

Meeting Date: Tuesday 14 October 2014
Location: Council Chambers, Level 6, Civic Centre, 1 Devlin Street, Ryde
Time: 7.30pm

ATTACHMENTS FOR COUNCIL MEETING

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A horizontal bar composed of several small, colored rectangular segments in shades of purple, blue, green, yellow, orange, and red.

General and Special Purpose Financial Statements

Year Ended 30 June 2014

General Purpose Financial Statements – Year Ended 30 June 2014

General Purpose Financial Statements – Year Ended 30 June 2014

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General Purpose Financial Statements – Year Ended 30 June 2014

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:

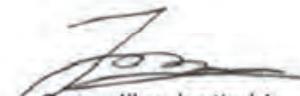
- presents fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records

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 26 August 2014.



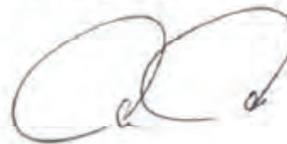
Councillor Roy Maggio
Mayor



Councillor Justin Li
Deputy Mayor



Mr Dominic Johnson
Acting General Manager



Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

General Purpose Financial Statements – Year Ended 30 June 2014

INCOME STATEMENT

Original Budget*		Notes	Actual 2014 (\$'000)	Actual 2013 (\$'000)
INCOME FROM CONTINUING OPERATIONS				
63,367	Rates and Annual Charges	3(a)	63,258	61,079
12,592	User Charges and Fees	3(b)	13,988	13,294
3,250	Interest and Investment Revenue	3(c)	4,331	4,328
6,555	Other Revenues	3(d)	8,932	7,527
7,220	Grants & Contributions provided for operating purposes	3(e&f)	5,549	7,126
214	Grants & Contributions provided for capital purposes	3(e&f)	14,229	18,029
	Other Income:			
-	Net gain from the disposal of assets	5	64	-
-	Net share of interests in joint ventures and associates using the equity method	19	-	-
93,198	TOTAL INCOME FROM CONTINUING OPERATIONS		110,351	111,383
EXPENSES FROM CONTINUING OPERATIONS				
40,122	Employee Benefits and On-costs	4(a)	39,789	38,005
190	Borrowing Costs	4(b)	146	130
24,605	Materials and Contracts	4(c)	25,590	24,914
21,244	Depreciation, Amortisation and Impairment	4(d)	16,559	19,075
16,114	Other Expenses	4(e)	12,697	12,778
-	Interest and Investment Losses	3(c)	-	-
-	Net Loss from the disposal of assets	5	-	4,247
-	Share of interests in joint ventures and associates using the equity method	19	-	-
102,275	TOTAL EXPENSES FROM CONTINUING OPERATIONS		94,781	99,149
(9,077)	OPERATING RESULT FROM CONTINUING OPERATIONS		15,570	12,234
-	Operating result from discontinued operations	24	-	-
(9,077)	NET OPERATING RESULT FOR THE YEAR	2(a)	15,570	12,234
(9,291)	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES		1,341	(5,795)

* Original budget as approved by Council - Refer Note 16

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

General Purpose Financial Statements – Year Ended 30 June 2014

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2014 (\$'000)	2013 (\$'000)
Net operating result for the year - from Income Statement		15,570	12,234
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	20(b)	347,820	(257,869)
Adjustment to correct prior period errors	20(d)	1,832	-
Amounts which will be reclassified subsequently to operating result when specific conditions are met.			
Realised available-for-sale investment gains recognised in revenue	20(b)	-	-
Gain (loss) on revaluation of available-for-sale investments	20(b)	-	-
Total other comprehensive income for the year		<u>349,652</u>	<u>(257,869)</u>
Total comprehensive income for the year			
Attributable to:			
- Council		<u>365,222</u>	<u>(245,635)</u>
- Non-controlling Interests			

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

General Purpose Financial Statements – Year Ended 30 June 2014

STATEMENT OF FINANCIAL POSITION

	Notes	2014		2013	
		(\$'000)	(\$'000)	(\$'000)	(\$'000)
ASSETS					
Current Assets					
Cash and Cash Equivalents	6(a)	15,793		15,805	
Investments	6(b)	51,500		46,450	
Receivables	7	7,713		5,697	
Inventories	8	489		447	
Other	8	315		388	
Non-Current assets classified as held for Sale	22	-		910	
Total Current Assets			75,810		69,697
Non-Current Assets					
Investments	6(b)	38,665		29,622	
Receivables	7	962		1,004	
Infrastructure, Property, Plant and Equipment	9	2,268,132		1,911,231	
Investments accounted for using equity method	19	-		-	
Investment Property	14	2,800		2,620	
Intangible assets	25	-		-	
Other	8	-		-	
Total Non-Current Assets			2,310,559		1,944,477
TOTAL ASSETS			<u>2,386,369</u>		<u>2,014,174</u>
LIABILITIES					
Current Liabilities					
Payables	10(a)	19,205		14,843	
Borrowings	10(a)	793		527	
Provisions	10(a)	10,314		9,853	
Total Current Liabilities			30,312		25,223
Non-Current Liabilities					
Payables	10(a)	-		-	
Borrowings	10(a)	4,822		2,895	
Provisions	10(a)	136		180	
Total Non-Current Liabilities			4,958		3,075
TOTAL LIABILITIES			<u>35,270</u>		<u>28,298</u>
NET ASSETS			<u>2,351,099</u>		<u>1,985,876</u>
EQUITY					
Retained Earnings	20	1,742,771		1,725,369	
Revaluation reserves	20	608,327		260,507	
Council equity interest			2,351,098		1,985,876
Minority equity interest			-		-
TOTAL EQUITY			<u>2,351,098</u>		<u>1,985,876</u>

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

STATEMENT OF CHANGES IN EQUITY

		2014 (\$'000)					2013 (\$'000)						
		Asset		Council	Non- controlling Interest	Total Equity	Asset		Council	Non- controlling Interest	Total Equity		
		Retained Earnings	Revaluation Reserve	Other Reserves			Equity Interest	Retained Earnings	Revaluation Reserve			Other Reserves	Equity Interest
Opening Balance	20	1,725,369	260,507	-	1,985,876	-	1,985,876	1,713,135	518,376	-	2,231,511	-	2,231,511
Correction of errors		1,832			1,832		1,832						
Changes in Accounting Policies													
Restated Opening Balance	20	1,727,201	260,507	-	1,987,708	-	1,987,708	1,713,135	518,376	-	2,231,511	-	2,231,511
Net Operating Result for the Year	20	15,570	347,820	-	363,390	-	363,390	12,234	(257,869)	-	(245,635)	-	(245,635)
Other Comprehensive Income	20												
Total Comprehensive Income	20	15,570	347,820	-	363,390	-	363,390	12,234	(257,869)	-	(245,635)	-	(245,635)
Closing Balance	20	1,742,771	608,327	-	2,351,098	-	2,351,098	1,725,369	260,507	-	1,985,876	-	1,985,876

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

General Purpose Financial Statements – Year Ended 30 June 2014

STATEMENT OF CASH FLOWS

Original Budget* 2014 (\$'000)	Notes	2014 (\$'000) (\$'000)		2013 (\$'000) (\$'000)	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts					
63,367	Rates & Annual Charges	63,365		61,183	
13,653	User Charges & Fees	15,335		14,034	
3,250	Investment Revenue and Interest	3,896		4,283	
7,681	Grants and Contributions	18,726		26,792	
-	Deposits and Retentions	2,359		1,622	
6,880	Other	7,944		8,059	
Payments					
(40,226)	Employee Benefits and on-costs	(39,223)		(37,439)	
(24,332)	Materials and Contracts	(24,886)		(31,673)	
(190)	Borrowing Costs	(94)		(130)	
-	Deposits and Retentions	(1,426)		(1,460)	
(17,401)	Other	(10,602)		(12,815)	
12,680	Net cash provided (or used) in Operating Activities		35,394		32,456
		11(b)			
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts					
46,450	Sale of Investments	32,034		18,373	
-	Sale of Investment Property	-		-	
-	Sale of Real Estate Assets	894		-	
1,265	Sale of Infrastructure, Property, Plant and Equipment	1,466		1,174	
-	Sale of Interests in Joint Ventures/Associates	-		-	
-	Proceeds from Boundary Adjustment	-		-	
-	Other	-		-	
Payments					
(51,500)	Purchase of Investments	(46,050)		(27,929)	
-	Purchase of Investment property	-		-	
(21,656)	Purchase of Property, Plant and Equipment	(25,944)		-	
-	Purchase of Real Estate	-		(21,760)	
-	Purchase of Interests in Joint Ventures/Associates	-		-	
-	Other	-		-	
(25,441)	Net cash provided by (or used) in Investing Activities		(37,600)		(30,142)
CASH FLOWS FROM FINANCING ACTIVITIES					
Receipts					
1,500	Borrowings and Advances	2,700		-	
-	Other	-		-	
Payments					
(641)	Borrowings and Advances	(507)		(482)	
-	Lease Liabilities	-		-	
-	Other	-		-	
859	Net cash provided by (or used) in Financing Activities		2,193		(482)
(11,902)	Net Increase (Decrease) in Cash & Cash Equivalents		(13)		1,832
15,805	Cash & Cash Equivalents at beginning Reporting Pd	11(a)	15,805		13,973
3,903	Cash & Cash Equivalents at end of Reporting Pd	11(a)	15,792		15,805

* Original budget as approved by Council - Refer Note 16

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

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting. City of Ryde is a not for profit entity for the purpose of preparing the financial statements.

(i) New and amended standards adopted by Council

During the current year, the following relevant standards became mandatory for Council and have been adopted:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value; however it provides detailed guidance on how to measure fair value in accordance with the accounting standards. It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology. The level of disclosures regarding fair value has increased significantly and has been included in the financial statements at note 27.

AASB 119 Employee Benefits has changed the basis for determining the income or expense relating to defined benefit plans and introduces revised definitions for short-term employee benefits. The Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period.

(ii) Early adoption of standards

City of Ryde has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

(iii) 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 (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

(iv) Critical accounting estimates and judgements

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

(v) Critical accounting estimates and assumptions

City of Ryde makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of investment properties.
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Notes to the General Purpose Financial Statements 30 June 2014

(vi) Critical judgements in applying the entity's accounting policies

- (i) **Impairment of Receivables**
Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) **Projected Section 94 Commitments**
Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.
- (iii) **Valuation of Infrastructure assets**
Council employs a number of staff who possess Tertiary qualifications in Engineering. Those staff are also responsible for estimating the cost of construction of new infrastructure works, especially for works done in-house. Using this expertise Council has revalued its infrastructure assets to the cost of replacing those assets in-house. Those estimates are based on the actual costs to replace infrastructure assets by Council recently.

