (post 30/6/08)	1,234	–	1,234	–	–	–	–	–	–	–	1,234	–	1,234
<b>Infrastructure:</b>													
Roadside structures	23,301	(5,221)	18,080	–	5	(2)	(781)	–	1,212	(315)	24,516	(6,317)	18,199
- Foreshore Assets	17,291	(5,089)	12,202	–	–	–	(198)	–	899	(276)	18,190	(5,563)	12,627
- Carparks	17,801	(6,098)	11,703	40	–	(3)	(303)	–	2,083	(750)	19,919	(7,149)	12,770
– Traffic facilities and devices	25,028	(5,332)	19,696	466	27	(14)	(570)	21	3,965	(1,121)	29,489	(7,019)	22,470
– Kerb and guttering	120,229	(52,781)	67,448	612	–	(139)	(1,202)	274	17,237	(7,697)	138,097	(61,564)	76,533
– Buildings – non-specialised	158,034	(65,894)	92,140	433	709	(1,708)	(4,095)	1,314	15,729	(2,037)	173,157	(70,672)	102,485
– Buildings – specialised	68,494	(23,418)	45,076	–	–	–	(1,599)	–	1,554	(330)	70,048	(25,347)	44,701
– Other structures	–	–	–	–	–	–	–	–	–	–	–	–	–
– Roads	279,367	(105,088)	174,279	4,320	–	(943)	(4,806)	330	11,693	(4,523)	293,454	(113,104)	180,350
– Bridges	20,282	(5,677)	14,605	1,350	–	–	(277)	–	(296)	81	21,336	(5,873)	15,463
– Footpaths and cycleways	142,059	(64,870)	77,189	620	382	(76)	(1,847)	208	8,922	(4,164)	151,889	(70,655)	81,234
– Stormwater drainage	317,424	(111,148)	206,276	617	–	(23)	(3,176)	428	75,452	(28,902)	393,856	(143,184)	250,672
– Recreation and land improvements	97,561	(19,711)	77,850	1,004	83	(302)	(2,757)	1,233	9,715	(1,564)	109,126	(23,864)	85,262
<b>Other assets:</b>													
– Heritage collections	110	–	110	–	–	–	–	–	–	–	110	–	110
<b>Total infrastructure, property, plant and equipment</b>	<b>1,941,458</b>	<b>(501,326)</b>	<b>1,440,132</b>	<b>14,911</b>	<b>22,821</b>	<b>(4,108)</b>	<b>(25,792)</b>	<b>–</b>	<b>388,633</b>	<b>(51,598)</b>	<b>2,358,749</b>	<b>(573,750)</b>	<b>1,784,999</b>

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

## C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2021			Asset movements during the reporting period							At 30 June 2022		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Asset revaluation – accumulated depreciation and impairment	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	38,664	–	38,664	13,980	3,372	–	–	(17,743)	(3,781)	–	34,492	–	34,492
Plant and equipment	30,185	(18,257)	11,928	–	1,766	(764)	(2,045)	–	–	–	29,455	(18,570)	10,885
Office equipment	16,030	(10,524)	5,506	374	440	–	(1,742)	1,019	–	–	17,863	(12,266)	5,597
Leased plant and equipment	163	(163)	–	–	–	–	–	–	–	–	163	(163)	–
<b>Land:</b>													
– Operational land	337,353	–	337,353	–	857	–	–	–	–	82,186	420,396	–	420,396
– Community land	99,016	–	99,016	–	5,655	–	–	–	–	–	104,671	–	104,671
– Crown land	46,203	–	46,203	–	–	–	–	–	–	–	46,203	–	46,203
– Land under roads (post 30/6/08)	1,234	–	1,234	–	–	–	–	–	–	–	1,234	–	1,234
<b>Infrastructure:</b>													
– Buildings – non-specialised	162,618	(90,556)	72,062	1,409	3,429	(63)	(3,511)	1,209	5	17,600	158,034	(65,894)	92,140
– Buildings – specialised	60,204	(19,370)	40,834	565	–	–	(1,407)	–	–	5,084	68,494	(23,418)	45,076
– Roads	273,532	(101,328)	172,204	3,634	422	(2,014)	(4,651)	2,171	–	2,513	279,367	(105,088)	174,279
– Traffic facilities and devices	23,578	(5,045)	18,533	723	816	(682)	(542)	848	–	–	25,028	(5,332)	19,696
– Bridges	17,578	(4,999)	12,579	–	198	–	(241)	943	–	1,126	20,282	(5,677)	14,605
– Footpaths and cycleways	127,322	(63,165)	64,157	3,965	4,711	(615)	(1,645)	5,829	–	787	142,059	(64,870)	77,189
– Kerb and guttering	116,085	(51,254)	64,831	1,634	539	(548)	(1,161)	1,073	–	1,080	120,229	(52,781)	67,448
– Carparks	17,299	(5,945)	11,354	104	110	(27)	(292)	91	–	363	17,801	(6,098)	11,703
– Foreshore Assets	15,010	(4,520)	10,490	–	736	–	(167)	254	–	889	17,291	(5,089)	12,202
Roadside structures	19,078	(4,633)	14,445	2,013	432	(9)	(651)	1,792	58	–	23,301	(5,221)	18,080
– Stormwater drainage	292,326	(100,522)	191,804	1,694	783	(115)	(2,927)	1,124	–	13,913	317,424	(111,148)	206,276
– Recreation and land improvements	85,368	(15,761)	69,607	2,182	1,617	(241)	(2,423)	1,390	(63)	5,781	97,561	(19,711)	77,850
<b>Other assets:</b>													
– Heritage collections	111	(1)	110	–	–	–	–	–	–	–	110	–	110
<b>Total infrastructure, property, plant and equipment</b>	<b>1,778,957</b>	<b>(496,043)</b>	<b>1,282,914</b>	<b>32,277</b>	<b>25,883</b>	<b>(5,078)</b>	<b>(23,405)</b>	<b>–</b>	<b>(3,781)</b>	<b>131,322</b>	<b>1,941,458</b>	<b>(501,326)</b>	<b>1,440,132</b>

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



## C1-6 Infrastructure, property, plant and equipment (continued)

### Accounting policy

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At balance date the following classes of IPPE were stated at their fair value:

- Operational land (internal valuation).
- Buildings – Specialised/Non Specialised (internal valuation).
- Plant and equipment (as approximated by depreciated historical cost).
- Road assets – roads, bridges and footpaths (Internal Valuation).
- Drainage assets – (Internal Valuation).
- Bulk earthworks – (Internal Valuation).
- Community land – (Valuer General).
- Land Improvements (as approximated by depreciated historical cost).
- Other structures (as approximated by depreciated historical cost).
- Other assets (as approximated by depreciated historical cost).

