

Council Meeting**AGENDA NO. 16/11**

Meeting Date: Tuesday 11 October 2011
Location: Council Chambers, Level 6
Time: 7.30pm

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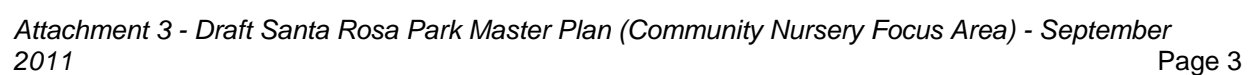


ITEM 6 (continued)

ATTACHMENT 3



ATTACHMENT 3



ITEM 6 (continued)

ATTACHMENT 3



ITEM 8 (continued)

ATTACHMENT 6



Lifestyle and opportunity @ your doorstep

DRAFT
General and Special
Purpose Financial
Statements
Year Ended 30 June 2011

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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

The attached General Purpose Financial Statements have been prepared in accordance with:

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

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

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

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

Signed in accordance with a resolution of Council made on 11 October 2011.

Councillor Artin Etmekdjian
Mayor

Councillor Gabrielle O'Donnell
Deputy Mayor

Mr John Neish
General Manager

Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

INCOME STATEMENT
for the year ended 30 June 2011

Original Budget* 2011 (\$'000)		Notes	Actual 2011 (\$'000)	Actual 2010 (\$'000)
INCOME FROM CONTINUING OPERATIONS				
55,816	Rates and Annual Charges	3(a)	56,340	54,496
11,161	User Charges and Fees	3(b)	10,942	11,401
2,489	Interest and Investment Revenue	3(c)	4,429	-
5,278	Other Revenues	3(d)	5,406	4,659
6,450	Grants & Contributions provided for operating purposes	3(e&f)	6,903	6,260
5,704	Grants & Contributions provided for capital purposes	3(e&f)	15,539	12,288
Other Income:				
-	Net gain from the disposal of assets	5	531	-
-	Net share of interests in joint ventures and associates using the equity method	19	-	-
86,898	TOTAL INCOME FROM CONTINUING OPERATIONS		100,090	89,104
EXPENSES FROM CONTINUING OPERATIONS				
33,766	Employee Benefits and On-costs	4(a)	33,644	32,614
344	Borrowing Costs	4(b)	242	202
22,793	Materials and Contracts	4(c)	21,185	19,525
18,500	Depreciation, Amortisation and Impairment	4(d)	18,598	18,715
11,027	Other Expenses	4(e)	10,432	9,329
-	Interest and Investment Losses	3(c)	-	627
-	Net Loss from the disposal of assets	5	-	19
-	Share of interests in joint ventures and associates using the equity method	19	-	-
86,430	TOTAL EXPENSES FROM CONTINUING OPERATIONS		84,101	81,031
468	OPERATING RESULT FROM CONTINUING OPERATIONS		15,989	8,073
-	Operating result from discontinued operations	24	-	-
468	NET OPERATING RESULT FOR THE YEAR	2(a)	15,989	8,073
(5,236)	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES		450	(4,215)

* Original budget as approved by Council - Refer Note 16

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

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2011

	Notes	Actual 2011 (\$'000)	Actual 2010 (\$'000)
Net operating result for the year - from Income Statement		15,989	8,073
Other comprehensive income			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20(b)	-	-
Gain (loss) on revaluation of available-for-sale investments	20(b)	-	-
Realised available-for-sale investment gains recognised in revenue	20(b)	-	-
Adjustment to correct prior period errors	20(d)	-	-
Total other comprehensive income for the year		15,989	8,073
Total comprehensive income for the year			
Attributable to:			
- Council		15,989	8,073
- Minority Interests			

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

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

BALANCE SHEET

As at 30 June 2011

	Notes	2011 (\$'000)	2010 (\$'000)
ASSETS			
Current Assets			
Cash and Cash Equivalents	6(a)	8,532	27,806
Investments	6(b)	50,030	28,250
Receivables	7	5,792	6,158
Inventories	8	420	467
Other	8	969	405
Non-Current assets classified as held for Sale	22	-	971
Total Current Assets		65,743	64,057
Non-Current Assets			
Investments	6(b)	10,502	6,995
Receivables	7	938	933
Infrastructure, Property, Plant and Equipment	9	2,156,578	2,175,729
Investments accounted for using equity method	19	-	-
Investment Property	14	2,200	2,200
Intangible assets	25	-	-
Other	8	-	-
Total Non-Current Assets		2,170,218	2,185,857
TOTAL ASSETS		<u>2,235,961</u>	<u>2,249,914</u>
LIABILITIES			
Current Liabilities			
Payables	10(a)	15,393	15,437
Borrowings	10(a)	775	434
Provisions	10(a)	7,455	7,205
Total Current Liabilities		23,623	23,076
Non-Current Liabilities			
Payables	10(a)	-	-
Borrowings	10(a)	3,899	4,339
Provisions	10(a)	174	164
Total Non-Current Liabilities		4,073	4,503
TOTAL LIABILITIES		<u>27,696</u>	<u>27,579</u>
NET ASSETS		<u>2,208,265</u>	<u>2,222,335</u>
EQUITY			
Retained Earnings	20	1,689,891	1,703,960
Revaluation reserves	20	518,376	518,376
Council equity interest		2,208,267	2,222,336
Minority equity interest		-	-
TOTAL EQUITY		<u>2,208,267</u>	<u>2,222,336</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

ITEM 8 (continued)

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2011

	Notes	2011 (\$'000)						2010 (\$'000)					
		Retained Earnings		Asset		Council		Other Reserves		Council		Minority Interest	
		2011	2010	Revaluation Reserve	2011	Equity Interest	2010	Revaluation Reserve	2010	Equity Interest	2010	Minority Interest	2010
Opening Balance	20	1,703,960	518,376	518,376	2,222,336	-	2,222,336	518,376	2,214,364	-	2,214,364	-	2,214,364
Correction of errors		(30,058)			(30,058)				(131)				(131)
Changes in Accounting Policies													
Restated Opening Balance	20	1,673,902	518,376	518,376	2,192,278	-	2,192,278	518,376	2,214,263	-	2,214,263	-	2,214,263
Net Operating Result for the Year	20	15,989	-	-	15,989	15,989	15,989	-	8,073	8,073	8,073	-	8,073
Other Comprehensive Income	20												
Total Comprehensive Income	20	15,989	-	-	15,989	15,989	15,989	-	8,073	8,073	8,073	-	8,073
Closing Balance	20	1,689,891	518,376	518,376	2,208,267	-	2,208,267	518,376	2,222,336	-	2,222,336	-	2,222,336

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

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DRAFT - General Purpose Financial Statements - Year Ended 30 June 2011

STATEMENT OF CASH FLOWS
for the year ended 30 June 2011

Original Budget* 2011 (\$'000)	Notes	2011 (\$'000)	2010 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
55,816 Rates & Annual Charges		56,355	54,249
12,092 User Charges & Fees		12,017	12,487
2,489 Investment Revenue and Interest		4,388	3,006
6,738 Grants and Contributions		15,092	12,944
5,529 Other		6,947	7,198
Payments			
(33,863) Employee Benefits and on-costs		(34,043)	(32,342)
(24,774) Materials and Contracts		(22,721)	(20,516)
(344) Borrowing Costs		(241)	(201)
(12,062) Other		(12,019)	(9,939)
11,621 Net cash provided (or used) in Operating Activities	11(b)	25,775	26,886
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
33,479 Sale of Investments		23,364	15,000
- Sale of Investment Property		-	-
- Sale of Real Estate Assets		1,008	-
853 Sale of Infrastructure, Property, Plant and Equipment		1,309	974
- Sale of Interests in Joint Ventures/Associates		-	-
- Proceeds from Boundary Adjustment		-	-
- Other		-	-
Payments			
(22,000) Purchase of Investments		(48,032)	(33,000)
- Purchase of Investment property		-	-
(75,396) Purchase of Property, Plant and Equipment		(22,655)	(26,614)
- Purchase of Real Estate		-	-
- Purchase of Interests in Joint Ventures/Associates		-	-
- Other		-	-
(63,065) Net cash provided by (or used in) Investing Activities		(45,006)	(43,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
- Borrowings and Advances		-	-
- Other		-	-
Payments			
(381) Borrowings and Advances		(427)	(427)
- Lease Liabilities		-	-
- Other		-	-
(381) Net cash provided by (or used in) Financing Activities		(427)	(427)
(51,824) Net Increase (Decrease) in Cash & Cash Equivalents		(19,658)	(17,181)
27,806 Cash & Cash Equivalents at beginning Reporting Pd	11(a)	27,806	44,987
(24,018) Cash & Cash Equivalents at end of Reporting Pd	11(a)	8,148	27,806

The above cash flow statement should be read in conjunction with the accompanying notes.

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DRAFT - Notes to the financial statements 30 June 2011

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulations and the Local Government Code of Accounting Practice and Financial Reporting.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the groups accounting policies.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

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

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

Revenue is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

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

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ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

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

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

User charges and fees

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

A provision for doubtful debt is recognised when collection in full is no longer probable.

Sale of plant, property, infrastructure and equipment

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

Interest and rents

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

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

(c) Principles of consolidation*(i) The Consolidated Fund*

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

(ii) The Trust Fund

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

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

*(iii) Joint ventures**Jointly controlled assets*

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated into the financial statements under the appropriate headings. Details of the joint venture are set out in note 19.

Jointly controlled entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income

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ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

statement, and the share of movements in reserves is recognised in reserves in the balance sheet. Details relating to the partnership are set out in Note 19.

Jointly controlled operations

Council has no jointly controlled operations at present. However, when such operations are entered into the assets which are controlled and the liabilities incurred by Council are recognised in the balance sheet. Expenses incurred and council's share of income is recognised in the Income Statement.

(d) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance cost. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there is separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and cash equivalents

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

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DRAFT - Notes to the financial statements 30 June 2011

(h) Receivables

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.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories**(i) 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. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs include the transfer from equity of any gains/losses on qualifying cash flow hedges relating to purchases of raw material. 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.

(ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

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DRAFT - Notes to the financial statements 30 June 2011

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(k) Investments and other financial assets*Classification*

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables (note 7) in the balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non current asset, except those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets - reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and

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receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future and until maturity at the date of classification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the 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.

Subsequent measurement

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

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit and loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities reclassified as available-for-sale are recognised in equity.

Details of how the fair value of financial instruments is determined are disclosed in note 1(f).

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as one of a number of indicators that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortisation cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial assets original effective interest rate. The loss is recognised in the income statement.

Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and s212 of the LG (General) Regulations 2005. Investments are placed and managed in accordance with that

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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 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 arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed, however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(l) Fair value estimation

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(m) Infrastructure, property, plant and equipment

All infrastructure, property, plant and equipment [except for investment properties - refer Note 1(n), and asset classes detailed below which were revalued at fair value] is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Council has revalued at fair value the following asset classes:

30 June 2007	Buildings
	Stormwater
	Roads, Bridges and Footpaths
30 June 2008	Operational Land
	Community Land
	Other Structures (parks, playground equipment, lighting, seawalls, wharves)
30 June 2009	Footpaths

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

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

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

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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.

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location, or condition of the specific asset. If this information is not available, Council uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections. These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in profit and loss as part of other income.

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

(o) Payables

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

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

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DRAFT - Notes to the financial statements 30 June 2011

(q) Borrowing costs

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

(r) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(s) Employee benefits**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related services 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.

(ii) Long service leave

The liability for long service leave and annual leave which is not expected to be 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 the 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.

(iii) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in

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

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.

(t) Rounding of amounts

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

(u) Land under roads

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

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

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

(v) Provisions for close down and restoration and for environmental clean up costs - Tips and quarries

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

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

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new

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DRAFT - Notes to the financial statements 30 June 2011

restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) effective from 1 January 2013

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

- (ii) Revised AASB 124 Related party disclosures and AASB 2009 12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. This amendment will have no impact on Council.

- (iii) AASB 2009 14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments. The amendment is therefore not expected to have any impact on Council's financial statements.

- (iv) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 January 2013)

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On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. NSW Council is a local government and, as a result, is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of Council.

(v) AASB 2010-6 Amendments to Australian Accounting Standards Disclosures on Transfer of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on Council's disclosures.

(vi) AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 *Income Taxes* to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. This amendment will have no impact on Council.

(y) Land

Land is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This is disclosed in Note 9(a).

(z) Taxes

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

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

Goods 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 balance sheet.

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

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 2(a) FUNCTIONS OR ACTIVITIES

FUNCTIONS/ACTIVITIES	INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS / ACTIVITIES											
	INCOME FROM CONTINUING OPERATIONS				EXPENSES FROM CONTINUING OPERATIONS				DETAILS OF THESE FUNCTIONS / ACTIVITIES ARE PROVIDED IN NOTE 2(b)			
	Actual 2011		Actual 2010		Original Budget		Actual 2011		Actual 2010		Actual 2011	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
People												
Community Life	0	84	6	108	45	27	0	(24)	(27)	0	0	0
Community & Culture	941	905	868	2,422	2,728	2,422	(1,787)	(1,561)	(1,562)	629	28,687	28,687
Community Relations	556	623	547	1,999	1,998	2,001	(1,344)	(1,378)	(1,454)	0	12,846	12,848
Library Services	367	362	364	4,904	5,133	5,114	(4,282)	(4,042)	(4,160)	269	9,818	10,138
Open Space	4,937	709	1,184	2,290	3,586	3,847	1,421	(1,680)	(2,563)	456	1,159,990	1,159,608
RALC	5,045	4,534	4,022	4,320	5,812	5,066	(627)	14	(1,244)	0	47,772	47,981
	12,296	7,717	8,167	16,387	19,065	19,277	(6,624)	(8,669)	(11,110)	1,343	2,688	1,258,853
Governance												
Corporate Services	2,821	6,349	3,417	6,639	91	4,295	2,724	(290)	(878)	82	36	5,191
	2,821	6,349	3,417	6,639	91	4,295	2,724	(290)	(878)	82	36	5,191
Environment												
Assessment	1,079	1,116	968	2,520	2,575	2,727	(1,492)	(1,406)	(1,768)	0	0	0
Environment	473	6	118	1,243	1,238	1,106	(1,086)	(1,203)	(996)	(3)	89	0
Environmental Health & Building	1,081	913	1,106	1,908	1,911	1,904	(866)	(995)	(984)	0	188	194
Regulatory Services	3,418	4,107	3,552	1,970	2,918	2,087	1,400	2,157	1,158	2	67	79
Environment & Planning	0	0	0	16	5	0	0	5	0	0	0	0
Urban Planning	3,652	4,003	2,548	1,327	2,336	2,050	1,326	2,073	498	55	124	0
	9,383	10,140	7,968	9,533	10,095	9,964	(707)	698	(1,996)	54	284	273
Assets												
Access	7,203	4,524	15,088	8,878	13,730	14,941	(6,527)	(4,354)	148	2,635	1,674	582,474
Buildings & Property	37,925	1,556	3,345	14,487	10,883	6,726	27,942	(12,521)	(3,481)	0	0	56,429
Stormwater and Park Assets	238	257	519	5,659	5,349	5,424	(6,131)	(5,412)	(5,965)	134	546	272,560
Waste & Fleet	14,211	14,324	15,266	14,273	15,347	12,757	(2,106)	411	2,498	272	268	16,535
Operations	132	359	1,891	7,082	9,022	9,070	(8,280)	(6,921)	(7,179)	23	1,908	1,908
	59,739	20,831	35,589	50,337	56,351	43,978	(3,080)	(25,503)	(11,980)	3,190	2,682	923,906
Total Functions & Activities	84,339	45,036	56,551	82,896	86,681	83,545	(1,219)	(37,856)	(27,963)	4,579	5,521	2,188,223
General Purpose Revenue	45,909	46,365	45,083	823	1,223	889	45,080	45,143	44,195	2,634	3,264	69,355
Totals	130,248	91,401	109,634	84,149	86,430	84,401	43,878	7,285	16,234	7,213	8,785	2,258,078

ITEM 8 (continued)**ATTACHMENT 6****DRAFT - Notes to the financial statements 30 June 2011****NOTE 2(b) COMPONENTS OF FUNCTIONS OR ACTIVITIES**

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

COMMUNITY SERVICES

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

COMMUNITY RELATIONS & EVENTS

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

LIBRARY SERVICES

- Information and lending services
- Community information
- Local studies

PARKS

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

RYDE AQUATIC LEISURE CENTRE

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

CORPORATE SERVICES

- Internal support services. eg. Councillor Services, Customer Services, Financial Services, Human Resources, Information Management, Strategic Unit & Office of the General Manager

ASSESSMENT

- Assessment of development applications

ENVIRONMENT

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

ITEM 8 (continued)**ATTACHMENT 6****DRAFT - Notes to the financial statements 30 June 2011****Note 2(b) (Continued)****HEALTH AND BUILDING**

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

REGULATION

- Animal control
- Street and Parking control

SUPPORT SERVICES

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

URBAN PLANNING

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

ACCESS

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

BUILDINGS and PROPERTY

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

ITEM 8 (continued)**ATTACHMENT 6****DRAFT - Notes to the financial statements 30 June 2011****CATCHMENTS and ASSETS**

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

WASTE & FLEET MANAGEMENT

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

WORKS

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

GENERAL PURPOSE REVENUES

- Rates and charges collection
- Investments and borrowings

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 3 INCOME FROM CONTINUING OPERATIONS

	2011 (\$'000)	2010 (\$'000)
(a) Rates and Annual Charges		
Ordinary Rates		
Residential	23,590	22,836
Business	12,140	11,887
Environmental Management Levy	5,515	5,353
Total Ordinary Rates	41,245	40,076
Special Rates		
Macquarie Park	1,178	1,146
Total Special Rates	1,178	1,146
Annual Charges (pursuant to s.496, s.501 & s.611)		
Domestic Waste Management Services	12,845	12,206
Stormwater Management Service Charge	972	972
Section 611 Charges	100	96
Total Annual Charges	13,917	13,274
Total Rates and Annual Charges	56,340	54,496
Council has used 2007 valuations provided by the NSW Valuer General in calculating its rates.		
(b) User Charges and Fees		
User Charges (pursuant to s.502)		
Aquatic Centre	4,438	4,486
Sports Facility Rental	251	513
Hall Hire	495	427
Road Restorations	835	1,173
Gutter Crossings	212	220
Commercial Waste Service	700	623
Other	34	32
Total User Charges	6,965	7,474
Fees		
Regulatory/Statutory Fees	1,748	1,677
s603 Certificates	123	130
Discretionary		
- Parking fees	889	883
- Environmental Planning	821	860
- Private Works	49	32
- Vacation Care	139	176
- Home Maintenance & Modification	72	98
- Other	136	71
Total Fees	3,977	3,927
Total User Charges and Fees	10,942	11,401
(c) Interest and Investment Revenue		
Overdue Rates & Charges	183	181
Cash, cash equivalents and investments:		
- Externally restricted	380	197
- Internally restricted	-	10
- Unrestricted	3,865	2,984
Impairment Losses		
- Investments	-	(4,000)
Premiums recognised on financial instrument transactions		
Amortisation of discounts and premiums:		
- Investments held to maturity	1	1
Total Interest and Investment Revenue	4,429	(217)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 3 (Continued)

	2011 (\$'000)	2010 (\$'000)		
(d) Other Revenues				
Fair value adjustments - investment properties	-	-		
Rental income:				
- Investment Property	212	163		
- Other Property	901	956		
Parking Fines	3,060	2,192		
Other Fines	61	72		
Ex Gratia rates	-	-		
Materials Recycling	48	156		
Lease - Telecommunications	237	191		
Legal Fees Recoveries				
- Rates	-	-		
- Other	3	70		
Insurance Claims	4	5		
Staff Vehicle Leases and Other Payments	376	386		
Royalties	-	73		
Sundry Sales	20	24		
Other	484	371		
Total Other Revenue	5,406	4,659		
	OPERATING		CAPITAL	
	2011	2010	2011	2010
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(e) Grants				
General Purpose (Untied)				
Financial Assistance	2,908	2,708	-	-
Pensioner Rebate Subsidy - Rates	536	556	-	-
Total General Purpose (Untied)	3,444	3,264	-	-
Specific Purpose				
Pensioner Rebate Subsidy - Domestic Waste	210	216	-	-
Vacation Care	66	52	-	-
Master Plans	134	124	-	-
Library	259	347	-	-
Home Maintenance & Modification	348	313	-	-
Child Care Assistance	-	-	-	-
DEEWR - Apprentice Rebate Scheme	95	35	-	-
Community Staff Funding	195	170	-	-
Street & Traffic Lighting	347	338	-	-
Roads To Recovery	-	-	424	424
RTA Transport	-	-	1,284	407
Parks Grants	-	-	294	1,776
Domestic Waste Management	-	-	-	-
Environment	2	80	-	-
Catchment Management	-	-	145	646
Other	136	110	177	483
Total Specific Purpose	1,792	1,785	2,324	3,736
Total Grants	5,236	5,049	2,324	3,736
Comprising:				
- Commonwealth funding	3,913	3,827	0	0
- State funding	1,323	1,222	2,324	3,736
- Other funding	-	-	-	-
	5,236	5,049	2,324	3,736

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 3 (Continued)

	OPERATING		CAPITAL	
	2011 (\$'000)	2010 (\$'000)	2011 (\$'000)	2010 (\$'000)
(f) Contributions				
Developer Contributions (s94)				
- Open Space	-	-	2,123	1,226
- Parking	-	-	-	-
- Drainage	-	-	324	173
- Traffic Facilities	-	-	262	216
- Other	-	-	25	20
- Meadowbank	-	-	-	-
- Community Facilities	-	-	588	328
Voluntary Planning Agreements	-	-	250	250
Other Councils	514	501	-	-
Community Facilities	-	-	1,000	-
Community Events	6	9	-	-
Other	6	24	200	815
RTA Contributions				
- Roads & Bridges	341	215	-	-
- Other	68	70	-	-
Buildings & Property (In Kind)	-	-	8,340	5,459
Buildings & Property (In Kind) - s94	-	-	-	-
Customer/Resident Contributions	-	-	103	65
LSL Contributions from other Councils	211	-	-	-
Macquarie Park Master Plans	-	-	-	-
Bus Shelters	-	-	-	-
Waste Performance Improvement Program	521	392	-	-
Total Contributions	1,667	1,211	13,215	8,552
Total Grants & Contributions	6,903	6,260	15,539	12,288