The same staff are also responsible for estimating the useful lives of infrastructure assets, based on their experiences and similar assets in other Council areas.

The changes, based on these judgements, impacted the amount of depreciation in the 2013/2014 financial year.

(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.

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.

Notes to the General Purpose Financial Statements 30 June 2014

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.

(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.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, 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.

Notes to the General Purpose Financial Statements 30 June 2014

(f) Impairment of assets

Whilst Council does not currently hold any Goodwill and intangible assets, there may be some that relate to software or trademarks in the future, and if so, these assets that have an indefinite useful life are not subject to amortisation and will be 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 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.

(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.

Collectability 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

Notes to the General Purpose Financial Statements 30 June 2014

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.

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 in 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 co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(k) Investments and other financial assets**Classification**

Council classifies its financial assets 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, in the case of assets classified as held to maturity, 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

Notes to the General Purpose Financial Statements 30 June 2014

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 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(l).

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Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(i) Assets carried at amortised cost

For loans and receivables, the amount of 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) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 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 that Council held are no longer prescribed, Council has either divested itself of these, or they have matured with Council suffering a loss of principal, which was recognised in the appropriate period.

(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

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

- Operational land (External Valuation).
- Buildings – Specialised/Non Specialised (External Valuation).
- Water/Sewerage Networks (Internal Valuation).

Notes to the General Purpose Financial Statements 30 June 2014

- Plant and equipment (as approximated by depreciated historical cost).
- Road assets – roads, bridges and footpaths (Internal Valuation).
- Drainage assets – (Internal Valuation).
- Bulk earthworks – (Internal Valuation).
- Community land – (External Valuation).
- Land Improvements (as approximated by depreciated historical cost).
- Other structures (as approximated by depreciated historical cost).
- Other assets (as approximated by depreciated historical cost).

As at 30 June 2013 Council had revised the useful lives of its Infrastructure and Building assets and their remaining lives, effective 1 July 2013.

Council has moved to a condition basis for calculating depreciation, which determines the remaining useful life and loss of future benefit, based on its condition. To support this Council has also commenced a rolling inspection of its infrastructure assets, plus reviews as part of its ongoing maintenance works, so that condition data is kept as current as possible.

Whilst this is not true "condition based" depreciation, Council, in adopting this new method of depreciation, has broken each of its asset categories into five condition ratings. Within each of these condition ratings, Council has reviewed and determined both the useful life and loss of future benefit, while the asset traverses through that condition rating. Therefore in each condition rating the asset will have a straight line depreciation, which will increase as the condition rating increases, and the condition of the asset decreases.

Condition 5 represents those assets that are due for renewal, but are still in service, so will hold a residual value until renewed.

Depreciation is no longer a representation of the inter-generational funding that is required for asset renewal, this funding model is represented by straight line depreciation over the useful life to the intervention point, being the end of Condition 4.

Asset Category	Useful life (years)					Total
	1	2	3	4	5	
Buildings – Specialised/Non Specialised	10	60	20	5 - 10	1 - 5	96 - 100
Drainage assets	5 - 20	15 - 130	10 - 40	5 - 15	5 - 10	40 - 200
Land Improvements	5	5	5	5	5	25
Other assets	1 - 5	1 - 25	1 - 10	1 - 5	1 - 5	5 - 50
Other structures	5 - 20	5 - 80	2 - 40	3 - 15	5	20 - 150
Plant and equipment						2 - 20
Road assets – roads, bridges and footpaths	5 - 20	2 - 130	2 - 50	3 - 20	5 - 20	17 - 200

Asset Category	Depreciation (%)					Total
	1	2	3	4	5	
Buildings – Specialised/Non Specialised	0.50%	0.83%	1.25%	1.50% - 3.00%		0.50% - 3.00%
Drainage assets	0.25% - 1.00%	0.38% - 1.67%	0.63% - 3.00%	1.00% - 7.00%		0.25% - 7.00%
Land Improvements	1.00%	9.00%	5.00%	3.00%	2.00%	1.00% - 9.00%
Other assets	1.00% - 5.00%	1.40% - 20.00%	2.00% - 30.00%	7.00% - 50.00%		1.00% - 50.00%
Other structures	0.25% - 1.00%	0.63% - 2.00%	0.63% - 5.00%	1.00% - 23.33%		0.25% - 23.33%
Plant and equipment						5.00% - 20.00%
Road assets – roads, bridges and footpaths	0.25% - 1.67%	0.38% - 5.00%	0.50% - 5.00%	0.75% - 23.33%		0.25% - 23.33%

Operational land was last valued in 2008 and revalued as at June 2014. Council is of the opinion that the carrying amount of the asset would not differ materially had a revaluation occurred at the reporting date.

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

Notes to the General Purpose Financial Statements 30 June 2014

at the reporting date. If any such indication exists, Council determines the asset's fair value and will revalue the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

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

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

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

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

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.

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

(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 cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

(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.

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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.

(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) Other Long term employee benefit obligations

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.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(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

Notes to the General Purpose Financial Statements 30 June 2014

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 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**(i) Restoration**

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, e.g. 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

Notes to the General Purpose Financial Statements 30 June 2014

discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

(ii) Rehabilitation

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

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

(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 2014 reporting periods. NSW Council's assessment of the impact of the new standards and interpretations relevant to them is set out below.

(i) AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. When adopted, the standard will affect in particular 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.

There will be no impact on 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 Council does not have any such liabilities. The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

(ii) AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for Council's 30 June 2015 financial statements) There are no changes to

Notes to the General Purpose Financial Statements 30 June 2014

reported financial position or performance from AASB 2013-3, however additional disclosures may be required.

(iii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2014 for not-for-profit entities)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not re-measure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) Crown Reserves

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

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

Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(z) 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.

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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.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 2(a) FUNCTIONS OR ACTIVITIES

INCOME, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS / ACTIVITIES DETAILS OF THESE FUNCTIONS / ACTIVITIES ARE PROVIDED IN NOTE 2(b)													
FUNCTIONS/ACTIVITIES	INCOME FROM CONTINUING OPERATIONS			EXPENSES FROM CONTINUING OPERATIONS			OPERATING RESULTS FROM CONTINUING OPERATIONS			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	Original Budget 2014	Actual 2014	Actual 2013	Original Budget 2014	Actual 2014	Actual 2013	Original Budget 2014	Actual 2014	Actual 2013	Actual 2014	Actual 2013	Actual 2014	Actual 2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Programs													
Catchment Program	184	326	434	5,370	2,772	5,695	(5,186)	(2,446)	(5,261)	250	179	181,750	180,675
Centres And Neighbourhood Program	417	3,695	2,166	3,384	3,069	4,188	(2,967)	626	(2,022)	389	364		
Community And Cultural Program	1,555	1,570	1,631	4,079	4,164	3,651	(2,524)	(2,594)	(2,020)	666	889	1	1
Customer And Community Relations Program	17	15	29	3,768	3,072	2,865	(3,751)	(3,057)	(2,836)				
Economic Development Program	4	5	3	239	269	344	(235)	(264)	(341)				
Environmental Program	70	78	10	740	572	571	(670)	(494)	(561)	68			
Foreshore Program				67	126	53	(67)	(126)	(53)			2,966	2,912
Governance And Civic Program	5	5	2	3,365	3,225	3,609	(3,360)	(3,220)	(3,607)				
Internal Corporate Services Program	3,744	4,593	4,734	13,307	12,482	17,170	(9,563)	(7,889)	(12,436)	112	26	767,640	417,316
Land Use Planning Program	16	9,239	64	1,164	1,350	942	(1,148)	7,889	(878)	34			
Library Program	947	930	910	5,551	5,186	5,087	(4,604)	(4,256)	(4,177)	274	266	1,346	1,370
Open Space, Sport & Recreation Program	5,981	6,252	6,219	16,820	15,822	15,313	(10,839)	(9,570)	(9,094)	61	334	1,076,214	1,076,115
Organisational Development Program	6	9	7	210	195	240	(204)	(186)	(233)				
Paths And Cycleways Program	34	125	2,465	1,743	2,354	656	(1,709)	(2,229)	1,809	124	2,465		
Property Portfolio Program	2,020	2,165	1,849	5,861	3,098	5,025	(3,841)	(933)	(3,176)			2,800	2,620
Regulatory Program	6,798	9,748	7,362	7,493	6,730	6,773	(695)	3,018	589				
Risk Management Program	293	234	250	2,207	2,962	2,497	(1,914)	(2,728)	(2,247)				
Roads Program	1,212	2,323	15,653	9,019	8,915	9,279	(7,807)	(6,592)	6,374	758	949	352,761	332,409
Strategic City Program	12		10	306	223	33	(294)	(223)	(23)				
Traffic & Transport Program	686	1,510	917	992	2,848	1,054	(306)	(1,338)	(137)	875	243		
Waste And Recycling Program	17,079	16,984	16,298	16,590	15,347	14,104	489	1,637	2,194	245	216	891	757
Total Functions & Activities	41,080	59,806	61,013	102,275	94,781	99,149	(61,195)	(34,975)	(38,136)	3,856	5,931	2,386,369	2,014,174
General Purpose Revenue	52,118	50,545	50,370				52,118	50,545	50,370	2,142	3,451		
Totals	93,198	110,351	111,383	102,275	94,781	99,149	(9,077)	15,570	12,234	5,998	9,382	2,386,369	2,014,174

Notes to the General Purpose Financial Statements 30 June 2014

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:

Catchment program

Managing, monitoring and maintaining water quality and reuse, our stormwater and natural waterways.

Centres and Neighbourhood program

Developing, delivering, maintaining and managing our public domain infrastructure, facilities and place management.

Community and Cultural program

Managing all community services, community development, community buildings and events and driving cultural development.

Customer and Community Relations program

Engaging with our community, all media and community relations, branding and marketing our city and developing and managing all our customer services.

Economic Development program

Business sector and economic development.

Environmental program

Monitoring and managing our environmental performance, developing environmental policy and making our community aware of environmental impact.

Foreshore program

Managing all aspects of our foreshore.

Governance and Civic program

Supporting our mayor and councillors; through council process and civic events; and providing guidance on governance to support other areas of council.

Internal Corporate Services program

Developing and managing our information, records and corporate knowledge; implementing information technology, communications, business, financial and HR infrastructure and services. Managing our fleet and plant; planning and developing assets; all project management and administrative support.

Land Use Planning program

Planning, delivering and managing our land and urban design and enhancing and informing on our heritage.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 2(b) Components of Functions or Activities (continued)**Library program**

Delivering all our library services.