Depreciation is represented by straight line depreciation over the useful life.

The following table sets out the range of useful lives and depreciation.

Asset Category	Useful Life (Years)	Depreciation Rate
Drainage assets	40 - 200	0.50% - 2.50%
Land Improvements	25 - 25	4.00% - 4.00%
Other assets	20 - 50	2.00% - 5.00%
Other structures	20 - 150	0.67% - 5.00%
Road assets – roads, bridges and footpaths	15 - 200	0.50% - 6.67%
Plant & Equipment	5 - 50	2.00% - 20.00%
Buildings - Specialised/Non Specialised	40-100	1.00% - 2.50%

Operational land was last externally valued as at 30 June 2020 and due to current economic conditions, this has been reviewed and indexation applied and subsequently revalued as at 30 June 2022. Community Land has been valued using the Valuer General rates with a base date of 1/7/2019.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and will revalue the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. In determining the useful lives and unit rates for each asset type, an evidence based approach has been taken. For most assets, there is no ready "tradeable" market, and councils are the major if not only provider of such assets (e.g. local roads and their drainage). In-house technical expertise is available and is used. The major exceptions are land and buildings, which are valued externally.

Where a condition review of assets discloses an error in the quantity of the asset, this will be adjusted as a prior period adjustment only if material.

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

### Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

## C1-6 Infrastructure, property, plant and equipment (continued)

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

### Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Councils does not have any Rural Fire Services assets.

## C1-7 Investment properties

\$ '000	2023	2022
<b>Owned investment property</b>		
Investment property on hand at fair value	180,625	181,370
<b>Total owned investment property</b>	<b>180,625</b>	<b>181,370</b>
<b>Owned investment property</b>		
<b>At fair value</b>		
Opening balance at 1 July	181,370	157,235
Net gain/(loss) from fair value adjustments	(911)	13,241
Capitalised subsequent expenditure	166	10,894
<b>Closing balance at 30 June</b>	<b>180,625</b>	<b>181,370</b>

### Accounting policy

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

## C1-8 Other

### Other assets

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Prepayments	999	-	751	-
Prepayments – waste alliance	819	-	819	-
<b>Total other assets</b>	<b>1,818</b>	<b>-</b>	<b>1,570</b>	<b>-</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets such as land and buildings. Information relating to the leases in place and associated balances and transactions is provided below.

#### Buildings

Council holds two leases for the administrative building at Richardson Place, North Ryde (NRO). The original lease terms were to 30 April 2021 and have subsequently been renewed to 30 April 2026, including a right to terminate with a minimum term of 3 years.

The building leases contain an annual pricing mechanism based on a fixed increase at each anniversary of the lease inception.

#### Extension options

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the early termination or extension options will be exercised. During the current financial year, Council re-measured the lease liability term which has extended the lease liability.

#### (a) Right of use assets

\$ '000	Land & Buildings	Total
<b>2023</b>		
Opening balance at 1 July	4,437	4,437
Adjustments to right-of-use assets due to re-measurement of lease liability	4,843	4,843
Depreciation charge	(2,417)	(2,417)
<b>Balance at 30 June</b>	<b>6,863</b>	<b>6,863</b>
Right of Use asset is for the administrative building		
<b>2022</b>		
Opening balance at 1 July	6,854	6,854
Depreciation charge	(2,417)	(2,417)
<b>Balance at 30 June</b>	<b>4,437</b>	<b>4,437</b>
Right of Use asset is for the administrative building		

#### (b) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2023</b>					
Cash flows	2,275	4,550	–	6,825	6,825
<b>2022</b>					
Cash flows	2,254	1,981	–	4,235	4,235

## C2-1 Council as a lessee (continued)

### (c) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	86	131
Depreciation of right of use assets	2,417	2,417
	<b>2,503</b>	<b>2,548</b>

### (d) Statement of Cash Flows

Total cash outflow for leases	(2,334)	(2,252)
	<b>(2,334)</b>	<b>(2,252)</b>

### (e) Leases at significantly below market value – concessionary / peppercorn leases

#### Accounting policy

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

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

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

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

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

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

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

#### Exceptions to lease accounting

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

#### Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

## C2-2 Council as a lessor

### Operating leases

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

\$ '000	2023	2022
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#### (i) Assets held as investment property

Investment property operating leases principally comprise of freehold buildings, commercial spaces and residential townhouses.

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

Lease income (excluding variable lease payments not dependent on an index or rate)	624	587
Lease income relating to variable lease payments not dependent on an index or a rate	3	1
<b>Total income relating to operating leases for investment property assets</b>	<b>627</b>	<b>588</b>

#### Operating lease expenses

Direct operating expenses that generated rental income	(209)	(166)
<b>Total expenses relating to operating leases</b>	<b>(209)</b>	<b>(166)</b>

#### (ii) Assets held as property, plant and equipment

Council provides operating leases on Council properties and buildings for the purpose of community services which must be provided by Council as well as where buildings may be leased at market value where the asset is held for future Council or community needs.

Lease income (excluding variable lease payments not dependent on an index or rate)	2,416	2,596
Lease income relating to variable lease payments not dependent on an index or a rate	4,382	715
<b>Total income relating to operating leases for Council assets</b>	<b>6,798</b>	<b>3,311</b>

#### Reconciliation of IPPE assets leased out as operating leases

\$ '000	2023	2022
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#### (iii) Maturity analysis of contractual lease income

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

< 1 year	461	610
1–2 years	145	481
2–3 years	69	111
3–4 years	70	–
4–5 years	72	–
> 5 years	885	–
<b>Total undiscounted lease payments to be received</b>	<b>1,702</b>	<b>1,202</b>

### Accounting policy

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

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

## C2-2 Council as a lessor (continued)

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If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

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## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	2,841	–	4,779	–
Accrued expenses:				
– Other expenditure accruals	3,654	–	4,004	–
Security bonds, deposits and retentions	17,742	–	18,722	–
Refundable fees	1,124	–	1,139	–
Government departments and agencies	14	–	20	–
Prepaid rates	997	–	1,257	–
Other	103	–	64	–
<b>Total payables</b>	<b>26,475</b>	<b>–</b>	<b>29,985</b>	<b>–</b>