	2011 (\$'000)	2010 (\$'000)
(g) Restrictions relating to Grants and Contributions		
Certain grants and contributions are obtained by Council on the condition that they be spent in a specified manner:		
Grants and contributions recognised in the current reporting period which have not been spent	5,224	2,779
Less:		
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period	2,869	8,250
Net increase/(decrease) in Restricted Grants and Contributions	2,355	(5,471)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

	2011 (\$'000)	2010 (\$'000)
(a) Employee Benefits & On Costs		
Salaries and Wages	24,723	24,181
Employee Leave Entitlements	5,518	5,698
Superannuation	3,344	3,010
Workers' Compensation Insurance	1,075	1,612
FBT	267	250
Training Costs (excluding salaries)	298	300
Other	425	285
Less: Capitalised Costs	(2,006)	(2,722)
Total Employee Costs Expensed	<u>33,644</u>	<u>32,614</u>
Number of FTE Employees	486	490
(b) Borrowing Costs		
Interest on overdrafts	-	-
Interest on loans	242	202
Charges on finance leases	-	-
Discounts recognised on financial instrument transactions	-	-
Amortisation of discounts and premiums		
- Investments held to maturity	-	-
- Remediation	-	-
Less: Capitalised Costs	-	-
Total Borrowing Costs Expensed	<u>242</u>	<u>202</u>

Note 4 (Continued)

	2011 (\$'000)	2010 (\$'000)
(c) Materials and Contracts		
Raw materials and consumables	852	2,560
Contractor and Consultancy Costs	19,585	16,378
Audit Fees:		
- Audit Services	53	53
- Other	1	-
Legal Fees:		
- Planning & Development	159	48
- Other	94	80
Operating leases		
- Computers	-	-
Infringement Notice Contract (SEINS)	441	406
Other	-	-
Total Materials & Contracts	<u>21,185</u>	<u>19,525</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 4 (Continued)

(d) Depreciation, Amortisation and Impairment

	Depreciation/Amortisation		Impairment	
	2011	2010	2011	2010
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Intangibles - Software				
Plant and Equipment	1,697	1,740		
Office Equipment	1,509	1,486		
Furniture & Fittings	193	197		
Property Plant and Equipment Leased	-	-		
Land Improvements (Depreciable)	928	928		
Buildings - Specialised	1,188	1,188		
- Non-specialised	1,232	1,232		
Other Structures	2,380	2,318		
Infrastructure:				
- Roads, Bridges and Footpaths	5,435	5,435		
- Stormwater Drainage	3,801	3,801		
Other Assets:				
- Heritage Collections	-	-		
- Library Books	473	502		
Total Depreciation Costs	18,836	18,827	-	-
Less: Capitalised Costs/Impairment reversals	(238)	(112)		
Total Depreciation and Total Impairment	18,598	18,715	-	-

(e) Other Expenses

	2011	2010
	(\$'000)	(\$'000)
Other expenses for the year include the following:-		
Fair Value decrements - Investment Properties	-	115
Bad & Doubtful Debts	108	19
Mayoral Fee	55	53
Councillors' Fees	244	240
Councillors' (incl. Mayor) Expenses	141	150
Election Costs (excl. Employee Costs)	0	0
Interest on Refundable Deposits	448	106
Insurance	962	904
Insurance - Statewide Mutual Provision	-	-
Street Lighting	1,704	1,592
Communications Costs	159	228
Contribution to Fire Control	1,491	1,457
Contribution to Dept of Planning	225	219
Contributions & Donations - Community Grants	455	371
Waste Development Tax	1,866	1,519
Membership Fees	111	104
Valuation Fees	132	180
Electricity & Heating	1,084	1,014
Water Rates	344	251
Bank Fees & Charges	187	191
Property Lease Costs	40	40
Postage & Courier Costs	277	215
Advertising	250	204
Operating Leases	-	-
Parking Infringement Collection	-	-
Remediation	-	-
Green Waste Collection Charges	-	-
Other Expenses	149	157
Total Other Expenses From Continuing Operations	10,432	9,329

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 5 GAIN OR LOSS FROM THE DISPOSAL OF ASSETS

	2011 (\$'000)	2010 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF STRATUM LAND		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	-	-
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	-	-
GAIN (OR LOSS) ON DISPOSAL OF INFRASTRUCTURE, PLANT & EQUIPMENT		
Proceeds from disposal	1,309	974
Less: Carrying amount of assets sold	1,433	993
Gain (or loss) on disposal	(124)	(19)
GAIN (OR LOSS) ON DISPOSAL OF REAL ESTATE ASSETS HELD FOR SALE		
Proceeds from sales	1,008	-
Less: Cost of sales	971	-
Gain (or loss) on disposal	37	-
GAIN (OR LOSS) ON DISPOSAL OF INVESTMENT PROPERTY		
Proceeds from disposal	-	-
Less: Carrying value of Investment Property	-	-
Gain (or loss) on disposal	-	-
GAIN (OR LOSS) ON DISPOSAL OF FINANCIAL ASSETS		
Proceeds from disposal	3,864	-
Less: Carrying value of Financial assets	3,246	-
Gain (or loss) on disposal	618	-
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	531	(19)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 6(a) CASH AND CASH EQUIVALENTS

	Notes	2011 (\$'000)	2010 (\$'000)
Cash at bank and on hand		13	737
Deposits at call		8,519	27,069
		<u>8,532</u>	<u>27,806</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 6(b) INVESTMENTS

The following financial assets are held as investments:

	2011		2010	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Financial Assets at Fair Value				
through Profit and Loss	500	-	750	-
Held to Maturity Investments	49,530	10,502	27,500	6,995
Available for Sale Financial Assets	-	-	-	-
Total	<u>50,030</u>	<u>10,502</u>	<u>28,250</u>	<u>6,995</u>
Financial Assets at Fair Value				
 Through Profit and Loss				
At beginning of year	750	-	885	-
Revaluation to income statement	-	-	(135)	-
Additions	-	-	-	-
Disposals (Sale/Redemption)	(250)	-	-	-
Reclassification	-	-	-	-
At end of year	<u>500</u>	<u>-</u>	<u>750</u>	<u>-</u>
Held for Trading:				
- Managed funds	500	-	750	-
- CDOs	-	-	-	-
- FRNs	-	-	-	-
- Listed equity securities	-	-	-	-
TOTAL	<u>500</u>	<u>-</u>	<u>750</u>	<u>-</u>
Held to Maturity Investments				
At beginning of year	27,500	6,995	5,000	15,494
Amortisation of discounts & premiums	-	1	-	1
Additions	39,030	9,002	32,000	1,000
Disposals	(19,500)	(2,996)	(15,000)	-
Impairment	-	-	-	(4,000)
Transfer to Current	2,500	(2,500)	5,500	(5,500)
At end of year	<u>49,530</u>	<u>10,502</u>	<u>27,500</u>	<u>6,995</u>
Comprising of:				
- CDOs	-	-	2,000	-
- FRNs	-	6,002	1,000	1,000
- Other	49,530	4,500	24,500	5,995
TOTAL	<u>49,530</u>	<u>10,502</u>	<u>27,500</u>	<u>6,995</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 6(c) RESTRICTED CASH, CASH EQUIVALENTS AND INVESTMENTS

Notes	2011		2010	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Total cash, cash equivalents and investments	58,562	10,502	56,056	6,995
External restrictions	-	12,263	2,852	5,224
Internal restrictions	-	51,676	47,913	1,771
Unrestricted	5,125	-	5,291	-
Total	5,125	63,939	56,056	6,995

Notes	<u>Opening</u> <u>Balance</u> 30 June 2010	<u>Transfers</u> <u>To</u> <u>Restriction</u>	<u>Transfers</u> <u>From</u> <u>Restriction</u>	<u>Closing</u> <u>Balance</u> 30 June 2011
	\$'000	\$'000	\$'000	\$'000
External Restrictions				
<i>Included in liabilities</i>	-	-	-	-
Other				
Developer Contributions (A)	1,565	3,702	(714)	4,553
Specific Purpose Unexpended Grants (B)	2,621	1,522	(2,155)	1,988
Domestic Waste Management (C)	3,338	12,706	(12,262)	3,782
Stormwater Management	14	976	(604)	386
Macquarie Park Special Rate	413	1,183	(158)	1,438
External Works Drainage Contributions	125	20	(28)	116
Total External Restrictions	8,076	20,109	(15,922)	12,263

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 6(c) (Continued)

	Opening Balance 30 June 2010	Transfers To Restriction	Transfers From Restriction	Closing Balance 30 June 2011
Notes	\$'000	\$'000	\$'000	\$'000
Internal Restrictions				
Plant Replacement Reserve	615	2,941	(1,312)	2,244
Employee Leave Entitlements	2,222	1,117	0	3,339
Incompleted/Carry Over Works and Projects	7,619	196	(4,835)	2,980
Refundable Deposits	7,502	458	0	7,960
West Ryde Child Care Centre	203	0	(203)	0
Voluntary Planning Agreements	138	250	0	388
Asset Replacement Reserve	1,421	6,399	(1,298)	6,522
Ryde Aquatic Leisure Centre	3,066	3,377	(3,181)	3,262
Investment Property Reserve	17,320	0	(32)	17,288
Civic Centre Precinct Redevelopment Reserve	7,979	541	(4,418)	4,104
Financial Security Reserve	140	864	0	1,004
Insurance Fluctuation Reserve	150	86	0	236
Other	1,309	1,902	(862)	2,349
Total Internal Restrictions	49,684	18,131	(16,139)	51,676
Total Restrictions	57,760	38,240	(32,061)	63,939

- A. Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (See separate Note 17).
- B. Grants which are not yet expended for the purposes for which the grants were obtained.
- C. Domestic Waste Management funds are externally restricted assets which must be applied for the purposes for which they were raised.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 7 RECEIVABLES

<u>Purpose</u>	2011		2010	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Rates and Annual Charges	1,239	825	1,247	832
Rates Interest & Extra Charges	170	113	151	101
User Charges & Fees				
Environmental & Health	228	-	240	-
Restorations	143	-	215	-
Recreational Facilities	71	-	46	-
Property & Infrastructure Works	109	-	66	-
Home Modification Service	8	-	13	-
Ryde Aquatic Leisure Centre	71	-	87	-
Interest on Investments	827	-	787	-
Contributions to Works	210	-	1,142	-
Government Grants & Subsidies	1,617	-	1,130	-
Commercial Waste	220	-	216	-
GST	817	-	712	-
Asset Sales	-	-	120	-
Workers Compensation	48	-	3	-
Voluntary Planning Agreement	-	-	-	-
Computer Equipment Charges	-	-	-	-
Other	247	-	97	-
Total	6,025	938	6,272	933
Less: <u>Provision for Doubtful Debts</u>				
- Rates and Annual Charges	-	-	-	-
- Interest and extra charges	-	-	-	-
- User Charges and Fees	233	-	114	-
- Government Grants & Subsidies	-	-	-	-
	5,792	938	6,158	933

EXTERNALLY RESTRICTED RECEIVABLES (Included Above)

Domestic Waste Management	286	190	291	194
TOTAL RESTRICTED RECEIVABLES	286	190	291	194
UNRESTRICTED RECEIVABLES	5,506	748	5,867	739
TOTAL RECEIVABLES	5,792	938	6,158	933

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 7 (Continued)**Rates and Annual Charges**

Rates are secured by underlying properties.

Interest is charged on overdue rates at 9% (2010 9%). Rates are due for payment on 31 August, 30 November, 28 February and 31 May in each financial year. Overdue rates are those not paid within 1 day of the due date. The amount of the overdue debts upon which interest is charged is \$2,064,000 (2010 \$2,079,000)

User Charges and Fees

User charges and fees are unsecured. The credit risk for this class of debtor is 100% of the carrying value. A provision for doubtful debts in respect of the class of debtor has already been provided in an amount of \$233,000.

Government Grants

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

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 8 INVENTORIES & OTHER ASSETS

	2011		2010	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Inventories				
Real Estate (refer below)	-	-	-	-
Stores and Materials	420	-	467	-
Other	-	-	-	-
Total Inventories	<u>420</u>	<u>-</u>	<u>467</u>	<u>-</u>
Inventories not expected to be realised within the next 12 months	<u>208</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Assets				
Prepayments	969	-	405	-
Total Other Assets	<u>969</u>	<u>-</u>	<u>405</u>	<u>-</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 9(a) INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

ASSET TYPE	At 30 June 2010				MOVEMENTS DURING THE YEAR						At 30 June 2011			
	Cost/Deemed Cost	Fair Value	Depreciation & Impairment	Written Down Value (WDV)	Asset Purchases	Transfers From YIP	YOP of Disposals	Transfers and Adjustments	Depreciation & Impairment	Gross Book Value	Accumulated Depreciation	Cost/Deemed Cost	Fair Value	Accumulated Depreciation
Plant and Equipment		22,485	19,441	12,644	2,402	11	1,433	-	1,897	-	-	-	22,524	11,197
Office Equipment		19,130	13,649	4,481	1,077	-	-	-	1,509	-	-	-	19,207	15,158
Furniture and Fixtures		3,782	2,457	1,325	19	-	-	-	163	-	-	-	3,792	2,550
Leased Plant & Equipment		209	209	-	-	-	-	-	-	-	-	-	209	209
Land		204,089	-	204,089	-	-	-	-	-	-	-	-	204,089	-
- Operational Land		1,017,725	-	1,017,725	-	-	-	-	-	-	-	-	1,017,725	-
- Community Land		4,025	-	4,025	225	96	-	-	-	-	-	-	4,345	-
- Land Improvements (non-deprnt)	4,025	3,659	8,129	3,659	23	904	-	-	928	-	-	-	12,624	9,056
- Land Improvements (deprnt)	11,697	-	-	-	-	-	-	-	-	-	-	-	11,697	-
- Land Under Infrastructure		11,552	-	11,552	-	-	-	-	-	-	-	-	11,552	-
Buildings		43,331	12,063	31,269	81	35	-	-	1,188	-	-	-	43,497	13,272
- Specialised		162,326	47,511	54,817	12,696	210	-	-	1,232	-	-	-	115,232	48,743
- Non-specialised		10,536	2,355	8,181	-	-	-	-	170	-	-	-	10,536	2,525
Other Structures		17,199	3,753	13,436	-	-	-	-	140	-	-	-	17,199	3,303
- Carports		60,809	26,164	40,505	362	11	-	-	1,566	-	-	-	60,982	21,770
- Portfolios Assets		11,171	3,448	7,723	353	845	-	346	218	-	-	-	12,030	3,666
- Piers		2,627	1,055	1,542	9	-	-	-	185	-	-	-	2,636	1,270
- Road and/or		416,861	73,079	343,772	2,195	270	-	27,372	3,502	-	-	-	391,944	75,581
- Other		17,820	5,261	12,529	130	335	-	-	275	-	-	-	18,235	5,566
Infrastructure		20,854	4,262	16,572	1	-	-	-	170	-	-	-	20,855	4,462
- Roads, Bridges and Footpaths		58,470	11,819	46,651	2,623	2,750	-	-	725	-	-	-	64,043	12,544
- Road Pavement		54,876	21,763	33,113	694	222	-	2,338	763	-	-	-	53,554	22,466
- Road Ancillaries		367,654	113,935	253,719	1,568	320	-	-	3,801	-	-	-	369,542	117,736
- Bridges		-	-	-	-	-	-	-	-	-	-	-	-	-
- Footpaths and Cycleways		-	-	-	-	-	-	-	-	-	-	-	-	-
- Kerb & Guttering		-	-	-	-	-	-	-	-	-	-	-	-	-
- Stormwater Drainage		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets		137	-	137	-	-	-	-	-	-	-	-	137	-
- Heritage Collections		3,226	1,988	1,232	420	-	-	-	473	-	-	-	3,259	2,090
- Library Books		11,132	-	11,132	6,164	15,016	-	56	-	-	-	-	-	-
Capital Works in Progress		30,221	2,502,546	37,340	2,175,729	-	1,433	30,115	18,935	-	-	-	2,520,188	371,944
TOTALS		30,221	2,502,546	37,340	2,175,729	31,233	1,433	30,115	18,935	-	-	-	2,520,188	371,944
Indirects Over: Restricted Assets		98	121	653	255	-	-	-	65	-	-	-	1,238	107
Notes:														

Exclude investment properties and non-current assets held for sale.
 Additions to Buildings and Infrastructure are made up of Asset Renewals and New Assets. Renewals are defined as replacements of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 10 (a) PAYABLES, BORROWINGS & PROVISIONS

	2011		2010	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Payables				
Goods and Services	4,963	-	5,563	-
Payments Received in Advance	747	-	266	-
Payments received in advance - Rates	168	-	156	-
Accrued Expenses	1,373	-	724	-
Interest Expenses	2	-	1	-
Deposits and Retentions	7,641	-	7,502	-
Staff Salaries & Wages	-	-	551	-
Domestic Waste	473	-	454	-
Other Contributions	-	-	193	-
Other	26	-	27	-
Total Payables	15,393	-	15,437	-
Current Payables not expected to be settled within the next 12 months	5,922	-	5,814	-
Borrowings				
Bank Overdraft	328	-	-	-
Loans - secured ⁽¹⁾	447	3,899	434	4,339
Loans - unsecured	-	-	-	-
Government Advances	-	-	-	-
Ratepayers advances	-	-	-	-
Finance lease liability	-	-	-	-
Deferred payment liabilities	-	-	-	-
Total Interest Bearing Liabilities	775	3,899	434	4,339
Provisions⁽²⁾				
Annual & Other Accrued Leave	2,513	-	2,540	-
Sick Leave	216	-	191	-
Long Service Leave	4,726	174	4,474	164
Gratuities	-	-	-	-
Site Remediation (see Note 21)	-	-	-	-
Total Provisions	7,455	174	7,205	164
Current provisions not expected to be settled within the next 12 months	4,588	-	3,755	-
Liabilities relating to restricted assets				
Domestic Waste Management	473	-	454	-
Total Liabilities relating to restricted assets	473	-	454	-

⁽¹⁾ Loans are secured by the rating income of Council.⁽²⁾ Vested ELE is all carried as a current provision.

Note: The following payables although classified as current liabilities, are not expected to be paid in the following 12 months

	2011	2010
Deposits & Retentions	5,922	5,814
Provisions	4,588	3,755

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 10 (b) DESCRIPTION OF AND MOVEMENTS IN PROVISIONS

Class of Provision	Opening Balance (\$'000)	Increase in Provision (\$'000)	Payments (\$'000)	Re- Measurement (\$'000)	Closing Balance (\$'000)
Annual & Other Accrued Leave	2,540	2,140	2,167	-	2,513
Sick Leave	191	1,008	983	-	216
Long Service Leave	4,638	903	641	-	4,900
Gratuities	-	16	16	-	-
Total	7,369	4,067	3,807	-	7,629

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ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 11 RECONCILIATION OF OPERATING RESULT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES**(a) Reconciliation of Cash Assets**

	Notes	2011 (\$'000)	2010 (\$'000)
Total Cash and Cash Equivalents	6(a)	8,532	27,806
Less: Bank Overdraft	10	(328)	-
Balances as per Statement of Cash Flow		<u>8,204</u>	<u>27,806</u>

(b) Reconciliation of net Operating Result to Cash Provided from Operating Activities

		2011 (\$'000)	2010 (\$'000)
Net Operating Result from Income Statement		15,989	8,073
Add:			
Depreciation and Impairment	4	18,598	18,715
Impairment of investments	3	-	4,000
Increase in provision for doubtful debts	7	119	18
Increase in provision for leave entitlements	10	260	299
Increase in Other Provisions	10	-	-
Decrease in receivables	7	242	-
Decrease in inventories	8	47	103
Decrease in other current assets	8	-	-
Increase in payables	10	-	1,008
Increase in accrued interest payable	10	1	1
Increase in other current liabilities	10	-	268
Decrements from revaluations	4	-	115
Loss on sale of assets	5	-	19
Fair value adjustments to investment property	4	-	-
Amortisation of discounts & premiums recognised	3,4	-	-
Other	3,4	-	-
Less:			
Decrease in provision for doubtful debts	7	-	-
Decrease in employee leave entitlements	10	-	-
Decrease in Other Provisions	10	-	-
Increase in receivables	7	-	(333)
Increase in inventories	8	-	-
Increase in other current assets	8	(564)	(75)
Decrease in payables	10	(21)	-
Decrease in accrued interest payable	10	-	-
Decrease in other current liabilities	10	(24)	-
Reversal of previous revaluation decrements			
Non cash contributions and dedications			
Gain on sale of Assets	5	(531)	-
Fair value adjustments to financial assets at fair value through profit and loss	6	-	135
Fair value adjustments to investment properties	3	-	-
Amortisation of discounts & premiums recognised	3	(1)	(1)
Non Cash Capital Grants & Contributions	3	(8,340)	(13,617)
Net cash provided by (used in) operating activities		<u>25,775</u>	<u>18,728</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 11 (Continued)

	2011 (\$'000)	2010 (\$'000)
(c) Non-Cash Financing and Investing Activities		
Acquisition of Plant & Equipment by means of finance leases	-	-
S.94 contributions in kind	-	-
Dedications	8,340	13,617
	<u>8,340</u>	<u>13,617</u>
(d) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts Facility	-	-
Corporate credit cards	40	35
	<u>40</u>	<u>35</u>

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 12 COMMITMENTS FOR EXPENDITURE