Open Space, Sport & Recreation program

Developing, delivering, maintaining and managing all our sports, recreation, outdoor, open spaces and natural areas infrastructure, services and facilities.

Organisational Development program

Addressing workforce planning, driving culture and performance, assessing process efficiency and overseeing all corporate communications.

Paths and Cycleways program

Developing, managing and maintaining our footpaths and cycleways.

Property Portfolio program

Developing, managing and maintaining our portfolio of corporate, commercial and civic properties.

Regulatory program

Delivering all our regulatory assessments and activities, including building regulations, environmental regulations, road, parking and footpath enforcement and animal management.

Risk Management program

Managing all legal services, procurement and internal auditing, assessing and managing business continuity, risk and disaster management.

Roads program

Managing and maintaining our roads, bridges and retaining walls.

Strategic City program

Providing strategic direction and planning; and manages the reporting on our corporate performance.

Traffic & Transport program

Managing our transport, traffic and carparking; developing sustainable transport options.

Waste and Recycling program

Managing our domestic and commercial waste services, educating on and facilitating recycling and disposal services.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 3 INCOME FROM CONTINUING OPERATIONS

	2014 (\$'000)	2013 (\$'000)
(a) Rates and Annual Charges		
Ordinary Rates		
Residential	26,350	25,384
Business	13,268	12,985
Environmental Management Levy	6,166	5,926
Total Ordinary Rates	45,784	44,295
Special Rates		
Macquarie Park	1,277	1,235
Total Special Rates	1,277	1,235
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic Waste Management Services	14,949	14,287
Non-Rateable Waste Management Charges	135	-
Stormwater Management Service Charge	990	986
Section 611 Charges	123	276
Total Annual Charges	16,197	15,549
Total Rates and Annual Charges	63,258	61,079
Council has used 2010 valuations provided by the NSW Valuer General in calculating its rates.		
(b) User Charges and Fees		
User Charges (pursuant to s.502)		
Aquatic Centre	5,028	4,798
Sports Facility Rental	579	540
Hall Hire	457	463
Road Restorations	1,040	2,285
Gutter Crossings	257	285
Commercial Waste Service	991	811
Other	46	37
Total User Charges	8,398	9,219
Fees		
Regulatory/Statutory Fees	2,122	1,865
s603 Certificates	163	145
Discretionary		
- Parking fees	1,142	867
- Environmental Planning	1,808	878
- Private Works	119	109
- Vacation Care	-	5
- Home Maintenance & Modification	83	59
- Other	153	147
Total Fees	5,590	4,075
Total User Charges and Fees	13,988	13,294
(c) Interest and Investment Revenue (Losses)		
Overdue Rates & Charges	191	203
Cash, cash equivalents and investments:		
- Externally restricted	1,033	789
- Internally restricted	-	-
- Unrestricted	3,074	3,302
Impairment Losses		
- Investments	-	-
Premiums recognised on financial instrument transactions		
Amortisation of discounts and premiums:		
- Investments held to maturity	33	34
Total Interest and Investment Revenue	4,331	4,328

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 3 Income from Continuing Operations (continued)

	2014 (\$'000)	2013 (\$'000)		
(d) Other Revenues				
Fair value adjustments - investment properties	180	345		
Rental income:				
- Investment Property	239	227		
- Other Property	1,946	1,277		
Parking Fines	4,857	3,823		
Other Fines	42	53		
Ex Gratia rates	-	-		
Materials Recycling	293	207		
Lease - Telecommunications	84	177		
Legal Fees Recoveries				
- Rates	-	-		
- Other	48	13		
Insurance Claims	2	5		
Staff Vehicle Leases and Other Payments	544	545		
Eastwood Plaza	54	49		
Sundry Sales	32	67		
Other	611	739		
Total Other Revenue	8,932	7,527		
			OPERATING	CAPITAL
	2014	2013	2014	2013
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
(e) Grants				
General Purpose (Untied)				
Financial Assistance	1,618	2,939	-	-
Pensioner Rebate Subsidy - Rates	524	513	-	-
Total General Purpose (Untied)	2,142	3,452	-	-
Specific Purpose				
Pensioner Rebate Subsidy - Domestic Waste	216	216	-	-
Vacation Care	-	51	-	-
Macquarie Park Construction	-	-	-	-
Library	274	266	-	-
Home Maintenance & Modification	362	459	-	-
Meadowbank/Gladesville Traffic Study	86	-	-	-
DEEWR - Apprentice Rebate Scheme	34	23	-	-
Community Staff Funding	246	225	-	-
Street & Traffic Lighting	364	364	-	-
Roads To Recovery	-	-	424	424
RTA Transport	-	-	1,193	481
Parks Grants	39	-	7	546
Waste Education	29	-	-	-
Graffiti Management	-	100	-	-
Town Centres	-	-	-	2,430
Catchment Management	-	-	-	179
Environmental Projects	68	-	-	-
OH&S Incentive Rebate	76	-	-	-
Other	156	131	282	35
Total Specific Purpose	1,950	1,835	1,906	4,095
Total Grants	4,092	5,287	1,906	4,095
Comprising:				
- Commonwealth funding	2,747	3,934	0	0
- State funding	1,345	1,353	1,906	4,095
- Other funding	-	-	-	-
	4,092	5,287	1,906	4,095

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 3 Income from Continuing Operations (continued)

	OPERATING		CAPITAL	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
(f) Contributions				
Developer Contributions (s94)				
- Open Space	-	-	5,779	5,550
- Parking	-	-	-	-
- Drainage	-	-	417	571
- Traffic Facilities	-	-	619	3,203
- Other	-	-	38	263
- Meadowbank	-	-	-	-
- Community Facilities	-	-	1,860	2,381
Voluntary Planning Agreements	-	-	3,575	1,653
Other Councils	570	557	-	-
Community Facilities	-	153	-	-
Community Events	43	5	-	-
Other	43	36	5	283
RMS Contributions				
- Roads & Bridges	299	292	-	-
- Other	114	96	-	-
Buildings & Property (In Kind)	-	-	-	-
Buildings & Property (In Kind) - s94	-	-	-	-
Customer/Resident Contributions	-	-	30	30
LSL Contributions from other Councils	98	26	-	-
DWM Better Waste and Recycling Fund	290	-	-	-
Waste Performance Improvement Program	-	674	-	-
Total Contributions	1,457	1,839	12,323	13,934
Total Grants & Contributions	5,549	7,126	14,229	18,029
		2014 (\$'000)		2013 (\$'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				
		13,852		15,570
Less:				
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period				
		5,636		3,074
Net increase/(decrease) in Restricted Grants and Contributions		8,216		12,496

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

	2014	2013
	(\$'000)	(\$'000)
(a) Employee Benefits & On Costs		
Salaries and Wages	28,379	27,875
Employee Leave Entitlements	8,541	7,528
Superannuation	3,768	3,647
Workers' Compensation Insurance	1,670	1,164
Fringe Benefits Tax (FBT)	209	115
Training Costs (excluding salaries)	211	409
Other	370	410
Less: Capitalised Costs	(3,359)	(3,143)
Total Employee Costs Expensed	<u>39,789</u>	<u>38,005</u>
Number of FTE Employees	440	442
(b) Borrowing Costs		
Interest on overdrafts	-	-
Interest on loans	146	130
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>146</u>	<u>130</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 4 Expenses from Continuing Operations (continued)

	2014 (\$'000)	2013 (\$'000)
(c) Materials and Contracts		
Raw materials and consumables	607	991
Contractor and Consultancy Costs	25,049	23,722
Audit Fees:		
- Audit Services	63	55
- Other ⁽¹⁾	20	1
Legal Fees:		
- Planning & Development	164	145
- Other	509	485
Operating leases		
- Computers	-	-
Infringement Notice Contract (SEINS)	511	478
Other	-	-
Less: Capitalised Costs	(1,333)	(963)
Total Materials & Contracts	<u>25,590</u>	<u>24,914</u>
⁽¹⁾ During the year the following fees were paid or payable for services provided by the Council's auditor – Pricewaterhouse Coopers (PwC), for 2013 and prior it was Hill Rogers Spencer Steer:		
(i) Audit and other assurance services		
Audit and review of financial statements	63	55
Other assurance services:		
– Audit of regulatory returns	-	-
– Due diligence services	-	-
Total remuneration for audit and other assurance services	<u>63</u>	<u>55</u>
(ii) Taxation services		
Tax compliance services	-	-
Total remuneration for taxation services	<u>-</u>	<u>-</u>
(iii) Other Services		
Advice on Financial Projections for projects	20	-
Attendance of Council meetings		1
Total remuneration for other services	<u>20</u>	<u>1</u>
Total remuneration of PricewaterhouseCoopers	<u>83</u>	<u>56</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 4 Expenses from Continuing Operations (continued)

(d) Depreciation, Amortisation and Impairment	Depreciation/Amortisation		Impairment	
	2014 (\$'000)	2013 (\$'000)	2014 (\$'000)	2013 (\$'000)
Plant and Equipment	2,601	2,187		
Office Equipment	1,005	1,335		
Furniture & Fittings	227	191		
Property Plant and Equipment Leased	-	-		
Land Improvements (Depreciable)	968	928		
Buildings - Specialised	650	1,188		
- Non-specialised	925	1,238		
Other Structures	2,242	2,380		
Infrastructure:				
- Roads, Bridges and Footpaths	6,060	5,435		
- Stormwater Drainage *	1,507	3,801		
Other Assets:				
- Heritage Collections	-	-		
- Library Books	504	508		
Total Depreciation Costs	16,689	19,191	-	-
Less: Capitalised Costs/Impairment reversals	(130)	(116)		
Total Depreciation and Total Impairment	16,559	19,075	-	-

* Refer to Note 9, Review ed Unit Rates for 2013/14.