#### Current payables not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	14,121	14,987
<b>Total payables</b>	<b>14,121</b>	<b>14,987</b>

#### Accounting policy

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

#### Payables

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

### C3-2 Contract Liabilities

\$ '000	Notes	2023		2022	
		Current	Non-current	Current	Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	8,497	5,284	3,380	5,461
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	479	–	742	–
<b>Total grants received in advance</b>		<b>8,976</b>	<b>5,284</b>	<b>4,122</b>	<b>5,461</b>
<b>User fees and charges received in advance:</b>					
Upfront fees – leisure centre	(iii)	18	–	18	–
Upfront fees - Bookings		498	–	397	–
Restoration works		3,005	–	1,000	–
Other		74	–	41	–
<b>Total user fees and charges received in advance</b>		<b>3,595</b>	<b>–</b>	<b>1,456</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>12,571</b>	<b>5,284</b>	<b>5,578</b>	<b>5,461</b>

#### Notes

continued on next page ...

## C3-2 Contract Liabilities (continued)

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

(iii) Upfront membership fees for the leisure centre do not meet the definition of a performance obligation and therefore the funds received are recorded as a contract liability on receipt and recognised as revenue over the expected average membership life.

### Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

## C3-3 Borrowings

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Loans – secured <sup>1</sup>	369	47	352	415
<b>Total borrowings</b>	<b>369</b>	<b>47</b>	<b>352</b>	<b>415</b>

(1) Council is currently receiving a Low Interest Rate Subsidy (LIRS) for the loans to subsidise the interest payments of these loans.

### (a) Changes in liabilities arising from financing activities

\$ '000	2022		Non-cash movements				2023
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	767	(351)	–	–	–	–	416
Lease liability (Note C2-1b)	4,235	2,590	–	–	–	–	6,825
<b>Total liabilities from financing activities</b>	<b>5,002</b>	<b>2,239</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,241</b>

\$ '000	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	1,100	(333)	–	–	–	–	767
Lease liability (Note C2-1b)	6,352	(2,117)	–	–	–	–	4,235
<b>Total liabilities from financing activities</b>	<b>7,452</b>	<b>(2,450)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,002</b>

### (b) Financing arrangements

\$ '000	2023	2022
<b>Total facilities</b>		
Credit cards/purchase cards	91	110
<b>Total financing arrangements <sup>1</sup></b>	<b>91</b>	<b>110</b>

### Undrawn facilities



### C3-3 Borrowings (continued)

\$ '000	2023	2022
– Credit cards/purchase cards	77	110
<b>Total undrawn financing arrangements</b>	<b>77</b>	<b>110</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

(1) Council has no bank overdraft facility

##### Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or borrowing costs.

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## C3-4 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual and other accrued leave	4,427	–	4,768	–
Sick leave	108	–	131	–
Long service leave	8,827	817	9,343	865
Other employee provisions	1,438	–	2,249	–
<b>Total employee benefit provisions<sup>1</sup></b>	<b>14,800</b>	<b>817</b>	<b>16,491</b>	<b>865</b>

(1) The discount rate for calculating ELE, as set by the RBA, has increased for the current year. This movement results in a lower ELE liability and a lower ELE expense in B3-1 (all other things remaining equal).

### Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	8,809	10,727
	<b>8,809</b>	<b>10,727</b>

### Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

### On-costs

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

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

## D Risks and accounting uncertainties

### D1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

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

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

\$ '000	2023	2022
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	2,440	2,212
Impact of a 10% movement in price of investments		
– Equity / Income Statement <sup>1</sup>	–	–

(1) Movements in the price of investments is not calculated, as tradable investments are purchased with the intent to hold to maturity, at which point they are redeemed at face value.

## D1-1 Risks relating to financial instruments held (continued)

### (b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

The profile of the Council's receivables credit risk at balance date was:

#### Credit risk profile

##### Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	Not yet overdue	< 5 years	≥ 5 years	
<b>2023</b>				
Gross carrying amount	–	3,068	180	3,248
2022				
Gross carrying amount	–	4,957	132	5,089

##### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
<b>2023</b>						
Gross carrying amount	9,823	–	–	–	–	9,823
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2022						
Gross carrying amount	10,634	–	–	–	–	10,634
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

## D1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the maturity table below.

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2023</b>							
Payables	0.00%	17,742	–	–	–	17,742	26,475
Borrowings	0.00%	–	–	–	–	–	416
<b>Total financial liabilities</b>		<b>17,742</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17,742</b>	<b>26,891</b>
<b>2022</b>							
Payables	0.00%	18,722	–	–	–	18,722	29,985
Borrowings	0.00%	–	–	–	–	–	767
<b>Total financial liabilities</b>		<b>18,722</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>18,722</b>	<b>30,752</b>

## D2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- Investment property

### Fair value hierarchy

All assets and liabilities measured at fair value are assigned to a level in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2023	2022
		2023	2022	2023	2022		
<b>Recurring fair value measurements</b>							
<b>Investment property</b> C1-7							
Investment properties		180,625	181,370	–	–	180,625	181,370
<b>Total investment property</b>		<b>180,625</b>	<b>181,370</b>	<b>–</b>	<b>–</b>	<b>180,625</b>	<b>181,370</b>
<b>Infrastructure, property, plant and equipment</b> C1-6							
- Operational land		594,860	420,396	–	–	594,860	420,396
- Community and Crown land		–	–	216,878	150,874	216,878	150,874
- Land under roads		–	–	1,234	1,234	1,234	1,234
- Buildings (Specialised and non-specialised)		–	–	147,186	137,216	147,186	137,216
- Roads, Bridges, Footpaths		–	–	376,050	353,217	376,050	353,217
- Stormwater drainage		–	–	250,672	206,276	250,672	206,276
- Plant & Equipment		–	–	11,105	10,885	11,105	10,885
- Office Equipment		–	–	3,519	5,597	3,519	5,597
- Roadside Structures		–	–	18,199	18,080	18,199	18,080
- Foreshore Assets		–	–	12,627	12,202	12,627	12,202
- Carparks		–	–	12,770	11,703	12,770	11,703
- Recreational Land Improvements		–	–	85,262	77,850	85,262	77,850
- Heritage Collections		–	–	110	110	110	110
<b>Total infrastructure, property, plant and equipment</b>		<b>594,860</b>	<b>420,396</b>	<b>1,135,612</b>	<b>985,244</b>	<b>1,730,472</b>	<b>1,405,640</b>

### Non-recurring fair value measurements

### Valuation techniques

Council's non-current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government. Further details of the revaluations policy is provided under Note C1-6

## D2-1 Fair value measurement (continued)

### Investment property

On an annual basis, Council engages external, independent and qualified valuers to determine the fair value of its investment properties. As at 30 June 2023, the fair values of the properties have been determined by Southern Alliance Valuation Services Pty Ltd.