	2011 (\$'000)	2010 (\$'000)
(a) Capital Commitments (exclusive of GST)		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Plant & Equipment	-	75
Landscaping Works	-	-
Undergrounding of overhead mains	-	-
Buildings	-	256
Town Centre Block Paving	-	-
Curtilage	-	-
Park Improvements	-	3,022
Stormwater Drainage	-	79
Gross Pollutant Trap	92	-
Total	92	3,432
These expenditures are payable:		
- Not later than one year	92	3,432
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	92	3,432
(b) Service Commitments (exclusive of GST)		
Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include:		
- Waste Management Services	20,082	26,462
- Cleaning Services	175	392
- Audit Services	112	163
- Management Study	192	-
- Top Ryder Bus Service	-	129
- Communication Services	322	814
- Advertising Services	125	425
- Swim Teachers	144	288
- Gas Supply	86	-
- Security Services	-	43
Total	21,239	28,716
These expenditures are payable:		
- Not later than one year	11,052	7,884
- Later than one year and not later than 5 years	10,187	20,832
- Later than 5 years	-	-
Total	21,239	28,716

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

Note 12 Commitments for Expenditure (continued)

	2011 (\$'000)	2010 (\$'000)
(c) Finance Lease Commitments		
Commitments under finance leases at the reporting date are payable as follows:		
- Not later than one year	-	-
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	-	-
Minimum lease payments	-	-
Less: future finance charge	-	-
Lease liability	-	-
Representing lease liabilities:		
- Current	-	-
- Non-Current	-	-
Total	-	-
(d) Operating Lease Commitments		
Commitments under non-cancellable operating leases at 30 June 2011 but not recognised in the financial statements are payable as follows:		
- Not later than one year	-	-
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	-	-
(e) Repairs and Maintenance: Investment Property		
Contractual obligations for future repairs and maintenance	-	-
Total	-	-
(f) Remuneration commitments		
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at 30 June 2011 but not recognised as liabilities.(1)		
These are payable:		
- Within one year	-	6,063
- Later than one year and not later than 5 years	1,361	15,430
- Later than 5 years	3,575	188
Total	4,936	21,681

(1) On 1 July 2011, all staff on contract were migrated to the Award, with the exception of Senior Staff and three other.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 13 STATEMENT OF PERFORMANCE MEASURES - CONSOLIDATED RESULTS

	Amounts (\$'000)	Current Year Indicators	2010	2009
1. UNRESTRICTED CURRENT RATIO				
Current Assets Less All External Restrictions ⁽¹⁾	\$65,457	5.18:1	4.67:1	3.45:1
Current Liabilities Less Specific Purpose Liabilities ⁽²⁾⁽³⁾⁽⁴⁾	\$12,640			
2. DEBT SERVICE RATIO				
Debt Service Cost (Principal & Interest Payments)	\$669	0.82%	0.85%	1.42%
Income from continuing operations, excluding capital items and specific purpose grants/contributions	\$81,092			
3. RATE COVERAGE RATIO				
Rates and Annual Charges	\$56,340	56.29%	55.93%	36.47%
Income from continuing operations	\$100,090			
4. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGE				
Rates and Annual Charges Outstanding	\$2,347	3.99%	4.11%	3.94%
Rates and Annual Charges Collectable	\$58,854			
5. BUILDINGS & INFRASTRUCTURE RENEWALS RATIO				
Asset Renewals (building & infrastructure) ⁽⁵⁾	\$5,580	47.87%	49.24%	122.54%
Depreciation, amortisation and impairment (building & infrastructure)	\$11,656			

⁽¹⁾ Refer to Notes 6 - 8 Inclusive⁽²⁾ Refer to Note 10(a)⁽³⁾ \$4,588K provisions not expected to be settled deducted.⁽⁴⁾ \$5,922K provisions not expected to be settled deducted.⁽⁵⁾ Refer Note 9(a) - Notes

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 14 INVESTMENT PROPERTIES

	2011 (\$'000)	2010 (\$'000)
At Fair Value		
Opening balance at July 1 2010	2,200	2,315
Net gain (loss) from fair value adjustment	-	(115)
Closing Balance at 30 June 2011	2,200	2,200

(a) Amounts Recognised in Profit and Loss for Investment Property

Rental income	212	163
Net gain (loss) from fair value adjustment	-	(115)
Direct operating expenses from property that generated rental income	(22)	(22)
Total	190	26

(b) Valuation Basis

The basis of the valuation of investment properties is at fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition subject to similar leases. The 2011 revaluations were based on independent assessments made by Scott Fullarton Valuations Pty Ltd, a member of the Australian Property Institute.

(c) Contractual obligations

Refer to Note 12 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

(d) Leasing Arrangements

The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows.

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

- Not later than one year	134	199
- Later than one year and not later than 5 years	298	254
- Later than 5 years	138	212
Total	570	665

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 15 FINANCIAL RISK MANAGEMENT**Risk Management**

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and 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 the Finance Unit under policies approved by the Council.

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Financial assets				
Cash and cash equivalents	8,532	27,806	8,532	27,806
Receivables	6,730	7,091	6,730	7,091
Financial assets at fair value through profit or loss	500	750	500	750
Available-for-sale financial assets	-	-	-	-
Held-to-maturity investments	60,032	34,495	60,973	34,399
	<u>75,794</u>	<u>70,142</u>	<u>76,735</u>	<u>70,046</u>
Financial liabilities				
Payables	15,393	15,437	15,393	15,437
Borrowings	4,674	4,773	4,674	4,773
	<u>20,067</u>	<u>20,210</u>	<u>20,067</u>	<u>20,210</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to be the carrying value which approximates net market value
- Borrowings, Held-to-Maturity Investments – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets at Fair Value through profit and loss, Available for Sale Financial Assets – based on quoted market prices at the reporting date or independent valuation.

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DRAFT - Notes to the financial statements 30 June 2011

NOTE 15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Cash and cash equivalents

Financial assets at fair value through profit and loss

Available-for-sale financial assets

Held-to-maturity investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Unit manages the cash and investments portfolio with the assistance of independent advisers. Council has an investment policy which complies with the Local Government Act and Minister's Order. The policy is regularly reviewed by Council and an Investment Report provided to Council monthly setting out the make-up and performance of the portfolio.

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

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns. Another risk associated with cash and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from its independent advisers before placing any cash and investments.

	30/06/2011 \$'000	30/06/2010 \$'000
(b) Impact of a 10% ⁽¹⁾ movement in price of investments:		
– Equity	750	89
– Income statement	-	89
Impact of a 1% ⁽¹⁾ movement in interest rates on cash and investments:		
– Equity	-	-
– Income statement	691	631

Notes:

(1) Sensitivity percentages based on management's expectation of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents, managed funds, and FRNs.) Recent market volatility has seen larger market movements for certain types of investments.

(2) Maximum impact.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing stringent debt recovery policies.

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.

Council makes suitable provision for doubtful receivables as required.

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

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

	2011 Rates & Annual Charges	2011 Other Receivables	2010 Rates & Annual Charges	2010 Other Receivables
(i) Ageing of Receivables				
- Current (not yet overdue)	0	4,401	0	4,805
- Past due	2,064	498	2,079	321
	<u>2,064</u>	<u>4,899</u>	<u>2,079</u>	<u>5,126</u>
(ii) Movement in Provision for Impairment for Receivables			2011	2010
Balance at the beginning of the year			114	96
Plus: New provisions recognised during the year			119	19
Less: Amounts already provided for & written off			-	-
Balance at the end of the year			<u>233</u>	<u>115</u>

ITEM 8 (continued)

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DRAFT - Notes to the financial statements 30 June 2011

NOTE 15 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is 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 be extended and overdraft facilities drawn upon in extenuating circumstances.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below.

2011 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	15,393	-	-	15,393	15,393
Borrowings	775	2,061	1,838	4,674	4,674
	16,168	2,061	1,838	20,067	20,067
2010 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	15,437	-	-	15,437	15,437
Borrowings	434	1,933	2,406	4,773	4,773
	15,871	1,933	2,406	20,210	20,210

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. The Finance Unit regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

	30 June 2011		30 June 2010	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
	%	\$'000	%	\$'000
Overdraft	0.00%	-	0.00%	-
Bank Loans – Variable ⁽¹⁾	5.20%	4,346	5.17%	4,774
		4,346		4,774

Note:

⁽¹⁾ The interest rate risk applicable to Variable Rate Bank Loans is not considered significant.

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ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 16 MATERIAL BUDGET VARIATIONS

Council's original budget was incorporated as part of the 2010/2014 Management Plan adopted by the Council on 22 June 2010.

Whilst the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the Local Government Act requires Council to review its original budget on a quarterly basis, so that it is able to manage the various variations between actuals and budget that invariably occur throughout the year.

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

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

Revenues**Interest and Investment Revenue \$1,940K 78% (F)**

Council received interest revenue of \$4,429k which was above the original budget by \$1,940k (78%) Council adopted a conservative approach to its original budget for interest, due to the losses sustained in 2008/09 with its CDO investments and the writedown of other impaired CDO investments in 2009//2010. As the market improved Council has continued to capitalise on the gains in its investment portfolio. Council received proceeds during 2010/2011 on a couple of the CDO's previously written down. Official interest rates rose from 4.50% in June 2009 to 4.75% in June 2011

Grants & Contributions provided for Capital Purposes \$9,835K 172% (F)

Council has brought to account \$8.34M of contributed assets in 2010/2011 arising from major development activity within the City as a number of these development involve the provision of public infrastructure benefits with the control and ownership of these assets being vested with Council. Council also received a contribution of \$1M from the sale of land at Paul Street North, which was received this year, but was not budgeted for.

Expenses**Borrowing Costs -\$102K -30% (F)**

Borrowing costs were \$102K less than originally budgeted. This was due to Council not acquiring any new loans during the financial year.

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ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR *	INTEREST & INVESTMENT INCOME EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROWINGS (TO/FROM) ***	EXPENDITURE RECLASSIFIED	HELD AS RESTRICTED ASSET **	PROJECTED FUTURE CONTRIBUTIONS	PROJECTED COST OF WORKS STILL OUTSTANDING	PROJECTED OVER/UNDER FUNDING	CUMULATIVE INTERNAL BORROWINGS (AVAILABLE)
	\$'000	CASH \$'000	NON-CASH \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Community & Culture	13	582	-	239	-	-	177	150,839	55,023	(3,939)	\$'000
Open Space & Public Domain	-	2,123	-	341	-	-	1,762	135,332	133,228	3,888	(3,854)
Roads, Traffic, Carparks & Cyclways	-	262	-	39	-	-	223	34,810	34,633	269	(900)
Stormwater Management	1,114	324	-	356	-	-	1,788	2,901	8,535	(3,945)	4,564
Administration	433	25	-	24	-	-	482	550	958	43	-
TOTAL	1,565	3,372	-	714	-	-	4,563	224,171	232,478	(3,754)	-

City of Ryde Council adopted the Section 94 Development Contributions Plan 2007 - 11 December 2007. This development contribution Plan repeats previous plans.

* Reconcilable with Note 3

** Reconcilable with Note 5 (Restricted assets excludes amounts expended in advance)

*** Cumulative balance of borrowing within and between plans

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 18 CONTINGENCIES

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

LIABILITIES NOT RECOGNISED**1 Guarantees****(i) Defined Benefits Superannuation Contribution Plans**

The Local Government Superannuation Scheme - Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB 119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2011 was \$1.072M. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 16 February 2010 and covers the period ended 30 June 2009. However the position is monitored annually and the Actuary has estimated that as at 30th June 2011 a deficit still exists. Effective from 1 July 2009, employers are required to contribute at twice the "notional" or long term cost for a period of up to ten years in order to rectify this deficit. The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$1,842,649 as at 30 June 2011.

(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 2011 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 increase prudential requirements of APRA. These future equity contributions would be required to maintain the Company's level of Net Assets in accordance with its Licence Requirements.

ASSETS NOT RECOGNISED**(i) Infringement Notices/Fines**

Fines & penalty income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau. 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 updated Infringement Notices. Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

ITEM 8 (continued)

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DRAFT - Notes to the financial statements 30 June 2011

Note 18 (continued)

(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, Belvista 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 the airspace in which a number of assets were to be constructed. The assets consisted of:

Two pedestrian bridges across Devlin Street.
The tunnels into the Top Ryde City Shopping Centre.

Council previously brought to account the assets that were built within those air spaces, this has now been identified as an error of \$38.2M, which has now been corrected and is reported at Note 20. This value is as at 30 June 2010.

What this does mean to Council is that there is a contingent asset that will become Council's at the end of the lease and therefore Council needs to disclose this fact.

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DRAFT - Notes to the financial statements 30 June 2011

NOTE 19 INTERESTS IN JOINT VENTURES AND ASSOCIATIONS

The Council has no interests in joint ventures.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 20 REVALUATION RESERVES AND RETAINED EARNINGS

	2011 (\$'000)	2010 (\$'000)
(a) Retained earnings		
Movements in retained earnings were as follows:		
At beginning of year	1,703,960	1,696,018
Adjustment to correct prior years errors (Note 20 (d))	(30,058)	(131)
Net operating result for the year	15,989	8,073
At end of year	<u>1,689,891</u>	<u>1,703,960</u>
(b) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	<u>518,376</u>	<u>518,376</u>
Total assets	<u>518,376</u>	<u>518,376</u>
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
At beginning of year	518,376	518,376
Revaluation- gross	-	-
Depreciation transfer - gross	-	-
At end of year	<u>518,376</u>	<u>518,376</u>
<i>Available-for-sale investments revaluation reserve</i>		
At beginning of year	-	-
Revaluation- gross	-	-
Transfer to net profit - gross	-	-
At end of year	<u>-</u>	<u>-</u>
(c) Nature and purpose of reserves		
<i>(i) Infrastructure, property, plant and equipment revaluation reserve</i>		
The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets.		

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

(d) Correction of errors in previous years

During 2010/2011 Bevilista Pty Ltd, the developer of the Top Ryde Shopping Centre went into Voluntary Administration, and as such Council reviewed its asset holdings that it had received as part of the agreement with the developer, which was a condition of the development approval. It was identified that some of the assets that had been brought to account were in fact the subject of a 49 year lease with a 50 year option. Under that lease the developer and subsequent owners of the Shopping Centre would lease the air space from Council, that the assets were constructed in, and that they would retain responsibility for the maintenance and repair of those assets until the end of the lease, at which time the assets would then vest in Council.

	2011 (\$'000)
Plant & Equipment - GBV	
Plant & Equipment - Acc Depn	-
Retained Earnings	-
Infrastructure - Road Pavement - GBV	(27,372)
Infrastructure - Road Pavement - Acc Depn	-
Retained Earnings	(27,372)
Infrastructure - Kerb & Guttering - GBV	(2,338)
Infrastructure - Kerb & Guttering - Acc Depn	
Retained Earnings	(2,338)
Other Structures - Parks - GBV	
Other Structures - Parks - Acc Depn	
Retained Earnings	-
Other Structures - Road Ancillary - GBV	(348)
Other Structures - Road Ancillary - Acc Depn	-
Retained Earnings	(348)
Infrastructure - Bridges - GBV	
Infrastructure - Bridges - Acc Depn	
Retained Earnings	-
Drainage - GBV	
Drainage - Acc Depn	-
Retained Earnings	-

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

NOTE 22 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2011 (\$'000)	2010 (\$'000)
Operational Land	-	941
Buildings	-	30
Total	-	971

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the financial statements 30 June 2011

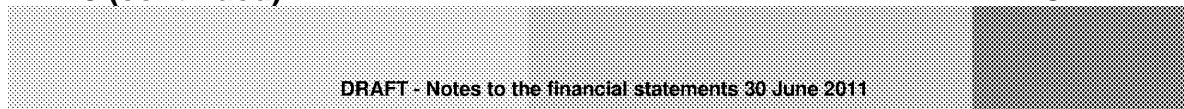
NOTE 26 REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES**Site Remediation**

Council was required by law to restore sites at Wellington Road and Parsonage Street to their original condition, following their former usage as Council works depots. These works have been completed and the sites reinstated.

	2011 (\$'000)	2010 (\$'000)
At beginning of the year	-	-
Revised Costs	-	-
Remediation Works	-	-
At end of the Year	-	-

ITEM 8 (continued)

ATTACHMENT 6

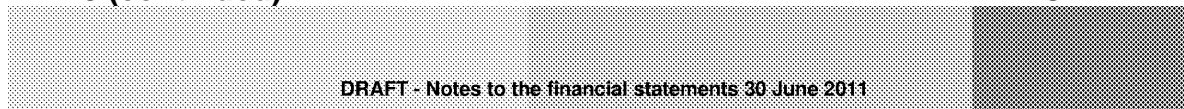


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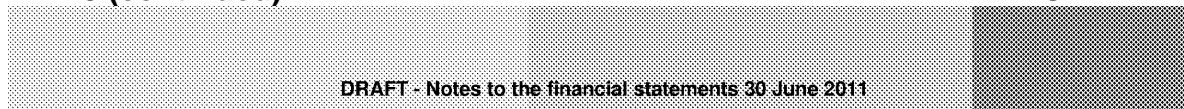


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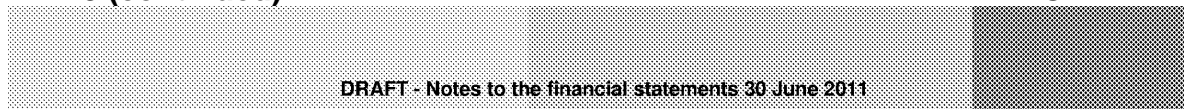


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ITEM 8 (continued)

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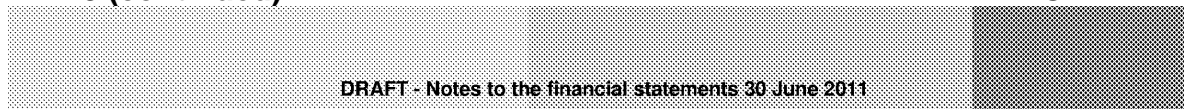


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ITEM 8 (continued)

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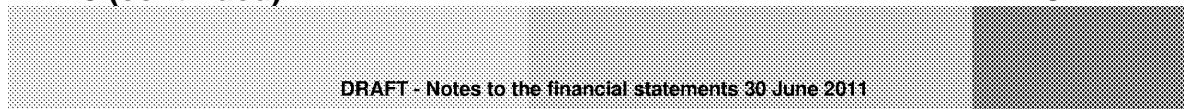


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ITEM 8 (continued)

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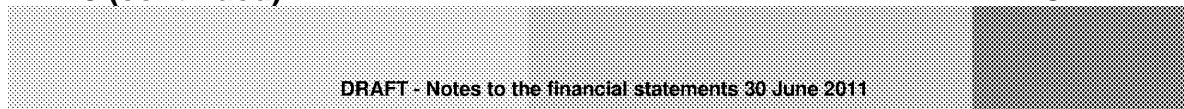


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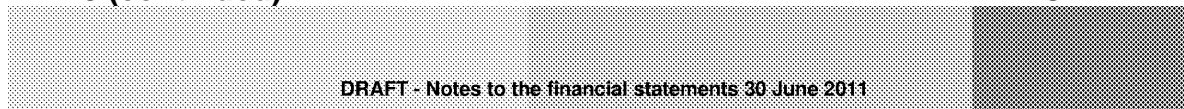


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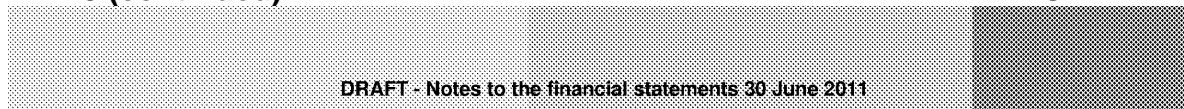


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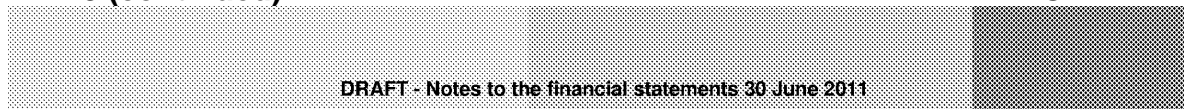


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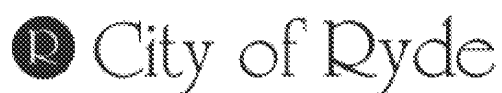


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ITEM 8 (continued)

ATTACHMENT 6



Lifestyle and opportunity @ your doorstep

DRAFT
Special Purpose
Financial Statements
Year Ended 30 June 2011

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Purpose Financial Statements – Year Ended 30 June 2011

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Purpose Financial Statements – Year Ended 30 June 2011

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2011

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ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Purpose Financial Statements – Year Ended 30 June 2011

**STATEMENT BY COUNCILLORS AND MANAGEMENT MADE
PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING
PRACTICE AND FINANCIAL REPORTING**

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

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

To the best of our knowledge and belief, these Statements

- presents fairly the Council's operating result and financial position for each of Council's declared Business Activities for the year, and
- accords with Council's accounting and other records

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

Signed in accordance with a resolution of Council made on 11 October 2011

Councillor Artin Etmekdjian
Mayor

Councillor Gabrielle O'Donnell
Deputy Mayor

Mr John Neish
General Manager

Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Purpose Financial Statements – Year Ended 30 June 2011

INCOME STATEMENT OF OTHER BUSINESS ACTIVITIES
for the year ended 30 June 2011
(\$000's)

	Hyde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2011	2010	2011	2010
Income from continuing operations				
Annual Charges	-	-	-	-
User Charges	4,335	4,394	700	623
Fees	-	17	-	-
Interest	-	-	-	-
Other income	3	3	-	-
Grants & Contributions provided for Non-Capital Purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Total Income From Continuing Operations	4,338	4,414	700	623
Expenses from continuing operations				
Employee benefits and on costs	2,505	2,528	29	31
Materials and Contracts	1,041	1,495	218	223
Borrowing costs	-	-	-	-
Depreciation and impairment	877	877	-	-
Loss on sale of assets	-	-	-	-
Calculated Taxation Equivalents	137	144	-	-
Other expenses	60	47	109	77
Total Expenses From Continuing Operations	4,620	5,091	356	331
Surplus (Deficit) from Continuing Operations before capital amounts	(282)	(677)	344	292
Grants & Contributions provided for Capital Purposes	-	-	-	-
Surplus (Deficit) from Continuing Operations after capital amounts	(282)	(677)	344	292
Surplus (Deficit) from Discontinued Operations	-	-	-	-
Surplus (Deficit) from All Operations before Tax	(282)	(677)	344	292
Less Corporate Taxation Equivalent (30%) [based on Operating result before capital]	-	-	103	88
Surplus (Deficit) After Tax	(282)	(677)	241	204
Opening Retained profits *	31,285	31,884	200	200
Adjustments for Amounts Unpaid:-				
Taxation Equivalent Payments	137	144	-	-
Corporate Taxation Equivalent	-	-	103	88
Plus: Subsidy from Council	-	-	-	-
Plus: Equity Contributions	41	78	-	-
Less: Equity Withdrawals	-	-	-	-
Less: TER Dividend payment (non restricted activities)	(137)	(144)	(103)	(88)
Less: Surplus Dividend payment (non restricted activities)	-	-	(241)	(204)
Closing Retained Profits	31,044	31,285	200	200
RETURN ON CAPITAL (%)	-0.6%	-1.5%	N/A	N/A
SUBSIDY FROM COUNCIL	-	-	-	-

* Opening Retained Earnings of some Business Activities have been effected by the revaluation of various classes of Non-Current asset to fair value.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Purpose Financial Statements – Year Ended 30 June 2011

BALANCE SHEET OF OTHER BUSINESS ACTIVITIES
for the year ended 30 June 2011
(\$000's)

	Ryde Aquatic Leisure Centre (Category 1)		Commercial Waste Management (Category 2)	
	2011	2010	2011	2010
CURRENT ASSETS				
Cash Asset and cash equivalents	618	180	-	-
Investments	-	-	-	-
Receivables	71	57	220	216
Inventories	12	12	-	-
Other	-	-	23	30
TOTAL CURRENT ASSETS	701	249	243	246
NON-CURRENT ASSETS				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	44,574	45,291	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	44,574	45,291	-	-
TOTAL ASSETS	45,275	45,540	243	246
CURRENT LIABILITIES				
Payables	273	304	35	38
Interest Bearing Liabilities	-	-	-	-
Provisions	524	517	6	6
TOTAL CURRENT LIABILITIES	797	821	41	44
NON-CURRENT LIABILITIES				
Payables	-	-	0	-
Interest Bearing Liabilities	-	-	-	-
Provisions	12	12	2	2
TOTAL NON-CURRENT LIABILITIES	12	12	2	2
NET ASSETS	44,466	44,707	200	200
EQUITY				
Retained Earnings	31,044	31,285	200	200
Revaluation Reserves	13,422	13,422	-	-
TOTAL EQUITY	44,466	44,707	200	200

ITEM 8 (continued)**ATTACHMENT 6****DRAFT - Notes to the Special Purpose Financial Statements –30 June 2011****NOTE 1 SIGNIFICANT ACCOUNTING POLICIES**

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Report (SPFS) for National Competition Policy reporting purposes follows.