(e) Other Expenses	2014 (\$'000)	2013 (\$'000)
Other expenses for the year include the following:-		
Fair Value decrements - Investment Properties	-	-
Bad & Doubtful Debts	100	74
Mayoral Fee	59	58
Councillors' Fees	267	260
Councillors' (incl. Mayor) Expenses	101	107
Election Costs (excl. Employee Costs)	-	450
Interest on Refundable Deposits	65	72
Insurance	974	1,085
Insurance - Statewide Mutual Provision	-	-
Street Lighting	2,186	2,156
Communications Costs	203	230
Contribution to Fire Control	1,516	1,485
Contribution to Dept of Planning	245	239
Contributions & Donations - Community Grants	725	783
Waste Development Tax	3,028	2,669
Membership Fees	149	117
Valuation Fees	187	166
Electricity & Heating	1,498	1,640
Water Rates	440	349
Bank Fees & Charges	222	212
Property Lease Costs	4	5
Postage & Courier Costs	266	222
Advertising	342	216
Operating Leases	-	-
Parking Infringement Collection	-	-
Remediation	-	-
Green Waste Collection Charges	-	-
Other Expenses	126	187
Less: Capitalised Costs	(6)	(4)
Total Other Expenses From Continuing Operations	12,697	12,778

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 5 GAIN OR LOSS FROM THE DISPOSAL OF ASSETS

	2014 (\$'000)	2013 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF STRATUM LAND		
Proceeds from disposal	-	100
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>-</u>	<u>100</u>
GAIN (OR LOSS) ON DISPOSAL OF OPERATIONAL LAND		
Proceeds from disposal	5	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>5</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF COMMUNITY LAND		
Proceeds from disposal	172	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>172</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF PROPERTY		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF PLANT & EQUIPMENT		
Proceeds from disposal	1,289	1,071
Less: Carrying amount of assets sold	<u>(1,121)</u>	<u>(1,275)</u>
Gain (or loss) on disposal	<u>168</u>	<u>(204)</u>
GAIN (OR LOSS) ON DISPOSAL OF REAL ESTATE ASSETS HELD FOR SALE		
Proceeds from sales ⁽¹⁾	894	-
Less: Cost of sales	<u>(910)</u>	<u>-</u>
Gain (or loss) on disposal	<u>(16)</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF OFFICE EQUIPMENT		
Proceeds from disposal	-	3
Less: Carrying amount of assets sold	<u>(24)</u>	<u>(23)</u>
Gain (or loss) on disposal	<u>(24)</u>	<u>(20)</u>

⁽¹⁾ This includes the net proceeds from the sale of the asset (\$910k) less the commission on sale (\$16k). This asset was revalued as at 30 June 2013.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 5 Gain or Loss from the disposal of assets (continued)

	2014 (\$'000)	2013 (\$'000)
GAIN (OR LOSS) ON DISPOSAL OF LIBRARY BOOKS		
Proceeds from disposal	-	-
Less: Carrying amount of assets sold	-	-
Gain (or loss) on disposal	<u>-</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF RBF - ROAD PAVEMENTS		
Proceeds from disposal	-	-
Less: Carrying value of Works in Progress	(10)	-
Gain (or loss) on disposal	<u>(10)</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF RBF - FOOTPATHS & CYCLEWAYS		
Proceeds from disposal	-	-
Less: Carrying value of Works in Progress	(72)	-
Gain (or loss) on disposal	<u>(72)</u>	<u>-</u>
GAIN (OR LOSS) ON DISPOSAL OF WORKS IN PROGRESS		
Proceeds from disposal	-	-
Less: Carrying value of Works in Progress	(203)	(5,496) ⁽²⁾
Gain (or loss) on disposal	<u>(203)</u>	<u>(5,496)</u>
GAIN (OR LOSS) ON DISPOSAL OF FINANCIAL ASSETS⁽³⁾		
Proceeds from disposal	3,035	3,372
Less: Carrying value of Financial assets	(2,991)	(1,999)
Gain (or loss) on disposal	<u>44</u>	<u>1,373</u>
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS	<u>64</u>	<u>(4,247)</u>

⁽²⁾ This represents the write off of the costs incurred for the Redevelopment of the Civic Centre Precinct, as resolved by Council in September 2012.

⁽³⁾ This does not include investments that are rolled over, in full, with the same ADI.

Gross amount including rolled over investments:

Proceeds from disposal	CF	32,034	18,373
Less: Carrying value of Financial assets	6	(31,990)	(17,000)
Gain (or loss) on disposal		<u>44</u>	<u>1,373</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 6(a) CASH AND CASH EQUIVALENTS

	Notes	2014 (\$'000)	2013 (\$'000)
Cash at bank and on hand		947	458
Deposits at call ⁽¹⁾		14,846	15,347
		<u>15,793</u>	<u>15,805</u>

⁽¹⁾ Includes term deposits with a term of less than 3 months

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 6(b) INVESTMENTS

The following financial assets are held as investments:

	2014		2013	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Financial Assets at Fair Value through Profit and Loss	-	-	-	-
Held to Maturity Investments	51,500	38,665	46,450	29,622
Available for Sale Financial Assets	-	-	-	-
Total	51,500	38,665	46,450	29,622
Financial Assets at Fair Value Through Profit and Loss				
At beginning of year	-	-	-	-
Revaluation to income statement	-	-	-	-
Additions	-	-	-	-
Disposals (Sale/Redemption)	-	-	-	-
Reclassification	-	-	-	-
At end of year	-	-	-	-
Held for Trading:				
- Managed funds	-	-	-	-
- CDOs	-	-	-	-
- FRNs	-	-	-	-
- Listed equity securities	-	-	-	-
TOTAL	-	-	-	-
Held to Maturity Investments				
At beginning of year	46,450	29,622	38,000	27,109
Amortisation of discounts & premiums	-	33	-	34
Additions	28,050	18,000	18,950	8,979
Disposals	(29,000)	(2,990)	(15,000)	(2,000)
Impairment	-	-	-	-
Transfer to Current	6,000	(6,000)	4,500	(4,500)
At end of year	51,500	38,665	46,450	29,622
Comprising of:				
- CDOs	-	-	-	-
- FRNs	-	17,921	3,000	16,881
- Fixed Bonds	-	1,994	-	1,991
- Term Deposits ⁽²⁾	51,500	18,750	43,450	10,750
TOTAL	51,500	38,665	46,450	29,622

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

Notes to the General Purpose Financial Statements 30 June 2014

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

	2014		2013	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Total cash, cash equivalents and investments	67,293	38,665	62,255	29,622
External restrictions	11,187	32,926	9,481	27,169
Internal restrictions	50,061	5,739	48,149	2,453
Unrestricted	6,045	-	4,625	-
Total	67,293	38,665	62,255	29,622
	Opening Balance 30 June 2013 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2014 \$'000
<u>External Restrictions</u> <i>Included in liabilities</i>				
Specific purpose unexpended loans (A)				
RTA Advances (B)				
Self-Insurance Claims (C)				
Other	-	-	-	-
<i>Other</i>				
Developer Contributions (A)	24,345	13,321	(2,118)	35,548
Specific Purpose Unexpended Grants (B)	4,096	501	(3,518)	1,079
Domestic Waste Management (C)	4,789	15,213	(15,090)	4,912
Stormwater Management	1,402	993	(1,180)	1,215
Macquarie Park Special Rate	1,819	1,279	(1,968)	1,130
External Works Drainage Contributions	199	30	-	229
Total External Restrictions	36,650	31,337	(23,874)	44,113
Total Restricted Grants and Contributions for Note 3 (g) comparisons	28,640	13,852	(5,636)	36,856

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 6(c) Restricted Cash, Cash Equivalents and Investments (continued)

	Opening Balance 30 June 2013 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2014 \$'000
Internal Restrictions				
Plant Replacement Reserve	2,011	2,232	(1,781)	2,462
Employee Leave Entitlements	3,110	1,223	(1,335)	2,998
Incomplete/Carry Over Works and Projects	2,767	2,721	(2,767)	2,721
Refundable Deposits	8,424	550	-	8,974
Asset Replacement Reserve	9,064	10,456	(4,158)	15,362
Ryde Aquatic Leisure Centre	1,752	3,668	(4,835)	585
Investment Property Reserve	15,639	894	(130)	16,403
Civic Centre Precinct Redevelopment Reserve	1,258	-	(436)	822
Financial Security Reserve	3,438	-	-	3,438
Insurance Fluctuation Reserve	414	149	-	563
Risk Rebate Reserve	-	80	(40)	40
Other	2,725	425	(1,718)	1,432
Total Internal Restrictions	50,602	22,398	(17,200)	55,800
Total Restrictions	87,252	53,735	(41,074)	99,913

- A. Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans and voluntary planning agreements (VPAs)(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.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 7 RECEIVABLES

Purpose	2014		2013	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Rates and Annual Charges	1,246	831	1,310	874
Rates Interest & Extra Charges	197	131	195	130
User Charges & Fees				
Environmental & Health	410	-	353	-
Restorations	354	-	569	-
Recreational Facilities	254	-	151	-
Property & Infrastructure Works	22	-	58	-
Home Modification Service	15	-	10	-
Ryde Aquatic Leisure Centre	103	-	105	-
Interest on Investments	1,295	-	893	-
Contributions to Works	135	-	140	-
Government Grants & Subsidies	2,382	-	854	-
Commercial Waste	354	-	340	-
GST	403	-	318	-
Asset Sales	-	-	-	-
Workers Compensation	17	-	16	-
Staff Payments	-	-	-	-
Voluntary Planning Agreement	-	-	-	-
Fines	329	-	-	-
Other	454	-	570	-
Total	7,970	962	5,882	1,004
Less: <u>Provision for Doubtful Debts</u>				
- Rates and Annual Charges	-	-	-	-
- Interest and extra charges				
- User Charges and Fees	257	-	185	-
- Government Grants & Subsidies	-	-	-	-
	7,713	962	5,697	1,004

EXTERNALLY RESTRICTED RECEIVABLES (Included Above)

Domestic Waste Management ⁽¹⁾	-	-	-	-
TOTAL RESTRICTED RECEIVABLES	-	-	-	-
UNRESTRICTED RECEIVABLES	7,713	962	5,697	1,004
TOTAL RECEIVABLES	7,713	962	5,697	1,004

⁽¹⁾ Receivables for Domestic Waste are included in the transfers to/from the cash reserve, and if shown here would result in a duplication of the restriction.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 7 Receivables (continued)**Rates and Annual Charges**

Rates are secured by underlying properties.

Interest is charged on overdue rates at 9% (2013 10%). 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 \$2,077,000 (2013 \$2,184,000)

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 \$257,000.