All investment property valuations are included in level 2 of the hierarchy. The value of investment property has been determined using the market approach.

### Infrastructure, property, plant and equipment (IPPE)

#### Land (Operational)

The fair value of Operational land has been determined by referencing it to current prices in an active market for similar properties. Where such information is not available, current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences are considered. Appropriate adjustments are also made for the inherent features of the property such as fire-prone, flood zonings and usability of the land.

Operational Land was last revalued as at 30 June 2020 as determined by Scott Fullarton Valuations Pty Ltd. Due to the current economic environment, Council has applied an indexation and revalued operational land as at 30 June 2023.

#### Buildings

The Council engages external, independent and qualified valuers to determine the fair value of the Council's buildings. Buildings were revalued in the 30 June 2023 financial year and the fair values were determined by Scott Fullarton Valuations Pty Ltd.

The Gross Value of each building is obtained by applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. The key unobservable input being the rate square metre has been benchmarked to construction costs of similar properties across the industry.

#### Level 3 measurements

#### Land (Community and Land under road)

Community Land has been valued by the Valuer General as at 1 July 2022. Council has resolved to not recognise Land Under Roads (LUR) acquired before 1 July 2008.

The key unobservable input to the valuation is a discount rate of 90% (englobo method) on the council/municipal average value.

#### Infrastructure assets

Valuations for infrastructure assets are performed internally by Council's engineering team. The gross value of the infrastructure assets are determined by unit rate to total volume which is normally square metres, lineal metres or individual items.

The unit rate, which is a key unobservable input, is determined using an assessment of average historical internal costs, and rates from contracts with third party suppliers. Infrastructure assets were last revalued at 30 June 2023.

The information presented in the Fair Value Measure Hierarchy table on unobservable input has been limited to significant components of the infrastructure assets as it is impracticable to provide information for all components.

## D2-1 Fair value measurement (continued)

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

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	Level 3	
	2023	2022
<b>Opening balance</b>	<b>985,244</b>	906,897
<b>Total gains or losses for the period</b>		
Recognised in other comprehensive income – revaluation surplus	<b>162,571</b>	49,136
<b>Other movements</b>		
Purchases (GBV)	<b>17,697</b>	57,692
Disposals (WDV)	<b>(4,108)</b>	(5,078)
Other movements	<b>(25,792)</b>	(23,403)
<b>Closing balance</b>	<b>1,135,612</b>	<b>985,244</b>

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There were no transfers of assets and liabilities between the hierarchies

#### Highest and best use

Current use of the assets noted above reflects the highest and best use as Operational Assets, and in accordance with current planning restrictions, the exceptions being the Investment Properties, which are to be developed, and may require planning changes to allow the development

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## D3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

##### (i) Defined benefit superannuation contribution plans

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

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

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

##### *Description of the funding arrangements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

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

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

\* For 180 Point Members, Employers are required to contribute 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employers share of the accrued liabilities as at 30 June 2022. The past service contributions are used to maintain the adequacy of the funding position for the accrued liability.

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

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

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

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

There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

## D3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$ 520,180.14. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2022.

The amount of additional contributions included in the total employer contribution advised above is \$25,000. Council's expected contribution to the plan for the next annual reporting period is \$25,000.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,290.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

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

The share of any funding surplus or deficit that can be attributed to Council is 1.07%

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

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

Investment return	6% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% for 22/23 and 2.5% p.a. thereafter

\* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2023.

### (ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

### (iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

## D3-1 Contingencies (continued)

### (iv) Other guarantees

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

## 2. Other liabilities

### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

### (ii) s7.11 Plans

Council levies s7.11 plans upon various developments across the Council area through the required Contributions Plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receiving funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

### (iii) Voluntary Planning Agreements (VPA)

Voluntary Planning Agreements (VPA) are legal documents created under the Environmental Planning and Assessment Act 1970 between developers and Council for the provision of funds or works by the developer for infrastructure, services or other public amenities. They must achieve an outcome other than the facilitation of a development and deliver a public benefit.

Completed VPA's are currently being investigated to confirm what assets have been dedicated to Council, analysis of life cycle costing of these dedicated assets and what funding must be provided in Council's Long Term Financial Plan.

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

Council has classified a number of privately owned land parcels as reserved for the purpose specified in section 3.14 of the Environmental Planning and Assessment Act (1979).

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

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

## 3. Remediation works

### (i) Old landfill sites

The Council has a number of old landfill sites that were used for the purpose of disposal of domestic and other waste, which have since been converted to playing fields. No known liability arises from any potential toxicity or subterranean leakage, but there will be ongoing remediation works that may be required from time to time to reinstate the playing surfaces, due to subsidence following further settling of the waste within the landfill.

Council has not, as yet, been able to reliably determine the quantum of liability for this future works.

## ASSETS NOT RECOGNISED

### (i) Infringement notices/fines

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

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

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

## D3-1 Contingencies (continued)

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

### (ii) Pedestrian Bridge and Tunnel, Top Ryde

Council, as part of the approval of a Development Application for the Top Ryde City Shopping Centre entered into an agreement with the owners and developers, Bevillesta Pty Ltd, where a monetary contribution was paid for the purchase of a tract of land at the front of Council's Administration Centre, 1 Devlin St, Ryde. Also one of the conditions of the Development Application was a long-term lease of 49 years, with a 50 year option, between Council and the developers, where Council leased to the developer the airspace in which a number of assets were to be constructed.

This represents a contingent asset that will become Council's assets at the end of the lease.

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## E People and relationships

### E1 Related party disclosures

#### E1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. City of Ryde KMP's are identified as the Councillors, Chief Executive Officer and the General Managers.