These financial statements are a SPFS prepared for use by the Council and Division of Local Government. For the purposes of these statements, the Council is not a reporting entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition criteria of applicable Australian Accounting Standards, other authoritative pronouncements of the AASB and Australian Accounting Interpretation. The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act and Regulation and the Local Government Code of Accounting Practice and Financial Reporting.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Local Government Act and Regulations, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government". The "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality" issued by the Division of Local Government in July 1997 has also been adopted.

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

Declared Business Activities

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

Category 1

Name	Brief Description of Activity
Ryde Aquatic Leisure Centre	Provision of aquatic and dry court sports and leisure facilities

Category 2

Name	Brief Description of Activity
Commercial Waste Removal	Commercial waste collection, recycling and disposal.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

Taxation Equivalent Payments

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Statement) like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the Special Purpose Financial Statements –30 June 2011

been applied to all Council nominated business activities and are reflected in the SPFS. For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all Council nominated business activities:

Tax	Notional Rate Applied %
Corporate Tax Rate	30%
Land Tax	1.6% of the value in excess of \$387,000 but less than \$2,366,000. 2% of the value in excess of \$2,366,000
Payroll Tax	5.48% of total labour payments for the individual business activity in excess of \$658,000
Stamp Duty	Statutory rates as published by the Office of State Revenue.

Income Tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the Council.

Accordingly, there is no need for disclosure of internal charges in the GPFR. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

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

Loan and Debt Guarantee Fees

The debt guarantee fee is designed to ensure that Council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statement of Business Activities.

(ii) Return on Investments (Rate of Return)

The Policy statement requires that Councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field". Funds are subsequently available for meeting commitments or financing future investment strategies. Where a business activity has required the investment of capital assets, the rate of return on investment is disclosed in the Income Statement of Business Activities.

(iii) Dividends

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

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Notes to the Special Purpose Financial Statements –30 June 2011

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ITEM 8 (continued)

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DRAFT - Notes to the Special Purpose Financial Statements –30 June 2011

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ITEM 8 (continued)

ATTACHMENT 6



Lifestyle and opportunity @ your doorstep

DRAFT
Special Schedules
Year Ended 30 June 2011

ITEM 8 (continued)

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DRAFT - Special Schedules – Year Ended 30 June 2011

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES
for the year ended 30 June 2011

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ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 1

NET COST OF SERVICES

for the year ended 30 June 2011

(\$'000)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	1,638		2	0		(1,636)	
		1,638			2		(1,636)
ADMINISTRATION							
Corporate Support	1,565		126	0		(1,439)	
Engineering & Works	2,451		561	62		(1,828)	
Other Support Services	20,652		1,637	8,340		(19,675)	
		24,668			10,726		(13,942)
PUBLIC ORDER & SAFETY							
Statutory Contribution to Fire							
Service Levy	1,785		0	0		(1,785)	
Fire Protection - Other	0		0	0		0	
Animal Control	120		55	0		(65)	
Beach Control	0		0	0		0	
Enforcement of Local Govt Regs	878		1,648	0		770	
Emergency Services	209		0	0		(209)	
Other	1,712		2,898	0		1,187	
		4,703			4,601		(102)
HEALTH							
Administration & Inspection	261		275	0		14	
Immunisation	126		42	0		(84)	
Food Control	0		0	0		0	
Insect/Vermin Control	0		0	0		0	
Noxious Plants	2		0	0		(2)	
Health Centres	52		0	0		(52)	
Other	0		0	0		0	
		441			316		(125)
COMMUNITY SERVICES & EDUCATION							
Administration	518		23	0		(495)	
Family Care	0		0	0		0	
Child Care	16		0	0		(16)	
Youth Services	140		25	0		(115)	
Other Families & Children	413		216	0		(197)	
Aged & Disabled	520		496	0		(24)	
Migrant Services	0		0	0		0	
Aboriginal Services	0		0	0		0	
Other Community Services	1,269		288	0		(981)	
Education	32		35	0		3	
		2,908			1,083		(1,825)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

NET COST OF SERVICES (CONT)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
HOUSING & COMMUNITY AMENITIES							
Housing	0		0	0		0	
Town Planning	4,541		2,725	250		(1,566)	
Domestic Waste Management	11,770		13,111	0		1,341	
Other Waste Management	1,135		748	0		(386)	
Street Cleaning	676		0	0		(676)	
Other Sanitation & Garbage	0		0	0		0	
Urban Stormwater Drainage	4,958		1,124	103		(3,731)	
Environmental Protection	961		11	0		(950)	
Public Cemeteries	0		0	0		0	
Public Conveniences	326		10	0		(316)	
Other Community Amenities	0		47	0		47	
		24,366			18,129		(6,237)
WATER SUPPLIES							
SEWERAGE SERVICES							
RECREATION & CULTURE							
Public Libraries	4,881		870	0		(4,011)	
Museums	0		0	0		0	
Art Galleries	0		0	0		0	
Community Centres	207		3	0		(204)	
Public Halls	470		450	0		(20)	
Other Cultural Services	309		80	0		(228)	
Swimming Pools	4,439		4,423	0		(16)	
Sporting Grounds	2,603		225	441		(1,937)	
Parks & Gardens (Lakes)	4,725		176	2		(4,547)	
Other Sport & Recreation	345		224	4		(117)	
		17,979			6,898		(11,081)
FUEL & ENERGY SUPPLIES							
Gas Supplies							
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	687		194	0		(493)	
Abattoirs	0		0	0		0	
Quarries & Pits	0		0	0		0	
Other	0		0	0		0	
		687			194		(493)

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

NET COST OF SERVICES (CONT)

Function or Activity	EXPENSES FROM CONTINUING OPERATIONS		REVENUES FROM CONTINUING OPERATIONS			NET COST OF SERVICES	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
TRANSPORT & COMMUNICATION							
Urban Roads : Local	3,148		2,424	5,273		4,550	
Urban Roads : Regional	88		134	0		46	
Sealed Rural Roads : Local	0		0	0		0	
Bridges on Urban Roads : Local	9		0	0		(9)	
Bridges on Urban Roads : Regional	0		0	0		0	
Bridges on Urban Roads : Other	0		0	0		0	
Footpaths	758		0	11		(747)	
Aerodromes	0		0	0		0	
Parking Areas	87		0	0		(87)	
Bus Shelters & Services	35		0	0		(35)	
Water Transport	0		0	0		0	
RTA Works (State)	0		0	0		0	
Street Lighting	1,792		347	0		(1,445)	
Other	318		292	0		(26)	
		6,237			8,482		2,245
ECONOMIC AFFAIRS							
Camping Areas	0		0	0		0	
Caravan Parks	0		0	0		0	
Tourism & Area Promotion	2		0	0		(2)	
Industrial Development & Promotion	0		0	0		0	
Saleyards & Markets	0		0	0		0	
Real Estate Development	0		0	0		0	
Commercial Nurseries	0		0	0		0	
Other Business Undertakings	473		668	60		255	
		475			728		253
TOTALS - FUNCTIONS		84,102			51,158		(32,944)
GENERAL PURPOSE REVENUES ⁽¹⁾					48,932		48,932
SHARE OF GAIN/(DEFICIT) FROM ASSOCIATES AND JOINT VENTURES USING EQUITY METHOD ⁽²⁾							
CORRECTION OF FUNDAMENTAL ERROR ⁽²⁾							
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS ⁽²⁾		84,102			100,090		15,988
EXTRAORDINARY ITEMS ⁽²⁾							
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾		84,102			100,090		15,988

NOTE : 1 Includes:

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

2. As reported on the Income Statement

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 2(a)

STATEMENT OF LONG-TERM DEBT (ALL PURPOSES)

for the year ended 30 June 2011

(\$,000)

Classification of Debt	Principal Outstanding at beginning of Year		New Loans Raised during the year	Debt Redemption during the year		Interest Applicable For Year	Principal Outstanding at end of Year	
	Current	Non-Current		From Revenue	Sinking Funds		Current	Non-Current
LOANS (By Source):								
Commonwealth Bank								
Treasury Corporation								
Other State Government								
Public Subscriptions								
Financial Institutions	434	4,339	4,773	427	0	242	447	3,899
Other								
TOTAL LOANS	434	4,339	4,773	427	0	242	447	3,899
OTHER LONG TERM DEBT								
Ratepayer's Advances								
Government Advances								
Finance Leases								
Deferred Payments								
TOTAL LONG TERM DEBT	434	4,339	4,773	427	0	242	447	3,899
								4,345

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 2(b)

STATEMENT OF INTERNAL LOANS (Section 410(3) LGA 1993)
for the year ended 30 June 2011
(\$'000)

SUMMARY OF INTERNAL LOANS

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

DETAILS OF INDIVIDUAL INTERNAL LOANS

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

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 7
CONDITION OF PUBLIC WORKS
AS AT 30 June 2011
(\$'000)

Asset Class	Asset Category	Depreciation Rate (%)	Per Note 1		Depreciation Expense	Cost	Per Note 3		Accumulated Depreciation	WDV	Asset Condition (weighted by replacement cost)	Estimated Cost to bring to a satisfactory standard	Required Annual Maintenance Expense	Current Annual Maintenance
			Per Note 1	Per Note 4			Per Note 3	Per Note 4						
Buildings		1.52%		2,420			156,729	62,015			17% of buildings are considered to be in a satisfactory condition.	21,718	2,027	2,807
Public Roads		0.92%		5,435			536,681	121,603			99% of road segments are considered to be in a satisfactory condition.	12,071	5,249	6,827
Road Pavement/Rd Ancillaries														
Footpaths/Cycleways											71% of footpaths are considered to be in a satisfactory condition.	3,228	783	888
Bridges											71.9% of road bridges are considered to be in a satisfactory condition.	878	237	18
Kerb & Gutter											95.3% of Kerb & Gutter are considered to be in a satisfactory condition.	886	1,003	242

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 7
CONDITION OF PUBLIC WORKS
AS AT 30 June 2011
(\$'000)

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense	Cost	Valuation	Accumulated Depreciation	WDV	Asset Condition (weighted by replacement cost)	Estimated Cost to bring to a satisfactory standard	Required Annual Maintenance Expense	Current Annual Maintenance
		Per Note 1	Per Note 4						Per Section 428(2d)		
Drainage Works		1.03%	3,601		359,542	117,736		57.5% of conduit assets and 51.9% of pits and devices assets are considered to be in a satisfactory condition	39,920	4,153	1,936
Other Structures		Various	2,360		103,783	33,134		60.5% of park assets are considered to be in a satisfactory condition	7,315	2,146	2,594
Totals			14,836	0	1,220,735	334,494	6		85,936	15,598	15,272

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 7

CONDITION OF PUBLIC WORKS

AS AT 30 June 2011

(\$'000)

Notes:
Satisfactory condition refers to an asset condition rating of 1 or 2, where a condition rating scale from 1 (Very Good Condition) to 5 (Asset Unserviceable) is utilised (Source: International Infrastructure Management Manual 2006). It does not include any planned enhancements to the asset.

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

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

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

Council undertook a major review of its Asset Management practices for Buildings, Roads and Drainage Assets in 2006/2007, further reviews were undertaken in 2007/2008 for Land and Other Structures. A further review was undertaken of Council's footpath network during the 2008/2009 financial year.

***Buildings** In assessing the condition of the building assets, an overall condition rating is applied to the building. When a building is noted as satisfactory, this should be interpreted that the majority of assets within the building (ie. building components), are in a satisfactory condition. However there may be individual assets within the building that may be in an unsatisfactory condition.

****Public Roads**

Urban Roads Included within the "Public Roads" group of assets is Urban Roads, Footpaths, and Kerb and Gutter. Council has adopted the use of a Pavement Management System (PMS) and condition Rating data has been collected since 1991. Some 20% of the road network is condition rated each year. The current replacement cost of the road assets is \$392M.

Footpaths Council's footpath network has a current replacement value of \$54M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1 to 5 rating basis.

Kerb & Gutter Council has designed and implemented a Kerb & Gutter Management System with approximately 100% of the network inspected and rated. The current replacement value is \$54M.

Bridges The current replacement cost of bridges is \$21M.

ITEM 8 (continued)

ATTACHMENT 6

DRAFT - Special Schedules – Year Ended 30 June 2011

SPECIAL SCHEDULES - Schedule No. 8

Financial Projections

	2011 ⁽¹⁾ (\$'000)	2012 (\$'000)	2013 (\$'000)	2014 (\$'000)	2015 (\$'000)
Operating Budget					
Income From Continuing Operations	86,898	84,892	87,994	92,682	95,093
Expenditure From Continuing Operations	86,430	70,964	73,210	74,549	76,523
Operating Result From Continuing Operations	468	13,928	14,784	18,133	18,570
Capital Budget					
New Capital Works (2)	36,181	43,157	19,701	19,090	19,428
Funded By:					
Loans	-	-	-	-	-
Asset Sales	-	-	-	-	-
Reserves	11,477	4,979	2,742	788	821
Grants & Contributions	9,901	23,360	174	169	36
General Revenue	14,803	14,818	16,785	18,133	18,571
Other	0	0	0	0	0
	36,181	43,157	19,701	19,090	19,428

⁽¹⁾ From income statement⁽²⁾ New capital works are major non-recurrent projects

ITEM 11 (continued)

ATTACHMENT 1

PUBLIC ART West Ryde Village Square



concept

origami horse



MILNE & STONEHOUSE artists

ITEM 11 (continued)

ATTACHMENT 1

concept framework



deconstruction of the origami horse form

In response to the connection between the Community Centre and the Village Square, the potential artwork should address Anthony Street rather than the vehicle thoroughfare to the South. In fact the square at the Northern end receives the best sun in winter and is overseen by residents. These ideas either mark this entrance to the square, stride into the space or emerge from the centre towards the Community Centre.

The origami concept enable the faces to be developed by Primary School children to bring colour and texture into the space. The horses are naïve, yet dynamic stylised elements which are part of a universal imagination constructing magical creatures from paper. From two dimensions these horses rear in triumph, transformed from sheets into living, snorting beasts.

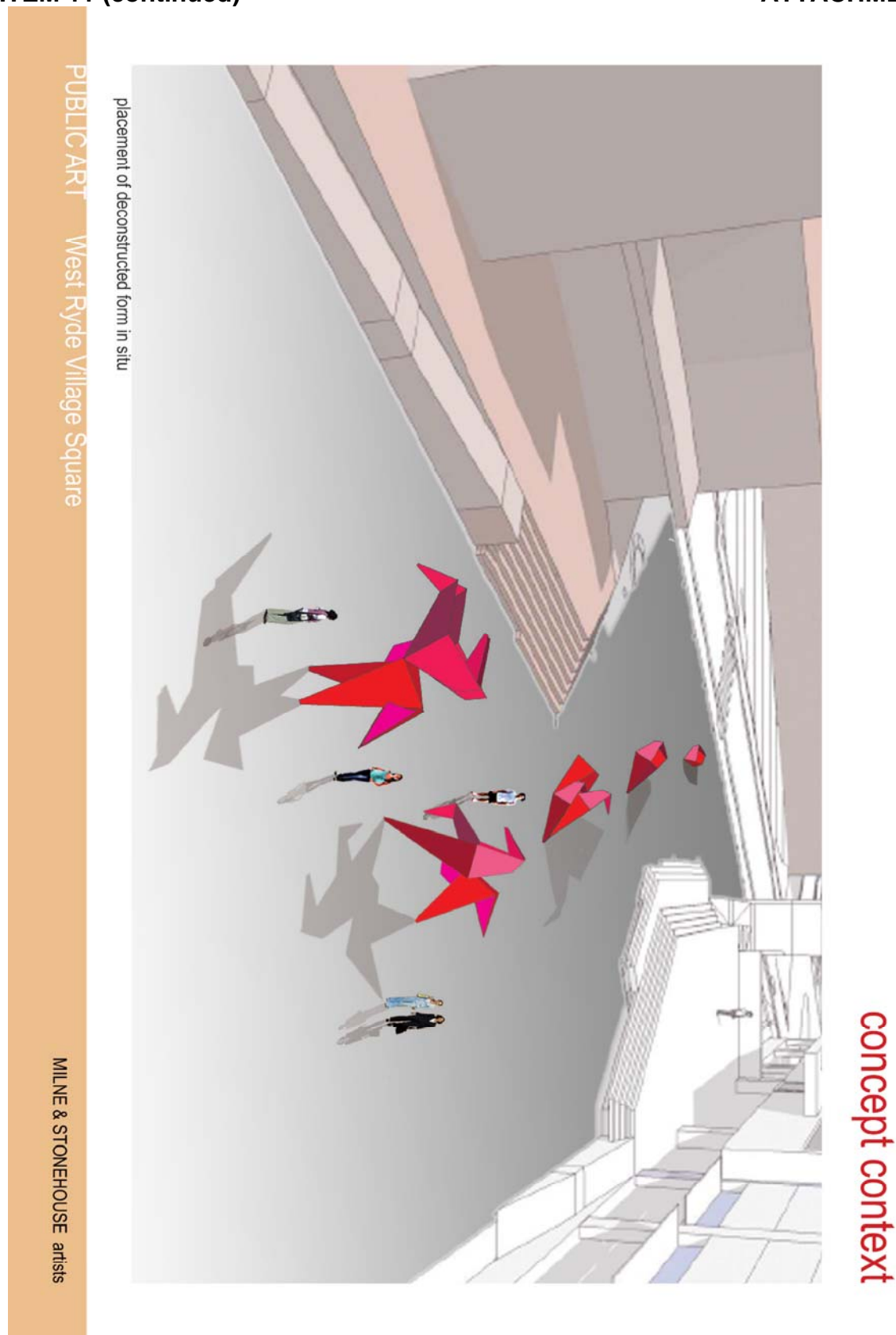
The form is accessible for young students and will be a powerful canvas for their creative input. A naivety of patterns and colours lends itself to these simple sculptural faces.

PUBLIC ART West Ryde Village Square

MILNE & STONEHOUSE artists

ITEM 11 (continued)

ATTACHMENT 1



ITEM 11 (continued)

ATTACHMENT 1

PUBLIC ART West Ryde Village Square

The concept of patterns in nature. This idea stimulates students to respond to the patterns and colours of animals and plants in nature. These patterns are taken and developed as the faces of the sculptures.