Government Grants

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

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 8 INVENTORIES & OTHER ASSETS

	2014		2013	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Inventories				
Real Estate (refer (i) below)	-	-	-	-
Stores and Materials	489	-	447	-
Other	-	-	-	-
Total Inventories	489	-	447	-

Note: The following assets although disclosed as current, are not expected to be realised within the next 12 months

(b) Inventories not expected to be realised within the next 12 months⁽¹⁾	267	-	97	-
(c) Other Assets				
Prepayments	315	-	388	-
Total Other Assets	315	-	388	-

EXTERNALLY RESTRICTED INVENTORIES AND OTHER ASSETS

NIL

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

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 9(a) & (b) INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

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

\$000's	At 30 June 2013				MOVEMENTS DURING THE YEAR							At 30 June 2014				
	ASSET TYPE	Cost	Fair Value	Accumulated Depreciation & Impairment	Written Down Value (WDV)	Asset Purchases	Transfers From WIP	WDV of Disposals	Transfers and Adjustments	Depreciation & Impairment	Asset Revaluation		Cost	Fair Value	Accumulated Depreciation & Impairment	Written Down Value (WDV)
											Gross Book Value	Accumulated Depreciation				
Plant and Equipment		24,331	12,708	11,623	3,669	38	1,121	-	-	2,601	-	-	-	25,275	13,667	11,608
Office Equipment		12,240	9,697	2,543	697	190	24	-	-	1,005	-	-	-	9,967	7,566	2,401
Furniture and Fittings		4,429	3,022	1,407	28	-	-	-	-	227	-	-	-	4,457	3,249	1,208
Leased Plant & Equipment		209	209	-	-	-	-	-	-	-	-	-	-	209	209	-
Land																
- Operational Land		202,773	-	202,773	-	-	-	-	-	-	(38,534)	-	-	164,239	-	164,239
- Community Land		1,017,725	-	1,017,725	-	-	-	-	-	-	375,593	-	-	1,393,318	-	1,393,318
- Land Improvements (non-depr'n)		7,749	-	7,749	508	36	-	-	-	-	-	-	-	8,293	-	8,293
- Land Improvements (depr'n)		12,841	10,912	1,929	59	20	-	-	-	968	-	-	-	12,920	11,880	1,040
- Land Under Roads		11,552	-	11,552	-	-	-	-	-	-	-	-	-	11,552	-	11,552
Buildings																
- Non-specialised		105,849	61,306	44,543	598	577	-	-	-	925	(1,175)	(539)	-	105,849	61,692	44,157
Other Structures																
- Carparks		23,323	4,259	19,064	77	-	-	-	-	832	(77)	(1,814)	-	23,323	3,277	20,046
- Foreshore Assets		4,990	2,078	2,912	64	-	-	-	-	56	(64)	(46)	-	4,990	2,088	2,902
- Road Ancillary		9,254	2,116	7,138	692	405	-	-	-	306	(648)	(16)	-	9,703	2,405	7,298
- Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure																
- Roads, Bridges and Footpaths																
- Road Pavement		280,885	59,960	220,925	3,746	481	10	-	-	4,709	(4,043)	(15,730)	-	281,043	48,923	232,120
- Road Ancillaries		6,098	3,032	3,066	234	77	-	-	-	107	(281)	-	-	6,128	3,139	2,989
- Bridges		4,129	1,872	2,257	3	-	-	-	-	56	(3)	(320)	-	4,129	1,608	2,521
- Footpaths and Cycleways		54,423	15,243	39,180	5,273	1,185	72	-	-	533	(3,319)	(1,526)	-	57,482	14,242	43,240
- Kerb & Guttering		96,150	39,900	56,250	433	4	-	-	-	655	(432)	(70)	-	96,155	40,484	55,671
- Stormwater Drainage		244,833	62,485	182,348	1,697	326	-	-	-	1,507	(1,883)	(866)	-	244,973	63,125	181,848
- Swimming Pools		27,908	8,372	19,536	-	-	-	-	-	650	-	-	-	27,908	9,023	18,885
- Other Open Space/Recreational assets		58,617	9,574	49,043	826	103	-	1,832	1,048	904	(855)	-	-	62,282	9,766	52,516
Other Assets																
- Heritage Collections		152	-	152	27	50	-	-	-	-	-	-	-	229	-	229
- Library Books		3,241	1,871	1,370	479	-	-	-	-	504	-	-	-	3,248	1,903	1,345
Capital Works in Progress		6,146	-	6,146	6,255	(3,492)	203	-	-	-	-	-	8,706	-	-	8,706
TOTALS		6,146	2,213,701	308,616	1,911,231	25,365	-	1,430	1,832	16,689	326,038	(21,782)	8,706	2,557,672	298,246	2,268,132

NOTE 9(b) RESTRICTED INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

Includes DWM Restricted Assets	980		187	793	72	-	-	-	-	66	-	-	1,052	-	253	799
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Notes:

Excludes investment properties and non-current assets held for sale.

Additions to Buildings and Infrastructure are made up of Asset Renewals (\$14,018) and New Assets (\$6,447). Renewals are defined as replacements of existing assets with equivalent capacity or performance as opposed to the acquisition of new assets.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 10(a) PAYABLES, BORROWINGS & PROVISIONS

	2014		2013	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Payables				
Goods and Services	7,495	-	5,390	-
Payments Received in Advance	281	-	664	-
Payments received in advance - Rates	284	-	191	-
Accrued Expenses	1,048	-	510	-
Advances	-	-	-	-
Interest Expenses	53	-	1	-
Deposits and Retentions	8,975	-	8,047	-
Staff Taxation Payments	-	-	-	-
Staff Salaries & Wages	316	-	-	-
Trust Account Deposits	-	-	-	-
Domestic Waste	695	-	-	-
Other Contributions	-	-	-	-
Other	58	-	40	-
Total Payables	19,205	-	14,843	-
Current Payables not expected to be settled within the next 12 months	6,956	-	6,236	-
Borrowings				
Bank Overdraft	-	-	-	-
Loans - secured ⁽¹⁾	793	4,822	527	2,895
Loans - unsecured	-	-	-	-
Government Advances	-	-	-	-
Ratepayers advances	-	-	-	-
Finance lease liability	-	-	-	-
Deferred payment liabilities	-	-	-	-
Total Interest Bearing Liabilities	793	4,822	527	2,895
Provisions⁽²⁾⁽³⁾				
Annual & Other Accrued Leave	3,350	-	3,199	-
Sick Leave	201	-	203	-
Long Service Leave	6,763	136	6,451	180
Employee Leave Entitlements On Costs	-	-	-	-
Site Remediation (see Note 26)	-	-	-	-
Self Insurance Liabilities	-	-	-	-
Other Employee Provisions	-	-	-	-
Total Provisions	10,314	136	9,853	180
Current provisions not expected to be settled within the next 12 months	5,431	-	5,381	-
Liabilities relating to restricted assets				
Domestic Waste Management	-	-	-	-
Total Liabilities relating to restricted assets	-	-	-	-
Liabilities relating to unrestricted assets	30,312	4,958	25,223	3,075
Total	30,312	4,958	25,223	3,075

(1) Loans are secured by the rating income of Council.

(2) Vested ELE is all carried as a current provision.

(3) Increase in provision due to movement in the Commonwealth Government Securities for 2012

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 10(b) DESCRIPTION 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	3,199	2,798	2,647	-	3,350
Sick Leave	203	1,250	1,252	-	201
Long Service Leave	6,631	1,356	1,088	-	6,899
Total	10,033	5,404	4,987	-	10,450

Notes to the General Purpose Financial Statements 30 June 2014

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

	Notes	2014 (\$'000)	2013 (\$'000)
Total Cash and Cash Equivalents	6(a)	15,793	15,805
Less: Bank Overdraft	10	-	-
Balances as per Statement of Cash Flow		<u>15,793</u>	<u>15,805</u>

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

		2014 (\$'000)	2013 (\$'000)
Net Operating Result from Income Statement		15,570	12,234
Add:			
Depreciation and Impairment	4	16,559	19,075
Impairment of investments	3	-	-
Increase in provision for doubtful debts	7	72	-
Increase in provision for leave entitlements	10	417	682
Increase in Other Provisions	10	-	-
Decrease in receivables	7	-	734
Decrease in inventories	8	-	-
Decrease in other current assets	8	73	-
Increase in payables	10	3,282	-
Increase in accrued interest payable	10	52	-
Increase in other current liabilities	10	1,734	50
Decrements from revaluations	4	-	-
Loss on sale of assets	5	-	4,247
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	-	(33)
Decrease in employee leave entitlements	10	-	-
Decrease in Other Provisions	10	-	-
Increase in receivables	7	(2,046)	-
Increase in inventories	8	(42)	(117)
Increase in other current assets	8	-	(157)
Decrease in payables	10	-	(3,880)
Decrease in accrued interest payable	10	-	-
Decrease in other current liabilities	10	-	-
Reversal of previous revaluation decrements			
Non cash contributions and dedications			
Gain on sale of Assets	5	(64)	-
Fair value adjustments to financial assets at fair value through profit and loss	6	-	-
Fair value adjustments to investment properties	3	(180)	(345)
Amortisation of discounts & premiums recognised	3	(33)	(34)
Non Cash Capital Grants & Contributions	3	-	-
Net cash provided by (used in) operating activities		<u>35,394</u>	<u>32,456</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 11 Reconciliation of Operating Result to Net Cash Movement from Operating Activities (continued)

	2014 (\$'000)	2013 (\$'000)
(c) Non-Cash Financing and Investing Activities		
Acquisition of Plant & Equipment by means of finance leases	-	-
S.94 contributions in kind	-	-
Dedications	-	-
	<u>-</u>	<u>-</u>
(d) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts Facility	-	-
Corporate credit cards	45	45
	<u>45</u>	<u>45</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 12 COMMITMENTS FOR EXPENDITURE

	2014 (\$'000)	2013 (\$'000)
(a) Capital Commitments (exclusive of GST)		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	-	-
Plant & Equipment	-	-
Macquarie Business Centre signage	-	24
Architectural Services - surf attraction	250	33
Parking Meter Upgrade	-	173
Traffic Signal Installation	88	-
Granite Paving	221	1,614
Stormwater/Drainage	3	-
Total	561	1,844
These expenditures are payable:		
- Not later than one year	561	1,844
- Later than one year and not later than 5 years	-	-
- Later than 5 years	-	-
Total	561	1,844
(b) 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	-	-

Description of Leases:

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 12 Commitments for Expenditure (continued)

	2014 (\$'000)	2013 (\$'000)
(c) Non-cancellable operating lease commitments		
Commitments under non-cancellable operating leases at 30 June 2014 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	<u>-</u>	<u>-</u>
(d) Repairs and maintenance: investment property		
Contractual obligations for future repairs and maintenance		
Total	<u>-</u>	<u>-</u>