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

\$ '000	2023	2022
<b>Compensation:</b>		
Short-term benefits	2,484	2,301
Post-employment benefits	138	120
Other long-term benefits	23	61
Termination benefits	1,271	–
<b>Total</b>	<b>3,916</b>	<b>2,482</b>

#### Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
<b>2023</b>					
GFTH Pty Ltd	–	–	30 days	–	–
CCA New South Wales <sup>1</sup>	15	–		–	–
<b>2022</b>					
GFTH Pty Ltd	1	–	30 days	–	–
CCA New South Wales <sup>1</sup>	–	–		–	–

(1) City of Ryde provided community grant funding to CCA New South Wales as part of the Wellbeing 2022 grant program. A Councillor was a Board member at the time of the application lodgement, but not a Board member at the time of adoption/approval.

## E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	97	90
Councillors' fees	393	372
Other Councillors' expenses (including Mayor)	39	21
<b>Total</b>	<b>529</b>	<b>483</b>

## E1-3 Other related parties

Nil

## E2 Other relationships

### E2-1 Audit fees

\$ '000	2023	2022
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	99	96
<b>Remuneration for audit and other assurance services</b>	<b>99</b>	<b>96</b>
<b>Total Auditor-General remuneration</b>	<b>99</b>	<b>96</b>
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	2	3
<b>Remuneration for audit and other assurance services</b>	<b>2</b>	<b>3</b>
<b>Total audit fees</b>	<b>101</b>	<b>99</b>

## F Other matters

### F1-1 Statement of Cash Flows information

#### (a) Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
<b>Net operating result from Income Statement</b>	<b>31,118</b>	34,051
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	28,209	25,822
(Gain) / loss on disposal of assets	2,021	3,487
Non-cash capital grants and contributions	–	(2,694)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as ‘at fair value’ or ‘held for trading’	911	–
– Investment property	–	(13,241)
Amortisation of premiums, discounts and prior period fair valuations		
– ‘Held to maturity’ financial assets	(347)	(78)
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	2,652	(1,671)
Increase/(decrease) in provision for doubtful debts	(8)	(46)
(Increase) / decrease of inventories	(16)	(50)
Decrease/(increase) in other assets	(248)	5,316
Increase / (decrease) in payables	(1,938)	(713)
Increase / (decrease) in other accrued expenses payable	(350)	(1,307)
Increase / (decrease) in other liabilities	(1,222)	2,922
Increase / (decrease) in contract liabilities	6,816	832
Increase/(decrease) in employee leave entitlements	(1,739)	(69)
<b>Net cash flows from operating activities</b>	<b>65,859</b>	<b>52,561</b>

#### (b) Non-cash investing and financing activities

Developer contributions ‘in kind’	–	2,694
<b>Total non-cash investing and financing activities</b>	<b>–</b>	<b>2,694</b>

## F2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Land	–	218
Buildings	1,021	2,521
Other Structures	140	2,009
Plant and equipment	676	217
Infrastructure	1,676	150
<b>Total commitments</b>	<b>3,513</b>	<b>5,115</b>

#### Details of capital commitments

Major commitments include the relocation of Sydney Water main at Devlin St Ryde, Gannon Park amenities, Plant purchases, Bowden St drainage upgrade works, Flood harmonisation studies and public art for new Catherine Hamlin Park.

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## F3 Statement of developer contributions as at 30 June 2023

### F3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Reimbursement Reserve Funding	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Community & Culture	3,708	5,594	–	–	520	(370)	9,202	18,654	–
Open Space and Public Domain	2,801	9,244	–	–	1,162	(1,615)	28,063	39,655	–
Roads, Traffic, Carparks and Cycleways	929	1,372	–	–	54	–	–	2,355	–
Administration	404	328	–	–	16	(206)	–	542	–
<b>S7.11 contributions – under a plan</b>	<b>7,842</b>	<b>16,538</b>	<b>–</b>	<b>–</b>	<b>1,752</b>	<b>(2,191)</b>	<b>37,265</b>	<b>61,206</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>2,195</b>	<b>294</b>	<b>–</b>	<b>–</b>	<b>93</b>	<b>–</b>	<b>461</b>	<b>3,043</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>10,037</b>	<b>16,832</b>	<b>–</b>	<b>–</b>	<b>1,845</b>	<b>(2,191)</b>	<b>37,726</b>	<b>64,249</b>	<b>–</b>
S7.4 planning agreements	10,761	1,021	–	–	–	(175)	3,743	15,350	–
<b>Total contributions</b>	<b>20,798</b>	<b>17,853</b>	<b>–</b>	<b>–</b>	<b>1,845</b>	<b>(2,366)</b>	<b>41,469</b>	<b>79,599</b>	<b>–</b>

(1) Increase in externally restricted reserves relating to developer contributions is mainly due to correction of transfers completed in 2020. Transactions involved transferring funds from externally restricted to internally restricted and the issue is that these transactions were not authorised by the Environmental Planning and Assessment Act 1979. As a result certain transactions needed to be reversed.

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

## F3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Reimbursement Reserve Funding	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>CONTRIBUTION PLAN 2</b>										
Community & Culture	3,708	5,594	–	–	520	(370)	9,202	18,654	–	
Open Space and Public Domain	2,801	9,244	–	–	1,162	(1,615)	28,063	39,655	–	
Roads, Traffic, Carparks and Cycleways	929	1,372	–	–	54	–	–	2,355	–	
Administration	404	328	–	–	16	(206)	–	542	–	
<b>Total</b>	<b>7,842</b>	<b>16,538</b>	<b>–</b>	<b>–</b>	<b>1,752</b>	<b>(2,191)</b>	<b>37,265</b>	<b>61,206</b>	<b>–</b>	

(1) Increase in externally restricted reserves relating to developer contributions is mainly due to correction of transfers completed in 2020. Transactions involved transferring funds from externally restricted to internally restricted and the issue is that these transactions were not authorised by the Environmental Planning and Assessment Act 1979. As a result certain transactions needed to be reversed.