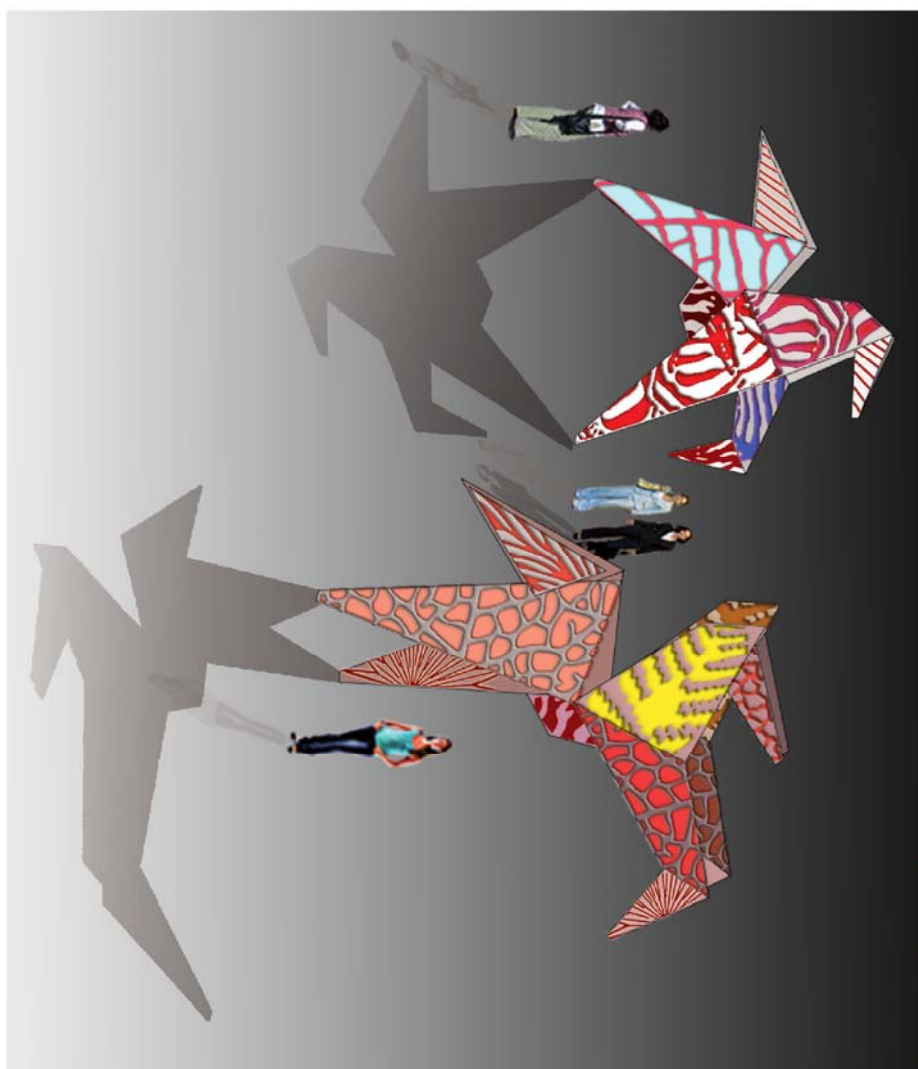
concept rhythm

MILNE & STONEHOUSE artists

ITEM 11 (continued)

ATTACHMENT 1

The explorations of colour and light. To accentuate these vibrant patterns, some of the faces would be light boxes with coloured polycarbonate illuminated by internal LEDs while others would be cut outs only.



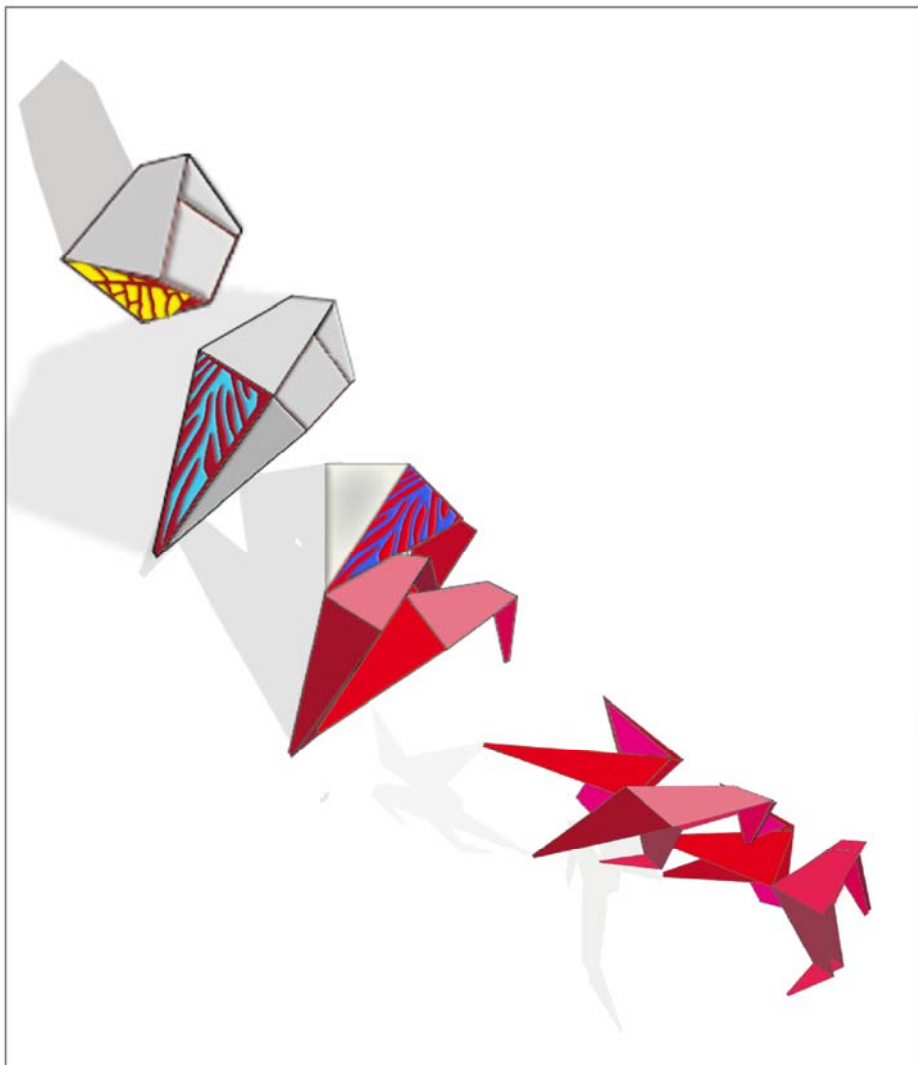
PUBLIC ART West Ryde Village Square

MILNE & STONEHOUSE artists

ITEM 11 (continued)

ATTACHMENT 1

The integration of concrete as an element in the lower deconstructed elements so as the sculptural elements can act as seats. The cut out facets emerge gradually as the concrete material reduces. This montage explores the potential for concrete contrast with the metal facets. The use of concrete is much more conducive to seating than a metal surface.



concept art as function

PUBLIC ART West Ryde Village Square

MILNE & STONEHOUSE artists

ITEM 11 (continued)

ATTACHMENT 1

PUBLIC ART West Ryde Village Square

MILNE & STONEHOUSE artists

The insertion of local stories anchors the artwork within the locale. Using the horse's shadow as the framework, this text can be sandblasted within its border.

This is proposed for the entrance to the Community Centre.

"Six, Saturday - Sunday we didn't do a round. Kitty his horse, she was a beautiful horse, a mare, and when she got to a bend she'd go flat out to see how fast she could broadside the cart. But after that I went and worked for Williams who took over from Boyle up in Hughes Avenue. His run was all over Concord. So we used to go across the punt and do all the run over in Concord." An excerpt from Owen Bennett's oral history as told to Ryde Library as part of their Community Life Series.



concept ground plane

ITEM 13 (continued)**ATTACHMENT 1****SUMMARY OF COUNCIL'S RESOLUTION RELATING TO THE CIVIC CENTRE OR ARGYLE CENTRE**5 December 2000 – Civic Centre Complex – Building Maintenance

Council resolved to endorse a 2 year phasing of projects that addresses issues raised in the report including rectification of structural deficiencies in the Civic Centre Basement Car Park, structural deficiencies in the Civic Centre Façade and Upgrade and Refurbishment of the Civic Centre lifts. The resolution also endorsed a further report on the long term rationalisation strategies for Council's administration buildings.

24 April 2001 – Civic Centre Complex – Fig Tree

Council resolved to remove the fig tree at the front of the Civic Centre Complex subject to a suitable replacement tree being planted and damaged sewer pipes being replaced.

20 June 2003 – Civic Centre – Essential Works Update

Council noted the update on the planned projects that were incorporated in the 2003/2004 Management Plan, following Council's endorsement of a 3 year rolling program within its Capital program for the Civic Centre. The works planned were;

		\$
2003/2004 Civic Centre	Upgrade Basement and Concourse	500,000
	Upgrade Air Conditioning	100,000
	Car Park	400,000
	Office Modification and Relocation	500,000
		<u>1,500,000</u>
2004/2005 Civic Centre	Façade Upgrading	700,000
	Refurbishment	500,000
		<u>1,200,000</u>
2005/2006 Civic Hall	Refurbishment	500,000
2005/2006 Civic Centre	Refurbishment	400,000
		<u>900,000</u>

Council also resolved for the Chief Executive/General Manager to report back on alternate Car Parking arrangements for staff during the refurbishment of the Civic Centre.

ITEM 13 (continued)**ATTACHMENT 1**3 August 2004 Development Application – Alternations to Council's Offices and Additions for Use as a Library

Council endorsed the Development Application for additions to Council's Offices and new Library adjacent to the current Civic Centre. In support of this development, Council also endorsed and Council obtained a loan of \$4.5 million which was retained in Council's Civic Centre Reserve.

7 December 2004

Council takes decision to defer the construction of the new Ryde Library pending the proposed accommodation plans in the Top Ryde Shopping Centre Redevelopment.

15 February 2005 – Ryde Civic Centre Complex Tender for the Provision of Consulting Services for a Sustainability Audit and other Building Investigation Works

Council resolves to reject all tenders given Council decision to defer the construction of the new Ryde Central Library, as the tender would not provide any significant benefits until the use of the existing building complex became more certain.

16 March 2005 – Council Properties – Maintenance Program

Council received a report on Council's Programmed Maintenance, Statutory Maintenance and Responsive Maintenance for all properties. Council received the report and requested a further income and expenditure statement for all Heritage buildings and that an Asset Management Framework for Council Properties be prepared and submitted to Council.

26 April 2005 – Managing Our Assets – Asset Management Principles

Council endorsed the Managing Our Assets – Asset Management Principles document

5 July 2005 – Prepared Stratum Sub vision and Sale of Land (Stratum Lot) to Bevillesta Pty Ltd (Top Ryde Shopping Centre)

Council agreed to the sale of the stratum lot to Bevillesta Pty Ltd and delegate to the General Manager to finalised the sale.

4 October 2005 – Devlin Street, Ryde Proposed Lease of Land above and Under Roadway – Bevillesta Pty Ltd

Council approves the Agreement to lease of land over and under Devlin Street and approves the execution of the Put and Call Option (annexed to the contract of sale) under Common Seal of Council.

ITEM 13 (continued)**ATTACHMENT 1**13 December 2005 – Proposed Sale of Stratum Lot and Proposed Lease of Land Under and Over Roadway – Bevillesta Pty Ltd

The same matter considered by Council at its meeting on 4 October 2005 was resubmitted to Council on 13 December 2005 for further endorsement and to make the documents open to the public, including comments from the Probity Advisors and Council's legal advisor. Council endorses the recommendations with some amendments.

5 June 2007 – Ryde Civic Centre – Impact from Proposed Works.

Council notes report on works required in the basement to support the library staffs' relocation from the Ryde Library as a result of the works and endorses the car parking arrangements.

4 September 2007 – Public Private Partnership and Lease of Land – Bevillesta Pty Ltd and Council – Impact on Civic Centre and surrounding land

Council endorses update and the revised parking arrangements.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF
BUILDING SYSTEMS IN CIVIC AND
ARGYLE CENTRES**

JULY 2011

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**


JULY 2011

CONTENTS	PAGE
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2. EXECUTIVE SUMMARY	2
3. METHODOLOGY OF ASSESSMENT	4
4. ESTIMATES	5
4.1 Civic Centre (Administration Building, "Old" Library & Civic Hall)	5
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4.3 Quantification, Assumptions & Exclusions	9
5. CONCLUSION	12

ANNEXURES

- A. ESTIMATE OF CIVIC CENTRE BUILDINGS**
- B. ESTIMATE OF ARGYLE CENTRE BUILDING**

Disclaimers:-

- i. This "BCA Upgrade, Urgent Repairs and Capex Report" has been prepared expressly for the City of Ryde Council, Ryde NSW, and WTP accepts no liability to any other third party who may, without written consent from WTP, rely on its contents.
- ii. While all reasonable professional care and skill has been exercised, WTP does not hold itself out as a services consultant or building certifier and accordingly all the respective scope of works and indicative estimates expressed in this report by WTP are as a result of opinions and observations made on the basis of limited information which is available and the Davis Langdon Reports dated 14 June and 23 June 2011 absent any other specialist consultant advice. The recommendations made by WTP should not be construed to be the result of comprehensive investigation into each services or building element which may reveal latent defects in either construction or operation of the property.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**

JULY 2011

1. INTRODUCTION

In May 2011, in response to a request from Ryde City Council (the "Council"), WT Partnership (WTP) provided a preliminary report into the condition of the engineering services existing in the Council's administration building at 1 Devlin St Ryde. Included in this report were Capital Expenditure estimates of the recommended upgrade works to the engineering services as observed in the building.

Subsequently, the Council commissioned a report from Davis Langdon (the DL report) on the compliance of the administration building, the adjoining old library building and civic hall (the "Civic Centre") with the requirements of the current Building Code of Australia (the "BCA"). The BCA Report produced included commentary and critique on the compliance with BCA of the Administration Building, the basement under the Administration Building and the old Library and Civic Hall adjacent. The DL Report was furnished on 14 June 2011. This report addressed deficiencies in the buildings' compliance with the BCA. The recommendations to remediate the buildings included both building construction works and engineering services works.

A second DL Report was furnished on 23 June 2011. This report addressed the BCA compliance of another Council property, the Argyle Centre, located at 33 Blaxland Rd Ryde. Again, the non-compliances highlighted within the DL Report required both Building works and engineering services works to be undertaken to achieve compliance.

WTP has been re-commissioned by Council to prepare indicative estimates of the recommendations made under the two DL Reports to bring both sites into compliance with BCA. Additionally, the Council has requested WTP to include within these estimates and the previously provided Engineering Services Report on the Administration Building, for the capital expenditure (capex) costs likely to be incurred by the Council in operating and maintaining both the Civic Centre and Argyle Centre properties for the next 20 years.

The Civic Centre was completed in circa 1958. It has a 7 level brick and glass facade, a basement car park which is now used for storage, an adjacent building connected through the basement which houses the old library (now moved to newer premises in an adjacent development) and a Civic Hall is used by the Council and also periodically by a range of community groups.

The Argyle Centre is a separate building located at 33 Blaxland Rd. Ryde comprising a 2 level brick building, reinforced concrete ground floor, timber first floor and metal clad roof. From appearances, the building was constructed pre 1974.

At this stage the Council has elected only to engage a Building Certifier to view these buildings, no other specialist consultants (e.g. Architect, Services Engineers, Structural Engineer) have viewed the sites nor prepared full due diligence survey on the state of the existing properties, an exercise which may be undertaken subject to proper consideration of this preliminary report and the two DL Reports.

This WTP Report has been prepared by the following senior personnel:-

- | | |
|---------------|----------------------------------|
| ➤ Ron Moir | Managing Director (Asia/Pacific) |
| ➤ Peter Bower | Director (Engineering Services) |

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**


JULY 2011

2. EXECUTIVE SUMMARY

The estimated construction costs to implement the compliance recommendations of the two DL Reports (building and services works) plus the requested 20 year capex expenditure cost forecasts are provided in detail in the Annexures A and B attached to this report. In summary, the estimated total costs are listed here. The estimated costs are:-

1. Civic Centre

(a) BCA Upgrade Costs and 20 yr. Capex expenditure	\$17,400,000.00
(b) Engineering Services upgrade and 20 yr. Capex expenditure	\$21,000,000.00
Total for Civic Centre (excl. GST)	<u>\$38,400,000.00</u>

2. Argyle Centre

(a) BCA Upgrade, Engineering Services and 20 yr. Capex Expenditure	\$9,800,000.00
Total for Argyle Centre (excl. GST)	<u>\$9,800,000.00</u>

3. Total of 1 and 2 above (excl. GST) and including professional fees and contingencies
\$48,200,000.00
Note (i) Limits of Accuracy:-

The above figures have been based on limited and preliminary information and accordingly the resultant calculations and estimate should be considered as having an accuracy range of +/- 20%;

(ii) Refer Annexures A & B for full details.

Please note that the above estimates represent current day costs for the works and exclude adjustments for escalation. From WTP's viewing of the Buildings and their inclusions, no salvage or re-use value is considered appropriate to offset the estimated cost of works.

The 20 year Capex Schedule introduces a whole of life element into the estimated costs. It is generally accepted that the effective life of a significant number of engineering services elements is 20 years. At the end of this 20 year period, elements such as luminaires, electrical switchboards, control systems, mechanical plant, fire panels, occupant warning and fire alarm systems will require replacement due to failure, lack of availability of spare parts to adequately and correctly service the elements or progression of standards and codes rendering the elements obsolete. Similarly, throughout the 20 year period, building finishes such as carpets, paint, ceilings and tiles become worn and require replacement and other elements such as balustrades and ramps become obsolete and non compliant.

Essentially, this is what has occurred to the two building being the subject of this report. No funds have been spent on the buildings to upgrade their code compliance or condition of the facilities over the previous years and hence significant funds are now required.

Should the Council decide to implement the upgrade works included within the estimates at Annexures A and B, the refurbished buildings could be expected to satisfy a 4 star Greenstar rating as defined by the Property Council of Australia "Guide to office Building Quality" dated 2 February 2006. The refurbished Buildings will include new efficient mechanical services, upgraded facade window treatment including energy efficient double glazing and integrated sun control via venetian blinds, energy efficient lighting, low VOC carpets and paint and energy efficient vertical transportation.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**

JULY 2011

2. EXECUTIVE SUMMARY (Cont'd)

The estimated costs provided in the attached schedules exclude the cost of operational expenditure (opex) for regular building maintenance issues such as regular fire testing, cleaning, luminaire lamp changing, essential service certification and the like. These costs remain to be funded under the Council's opex budget.

Given the extent of remediation required to maintain the amenity of the properties, it is WTP's strong recommendation that if considered appropriate, the Council move to the next step which we consider to be a full due diligence survey involving the necessary specialist building and engineering consultants to endorse or otherwise WTP's assumptions and conclusions within this Report.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**

JULY 2011

3. METHODOLOGY OF ASSESSMENT

WTP has used both the scope of works identified in the two DL Reports together with its own observations to determine an indicative scope of work to be priced and applied conventional Quantity Surveying estimating techniques; having carried out countless property inspections for either potential purchasers, major refurbishments or BCA upgrade works.

Senior WTP personnel have visited the property over the last two months but with specific reference to this Report, inspections were carried out was carried out on 16 February 2011, 10 May 2011 and 20 June 2011 attended by the Council's Manager of Facilities Mr Peter Handley and Project Manager Malcolm Harrild.

All levels and functional areas were viewed by WTP. Council's staff mentioned above provided general (verbal) advice on current maintenance works undertaken in the buildings and the timing of previous refurbishment works.

This report is based on a visual, non-invasive review of various areas of premises.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**
WT PARTNERSHIP
JULY 2011
4. ESTIMATES
4.1 Civic Centre (Administration Building, "Old" Library & Civic Hall)
4.1.1 BCA Upgrade Estimate Brief Outline Description

Included within the estimate for BCA Upgrade Works are the items listed in the DL Report supplemented with allowances for the implementing a 20 year Capex expenditure schedule. Readers of this Report are referred to the estimate details in Annexures A & B attached.

A brief explanation of the salient points and the significant cost allowances are:-

(a) 'Old' Library

BCA Requirement - Alterations to Library entry foyer - \$728,000.00. Included within this cost is demolition and replacement to Library Entry foyer including removal of the multiple floor levels presently found on entry to the library and forming a major non compliance element of the DL Report. Also included are the costs of relocation of the toilet amenities to the main "library" floor level, incorporation of lift access for disabled persons, sanitary facilities and emergency escape stairs for all persons using the facilities.

Although no specific cost inclusion has been made in this estimate to address the multiple external levels between the library entry and the disabled lift access to the overhead bridge no. 1 across Devlin St, WTP recommend that prior to implementing the BCA upgrade works to the 'old' library, rationalisation of the external area be addressed.

New Floor Finishes, Mechanical, Fire and Electrical Services - \$1,750,000.00. Whilst the floor finishes replacement and 20 year Capex provisions are new items, the costs for engineering services were previously included within the Engineering Services Estimate provided in May. The engineering services costs have now been transferred into the 'old library' works.

In transferring these engineering services costs into the 'old library,' we have also included the 20 year Capex requirements noted in Section 2 above, so that towards the end of the 20 year period, it is highly likely that these same finishes and services, will again require replacement. These further upgrade costs are contained in WTP's estimates for 10 year, 15 year and 20 year forward forecasts.

(b) Existing Hall

BCA Requirement - Removal and replacement of existing steps and access ramp - \$336,000.00. These costs include for demolition of the existing hall steps and ramp and replacement with complying structures. Costs include temporary access facilities during the renovation.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**
WT PARTNERSHIP
JULY 2011
4. ESTIMATES (Cont'd)
4.1 Civic Centre (Administration Building, "Old" Library & Civic Hall) (Cont'd)
4.1.1 Upgrade Estimate Brief Outline Description (Cont'd)
(b) Existing Hall (Cont'd)

Refurbishment of Existing External Facade and Replacement of Windows - \$1,881,000.00. The external facade is brick and tile fitted with metal framed windows. Estimated costs for these works include repairs to masonry facade elements, replacement of windows and window seals, replacement of window treatments and curtains and the 20 year replacement and maintenance required under the added Capex Schedule.

Ceiling Replacement - \$282,000.00. The WTP estimate includes removing and replacing the existing ceilings throughout the Hall with similar quality materials and the 20 year capex costs to maintain the ceiling. Costs include paint finishes where required.