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 13 STATEMENT OF PERFORMANCE MEASURES – CONSOLIDATED RESULTS

	Amounts (\$'000)	Current Year Indicators	Current Year		Bench -mark
			2013	2012	
1. Operating performance					
Operating revenue ¹ (excluding capital grants and contributions) – operating expenses \$	1,098	1.15%	-6.60%	0.51%	> 0.00%
Operating revenue ¹ (excluding capital grants and contributions)	95,879				
2. Own source operating revenue					
Rates, fees and charges	77,247	70.16%	66.46%	62.13%	> 60.00%
Total operating revenue ¹ (inclusive of capital grants and contributions)	110,108				
3. Unrestricted current ratio					
Current assets less all external restrictions	64,356	2.59	3.03	2.59	> 1.5
Current liabilities less specific purpose liabilities	24,881				
4. Debt service cover ratio					
Operating results ¹ before capital excluding interest and depreciation (EBITDA)	17,803	27.26:1	28.29:1	23.9:1	> 2
Principal repayments (from the statement of cash flows) + borrowing interest costs (from the income statement)	653				
5. Rates and Annual Charges Outstanding Percentage					
Rates and Annual Charges Outstanding	2,405	3.65%	3.93%	4.19%	< 5.00%
Rates and Annual Charges Collectable	65,959				
6. Cash expense cover ratio					
Current year's cash, cash equivalents and Term Deposits	86,043	13.46	10.00	1.43	> 3 months
(Payments from cash flow of operating and financing activities)	6,395				

¹ Excludes fair value adjustments and reversal of revaluation decrements, net gain on sale of assets and net share of interests in joint ventures

Note: There are four new performance indicators that are applicable from 2014, with comparative calculations done. Two are existing indicators. The Building and Infrastructure Renewals Ratio has been moved to Special Schedule 7.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 14 INVESTMENT PROPERTIES

	2014 (\$'000)	2013 (\$'000)
At Fair Value		
Opening balance at July 1 2013	2,620	2,275
Net gain (loss) from fair value adjustment	180	345
Closing Balance at 30 June 2014	2,800	2,620

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

Rental income	(3) 239	227
Net gain (loss) from fair value adjustment	180	345
Direct operating expenses from property that generated rental income	(20)	(23)
Total	399	549

(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 2014 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	240	227
- Later than one year and not later than 5 years	492	638
- Later than 5 years	16	74
Total	748	939

Refer to note 27 Fair value measurement for information regarding the fair value of investment properties held.

Notes to the General Purpose Financial Statements 30 June 2014

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	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Financial assets				
Cash and cash equivalents	15,793	15,805	15,793	15,805
Receivables	8,675	6,701	8,675	6,701
Financial assets at fair value through profit or loss	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Held-to-maturity investments	90,165	76,072	90,529	76,393
	<u>114,633</u>	<u>98,578</u>	<u>114,997</u>	<u>98,899</u>
Financial liabilities				
Payables	19,205	14,843	19,205	14,843
Borrowings	5,615	3,422	5,811	2,889 ⁽¹⁾
	<u>24,820</u>	<u>18,265</u>	<u>25,016</u>	<u>17,732</u>

Note:

Refer to Note 27 for fair value information.

⁽¹⁾ The fair value represents the Present Value of the total payments (principal and interest) for the remaining term of the loans, with the amount of interest estimated for those loans with variable rates, discounted by the Bond rates used for Employee Leave Entitlement discounting.

Notes to the General Purpose Financial Statements 30 June 2014

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 investment 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 risk associated with investments held are:

- Price risk – the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or factors affecting similar instruments traded in a market.
- Interest rate risk – the risk that movements in interest rates could affect returns
- 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.

The impact on result for the year and equity of a reasonably possible movement in the price of investments held is shown below. The reasonably possible movement was determined based on historical movements and economic conditions in place at the reporting date.

	30/06/2014 \$'000	30/06/2013 \$'000
Estimated Impact of a 10% ⁽²⁾ movement in price of investments:		
– Equity	36	-
– Income statement	36	-
Estimated Impact of a 1% ⁽²⁾ movement in interest rates on cash and investments:		
– Equity	1,060	919
– Income statement	1,060	919

Note:

⁽²⁾ 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.

Notes to the General Purpose Financial Statements 30 June 2014

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.

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

Council makes suitable provision for doubtful receivables as required.

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:

Percentage of Rates and Annual Charges	2014	2013
- Current	19%	17%
- Overdue Debts	81%	83%
Analysis of overdue debts	\$'000	\$'000
0 - 30 days overdue	377	367 ⁽³⁾
31 - 60 days overdue	0	0
61 - 90 days overdue	5	12
91+ days overdue	2,023	2,130
Percentage of Other Receivables	2014	2013
- Current	81%	86%
- Overdue Debts	19%	14%
Analysis of overdue debts	\$'000	\$'000
0 - 30 days overdue	5,316	3,750
31 - 60 days overdue	325	34
61 - 90 days overdue	25	135
91+ days overdue	861	458

	2014	2013
(ii) Movement in Provision for Impairment for Receivables		
Balance at the beginning of the year	185	218
Plus: New provisions recognised during the year	100	121
Less: Amounts already provided for & written off	(28)	(154)
Balance at the end of the year	257	185

⁽³⁾ The fourth rate instalment each year is due on 31 May, and is only 30 days overdue at 30 June.

Notes to the General Purpose Financial Statements 30 June 2014

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 maturity table below.

2014 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	19,205	-	-	19,205	19,205
Borrowings	990	4,085	1,335	6,410 ⁽⁴⁾	5,615
	20,195	4,085	1,335	25,615	24,820

2013 \$'000	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables	14,843	-	-	14,843	14,843
Borrowings	622	2,514	629	3,765 ⁽⁴⁾	3,422
	15,465	2,514	629	18,608	18,265

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 2014		30 June 2013	
	Weighted average interest rate	Balance \$'000	Weighted average interest rate	Balance \$'000
Overdraft	% N/A	-	% N/A	-
Bank Loans – Variable ⁽⁵⁾	3.41%	4,415	3.02%	3,422
Bank Loans – Fixed	5.24%	1,200	N/A	-
		<u>5,615</u>		<u>3,422</u>

Note:

⁽⁴⁾ This represents the total payments (principal and interest) for the remaining term of the loans, with the amount of interest estimated for those loans with variable rates.

⁽⁵⁾ The interest rate risk applicable to Variable Rate Bank Loans is not considered significant.

Refer to note 27 for Fair Value information

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 16 MATERIAL BUDGET VARIATIONS

Council's original budget was incorporated as part of the 2013-2017 Delivery Plan adopted by the Council on 25 June 2013.

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**User Charges and Fees \$1,396K (11%) (F)**

Council received additional user charges of \$13,988k which was above the original budget by \$1,396k (11%).

Development Fees were up by \$283k, due to increased development, which is also reflected in increased capital contributions. Building Fees were up by \$641k, due to increased development. Parking fees were up by \$116k. A new Planning Proposal Fee was introduced which was \$198k. Also \$865k in User Fees, including Restorations and Building Leases.

Interest and Investment Revenue \$1,081K (33%) (F)

Council received interest revenue of \$4,331k which was above the original budget by \$1,081k (33%).

Whilst Interest rates have been reasonably flat over the last 12 months, this has increased due to higher than expected Section 94 contributions. This additional income, whilst improves Council's operating result, has to be restricted and can only be used for construction of new works under the Section 94 plan.

Other Revenues \$2,377K (36%) (F)

Council received other revenues of \$8,932k which was above the original budget by \$2,377k (36%).

Regulated Parking was \$2,133 above original budget. The State Debt Recovery Office (SDRO) have changed their methods for collection in the last twelve months, which has resulted in a collection of approximately 90% of the face value of fines, whereas previously it was approximately 70%.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 16 Material Budget Variations (continued)**Grants & Contributions provided for operating purposes -\$1,671K (-23%) (U)**

Council received other revenues of \$5,549k which was below the original budget by -\$1,671k (-23%) below

The unfavourable result relates to the Federal Financial Assistance Grant that was paid in advance in 2012/2013, that was budgeted for payment in 2013/2014. The money was received early and recognised as Income in 2012/2013.

Grants & Contributions provided for capital purposes \$14,015K (6549%) (F)

Council received capital income of \$14,229k which was above the original budget by \$14,015k (6549%).

Council only budgets, as part of its original budget for know grants and contributions towards capital works, it does not budget for Section 94 contributions, as these vary greatly. Council had, until two years ago, only received on average \$1.5 million per annum.

Council only budgets to spend each year amounts of Section 94 that are on hand.

Expenses**Depreciation, Amortisation and Impairment -\$4,685K (-22%) (F)**

Council charged depreciation of \$16,559k which was below the original budget by -\$4,685k (-22%).

As at 30 June 2013 Council had revised the useful lives of its Infrastructure and Building assets and their remaining lives, effective 1 July 2013.

Council has also moved to a condition basis for calculating the depreciation, which determines the remaining useful life, based on its condition. To support this Council has also commenced a rolling inspection of its infrastructure assets, plus reviews as part of its ongoing maintenance works, so that condition data is kept as current as possible.

Whilst this is not true "condition based" depreciation, Council has adopted a new method of depreciation, by breaking each of its asset categories into five condition ratings. Within each of these condition ratings, Council has reviewed and determined both the useful life and loss of future benefit, while the asset traverses through that condition rating. Therefore while in each condition rating the asset will have a straight line depreciation, which will increase as the condition rating increases.

Condition 5 represents those assets that are due for renewal, but are still in service, so will hold a residual value until renewed.

Depreciation is not longer a representation of the inter-generational funding that is required for asset renewal, this funding model is represented by a straight line depreciation over the useful life to the intervention point, being the end of Condition 4.

Other Expenses -\$3,417K (-21%) (F)

Council paid other expenses of \$12,697k which was below the original budget by -\$3,417k (-21%).

Between materials and contractors and other expenses the favourable variance is \$2,524, which is due to savings in budgeted Waste Development Tax \$472k, Insurance Premiums \$348k, Utilities - Power \$320k, Interest Expense on Security Deposits \$277k, Cost for Carbon Tax in Waste Disposal \$309k.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS

PURPOSE	OPENING BALANCE		CONTRIBUTIONS RECEIVED DURING YEAR (1)		INTEREST & INVESTMENT INCOME EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROWINGS (TO/FROM) (2)	EXPENDITURE RECLASSIFIED AS ASSET (3)	WORKS PROVIDED TO DATE	PROJECTED FUTURE CONTRIBUTIONS	PROJECTED COST OF WORKS STILL OUTSTANDING	PROJECTED OVER/(UNDER) FUNDING	CUMULATIVE INTERNAL BORROWINGS due/(payable)
	\$'000	\$'000	CASH	NON-CASH									
Community & Culture	4,411	1,860	-	-	216	29	-	8,458	779	44,992	54,969	(35,191)	-
Open Space & Public Domain	7,366	5,779	-	-	414	95	-	13,464	14,684	119,018	131,604	878	-
Roads, Traffic, Carparks & Cycleways	3,305	619	-	-	135	551	-	3,508	4,061	29,086	33,064	(470)	-
Stormwater Management	6,319	417	-	-	244	1,023	-	5,957	4,903	1,700	6,178	1,479	-
Administration	716	38	-	-	24	282	-	498	493	179	552	123	-
TOTAL UNDER PLANS	22,117	8,713	-	-	1,033	1,980	-	29,883	24,920	194,975	226,367	(1,509)	-
Planning agreements	2,228	3,575	-	-	-	138	-	5,665	-	-	-	-	-
TOTAL CONTRIBUTIONS	24,345	12,288	-	-	1,033	2,118	-	35,548	-	-	-	-	-

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

(1) Reconcilable with Note 3

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

(3) Cumulative balance of borrowing within and between plans

(4) The total balance under plans are restricted and reflected in Note 6(c) as External Restrictions, whereas the total balance of planning agreements (Voluntary Planning Agreements) is restricted in Note 6 (c) as Internal.