## S7.12 Levies – under a plan

### CONTRIBUTION PLAN 2

Other	2,195	294	–	–	93	–	461	3,043	–
<b>Total</b>	<b>2,195</b>	<b>294</b>	<b>–</b>	<b>–</b>	<b>93</b>	<b>–</b>	<b>461</b>	<b>3,043</b>	<b>–</b>

## F3-3 Contributions not under plans

## F3-4 S7.4 planning agreements

\$ '000	Opening balance at 1 July 2022	Contributions received during the year				Interest and investment income earned	Amounts expended	Reimbursement Reserve Funding	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other						
<b>VPA</b>										
Other	10,761	1,021	–	–	–	(175)	3,743	15,350	–	
<b>Total</b>	<b>10,761</b>	<b>1,021</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(175)</b>	<b>3,743</b>	<b>15,350</b>	<b>–</b>	

(1) Increase in externally restricted reserves relating to developer contributions is mainly due to correction of transfers completed in 2020. Transactions involved transferring funds from externally restricted to internally restricted and the issue is that these transactions were not authorised by the Environmental Planning and Assessment Act 1979. As a result certain transactions needed to be reversed.

## F4 Statement of performance measures

### F4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2023	Indicator 2023	Indicators 2022	Indicators 2021	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>11,525</b>	<b>7.63%</b>	4.36%	4.62%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>151,105</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>142,561</b>	<b>82.08%</b>	82.96%	80.76%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>173,691</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>131,201</b>	<b>6.80x</b>	5.86x	6.38x	> 1.50x
Current liabilities less specific purpose liabilities	<b>19,300</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>39,847</b>	<b>14.67x</b>	12.23x	12.75x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>2,717</b>				
<b>5. Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	<b>3,621</b>	<b>3.31%</b>	4.96%	4.60%	< 5.00%
Rates and annual charges collectable	<b>109,262</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>115,561</b>	<b>11.63 months</b>	11.49 months	16.26 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	<b>9,936</b>				

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

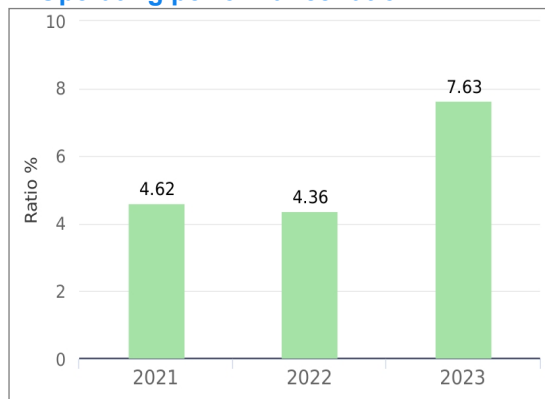
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

**End of the audited financial statements**

## G Additional Council disclosures (unaudited)

### G1-1 Statement of performance measures – consolidated results (graphs)

#### 1. Operating performance ratio



#### Purpose of operating performance ratio

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

#### Commentary on 2022/23 result

2022/23 ratio 7.63%

This ratio continues to exceed benchmark and demonstrates Council's ability to contain operating expenditure within operating revenue.

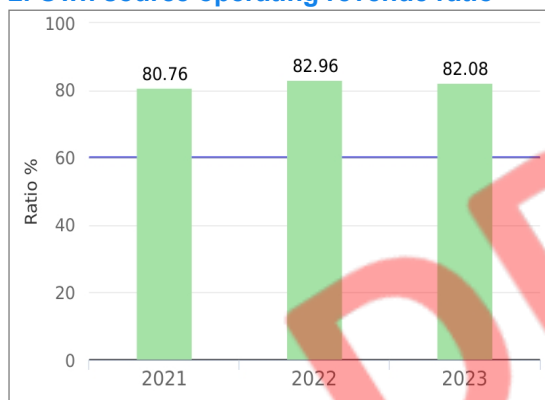
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



#### Purpose of own source operating revenue ratio

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

#### Commentary on 2022/23 result

2022/23 ratio 82.08%

This ratio is well above benchmark and Council continues to reduce its reliance on external funding sources like grants and contributions. City of Ryde achieves this ratio unlike some of the other growth Councils who have a substantial amount of developer contributions and sub-divider dedications.

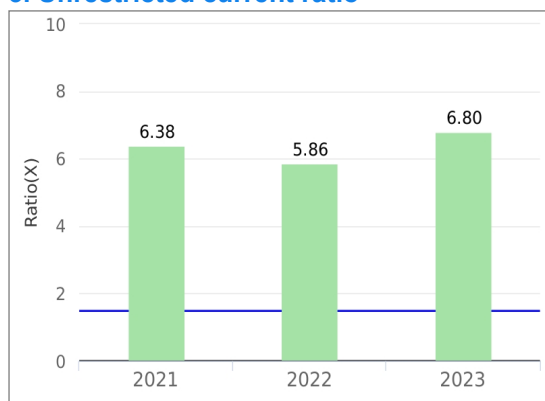
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



#### Purpose of unrestricted current ratio

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

#### Commentary on 2022/23 result

2022/23 ratio 6.80x

This remains high and represents council's ability to meet its short-term obligations as they fall due.

Benchmark: — > 1.50x

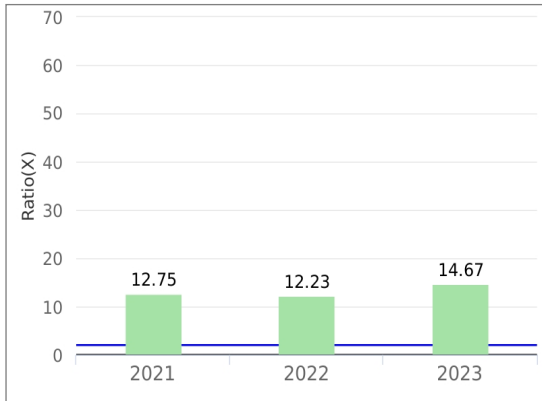
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



**Purpose of debt service cover ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2022/23 result	
2022/23 ratio	14.67x
Council continues to meet this ratio which demonstrates the ability to pay for its existing debt.	

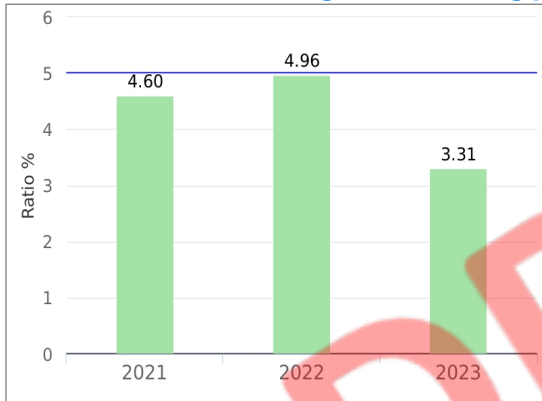
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



**Purpose of rates and annual charges outstanding percentage**

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

Commentary on 2022/23 result	
2022/23 ratio	3.31%
This year the result has improved from previous year due to debt recovery action being taken as per Rates Debt Recovery Policy.	