Upgrade to Floor Finishes, New Mechanical, Fire and Electrical Services - \$767,000.00. Whilst the upgrade to floor finishes and the 20 year maintenance provision is a new item, the costs for engineering services were previously included within the Engineering Services Estimate provided in May but have now been transferred into the 'Hall' proposed works. These costs have increased upon transfer to the "Hall" in order to provide for a 20 year effective life and the need for replacement of significant components over this 20 year life span. Refer explanation contained in 4.1.1 (a) 'Old Library' above.

(c) Administration Office

BCA requirements - \$ 546,000.00.

Included in these cost are the disabled access into the Council Chambers, new amenity to level 3 which has no toilet facilities on the floor and the inclusion of the many smaller items required to comply with the construction of exits, protection of openings and provision of tactile indicators, lift call button relocation and the like.

Please note that the BCA upgrade also recommends upgrade to many engineering service items such as emergency and exit lighting, smoke management, provision of occupant warning system, smoke detection and the like. These costs are included in the engineering services estimate and not addressed under the BCA Upgrade cost.

Refurbishment of Existing External Facade and Replacement of Windows - \$3,720,000.00. The external facade is brick and tile fitted with metal framed windows currently permanently fixed closed. The estimated costs includes to repair and maintain the existing facade and replacement of the existing windows with energy efficient double glazed window assemblies including integral blinds for sun control. Also included are the 20 year Capex costs to maintain these elements over the 20 year period.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**


JULY 2011

4. ESTIMATES (Cont'd)
4.1 Civic Centre (Administration Building, "Old" Library & Civic Hall) (Cont'd)
4.1.1 Upgrade Estimate Brief Outline Description (Cont'd)
(c) Administration Office (Cont'd)

Other elements - \$2,026,000.00. Included within these "other elements" are the re-painting of the internal walls, strip out and replacement of floor finishes and general upgrade to the effectiveness and appearance of the internal finishes elements. The estimate also includes maintaining these elements over the 20 year Capex period and due to the wear and tear caused by staffing load within the buildings, the estimate includes to renew the elements twice over the 20 year Capex period.

(d) External Works

BCA Requirements - \$954,000.00.

Included within these costs is the replacement of the current "library" fire egress ramp as recommended by the BCA Consultant. This ramp previously served as vehicle access into the basement car park.

This remediation will have significant impact on the existing Council car park. In order to satisfy a reduced slope to the basement to provide the required fire egress (refer DL Report executive summary item (c) b) it is highly probable that the extended ramp will impact significantly on the Council's car parking area circulation space and availability of car parking spaces.

4.1.2 Engineering Services 20 Year Capex Schedule

The previously provided Engineering Services Report in May 2011 estimated the cost of upgrading the Engineering Services within the Civic Centre at \$12.5 million (excl. GST).

This Report has added to the scope of the Engineering Services Report produced in May by adding the further element of the 20 year Capex cost forecasts.

WTP now estimate that the cost of the Engineering Services upgrade including maintaining these services over the 20 year period as being \$21,000,000.00. The attached schedule included in Annexure A titled "RYDE CIVIC CENTRE ENGINEERING SERVICES - 20 YEAR CAPEX SCHEDULE, URGENT REPLACEMENT WORKS" provides details on the elements making up the above costs.

As previously stated above, the effective life of many of the services system components such as luminaries, switchboards, air conditioning main equipment, dampers and control systems, smoke detectors and EWIS speakers is regarded as 20 years, so allowance has been made to renew these elements towards the end of the 20 year Capex period.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**
WT PARTNERSHIP
JULY 2011
4. ESTIMATES (Cont'd)
4.2 Argyle Centre
4.2.1 BCA Upgrade Estimate Brief Outline Description

The Argyle Centre is a Council Property located at 33 Blaxland Rd, Ryde. It has 3 major components:-

- Community office;
- Community Hall; and
- Disused entertainment venue.

The entertainment venue is currently disused and appears to be non compliant in its fire separation from the remainder of the building and its compliance with Theatres, Stages and Public Halls & Entertainment Venues Section of BCA, (refer DL Report Section 4 item C1 and H1 & H101). This could account for the second floor being disused.

For information purposes only and in order to provide an indicative cost of the upgrade necessary to level 2 of the Argyle Centre, WTP has included in its estimate to demolish the current entertainment venue located on level 2 and re-build in reinforced concrete, thereby providing a new second level structure complete with the necessary fire separation and egress facilities noted by DL in its Report, ready for fit out with the necessary seating and entertainment facilities.

In practice, however, as referenced by the DL Report for the Argyle Centre, (see page 5, Section 2, Current Legislation), any refurbishment of this building involving greater volume than 50%, may require compliance with a suite of legislation which could jeopardise the whole building in its current state.

The separate WTP estimate for the Argyle Centre is referred to as "ARGYLE CENTRE – BCA UPGRADE, URGENT REPLACEMENT WORKS AND 20 YEAR CAPITAL EXPENDITURE SCHEDULE" and provided under Annexure B of the Report.

A brief explanation of the salient points and the significant cost allowances are:-

(a) Community Office – estimated cost \$2,450,000.00

The community office is currently occupied by approximately 35 staff.

The BCA upgrade works proposed by the BCA Consultant and included within this WTP estimate is for alterations to access stairs, disabled access to the office space and lift access between the two separate floor levels comprising the existing office areas. The engineering services elements required to ensure compliance with the DL Report include smoke management, occupancy warning systems and smoke detection systems. These element details are identifiable in the estimate at Annexure B.

The 20 year Capex element of the estimate include the replacement of existing floor and wall finishes and replacement of existing engineering services excluding those required to ensure compliance with the elements highlighted under the BCA recommendation. These estimated costs include replacement of mechanical services, electrical lighting and power, hydraulic fittings and the like.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**


JULY 2011

4. ESTIMATES (Cont'd)
4.2 Argyle Centre (Cont'd)
4.2.1 BCA Upgrade Estimate Brief Outline Description (Cont'd)

(b) Argyle Hall – estimated cost \$809,000.00

The estimated BCA upgrade costs are approx. \$550,000.00 in order to comply with the recommended remediation of the DL Report.

The balance of the estimated cost for the Argyle Hall is to replace the architectural finishes and engineering services.

Refer to Annexure B for details.

(c) Level 2 Theatre – estimated costs \$4,619,000.00

Refer explanation at Item 4.2 above.

The DL Report list a number of non-compliances for the Level 2 theatre.

For information purposes only, this cost estimate includes the demolition the existing second level structure and replacement with a reinforced concrete structure capable of satisfying all the BCA conditions such as complying fire isolated second floor exits including DDA elements including lift access, wheel chair spaces and accessible sanitary facilities.

Refer DL Report Section 2, "Current Legislation" for explanation of legislative restrictions which may affect the development of the site.

4.3 Quantification, Assumptions & Exclusions

The attached Annexures A & B provide a guide to the indicative replacement and 20 year Capex costs should Council decide to implement the upgrades recommended under the DL Reports.

The general estimating and pricing principles adopted by WTP were as follows:-

i. Pricing

- The prices utilised are based on current market rates;
- It is assumed that competitive quotations will be called from selected reputable contractors experienced in carrying out works of this nature;
- The several works will be carried out in areas vacated by the Council as necessary and reasonable allowances have been made for out of normal working hours; and
- The rates and sums include net trade costs, onsite preliminaries and margin, a design and administration component and contingencies;
- "BWIC" means Builders Work In Connection which will include removing and replacing ceilings, making good walls and their finishes, new penetrations through floors and alterations to riser ducts etc.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**


JULY 2011

4. ESTIMATES (Cont'd)
4.3 Quantification, Assumptions & Exclusions (Cont'd)

ii. Assumptions & Exclusions

- Temporary decanting of personnel, their equipment, storage facilities, IT room, and loose furniture, fittings and equipment to facilitate a vacant possession whilst works are being performed, subsequent re-canting into the refurbished Civic Building and temporary office accommodation and Council Chambers is to be provided by Council and is excluded from the estimates provided;
- The estimated costs are limited to those items included in Annexures A and B;
- The Construction Works including the BCA upgrade works and Engineering Services Replacement will be staged over a two (2) year period to properly facilitate design, planning, temporary decanting and refurbishment works; Council co-operation in making available the necessary access during the planning and design development period would be expected;
- The estimate in Annexures A & B utilise current rates and exclude escalation;
- Good & Services Tax;
- All direct or indirect costs which may result as a consequence of the implementation of the so called " Carbon Tax " and " Emissions Trading Scheme
- The Council will continue to maintain all necessary insurances of the property during construction activities;
- All redundant materials will be removed and there will be no salvage value to the Council;
- Any contamination issues such as asbestos and electrical PCB's are excluded from the indicative pricing in Appendices A & B; and
- Upgrade of existing vertical transportation (except as noted in Annexures A & B) is excluded.

iii. Information Used

In estimating the BCA upgrade cost of building works, WTP have relied upon the two DL Reports to determine an outline scope of work required for each of the Civic Centre and the Argyle Centre.

The DL Reports are:-

- BUILDING CODE OF AUSTRALIA 2011 – BCA Review Report for Existing Premises, Ryde Civic Centre, 1 Devlin Street, Ryde, 14 June 2011, Project no. 251527; and
- BUILDING CODE OF AUSTRALIA 2011 – BCA Review Report for Existing Premises, Argyle Centre, 33 Blaxland Ryde, 23 June 2011, Project No. 251527.

Other information used includes:-

- Norton Survey Partners Drawings showing floor layouts & levels of Ryde Civic Hall, Library and Administration Building Level 5 – sheet 1 of reference no. 33678;
- City of Ryde sketch plans of Civic Centre administration building floors Ground, level 1, 2, 3, 4 and 5; and

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES****WTP PARTNERSHIP****JULY 2011****4. ESTIMATES (Cont'd)****4.3 Quantification, Assumptions & Exclusions (Cont'd)**

iii. Information Used (Cont'd)

- Norton Survey Partners drawings showing layouts & levels at the Argyle Centre, Blaxland Rd, Ryde sheets 2 and 3 of reference no. 40326.
- Information provided by Council staff.

iv. Categorise & Types of Works

The schedule of works (refer Annexure A) sets out these categories on a level by level basis and also separately identifies the repairs maintenance and urgent replacement works together with the capital engineering services upgrade works which may also be required in their respective time categories.

Whilst it may be the case that these major replacement works could be deferred to later time frames, WTP believes that the quality and standard of the Council could be put at risk by such an action.

Separately, at Appendix B, WTP has provided an estimate to remove and replace the existing building services with new service installations including demolition of the existing on floor and vertical riser installations.

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**

JULY 2011

5. CONCLUSION

The DL Reports clearly demonstrate that the buildings under review, the Civic Centre Buildings and the Argyle Centre, do not meet the current BCA requirements.

The WTP Report into Building Services furnished in May 2011, clearly demonstrated that the Engineering Services currently provided in the Civic Centre are past their economic life.

This report has identified the cost of the BCA Upgrade Works proposed by the DL Reports together with indicative costs to upgrade the building architectural finishes to include Urgent Works considered necessary to complete in the immediate future (up to 2 years). Also included in the estimates at Annexures A & B are those building elements necessary to be upgraded over the proposed 20 year Capex period.

The previous May 2011 WTP report into the condition of the Engineering Services Works has been further revised to include in addition to the previously notified Urgent Repair and Maintenance Works for the Civic Centre Buildings, a new section dealing with the Argyle Centre and the costs envisaged to provide a 20 year Capex Schedule to keep the building services in their upgraded condition.

As a starting position for adopting the information contained in this Report and prior to incurring significant spending, Council should decide strategically, where / whether the current buildings fit within its overall future plans.

- The Civic Centre Buildings and the Argyle Centre do not comply with the current requirements of the BCA;
- The Engineering services are beyond the economic life and are incurring significant urgent maintenance and repair costs to keep building functioning adequately. There are significant costs to be incurred upgrading the Engineering Services installed within the existing Civic Centre Buildings and Argyle Centre at Ryde;
- The architectural finishes, particularly in the 'old library,' Civic Centre Hall and Argyle Centre, are beyond the economic life and will incur significant costs to keep building functioning adequately;
- The attached estimates at Annexures A & B have demonstrated that to develop a 20 year Capex program which maintains the condition of the Buildings in their upgraded state once the required BCA and urgent upgrade works have been completed, will require significant capital expenditure;
- Unless adequate capital costs are allocated to fund a significant upgrade of building services, the urgent repair and maintenance costs will not decrease in the foreseeable future and unreliability associated with services failures will become the "norm" for this property;
- Council should immediately embark on a comprehensive Asset Management Plan incorporating a Repairs & Maintenance Program and implement a sinking fund adequate to provide CAPEX availability in line with the timelines outlined in this Report;
- Carry out an updated OH&S survey;

ITEM 13 (continued)

ATTACHMENT 2

**DELAPIDATION SURVEY AND REPORT OF BUILDING SYSTEMS
IN CIVIC AND ARGYLE CENTRES**

WT PARTNERSHIP

JULY 2011

5. CONCLUSION (Cont'd)

- Develop a Sustainability Plan incorporating energy efficiencies in the operation of the main building plant;
- A review of the functional planning and space utilisation pre and post any major refurbishment/remedial works; and
- If considered appropriate by the Council we would recommend moving to the next step which we consider to be a full due diligence survey involving the necessary specialist building and engineering consultants to endorse or otherwise WTP's assumptions and conclusions within this Report.

ITEM 13 (continued)

ATTACHMENT 2

ANNEXURE A

**ESTIMATE OF CIVIC CENTRE BUILDINGS
(ADMINISTRATION BUILDING, 'OLD' LIBRARY AND CIVIC HALL)**

ESTIMATE OF DELAPIDATION SURVEY OF BUILDING SYSTEMS IN CIVIC CENTRE

ITEM 13 (continued)

ATTACHMENT 2

RYDE CIVIC CENTRE BUILDING DILAPIDATION SURVEY ANNEXURE A RYDE CIVIC CENTRE BCA UPGRADE URGENT REPLACEMENT WORKS AND 20 YR CAPITAL EXPENDITURE SCHEDULE													
No	Trade	Item Description	QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Basement Carpark (Temporary Storage)													
1	B	General refurbishment existing floor wall and ceiling finishes	500	m2	200	280	140,000	14,000	140,000	28,000	28,000	28,000	228,000
2	B	Allow for reports for portable buildings - 4 Nos	1	Item	10,000	14,000	14,000	14,000	210,000	21,000	4,200	4,200	14,000
3	B	Allow for RFL upgrade or alternative solution for the fire load as per reports	1	m2	150,000	210,000	210,000	21,000	21,000	4,200	4,200	4,200	210,000
4	B	Allow to improve the amenities	1	Item	15,000	21,000	21,000	2,500	12,600	2,500	2,500	2,500	33,600
5	B	Allow to inspect adjust or replace fire doors as found	6	no	1,500	2,100	12,600	1,600	12,600	2,500	2,500	2,500	20,160
		SUBTOTAL COSTS BASEMENT CARPARK					-	14,000	383,600	34,720	34,720	34,720	507,060
Old Library													
6	B	Remove all existing book shelves, fitting and fixtures and disposal	900	m2	35	49	44,100	44,100	163,800	32,760	163,800	32,760	44,100
7	B	Remove existing floor finishes and replace with new (PC rate \$55)	900	m2	130	182	163,800	163,800	226,800	32,760	163,800	32,760	393,120
8	F	Remove existing ceiling finishes and replace with new	900	m2	180	252	226,800	226,800	37,240	7,448	37,240	7,448	226,800
9	B	Allow to make good and repaint existing wall finishes	665	m2	40	56	37,240	37,240	56,000	56,000	56,000	56,000	89,376
10	B	Alter the entry foyer to meet BCA requirements including demolition, excavation, entry doors and 2 nos of vertical lifts, including emergent exits.	100	m2	4,000	5,600	560,000	560,000	56,000	56,000	56,000	56,000	728,000
11	B	Allow to inspect adjust or replace fire doors as found	6	no	1,500	2,100	12,600	1,600	12,600	2,500	2,500	2,500	20,160
12	B	Allow to improve the amenities and relocate to basement floor level	1	Item	25,000	35,000	35,000	3,500	35,000	7,000	7,000	7,000	84,000
13	E	Allow for electrical services upgrade and alteration	900	m2	150	210	189,000	189,000	37,800	37,800	37,800	37,800	302,400
14	F	Allow for fire services upgrade and alteration	900	m2	30	42	37,800	37,800	37,800	7,560	37,800	7,560	90,720
15	M	Allow for mechanical services upgrade and alteration connect to central plant or Civic building roof	900	m2	250	350	315,000	315,000	315,000	63,000	315,000	63,000	756,000
16	E	Upgrade electrical submain/switchboard	1	Item	10,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	28,000
		SUBTOTAL COSTS OLD LIBRARY					-	44,100	1,591,240	214,088	699,160	214,088	2,762,676

ITEM 13 (continued)

ATTACHMENT 2

	QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Existing Hall											
17	615	EXCL	35	49	30,135		30,200	6,027	30,135	6,027	72,389
18											
19	700	m2	180	252	176,400		176,400	35,280	35,280	35,280	262,240
20	550	m2	80	112	61,600		61,600	12,320	12,320	12,320	98,560
21	81	m2	200	280	22,680		22,680	2,520	2,520	2,520	22,680
22	6	no	1,500	2,100	12,600		12,600	42,000	42,000	42,000	20,160
23	1	Item	150,000	210,000	210,000		210,000	24,640	24,640	24,640	336,000
24	8	m2	1,100	1,540	12,320		12,320	2,100	2,100	2,100	295,680
25	1	Item	15,000	21,000	21,000		21,000	4,200	4,200	4,200	50,600
26	700	m2	120	168	117,600		117,600	11,760	11,760	11,760	164,640
27	700	m2	200	280	196,000		196,000	39,200	39,200	39,200	313,600
28	1	Item	10,000	14,000	14,000		14,000	7,000	7,000	7,000	14,000
29	1	Item	5,000	7,000	7,000		7,000	313,600	313,600	313,600	7,000
30	1,600	m2	700	980	1,568,000		1,568,000				1,881,600
							2,560,280	177,947	642,775	177,947	3,558,949
SUBTOTAL COSTS EXISTING HALL											
Civic Building - Ground Floor - L6 Chamber Estimated Costs											
31	3,000	m2	80	112	336,000		336,000	67,200	336,000	67,200	806,400
32	2,450	m2	80	112	274,400		274,400	54,880	274,400	54,880	658,560
33	1,800	m2	60	84	151,200		151,200	30,240	351,000	30,240	562,880
34	1	Item	10,000	14,000	14,000		14,000	2,800	195	2,800	19,795
35	Exd										
36	6	Level	10,000	14,000	84,000		84,000	16,800	84,000	16,800	201,600
37	50	m2	4,000	5,600	280,000		280,000	8,400	280,000	8,400	280,000
38	1	Item	30,000	42,000	42,000		42,000	286,160	8,400	286,160	3,720,880
39	2,920	m2	700	980	2,861,600		2,861,600	42,000	42,000	42,000	546,000
40	3,000	m2	100	140	420,000		420,000				
41											
42	1	Item	200,000	280,000	280,000		280,000	508,480	1,382,135	508,480	280,000
							4,743,200	508,480	1,382,135	508,480	7,142,315
SUBTOTAL COSTS CIVIC BUILDING (GRD - L6)											

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NET RATE	BATE incl 40% prelin	Cost per item incl prelin	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
External Works												
43	8	70	m2	500	700	49,000		49,000				49,000
44	B	1	Item	5,000	7,000	7,000		7,000				7,000
45	B	100	m2	3,800	5,320	532,000		532,000	53,200	53,200	53,200	691,600
46	B	3	no.	25,000	35,000	105,000		105,000	10,500	10,500	10,500	136,500
47	B	1	Item	50,000	70,000	70,000		70,000				70,000
								743,000	63,700	63,700	63,700	954,100
SUBTOTAL COSTS COMMUNITY SERVICE GROUND LEVEL												
SUBTOTAL ESTIMATED TRADE COST OF REPAIRS, MAKING GOOD & CAPITAL EXPENDITURES												
							58,100	10,041,320	998,635	2,822,510	888,635	14,919,800
48		5.0%	%				2,965	592,086	48,947	141,126	48,947	745,960
49		6.0%	%				3,466	692,479	59,936	169,351	59,936	885,188
50		5.0%	%				3,225	557,283	55,441	156,249	55,441	825,049
								TOTAL ESTIMATED COST OF REPAIRS, MAKING GOOD JUNE 2011 (Excl GST, Carbon Tax)				
								67,716	11,703,158	1,164,259	3,288,635	17,389,027
USING THE ABOVE AND ROUNDING, SAY (excl. GST)												
												TOTAL COST
												\$17,400,000
EXCLUSIONS												
1 Land costs, legal fees, interest charges and financing costs												
2 Developer's contingency sum												
3 Escalation & Staging												
4 Facilities Management fees												
5 Tenancy works												
6 GST												
7 Impact of proposed Carbon Tax												
INFORMATION USED												
1 Civic Centre existing Layout Plans Ground Floor to Fifth Floor												
2 Preliminary Library and Civic Hall Plan prepared by Norton Survey Partners												
3 Preliminary Level 5 Floor Plan prepared by Norton Survey Partners												
4 BCA Review Report for Ryde Civic Centre dated 14 June 2011 prepared by Davis Langdon												

ITEM 13 (continued)

ATTACHMENT 2

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES DILAPIDATION SURVEY
ANNEXURE A
RYDE CIVIC CENTRE ENGINEERING SERVICES - 20 YEAR CAPEX SCHEDULE, URGENT REPLACEMENT WORKS.