Notes:

Council has resolved to move to a new Section 94A Developer Contribution Plan, and is awaiting approval of that plan. Once approved the current Section 94 Plan will cease.

Notes to the General Purpose Financial Statements 30 June 2014

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 AASB119 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 2013 was \$1,259,615. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20 February 2013 and covers the period ended 30 June 2013. However the position is monitored annually and the Actuary has estimated that as at 30th June 2013 a deficit still exists. Effective from 1 July 2013, employers are required to contribute additional contributions to assist in extinguishing this deficit. The annual amount of additional contributions payable until the deficit is extinguished is \$342,059.

The share of this deficit that can be broadly attributed to City of Ryde was estimated to be in the order of \$1,368,236 as at 30 June 2014.

(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 2014 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.

2 Remediation Works**(i) Old landfill sites**

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

Council has not, as yet, been able to reliably determine the quantum of liability for this future works, but has estimated that it could cost approximately \$200,000 per annum.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 18 Contingencies (continued)**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 unpaid Infringement Notices. Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

(ii) Pedestrian Bridge and Tunnel, Top Ryde

Council, as part of the approval of a Development Application for the Top Ryde City Shopping Centre entered into an agreement with the owners and developers, Bevillesta Pty Ltd, where a monetary contribution was paid for the purchase of a tract of land at the front of Council's Administration Centre, 1 Devlin St, Ryde. Also one of the conditions of the Development Application was a long-term lease of 49 years, with a 50 year option, between Council and the Developers, where Council leased 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, plus the tunnels towards the Civic Centre site.

These represent a contingent assets that will become Councils at the end of the lease.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 19 INTERESTS IN JOINT VENTURES AND ASSOCIATES

Council has no interests in joint ventures or associates.

NOTE 20 REVALUATION RESERVES AND RETAINED EARNINGS

	2014 (\$'000)	2013 (\$'000)
(a) Retained earnings		
Movements in retained earnings were as follows:		
At beginning of year	1,725,369	1,713,135
Adjustment to correct prior years errors (Note 20 (d))	1,832	-
Net operating result for the year	15,570	12,234
At end of year	<u>1,742,771</u>	<u>1,725,369</u>
(b) Revaluation reserves		
Infrastructure, property, plant and equipment revaluation reserve	<u>608,326</u>	<u>260,507</u>
Total assets	<u>608,326</u>	<u>260,507</u>
Movements:		
<i>Property, plant and equipment revaluation reserve</i>		
At beginning of year	260,507	518,376
Revaluation - gross	326,038	(350,362)
Depreciation transfer - gross	21,782	92,493
At end of year	<u>608,327</u>	<u>260,507</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.		
(d) Correction of errors in previous years		
Write on of previously excluded assets - Other Structures Parks	1,832	

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 21 RESULTS BY FUND

Council has only one consolidated fund.

NOTE 22 NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2014 (\$'000)	2013 (\$'000)
Operational Land	-	-
Buildings	-	910
Total	<u>-</u>	<u>910</u>

Refer to note 27 for fair value measurement information.

NOTE 23 EVENTS OCCURRING AFTER BALANCE SHEET DATE

There have been no events occurring after Balance Sheet Date that require reporting.

NOTE 24 DISCONTINUED OPERATIONS

There were no operations discontinued by Council during the year.

NOTE 25 INTANGIBLE ASSETS

Council has no Intangible Assets to report.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 26 REINSTATEMENT, REHABILITATION AND RESTORATION LIABILITIES

Council has a liability for the reinstatement, rehabilitation and restoration of sporting fields, which were old landfill sites. Whilst it would be preferable to be able to access and list the actual sites and the cost for such works, it is not possible to do so.

What Council has been able to estimate, based on historical events, is that an amount of \$200,000 is required per annum to top dress those fields that were old landfill sites. This amount has been included in future projects, and is funded from the Domestic Waste Management Charge each year.

Notes to the General Purpose Financial Statements 30 June 2014

NOTE 27 FAIR VALUE MEASUREMENT

The Council measures the following assets and liabilities at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property
- Financial assets

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1* - Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2* - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3* - Unobservable inputs for the asset or liability

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

30 June 2014	Note	Level 2 Significant observable inputs (\$000's)	Level 3 Significant observable inputs (\$000's)	Total (\$000's)
Investment properties	14	-	2,800	2,800
Infrastructure, Property, Plant and Equipment	9			
- Operational land		-	164,239	164,239
- Community land		-	1,393,318	1,393,318
- Land under roads		-	11,552	11,552
- Buildings (Specialised and non-specialised)		-	63,042	63,042
- Roads, Bridges, Footpaths		-	336,541	336,541
- Stormwater drainage		-	181,848	181,848
TOTALS		-	2,153,340	2,153,340

The Council's financial assets relates to its investments in term deposits and CDO's. The information included under 6(b) is considered sufficient to meet the Fair Value disclosures requirements hence additional information is not included under this note.

The Council does not have any liabilities which are fair valued.

Valuation processes

Council's non-current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government. Further details of the revaluations policy is provided under note 1(k).

Notes to the General Purpose Financial Statements 30 June 2014

Level 3 measurementsInvestment properties

On an annual basis, the Council engages external, independent and qualified valuers to determine the fair value of its investment properties. As at 30 June 2014, the fair values of the land have been determined by Scott Fullarton Valuations Pty Ltd, a member of the Australian Property Institute. The buildings on these properties have been valued separately.

All investment property valuations are included in level 3 of the hierarchy. The value of investment property has determined using either using the capitalisation of rental income or with reference to value of similar properties within the area. The key unobservable input to the valuation is the rent or price per square metre. Further details have been provided below

Buildings

The Council engages external, independent and qualified valuers to determine the fair value of the Council's buildings. Buildings were last revalued in the 30 June 2012 financial year and the fair values were determined by SPM Asset Pty Ltd.

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

Further details relating to the rate per square metre has been provided below

Land (Operational, Community and Land under road)

The Council engages external, independent and qualified valuers to determine the fair value of the Council's Community Land. Valuations for Operational land and Land under roads is performed by the Council's internal valuations team.

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

The fair value for community land and Land under roads has been determined using a unit rate per square metre, derived from the Valuer General's valuation performed for rating purposes, and applying to the total area. Given the nature of Community land and Land under roads, comparable sales data is generally not available. As the Valuer General's valuation considers land in all zoning, average unit derived from Valuer General's valuation is considered the most practicable approach to valuing Community Land and Land under roads.

Community land was last revalued at 30 June 2009. Council has resolved to not value Land under Roads and Operational land was last revalued at 30 June 2014.

The key unobservable input to the valuation is the rate per square metre, for which, further details have been provided below

Infrastructure assets

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

The unit rate, which is a key unobservable input, is determined using an assessment of average historical internal costs, and rates from contracts with third party suppliers. Infrastructure assets were last revalued at 30 June 2013.

Notes to the General Purpose Financial Statements 30 June 2014

The information presented below on unobservable input has been limited to significant components of the infrastructure assets as it impracticable to provide information for all components.

Reconciliation of movements

The items classified under level 3 are investment properties and property, plant and equipment (including infrastructure assets). The reconciliation of movements in these assets is presented under note 14 and 9 respectively.

Asset / Liability Category	Carrying amount (At fair value) (\$000's)	Key Unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
Investment Properties	32,385	Rate per square metre and rental rate per square metre	\$750 - \$2,975 per square metre	The higher the rate, the higher the fair value.
Infrastructure, Property, Plant and Equipment²				
- Operational land	284,111	Rate per square metre	\$109 - \$2,038 per square metre	The higher the rate, the higher the fair value. Significant variances in the rate per square metre is reflective of the inherent features of the land such as zoning and useability,
- Community land	236,068	Rate per square metre	\$109 per square metre – average	The higher the rate, the higher the fair value.
- Land under roads	180,265	Rate per square metre	\$109 per square metre – average	Council has resolved not to value Land Under Roads, except those parcels received since 2008.
- Buildings (Specialised and non-specialised)	335,811	Rate per square metre	\$ 750 - \$ 2,975 per square metre	The higher the rate, the higher the fair value. Significant variances in the rate are reflective of the condition of the building, nature of the building and materials used to construct the building.

Notes to the General Purpose Financial Statements 30 June 2014

Asset / Liability Category	Carrying amount (At fair value) (\$000's)	Key Unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
- Roads, Bridges, Footpaths	1,026,639	Rate per unit of measure	Footpath- \$75 to \$565 (granite) per square metre average Kerb & Gutter - \$150 per lineal metre - average Road & car parking Pavement - \$100 to \$200 per square metre average Bridges - \$3,300 to \$35,000 per square metre average	The higher the rate, the higher the fair value.
- Storm water drainage	434,141	Rate per lineal metre or unit	Conveyance - Pipe - \$350 to \$2,000 per Lineal Metre average Pits - \$5,000 to \$8,000 per item average	The higher the rate, the higher the fair value.

Transfers between levels of the hierarchy

There were no transfers of assets and liabilities between the hierarchies.

Highest and Best Use

The current use of all assets noted above, does not reflect the highest and best use.

Notes to the General Purpose Financial Statements 30 June 2014

**The City of Ryde Council****Independent auditor's report to the Council – s417(2)
Report on the general purpose financial statements****Report on the financial statements**

We have audited the accompany financial statements of The City of Ryde Council, which comprise the statement of financial position as at 30 June 2014 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16 and the Projections disclosed in note 17 to the financial statements, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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Notes to the General Purpose Financial Statements 30 June 2014



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

Auditor's opinion:

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as of 30 June 2014 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written above the printed name.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', is written above the printed name.

Peter Buchholz
Partner

Sydney
30 September 2014

Notes to the General Purpose Financial Statements 30 June 2014

**Private & Confidential**

The Mayor
Councillor Bill Pickering
Council of the City of Ryde
DX 8403 RYDE

30 September 2014

Dear Councillor Pickering

Report on the conduct of the Audit for year ended 30 June 2014 – Section 417(3)

We have completed our audit of the financial reports of the Council for the year ended 30 June 2014, in accordance with Section 415 of the Local Government Act 1993.