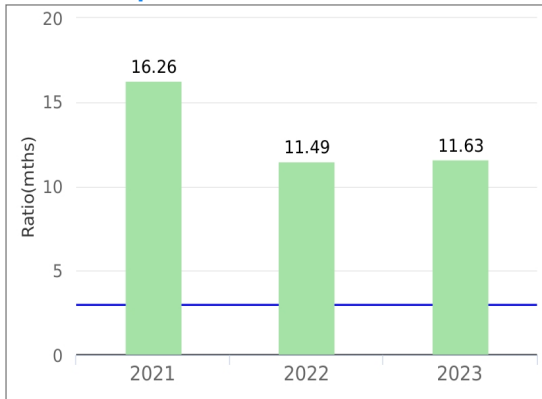
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



**Purpose of cash expense cover ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2022/23 result	
2022/23 ratio	11.63 months
Council's cash expense ratio has been well above benchmark indicating Council's ability to pay immediate expenses without additional cash flow.	

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## Council of the City of Ryde

### General Purpose Financial Statements

for the year ended 30 June 2023

#### Independent Auditor's Reports:

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On the Financial Statements (Sect 417 [2])

#### Independent Auditor's Report

Please uplift Council's Audit Report PDF (opinion) for inclusion in the GPFS report (via the Home screen).

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## Council of the City of Ryde

### General Purpose Financial Statements

for the year ended 30 June 2023

#### Independent Auditor's Reports: (continued)

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#### On the Financial Statements (Sect 417 [3])

#### Independent Auditor's Report

Please uplift Council's Audit Report PDF (commentary) for inclusion in the GPFS report (via the Home screen).

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# Council of the City of Ryde

SPECIAL SCHEDULES  
for the year ended 30 June 2023

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Contents

Page

**Special Schedules:**

Permissible income for general rates 2

Report on infrastructure assets as at 30 June 2023 4

DRAFT

## Council of the City of Ryde

### Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	77,745	79,663
Plus or minus adjustments <sup>2</sup>	b	1,364	482
<b>Notional general income</b>	c = a + b	<b>79,109</b>	<b>80,145</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	0.70%	3.70%
Or plus rate peg amount	i = e x (c + g)	554	2,965
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>79,663</b>	<b>83,110</b>
<b>Total permissible income</b>	o = k + n	<b>79,663</b>	<b>83,110</b>
Less notional general income yield	p	79,663	83,750
<b>Catch-up or (excess) result</b>	q = o - p	-	<b>(640)</b>
Plus income lost due to valuation objections claimed <sup>4</sup>	r	-	640
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	-	-

#### Notes

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

## Permissible income for general rates

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Permissible income for general rates: PLUS PDF inserted here

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## Council of the City of Ryde

## Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost		2022/23 Required maintenance <sup>a</sup>	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
		Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council					1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
<b>Buildings</b>	Buildings	–	–	316	377	44,701	70,048	0.0%	0.0%	100.0%	0.0%	0.0%	
	Buildings – non-specialised	–	–	4,136	4,176	102,485	173,157	38.8%	5.6%	41.4%	7.7%	6.5%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>4,452</b>	<b>4,553</b>	<b>147,186</b>	<b>243,205</b>	<b>27.6%</b>	<b>4.0%</b>	<b>58.3%</b>	<b>5.5%</b>	<b>4.6%</b>	
<b>Roads</b>	Roads	1,216	1,216	520	769	180,350	293,454	33.3%	39.1%	19.5%	7.7%	0.4%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Bridges	4	4	72	31	15,463	21,336	45.9%	9.4%	43.3%	1.4%	0.0%	
	Footpaths and cycleways	408	408	1,832	1,662	81,234	151,889	21.3%	20.3%	51.2%	7.0%	0.2%	
	Kerb and Gutter	3	3	1,031	1,273	76,533	138,097	3.2%	27.3%	69.3%	0.1%	0.1%	
	Other road assets	306	306	1,988	2,038	40,669	54,005	39.9%	48.7%	10.3%	0.6%	0.5%	
	<b>Sub-total</b>	<b>1,937</b>	<b>1,937</b>	<b>5,443</b>	<b>5,773</b>	<b>394,249</b>	<b>658,781</b>	<b>25.2%</b>	<b>32.1%</b>	<b>37.3%</b>	<b>5.2%</b>	<b>0.2%</b>	
<b>Stormwater drainage</b>	Stormwater drainage	14,684	14,684	1,121	1,162	250,672	393,856	10.5%	47.1%	26.7%	12.1%	3.6%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>14,684</b>	<b>14,684</b>	<b>1,121</b>	<b>1,162</b>	<b>250,672</b>	<b>393,856</b>	<b>10.5%</b>	<b>47.1%</b>	<b>26.7%</b>	<b>12.1%</b>	<b>3.6%</b>	
<b>Open space / recreational assets</b>	Swimming pools	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Other	697	697	6,534	8,964	85,262	109,126	54.5%	34.9%	9.6%	0.2%	0.8%	
	<b>Sub-total</b>	<b>697</b>	<b>697</b>	<b>6,534</b>	<b>8,964</b>	<b>85,262</b>	<b>109,126</b>	<b>54.5%</b>	<b>34.9%</b>	<b>9.6%</b>	<b>0.2%</b>	<b>0.8%</b>	
<b>Other infrastructure assets</b>	Foreshore Assets	–	–	57	33	12,627	18,190	25.0%	36.6%	29.2%	9.1%	0.1%	
	Carparks	–	–	140	90	12,770	19,919	13.5%	0.4%	73.2%	12.9%	0.0%	
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>197</b>	<b>123</b>	<b>25,397</b>	<b>38,109</b>	<b>19.0%</b>	<b>17.7%</b>	<b>52.2%</b>	<b>11.1%</b>	<b>0.0%</b>	
<b>Total – all assets</b>		<b>17,318</b>	<b>17,318</b>	<b>17,747</b>	<b>20,575</b>	<b>902,766</b>	<b>1,443,077</b>	<b>23.6%</b>	<b>31.3%</b>	<b>36.2%</b>	<b>6.9%</b>	<b>2.0%</b>	

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

#### Infrastructure asset condition assessment 'key'

Satisfactory condition refers to an asset that is not due for renewal, where a condition rating scale from 1 (very good) to 5 (asset unservicable) is utilised (Source: International Infrastructure Management Manual 2006). It does not include any planned 'enhancements' to the asset. Condition 5 assets are taken as being overdue for renewal, as the end of condition 4 is the intervention point, useful life of the asset, at which time it should be renewed or disposed of.