No	Trade	Item Description	QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
1	M	Roof Level Plantroom Level 7 Replace "Greenhatch" condenser serving the IT room split system with condenser of larger capacity - current condenser coded by sprinkler on hot days	1	Item	4,000	5,600	5,600	5,600					11,200
2	M	De-rust and re-paint kitchen exhaust fan and ductwork discharging on roof	1	Item	3,000	4,200	4,200		4,200	4,200		4,200	16,800
3	M	Re-paint air admitting valves serving "Buffalo Triden" condenser on roof	1	Item	1,000	1,400	1,400	1,400	1,400	1,400		1,400	7,000
4	M	Replace 2 x compressors and electric motors in roof plant room	2	Item	200,000	280,000	560,000	560,000					1,120,000
5	M	Replace existing oil fired water boiler with gas fired condensing boiler	1	Item	60,000	84,000	84,000		84,000	84,000			168,000
6	M	Replace existing DX air conditioning unit with new dedicated AHU to provide tempered fresh air throughout building	1	Item	50,000	70,000	70,000		70,000			70,000	140,000
7	M	Provide air conditioning to lift motor room in advance of specialist lift consultant report	1	Item	10,000	14,000	14,000		14,000				28,000
8	H	Provide natural gas piping between ground floor external gas connection point through building to fire new condensing boiler on roof.	1	no.	40,000	56,000	56,000		56,000				56,000
9	VT	Replace existing pneumatic control system with DDS electronic system	1	no	350,000	490,000	490,000		490,000				598,000
10	VT	Undertake Specialist Lift Consultant Inspection & Report on current installation	1	Item	5,000	7,000	7,000	7,000		7,000		7,000	21,000
11	F	Install strobe lights / horn speakers to plantroom for Emergency Warning & Intercom Fire System	80	m2	60	84	6,720	6,800		6,800			13,600
12	F	Install smoke detector & EWS speaker in LMR	1	ea	700	980	980	1,000					2,000
13	E	Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labelling, protective hinged door for personnel protection	1	Item	10,000	14,000	14,000		14,000			14,000	28,000
14	E	Replace electrical submain to roof to provide power to new plant	1	Item	45,000	63,000	63,000		63,000				63,000
15	B	Allow for BWC (Builder's Work In Connection With services)	8	perc		-	-	46,544	63,728	1,552	61,456	7,728	181,008
17		SUBTOTAL COSTS PLANT ROOM & ROOF						628,344	860,328	20,952	829,656	104,328	2,443,608

ITEM 13 (continued)

ATTACHMENT 2

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 6 Estimated Costs													
18	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in preparation for new mechanical services installation.	500	m ²	60	84	42,000		42,000			42,000	84,000
19	M	Replace HHW piping main flow & return pipes & insulation to roof	20	m	500	700	14,000		14,000			14,000	28,000
20	M	Replace CHW piping main flow & return pipes & insulation to roof	20	m	400	560	11,200		11,200			11,200	22,400
21	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500		38,500			38,500	77,000
22	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800		30,800			30,800	61,600
23	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m ² including distribution ductwork, temperature controller, power supply & ancillary items to provide a functional system	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
24	M	Provide new supply air rising duct to new AHU on roof including penetration, fittings, balancing and the like	40	m	1,500	2,100	84,000		84,000			84,000	168,000
25	M	Provide branch ducting on each floor to connect to each fan coil unit proposed under upgrade.	60	m	500	700	42,000		42,000			42,000	84,000
26	M	Extend and upgrade ducting capacity into meeting rooms	100	m ²	300	420	42,000		42,000			42,000	84,000
27	M	Rebalance the floor registers	20	Item	200	280	5,600		5,600			5,600	11,200
28	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
29	M	Review the requirement for kitchen cooking on level 6 and if agreed remove kitchen exhaust ventilation	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
30	B	Replace ceiling and associated services to permit mechanical upgrade works.	500	m ²	500	700	350,000		350,000			350,000	700,000
31	E	Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labeling, protective hinged door for personnel protection	1	Item	10,000	14,000	14,000	14,000				14,000	28,000
32	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800	16,800				16,800	33,600
33	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780		3,800			3,800	7,600
34	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920		4,000			4,000	8,000
35	H	Allowance per floor to investigate & repair water leaks - identified during site viewing but difficult to locate	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
36	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
37	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do not use lift in case of fire" if applicable.	1	Item	200	280	280	300				300	600
38	F	Clean/replace smoke detectors throughout the floor - included in ceiling item above	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
39	B	Provide Self contained electrical riser complete with fire rated door, fire rated plasterboard walls, fire rated penetrations and the like.	4	m	4,000	5,600	22,400	22,400					22,400
40	B	Allow for BWC (Builder's Work in Connection With services)	8	perc	-	-	-	5,176	65,528	1,792	1,792	68,912	143,200
41		SUBTOTAL COSTS LEVEL 6					-	69,876	884,628	24,192	24,192	930,312	1,933,200

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 5 Estimated Costs												
42	D	500	m2	60	84	42,000		42,000			42,000	84,000
43	M	10	m	500	700	7,000		7,000			7,000	14,000
44	M	10	m	400	560	5,600		5,600			5,600	11,200
45	M	110	m	250	350	38,500		38,500			38,500	77,000
46	M	110	m	200	280	30,800		30,800			30,800	61,600
47	M	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
48	M	5	m	1,500	2,100	10,500		10,500			10,500	21,000
49	M	60	m	500	700	42,000		42,000			42,000	84,000
50	M	100	m2	300	420	42,000		42,000			42,000	84,000
51	M	20	item	200	280	5,600		5,600			5,600	11,200
52	M	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
53	M	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
54	B	500	m2	500	700	350,000		350,000			350,000	700,000
55	E	1	item	10,000	14,000	14,000	14,000				14,000	28,000
56	E	0.30	item	40,000	56,000	16,800	16,800				16,800	33,600
57	H	6	pr.	450	630	3,780		3,800			3,800	7,600
58	H	4	no.	700	980	3,920		4,000			4,000	8,000
59	H	1	item	2,000	2,800	2,800	2,800				2,800	5,600
60	H	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
61	VT	1	item	200	280	280	300				300	600
62	F	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
63	B	4	m	4,000	5,600	22,400	22,400					22,400
64	B	8	perc	-	-	-	5,176	58,640	1,792	1,792	62,024	129,424
65	SUBTOTAL COSTS LEVEL 5						69,876	791,640	24,192	24,192	887,324	1,747,224

ITEM 13 (continued)

ATTACHMENT 2

RYDE CIVIC CENTRE BUILDING ENGINEERING SERVICES DILAPIDATION SURVEY ANNEXURE A RYDE CIVIC CENTRE ENGINEERING SERVICES - 20 YEAR CAPEX SCHEDULE, URGENT REPLACEMENT WORKS.												
		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 4 Estimated Costs												
66	D	500	m2	60	84	42,000		42,000			42,000	84,000
Allow to demolish existing ceiling, lighting, fire detection, EMS speakers, in preparation for new mechanical services installation.												
67	M	10	m	500	700	7,000		7,000			7,000	14,000
68	M	10	m	400	560	5,600		5,600			5,600	11,200
69	M	110	m	250	350	38,500		38,500			38,500	77,000
70	M	110	m	200	280	30,800		30,800			30,800	61,600
71	M	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
Provide Fan Coil Units to physical floor on basis on 1 unit per 50m2 including distribution ductwork, temperature controller, power supply & ancillary items to provide a functional system												
72	M	5	m	1,500	2,100	10,500		10,500			10,500	21,000
Provide new supply air rising duct to new AHU on roof including penetration, fittings, balancing and the like												
73	M	60	m	500	700	42,000		42,000			42,000	84,000
Provide branch ducting on each floor to connect to each fan coil unit proposed under upgrade.												
74	M	100	m2	300	420	42,000		42,000			42,000	84,000
75	M	20	Item	200	280	5,600		5,600			5,600	11,200
76	M	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
77	M	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
Review the requirement for kitchen cooking on level 6 and if agreed remove kitchen exhausts, ventilation												
78	B	500	m2	500	700	350,000		350,000			350,000	700,000
79	E	1	Item	10,000	14,000	14,000	14,000				14,000	28,000
Replace ceiling and associated services to permit mechanical upgrade works Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labelling, protective hinged door for personnel protection												
80	E	0.20	Item	40,000	56,000	16,800	16,800				16,800	33,600
81	H	6	pr.	450	630	3,780		3,800			3,800	7,600
82	H	4	no.	700	980	3,920		4,000			4,000	8,000
83	H	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
Allowance per floor to investigate & repair water leaks - identified during site viewing but difficult to locate												
84	H	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
85	VT	1	Item	200	280	280	300				300	600
Install Thermostatic mixing valves to bathrooms to prevent scalding Check fire duty of passenger lifts and provide labels on each floor warning "do not use lift in case of fire" if applicable.												
86	F	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
Clean / replace smoke detectors throughout the floor - included in ceiling item above												
87	B	4	m	4,000	5,600	22,400	22,400					22,400
Provide Self contained electrical riser complete with fire rated door, fire rated plasterboard walls, fire rated penetrations and the like.												
88	B	8	perc	-	-	-	5,176	58,640	1,792	1,792	62,024	129,424
Allow for BWC (Builder's Work In Connection With services)												
89	SUBTOTAL COSTS LEVEL 4					-	69,876	791,640	24,192	24,192	837,324	1,747,224

ITEM 13 (continued)

ATTACHMENT 2

			QTY	Unit	NET RATE	RATE Incl 40% prelims	Cost per Item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 3 Estimated Costs													
90	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in preparation for new mechanical services installation.	500	m2	60	84	42,000		42,000			42,000	84,000
91	M	Replace HHW piping main flow & return pipes & insulation to roof	10	m	500	700	7,000		7,000			7,000	14,000
92	M	Replace CHW piping main flow & return pipes & insulation to roof	10	m	400	560	5,600		5,600			5,600	11,200
93	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500		38,500			38,500	77,000
94	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800		30,800			30,800	61,600
95	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including distribution ductwork, temperature controller, power supply & ancillary items to provide a functional system	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
96	M	Provide new supply air rising duct to new AHU on roof including penetration, fittings, balancing and the like	5	m	1,500	2,100	10,500		10,500			10,500	21,000
97	M	Provide branch ducting on each floor to connect to each fan coil unit proposed under upgrade.	60	m	500	700	42,000		42,000			42,000	84,000
98	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000		42,000			42,000	84,000
99	M	Rebalance the floor registers	20	Item	200	280	5,600		5,600			5,600	11,200
100	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
101	M	Review the requirement for kitchen cooking on level 6 and if agreed remove kitchen exhaust ventilation	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
102	B	Replace ceiling and associated services to permit mechanical upgrade works	500	m2	500	700	350,000		350,000			350,000	700,000
103	E	Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labelling, protective hinged door for personnel protection	1	Item	10,000	14,000	14,000	14,000				14,000	28,000
104	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800	16,800				16,800	33,600
105	H	Allowance per floor to investigate & repair water leaks - identified during site viewing but difficult to locate	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
106+	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
107	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do not use lift in case of fire" if applicable.	1	Item	200	280	280	300				300	600
108	F	Clean / replace smoke detectors throughout the floor - included in ceiling item above	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
109	B	Provide Self contained electrical riser complete with fire rated door, fire rated plasterboard walls, fire rated penetrations and the like.	4	m	4,000	5,600	22,400	22,400					22,400
110	B	Allow for BMC (Builder's Work In Connection With services)	8	perc	-	-	-	5,176	58,016	1,792	1,792	61,400	128,176
111		SUBTOTAL COSTS LEVEL 3						69,876	783,216	24,192	24,192	828,900	1,730,376

ITEM 13 (continued)

ATTACHMENT 2

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 2 Estimated Costs													
112	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in preparation for new mechanical services installation.	500	m2	60	84	42,000		42,000			42,000	84,000
113	M	Replace HHW piping main flow & return pipes & insulation to roof	10	m	500	700	7,000		7,000			7,000	14,000
114	M	Replace CHW piping main flow & return pipes & insulation to roof	10	m	400	560	5,600		5,600			5,600	11,200
115	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500		38,500			38,500	77,000
116	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800		30,800			30,800	61,600
117	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m2 including distribution ductwork, temperature controller, power supply & ancillary items to provide a functional system	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
118	M	Provide new supply air rising duct to new AHU on roof including penetration, fittings, balancing and the like	5	m	1,500	2,100	10,500		10,500			10,500	21,000
119	M	Provide branch ducting on each floor to connect to each fan coil unit proposed under upgrade.	60	m	500	700	42,000		42,000			42,000	84,000
120	M	Extend and upgrade ducting capacity into meeting rooms	100	m2	300	420	42,000		42,000			42,000	84,000
121	M	Rebalance the floor registers	20	Item	200	280	5,600		5,600			5,600	11,200
122	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
123	M	Review the requirement for kitchen cooking on level 6 and if agreed remove kitchen exhaust ventilation	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
124	B	Replace ceiling and associated services to permit mechanical upgrade works	500	m2	500	700	350,000		350,000			350,000	700,000
125	E	Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labelling, protective hinged door for personnel protection	1	Item	10,000	14,000	14,000	14,000				14,000	28,000
126	E	Provide new submains to each typical floor - 3 floors to each circuit	0.30	Item	40,000	56,000	16,800					16,800	33,600
127	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780	16,800	3,800			3,800	7,600
128	H	Install dual flush cistern to W/C in bathrooms	4	no.	700	980	3,920		4,000			4,000	8,000
129	H	Allowance per floor to investigate & repair water leaks - identified during site viewing but difficult to locate	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
130	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
131	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do not use lift in case of fire" if applicable.	1	Item	200	280	280	300				300	600
132	F	Clean / replace smoke detectors throughout the floor - included in ceiling item above	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
133	B	Provide Self contained electrical riser complete with fire rated door, fire rated plasterboard walls, fire rated penetrations and the like.	4	m	4,000	5,600	22,400	22,400					22,400
134	B	Allow for BWC (Builder's Work in Connection With services)	8	perc		-	-	5,176	58,640	1,792	1,792	62,024	129,424
135		SUBTOTAL COSTS LEVEL 2						69,876	791,640	24,192	24,192	887,324	1,747,224

ITEM 13 (continued)

ATTACHMENT 2

RYDE CIVIC CENTRE
BUILDING ENGINEERING SERVICES DILAPIDATION SURVEY
ANNEXURE A

RYDE CIVIC CENTRE ENGINEERING SERVICES - 20 YEAR CAPEX SCHEDULE, URGENT REPLACEMENT WORKS.

			QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Floor Level 1 Estimated Costs													
136	D	Allow to demolish existing ceiling, lighting, fire detection, EWS speakers, in preparation for new mechanical services installation.	500	m ²	60	84	42,000		42,000			42,000	84,000
137	M	Replace HHW piping main flow & return pipes & insulation to roof	10	m	500	700	7,000		7,000			7,000	14,000
138	M	Replace CHW piping main flow & return pipes & insulation to roof	10	m	400	560	5,600		5,600			5,600	11,200
139	M	Provide flow & return distribution CHW piping serving floor Fan Coil Units	110	m	250	350	38,500		38,500			38,500	77,000
140	M	Provide flow & return distribution HHW piping serving floor Fan Coil Units	110	m	200	280	30,800		30,800			30,800	61,600
141	M	Provide Fan Coil Units to typical floor on basis on 1 unit per 50m ² including distribution ductwork, temperature controller, power supply & ancillary items to provide a functional system	10	no.	8,000	11,200	112,000		112,000			112,000	224,000
142	M	Provide new supply air rising duct to new AHU on roof including penetration, fittings, balancing and the like	5	m	1,500	2,100	10,500		10,500			10,500	21,000
143	M	Provide branch ducting on each floor to connect to each fan coil unit proposed under upgrade.	60	m	500	700	42,000		42,000			42,000	84,000
144	M	Extend and upgrade ducting capacity into meeting rooms	100	m ²	300	420	42,000		42,000			42,000	84,000
145	M	Rebalance the floor registers	20	item	200	280	5,600		5,600			5,600	11,200
146	M	Provide toilet exhaust system to male and female toilets	2	no.	6,000	8,400	16,800		16,800			16,800	33,600
147	M	Review the requirement for kitchen cooking on level 6 and if agreed remove kitchen exhaust ventilation	1	no.	3,500	4,900	4,900	4,900				4,900	9,800
148	B	Replace ceiling and associated services to permit mechanical upgrade works	500	m ²	500	700	350,000		350,000			350,000	700,000
149	E	Upgrade / replace existing house services electrical switchboard to include for RCD circuit protection, circuit labelling, protective hinged door for personnel protection	1	item	10,000	14,000	14,000	14,000				14,000	28,000
150	E	Provide new submain to each typical floor - 3 floors to each circuit	0.30	item	40,000	56,000	16,800	16,800				16,800	33,600
151	H	Install WELS rated tapware into wash hand basins in bathrooms	6	pr.	450	630	3,780		3,800			3,800	7,600
152	H	Install dual flush cistern to WC in bathrooms	4	no.	700	980	3,920		4,000			4,000	8,000
153	H	Allowance per floor to investigate & repair water leaks - identified during site viewing but difficult to locate	1	item	2,000	2,800	2,800	2,800				2,800	5,600
154	H	Install thermostatic mixing valves to bathrooms to prevent scalding	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
155	VT	Check fire duty of passenger lifts and provide labels on each floor warning "do not use lift in case of fire" if applicable.	1	item	200	280	280	300				300	600
156	F	Clean / replace smoke detectors throughout the floor - included in ceiling item above	40	no.	400	560	22,400		22,400	22,400		22,400	89,600
157	B	Provide Self contained electrical riser complete with fire rated door, fire rated plasterboard walls, fire rated penetrations and the like.	4	m	4,000	5,600	22,400	22,400				-	22,400
158	B	Allow for BWIC (Builder's Work in Connection With services)	8	perc		-	-	5,176	58,640	1,792	1,792	62,024	129,424
159		SUBTOTAL COSTS LEVEL 1						69,876	791,640	24,192	24,192	837,324	1,747,224

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Ground Floor Estimated Costs												
160	M	1	no.	25,000	35,000	35,000	35,000				35,000	70,000
161	M	10	m	500	700	7,000	7,000				7,000	14,000
162	M	10	m	400	560	5,600	5,600				5,600	11,200
163	M	1	no.	7,500	10,500	10,500		10,500			10,500	21,000
164	M	100	m2	300	420	42,000		42,000			42,000	84,000
165	M	20	no.	1,000	1,400	28,000		28,000			28,000	56,000
166	M	20	Item	200	280	5,600		5,600			5,600	11,200
167	M	2	no.	5,000	7,000	14,000		14,000			14,000	28,000
168	M	500	m2	400	560	280,000		280,000			280,000	560,000
169	E	1	Item	7,500	10,500	10,500	10,500				10,500	21,000
170	E	0.30	Item	40,000	56,000	16,800	16,800				16,800	33,600
171	H	6	pr.	450	630	3,780		3,800			3,800	7,600
172	H	4	no.	700	980	3,920		4,000			4,000	8,000
173	H	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
174	H	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
175	VT	1	Item	200	280	280	300				300	600
176	VT	2	no.	500,000	700,000	1,400,000			1,400,000		60,000	1,460,000
177	B	40	no.	400	560	22,400	22,400	22,400	22,400		22,400	89,600
		8	perc				32,824	32,824	113,792	1,792	44,144	199,072
178	SUBTOTAL COSTS GROUND LEVEL						88,020	443,124	1,536,192	24,192	595,944	2,687,472

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE Incl 40% prelims	Cost per Item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Office Basement Estimated Costs												
179	M	1	no.	25,000	35,000	35,000	35,000				35,000	70,000
180	M	10	m	500	700	7,000	7,000				7,000	14,000
181	M	10	m	400	560	5,600	5,600				5,600	11,200
182	M	20	Item	200	280	5,600	5,600	5,600			5,600	11,200
183	M	2	no.	5,000	7,000	14,000	14,000	14,000			14,000	28,000
184	E	1	Item	7,500	10,500	10,500	10,500				10,500	21,000
185	E	1	Item	250,000	350,000	350,000	350,000	350,000			350,000	700,000
186	E	1	Item	45,000	63,000	63,000	63,000	63,000			63,000	126,000
187	E	1	Item	160,000	224,000	224,000	224,000	224,000			224,000	448,000
188	H	1	Item	2,000	2,800	2,800	2,800				2,800	5,600
189	H	1	no.	2,500	3,500	3,500	3,500				3,500	7,000
190	VT	1	Item	200	280	280	300				300	600
191	F	100	no.	50	70	7,000	7,000				7,000	14,000
192	F	40	no.	400	560	22,400	22,400	22,400	22,400		22,400	89,600
193	M	700	m2	200	280	196,000	196,000	196,000	196,000		196,000	392,000
SUBTOTAL COSTS GROUND LEVEL							71,700	875,000	22,400	22,400	946,700	1,938,200

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Hall / Library Ground Floor Estimated Costs												
194	H	1	Item	10,000	14,000	14,000	14,000					14,000
195	H	1	no.	2,500	3,500	3,500	3,500					3,500
196	F	40	no.	400	560	22,400	22,400	22,400	22,400	22,400	22,400	89,600
197	B	8	perc		-	-	1,400	1,792	1,792	1,792	1,792	8,568
198	B	1	Item	130,000	182,000	182,000	182,000	182,000				182,000
194	SUBTOTAL COSTS COUNCIL HALL GROUND LEVEL											
							18,900	206,192	24,192	24,192	24,192	297,668
SUBTOTAL ESTIMATED TRADE COST OF REPAIRS, MAKING GOOD												
							1,226,220	7,219,048	1,748,888	1,045,592	6,776,672	18,019,420
198	CONSTRUCTION CONTINGENCY											
199	DESIGN AND PROFESSIONAL FEES 6%											
200	DESIGN CONTINGENCY											
		5.0%	%			61,311	380,962	87,444	52,280		338,984	900,971
		6.0%	%			73,573	433,143	104,933	62,736		406,780	1,081,165
		5.0%	%			64,990	382,610	92,691	55,416		350,323	955,020
FROM ABOVE TOTAL ESTIMATED COST OF REPAIRS, MAKING GOOD MAY 2011 (Excl GST)												
							1,426,084	8,395,753	2,033,957	1,216,023	7,884,750	20,955,585
TOTAL OF ABOVE AND ROUNDING, SAY												
												\$21,000,000

ITEM 13 (continued)

ATTACHMENT 2

ANNEXURE B

ESTIMATE OF DELAPIDATION SURVEY OF BUILDING SYSTEMS IN ARGYLE CENTRE

ITEM 13 (continued)