## Council of the City of Ryde

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

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#### Condition rating/ description

- 1 New or equivalent
- 2 Good condition without visible blemishes or deterioration
- 3 Usable & safe condition, with visible signs of wear or deterioration, e.g. cracks in footpaths
- 4 usable condition with defects that interfere with use or reduce asset life, e.g. extensive road cracking. At the end of condition 4, the asset will be due for renewal or disposal.
- 5 Requires major repairs or is not suitable to remain in use due to a significant safety hazard, i.e. it is overdue for renewal.

For condition 5 assets that remain in service, there is a low residual life 5%, but indefinite RUL (remaining useful life).

The backlog refers to asset renewals that have been deferred due to insufficient funds. Any asset in condition 5 is considered to have been deferred and overdue for renewal and therefore part of the backlog.

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## Council of the City of Ryde

## Report on infrastructure assets as at 30 June 2023

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2023	Indicator 2023	Indicators		Benchmark
			2022	2021	
<b>Buildings and infrastructure renewals ratio</b>					
Asset renewals <sup>1</sup>	<b>14,911</b>	<b>69.00%</b>	164.53%	124.17%	>= 100.00%
Depreciation, amortisation and impairment	<b>21,611</b>				
<b>Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<b>17,318</b>	<b>1.92%</b>	1.79%	1.60%	< 2.00%
Net carrying amount of infrastructure assets	<b>902,766</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>20,575</b>	<b>115.94%</b>	101.61%	91.94%	> 100.00%
Required asset maintenance	<b>17,747</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>17,318</b>	<b>1.20%</b>	1.13%	1.23%	
Gross replacement cost	<b>1,443,077</b>				

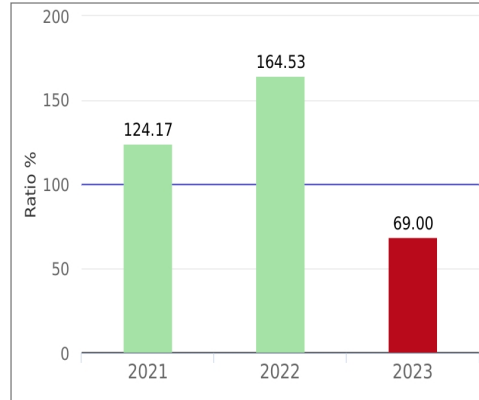
(\*) All asset performance indicators are calculated using classes identified in the previous table.

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

# Council of the City of Ryde

## Report on infrastructure assets as at 30 June 2023

### Buildings and infrastructure renewals ratio



**Buildings and infrastructure renewals ratio**

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

**Commentary on result**

22/23 ratio 69.00%

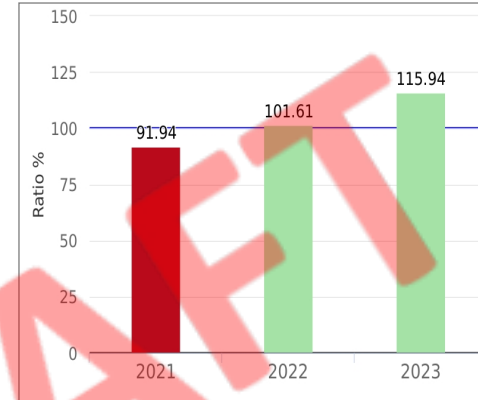
This is mainly due to large scale projects requiring to be carried over due to protracted negotiations with utility providers, availability of contractors, staff vacancies during the year and price escalations within the construction industry requiring additional funding or a change in project scope.

Benchmark: —  $\geq 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark  
Ratio is outside benchmark

### Asset maintenance ratio



**Asset maintenance ratio**

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

**Commentary on result**

22/23 ratio 115.94%

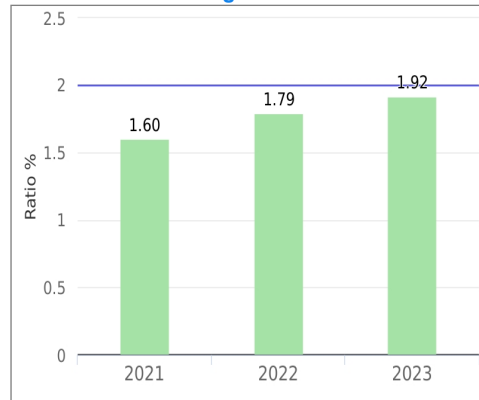
This ratio shows that Council is spending greater on asset maintenance than what is required. This spending is important as it stops the infrastructure backlog from growing.

Benchmark: —  $> 100.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark  
Ratio is outside benchmark

### Infrastructure backlog ratio



**Infrastructure backlog ratio**

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

**Commentary on result**

22/23 ratio 1.92%

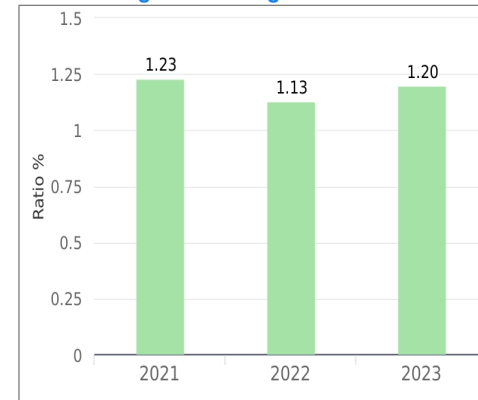
This ratio has met benchmark level. Council will continue to spend money towards asset maintenance and asset renewals so that this backlog does not grow.

Benchmark: —  $< 2.00\%$

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark  
Ratio is outside benchmark

### Cost to bring assets to agreed service level



**Cost to bring assets to agreed service level**

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

**Commentary on result**

22/23 ratio 1.20%

This ratio continues to be met as the amount spent on outstanding renewal works ensures that the assets are kept at the agreed service levels.