ATTACHMENT 2

ARGYLE CENTRE - BCA UPGRADE URGENT REPLACEMENT WORKS & 20 YEAR CAPITAL EXPENDITURE SCHEDULE														12/07/2011
No	Trade	Item Description	QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (t)	10 Years Long term (t)	15 Years Long term (t)	20 Years Long term (t)	Total (\$)	
1	B	Level 2 Theatre	1	Item	10,000	14,000	14,000	14,000					14,000	
2	B	Clear & remove all stored goods & dispose off prior to demolish												
3	B	Allow to demolish the second level Theatre of the Argyle Centre as no compliant fire separation, exit stairs, non compliant windows etc (refer David Langdon Report Executive Summary Item (b) a) - assume structural adequacy of lower level to accept new build above	620	m2	400	560	347,200		347,200				347,200	
4	B	Allow miscellaneous structural works to level 1 Argyle Centre to support new works	620	m2	-	-	-						incl. Below	
5	B	Allow to re-construct Theatre in reinforced concrete structure and fitout to existing standard, (ie no seats, projection equipment or the like) but including reconstruction of new fire isolated exits from second floor, includes new amenities, professional fees, smoke management, EMS system, smoke alarms, electrical/mechanical services, lift for disability access, cost provisions include for upgrades, refits and general compliance remediation over the next 20 years - refer DL Report Item (b) a and (c).	620	m2	3,500	4,900	3,038,000		3,038,000	607,600		607,600	4,253,200	
6	B	Allow to improve internal access stairs to meet the BCA requirements	1	Item	-	-	-						incl. Item 4 above	
7	B	Allow to improve fire stairs to meet the BCA requirements	2	No	-	-	-						incl. Item 4 above	
8	B	Allow to improve existing amenities facilities	42	m2	-	-	-						incl. Item 4 above	
9	E	Ensure electrical switchboard & telecommunications cupboard in central core constructed of non-combustible material / smoke seals - refer DL Report item (e) a	1	Item									incl. Item 4 above	
10	B	Rebuild door thresholds to ensure compliance - refer DL Report item (e) b	1	Item									incl. Item 4 above	
11	B	Relocate southern theatre door as too close to stair - refer DL Report item (e) b	1	Item									incl. Item 4 above	
12	B	Rebuild southern stair to theatre as stair riser uneven & pose hazard - refer DL Report (e) c	1	Item									incl. Item 4 above	
13	B	Provide compliant ballustrades, handrail, handrail gaps, landings, etc - refer DL Report item (e) d & e	1	Item									incl. Item 4 above	
14	F	Ensure all glass exit doors swing in the direction of egress - refer DL Report item (f)	1	Item									incl. Item 4 above	
15	B	Allow to improve fire hose / smoke detection & the like	1	Item									incl. Item 4 above	
16	B	Upgrade electrical switchroom fire rating	1	Item				5,000					5,000	
17		SUBTOTAL COSTS THEATRE L2						19,000	3,385,200	607,600		607,600	4,619,400	

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NET RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Level 1 Argyle Hall L1 Estimated Costs												
18	B	1	Item	10,000	14,000	14,000	14,000	-	-	-	-	14,000
19	H	1	Item	10,000	14,000	14,000	14,000	-	-	-	-	14,000
20	B	25	m2	1,100	1,540	38,500	38,500	38,500	38,500	38,500	38,500	77,000
21	B	1	Item	5,000	7,000	7,000	7,000	-	-	-	-	7,000
22	B	1	Item	5,000	7,000	7,000	7,000	-	-	-	-	7,000
23	B	1	Item	10,000	14,000	14,000	14,000	-	-	-	-	14,000
24	B	1	Item	7,500	10,500	10,500	10,500	-	7,500	-	-	18,000
25	B	1	Item	5,000	7,000	7,000	7,000	-	7,000	-	-	14,000
26	B	1	Item	5,000	7,000	7,000	7,000	-	7,000	-	-	14,000
27	H	1	Item	500	700	700	700	-	700	-	-	2,800
28	H	1	Item	500	700	700	700	-	700	-	-	2,800
29	B	1	Item	15,000	21,000	21,000	21,000	21,000	21,000	21,000	21,000	42,000
29 a	M,E,H,F	420	m2	250	350	147,000	147,000	147,000	29,400	147,000	29,400	352,800
30	F	420	m2	50	70	29,400	29,400	-	7,000	-	-	65,800
31	E	420	m2	25	35	14,700	14,700	1,000	10,000	5,000	5,000	35,700
32	B	1	Item	5,000	7,000	7,000	7,000	7,000	1,400	7,000	1,400	16,800
33	M	1	Item	15,000	21,000	21,000	21,000	21,000	-	21,000	-	42,000
34	E	1	Item	5,000	7,000	7,000	7,000	7,000	-	-	-	7,000
35	B	2	no	9,500	13,300	26,600	26,600	-	10,000	-	-	36,600
36	H	1	Item	2,000	2,800	2,800	2,800	-	2,000	-	-	4,800
37	B	8	perc	89,600	10,095	10,095	10,095	-	-	-	-	10,095
38	B	1	Item	15,000	21,000	21,000	21,000	-	21,000	-	-	21,000
SUBTOTAL COSTS ARGYLE HALL L1							164,735	242,500	82,000	254,200	65,900	800,335

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE Incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
Council Community Office Floor Ground Level Estimated Costs												
39	B	600	m ²	250	350	210,000		210,000	42,000	210,000	42,000	504,000
40	B	600	m ²	100	140	84,000		84,000	84,000	84,000	84,000	336,000
41	M,E,H,F	600	m ²	600	840	504,000		504,000	100,800	504,000	100,800	1,209,600
42	B	1	Item	25,000	35,000	35,000		35,000	3,500	-	3,500	42,000
43	B	2	no	9,500	13,300	26,600	26,600	-	10,000	-	-	36,600
44	B	1	Item	7,500	10,500	10,500	10,500	-	7,500	-	-	18,000
45	B	1	Item	5,000	7,000	7,000	7,000	-	7,000	-	-	14,000
46	B	1	Item	5,000	7,000	7,000	7,000	-	7,000	-	-	14,000
47	B	1	Item	40,000	56,000	56,000	56,000	-	7,000	-	7,000	70,000
48	B	1	Item	15,000	21,000	21,000	21,000	-	-	-	-	21,000
49	H	1	Item	2,000	2,800	2,800	-	2,800	-	-	-	2,800
50	B	8	perc	506,800	40,544	40,544	-	40,544	-	-	-	40,544
51	B	1	Item	25,000	35,000	35,000	-	35,000	-	-	-	35,000
52	B	1	Item	75,000	105,000	105,000	-	105,000	-	-	-	105,000
SUBTOTAL COSTS COMMUNITY OFFICE LEVEL GROUND							128,100	981,344	303,800	798,000	237,300	2,448,544

ITEM 13 (continued)

ATTACHMENT 2

		QTY	Unit	NETT RATE	RATE incl 40% prelims	Cost per item incl prelims	12 Months Immediate Works	2 Years Short term (\$)	10 Years Long term (\$)	15 Years Long term (\$)	20 Years Long term (\$)	Total (\$)
External facade, stairs and external works												
53	8	1300	m ²	50	70	91,000		91,000	91,000		91,000	273,000
54	8	2	no.	25,000	35,000	70,000		70,000	70,000		70,000	210,000
55	8	1	item	20,000	28,000	28,000		28,000	28,000		28,000	84,000
56												
57								189,000	189,000		189,000	567,000
SUBTOTAL EXTERNAL FACADE STAIRS & EXTERNAL WORKS												
SUB-TOTAL ESTIMATED TRADE COST OF REPAIRS, MAKING GOOD & CAPITAL EXPENDITURES												
60							311,835	4,759,044	1,182,400	1,692,200	1,059,800	8,444,279
61												
62												
CONSTRUCTION CONTINGENCY												
				5.0%	%		15,982	239,902	56,120	52,910	54,500	422,214
DESIGN CONTINGENCY												
				6.0%	%		18,710	287,883	70,444	83,132	65,569	506,657
				5.0%	%		17,307	260,381	65,323	66,367	61,038	466,557
TOTAL ESTIMATED COST OF REPAIRS, MAKING GOOD, June 2011 (Excl GST)												
							355,444	5,992,120	1,375,987	1,226,339	1,281,917	9,841,807
USING THE ABOVE AND ROUNDING (Excl GST)												
												\$9,989,000
EXCLUSIONS												
1 Land costs, legal fees, interest charges and financing costs												
2 Developer's contingency sum												
3 Escalation & Staging												
4 Facilities Management Fees												
5 Tenancy Works												
INFORMATION USED												
1 Preliminary Argyle Office (Ground Floor) Plans, prepared by Norton Survey Partners												
2 Preliminary Argyle Hall and Theatre L2 Floor Plans prepared by Norton Survey Partners												
4 BCA Review Report for Argyle Centre dated 23 June 2011 prepared by Darin Langdon												

ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



Randall Electrics & Communications Pty Ltd

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NSW 2147

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THERMOGRAPHIC REPORT

Site: Ryde Council



Prepared for:

Ryde Council

Ryde Council Chambers

1 Devlin St

Ryde NSW

Prepared By: Craig Lees

Date: 8/2/11

Randall Electrics & Communications - Thermographic Report

ITEM 13 (continued)**ATTACHMENT 3**

Randall Electrics & Communications - Thermographic Report

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Randall Electrics & Communications - Thermographic Report

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ITEM 13 (continued)**ATTACHMENT 3**

Randall Electrics & Communications - Thermographic Report

Introduction

This report was commissioned by United Group Services.

The purpose of the report was to locate and carry out inspections of the electrical switchboards in the subject premises, and to report on any preventative maintenance measures.

The main emphasis was to identify components which may be operating above normal temperatures or large differences in temperatures between similar components, and determine if they are capable of continued operating.

The objective of this report is to cover the following key factors:

1. List all switchboards located within the building.
2. Determine to what temperature ranges exist in each switchboard.
3. Determine if ongoing operation can be sustained.
4. Highlight any areas of concern found.
5. General comments and recommendations.

The purpose of these recommendations is to assist in minimizing possible losses from exposures, which need prompt consideration.

This report does not imply that all other exposures, which may exist, are under control at the time of the inspection. In particular, this report is of an advisory nature and you must make final decisions; therefore, no liability is assumed.

ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report

Switchboard Schedule:

Description and Number	Location	Pass/Fail
Main Switchboard	Carpark	Pass
Distribution Board G	Ground Level Office Area Behind Lifts	Pass
Distribution Board 1	Level 1 Office Area Behind Lifts	Pass
Distribution Board 2	Level 2 Office Area Behind Lifts	Pass
Distribution Board 3	Level 3 Office Area Behind Lifts	Pass
Distribution Board 4	Level 4 Office Area Behind Lifts	Pass
Distribution Board 5	Level 5 Office Area Behind Lifts	Pass
Distribution Board 6	Level 6 Office Area Behind Lifts	Pass
Mechanical Services	Plant Room Roof	Pass

Commentary:

Thermal Scanning was conducted using a fluke Ti25 thermal imaging camera and analysed using Smart View software, visible images were taken by the Ti25 simultaneously with the thermal images. Photographs have not been edited or doctored—other than descriptive markers.

Key Points for ease of understanding:

URGENT: Identifies an item which needs immediate action.

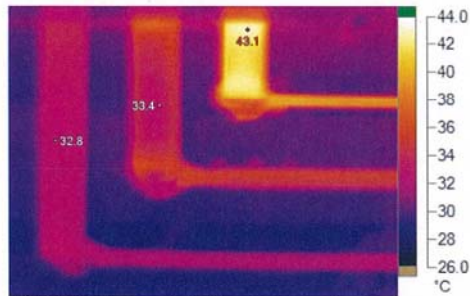
Recommendation: Is made if an item is noted to marginally pass.

Observation: Is made to identify points of concern, which may not directly affect the ongoing operation of equipment.

ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



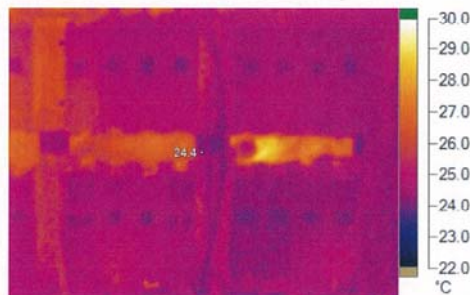
MSB-6.IS2
2/8/2011 7:59:09 AM



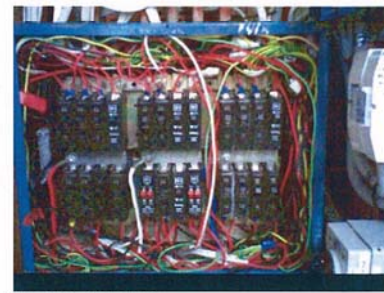
Visible Light Image

Main Image Annotations

Item Description	The heat generated in this image is due to the load at the time of scan. This image is of submain busbars for all the levels. A phase =190A, B phase =154A, C phase =142A.
Remedial Work	Recommendation. This requires taking load off A phase and re-distributing to other 2 phases so that it balances out.



DBG-1.IS2
2/8/2011 8:07:23 AM



Visible Light Image

Main Image Annotations

Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =23A, B phase =12.6A and C phase = 18A.
Remedial Work	Recommendation. To take some load off A phase.

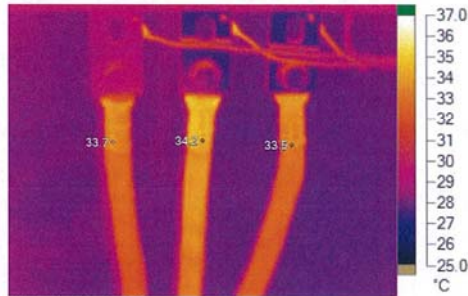
Randall Electrics & Communications - Thermographic Report

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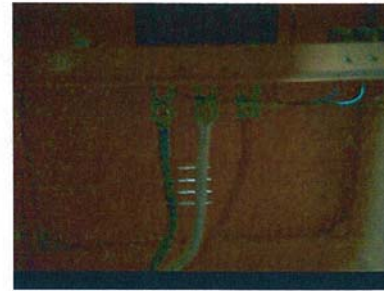
ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



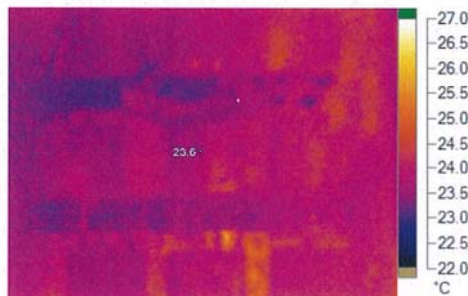
MCC-1N-5.IS2
2/8/2011 8:37:16 AM



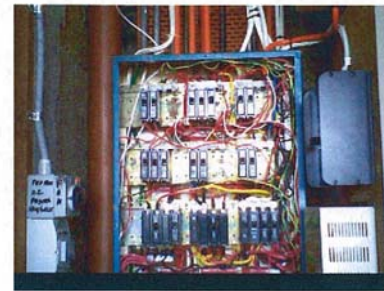
Visible Light Image

Main Image Annotations

Item Description	The load at the time of scan was A phase =123A, B phase =123A and C phase = 123A.
Remedial Work	NIL



DB6-1.IS2
2/8/2011 8:49:28 AM



Visible Light Image

Main Image Annotations

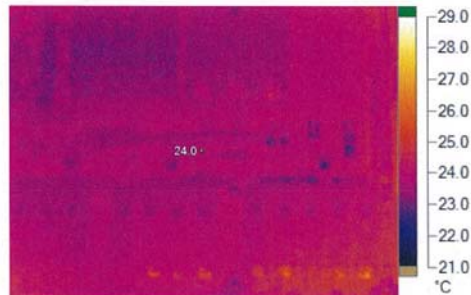
Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =17A, B phase =17A and C phase = 17A.
Remedial Work	NIL

Randall Electrics & Communications - Thermographic Report

ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



DB5-2.IS2
2/8/2011 9:10:03 AM



Visible Light Image

Main Image Annotations

Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =16A, B phase =9A and C phase = 12A.
Remedial Work	NIL



DB5-1.IS2
2/8/2011 9:24:10 AM



Visible Light Image

Main Image Annotations

Item Description	The heat generated in this image is due to the load at the time of scan. CB 1 had a load of 9A protected by a 15A CB.
Remedial Work	NIL

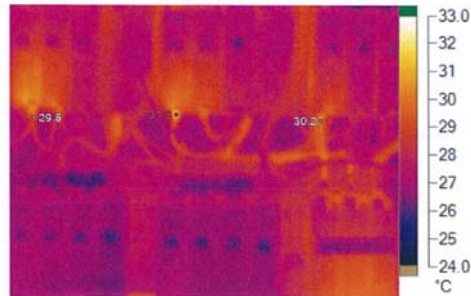
Randall Electrics & Communications - Thermographic Report

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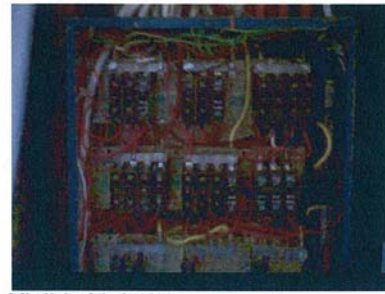
ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



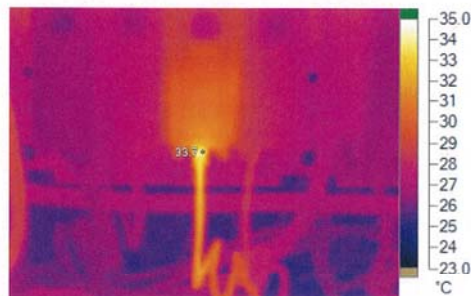
DB4-1.IS2
2/8/2011 9:36:13 AM



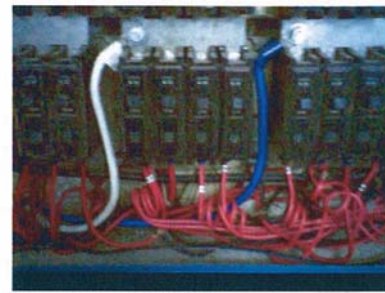
Visible Light Image

Main Image Annotations

Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =30A, B phase =22A and C phase = 22A.
Remedial Work	Recommendation. To take some load off A phase.



DB3-2.IS2
2/8/2011 9:54:01 AM



Visible Light Image

Main Image Annotations

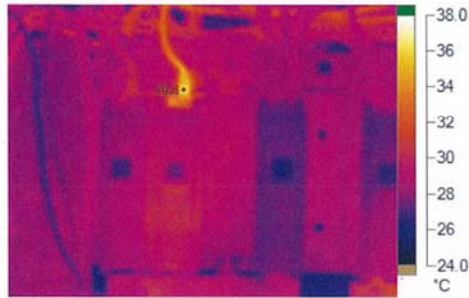
Item Description	The heat generated in this image is due to the load at the time of scan. The load at the time of scan was A phase =22A, B phase =27A and C phase = 10A.
Remedial Work	Recommendation. To take some load off A phase.

Randall Electrics & Communications - Thermographic Report

ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report



DB3-1.IS2

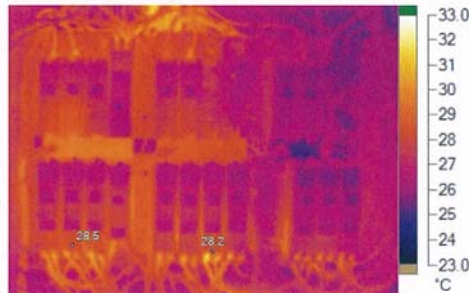
2/8/2011 9:54:41 AM



Visible Light Image

Main Image Annotations

Item Description	The heat generated in this image is due to the load at the time of scan. CB 2 is drawing 9A protected by a 15A CB.
Remedial Work	NIL



DB2-1.IS2

2/8/2011 10:05:20 AM



Visible Light Image

Main Image Annotations

Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =21A, B phase =21A and C phase = 10A.
Remedial Work	Recommendation. To take some load off A phase and put some load on C phase.

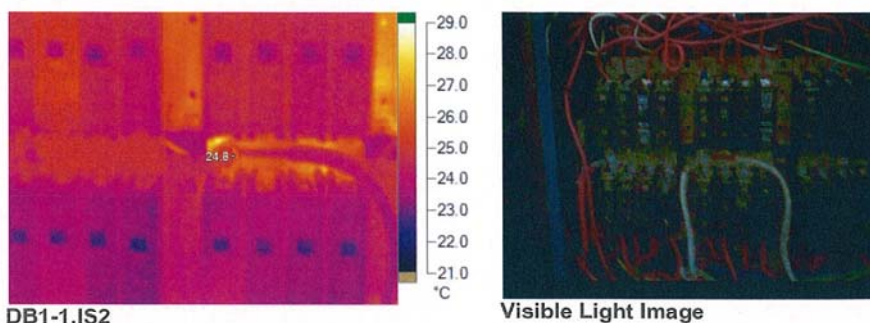
Randall Electrics & Communications - Thermographic Report

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ITEM 13 (continued)

ATTACHMENT 3

Randall Electrics & Communications - Thermographic Report

**Main Image Annotations**

Item Description	No unexplained elevated temperatures found. The load at the time of scan was A phase =12A, B phase =11A and C phase = 14A.
Remedial Work	NIL

Randall Electrics & Communications - Thermographic Report

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ITEM 13 (continued)**ATTACHMENT 3**

Randall Electrics & Communications - Thermographic Report

Summary

In summary, the installation is generally running well and requires some remedial work to ensure ongoing performance. These works include;

-To re- distribute loads off A phase at the following boards;

-DBG, DB 2, DB 3, DB 4

Re- distributing loads off A phase at the above Boards will enable A phase load to reduce at the submain busbars and get the load spread more evenly across 3 phases.

Craig Lees
Supervisor

Randall Electrics & Communications - Thermographic Report

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ITEM 13 (continued)

ATTACHMENT 4

Potential \$ Cost of Productivity loss on Working days >26C temperature