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

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating result

Council's operating surplus declined from \$99 million in the previous year to \$95 million in the current period. The net operating result before Capital Contributions was a surplus of \$1.3 million against the previous year's deficit of \$5.8 million.

Cash position

Council's overall cash position increased from \$92 million to \$106 million during the period under review. The following table highlights the composition of cash.

	2014 \$m	2013 \$m
Externally restricted	44	37
Internally restricted	56	50
Unrestricted	6	5
Total	106	92

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Notes to the General Purpose Financial Statements 30 June 2014

**Working capital**

Council's net current assets increased from \$44 million to \$45 million during the period under review. The value of net current assets needs to be adjusted in order to establish the available working capital position.

	2014	2013
	\$m	\$m
Net current assets	45	44
Less: External restrictions	(11)	(9)
Internal restrictions	(50)	(48)
Add: Current liabilities deferred	20	18
Available working capital	4	5

The effective unrestricted or available working capital upon which Council could build its 2015 budget was \$4 million.

Performance indicators

The financial reports disclose of a number of indicators in Note 13 and these are detailed below:

	2014	2013
	%	%
Operating Performance Ratio	1	(7)
Own Source Operating Revenue Ratio	70	66
Unrestricted Current Ratio	259	303
Debt Service Cover Ratio	2,726	2,829
Rates Outstanding Ratio	3.7	3.9
Cash Expense Cover Ratio	13	11

The Operating Performance Ratio improved to 1% and was above the industry benchmark of 0%.

The Own Source Operating Revenue Ratio improved to 70% and was above the industry benchmark of 60%.

The Unrestricted Current Ratio declined but remained above the industry benchmark of 150%.

The Debt Service Cover Ratio was stable and well above the industry benchmark of 200%.

The Rates Outstanding Ratio improved and remained below the industry benchmark of 5%.

The Cash Expense Cover Ratio indicated that Council could continue to cover its operating costs for 13 months should cash inflows cease. This compares very favourably with the industry benchmark of 3 months.

Notes to the General Purpose Financial Statements 30 June 2014



Council is considered to be in a sound and stable financial position. All financial indicators are better than accepted industry benchmarks.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the acting General Manager and his staff for the cooperation and courtesy extended to us during the course of our audit.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'P. Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'P. Buchholz'.

Peter Buchholz
Partner

Sydney
30 September 2014

Notes to the General Purpose Financial Statements 30 June 2014



Lifestyle and opportunity @ your doorstep

A horizontal bar composed of several small, colored squares in shades of purple, blue, green, yellow, orange, and red.

Special Purpose Financial Statements

Year Ended 30 June 2014

Special Purpose Financial Statements – Year Ended 30 June 2014

Special Purpose Financial Statements – Year Ended 30 June 2014

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Special Purpose Financial Statements – Year Ended 30 June 2014

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*"
- Office 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

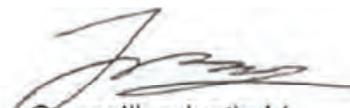
- presents fairly the Council's operating result and financial position for each of Council's declared Business Activities for the year, and
- accords with Council's accounting and other records

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 26 August 2014.



Councillor Roy Maggio
Mayor



Councillor Justin Li
Deputy Mayor



Mr Dominic Johnson
Acting General Manager



Mr John Todd
Chief Financial Officer
(Responsible Accounting Officer)

Special Purpose Financial Statements – Year Ended 30 June 2014

INCOME STATEMENT OF OTHER BUSINESS ACTIVITIES

(\$000's)

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2014	2013	2014	2013
Income from continuing operations				
Annual Charges	-	-	-	-
User Charges	4,913	4,661	1,126	811
Fees	-	-	-	-
Interest	-	-	-	-
Other income	162	120	-	-
Grants & Contributions provided for Non-Capital Purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Total Income From Continuing Operations	5,075	4,781	1,126	811
Expenses from continuing operations				
Employee benefits and on costs	2,914	2,703	-	-
Materials and Contracts	786	742	244	391
Borrowing costs	-	-	-	-
Depreciation and impairment	650	1,167	-	-
Loss on sale of assets	-	-	-	-
Calculated Taxation Equivalents	159	147	-	-
Other expenses	44	44	203	206
Total Expenses From Continuing Operations	4,553	4,803	447	597
Surplus (Deficit) from Continuing Operations before capital amounts	522	(22)	679	214
Grants & Contributions provided for Capital Purposes	-	-	-	-
Surplus (Deficit) from Continuing Operations after capital amounts	522	(22)	679	214
Surplus (Deficit) from Discontinued Operations	-	-	-	-
Surplus (Deficit) from All Operations before Tax	522	(22)	679	214
Less Corporate Taxation Equivalent (30%) [based on Operating result before capital]	157	-	204	64
Surplus (Deficit) After Tax	365	(22)	475	150
Opening Retained profits *	31,534	31,409	200	200
Adjustments for Amounts Unpaid:-				
Taxation Equivalent Payments	159	147	-	-
Corporate Taxation Equivalent	157	-	204	64
Plus: Equity Contributions	-	-	-	-
Less: Equity Withdrawals	-	-	-	-
Less: TER Dividend payment (non restricted activities)	-	-	(204)	(64)
Less: Surplus Dividend payment (non restricted activities)	-	-	(475)	(150)
Closing Retained Profits	32,215	31,534	200	200
RETURN ON CAPITAL (%)	1.6%	-0.1%	0.0%	0.0%
Required return on capital (%)	5.5%	5.0%	0.0%	0.0%
SUBSIDY FROM COUNCIL	1,281	1,501	-	-

Special Purpose Financial Statements – Year Ended 30 June 2014

FINANCIAL POSITION OF OTHER BUSINESS ACTIVITIES

(\$000's)

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2,014	2,013	2,014	2,013
CURRENT ASSETS				
Cash Asset and cash equivalents	585	1,752	-	-
Investments	-	-	-	-
Receivables	38	72	302	288
Inventories	12	12	-	-
Other	8,381	6,136	402	51
TOTAL CURRENT ASSETS	9,016	7,972	704	339
NON-CURRENT ASSETS				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	32,911	29,587	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	32,911	29,587	-	-
TOTAL ASSETS	41,927	37,559	704	339
CURRENT LIABILITIES				
Payables	688	257	447	82
Interest Bearing Liabilities	391	-	-	-
Provisions	697	647	-	-
TOTAL CURRENT LIABILITIES	1,776	904	447	82
NON-CURRENT LIABILITIES				
Payables	-	-	-	-
Interest Bearing Liabilities	2,818	-	-	-
Provisions	9	12	57	57
TOTAL NON-CURRENT LIABILITIES	2,827	12	57	57
NET ASSETS	37,324	36,643	200	200
EQUITY				
Retained Earnings	32,215	31,534	200	200
Revaluation Reserves	5,109	5,109	-	-
Council Equity interest	-	-	-	-
Minority Equity interest	-	-	-	-
TOTAL EQUITY	37,324	36,643	200	200

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2014

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 Office 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 Office 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 been applied to all Council nominated business activities and are reflected in the SPFS. For the purposes of disclosing

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2014

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.

Notes to the Special Purpose Financial Statements – Year Ended 30 June 2014

**The City of Ryde Council****Independent auditor's report
Report on the special purpose financial report**

We have audited the accompanying financial report, being a special purpose financial report, of the City of Ryde Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2014, the Income Statements by Business Activity for the year then ended, Notes to the financial report for the business activities identified by Council and the Statement by Councillors and Management for Council for the year ended 30 June 2014.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial statements which form part of the financial report, are appropriate to meet the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to error or fraud.

Auditor's responsibility

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

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

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

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Notes to the Special Purpose Financial Statements – Year Ended 30 June 2014

*Auditor's opinion:*

In our opinion, the financial report presents fairly, in all material respects, the financial position by Business Activities of The City of Ryde Council as of 30 June 2014 and its financial performance by Business Activities for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial report, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
PartnerSydney
30 September 2014



Lifestyle and opportunity @ your doorstep



Special Schedules

Year Ended 30 June 2014

Special Schedules – Year Ended 30 June 2014

Special Schedules – Year Ended 30 June 2014

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Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 1 – NET COST OF SERVICES

(\$'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	2,234		26			(2,208)	
		2,234			26		(2,208)
ADMINISTRATION							
Corporate Support	2,677		172			(2,505)	
Engineering & Works	7,262		739			(6,523)	
Other Support Services	7,360		707			(6,652)	
		17,298			1,619		(15,680)
PUBLIC ORDER & SAFETY							
Statutory Contribution to Fire Service Levy	1,995					(1,995)	
Fire Protection - Other							
Animal Control	348		55			(293)	
Beach Control							
Enforcement of Local Govt Regs	824		2,405			1,582	
Emergency Services	295		17			(278)	
Other	2,296		5,084			2,787	
		5,758			7,561		1,803
HEALTH							
Administration & Inspection	116		347			231	
Immunisation	86		37			(49)	
Food Control							
Insect/Vermin Control							
Noxious Plants	51					(51)	
Health Centres	49		4			(45)	
Other							
		301			388		87
COMMUNITY SERVICES & EDUCATION							
Administration	1,017		46			(970)	
Family Care							
Child Care	17					(17)	
Youth Services	147		59			(87)	
Other Families & Children	60		6			(54)	
Aged & Disabled	694		544			(150)	
Migrant Services							
Aboriginal Services							
Other Community Services	1,225		248			(977)	
Education	18		72			54	
		3,178			976		(2,202)

Special Schedules – Year Ended 30 June 2014

Special Schedule 1 – Net Cost of Services (continued)
(\$'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
HOUSING & COMMUNITY AMENITIES							
Housing							
Town Planning	6,279		3,369	3,575		665	
Domestic Waste Management	14,529		15,245			716	
Other Waste Management	1,911		1,448			(463)	
Street Cleaning	663					(663)	
Other Sanitation & Garbage							
Urban Stormwater Drainage	2,789		1,039	280		(1,470)	
Environmental Protection	752		78			(674)	
Public Cemeteries							
Public Conveniences	639					(639)	
Other Community Amenities			32			32	
		27,562			25,065		(2,496)
WATER SUPPLIES							
SEWERAGE SERVICES							
RECREATION & CULTURE							
Public Libraries	5,267		939			(4,328)	
Museums							
Art Galleries							
Community Centres	433		525			92	
Public Halls	385		427			42	
Other Cultural Services	342		105			(237)	
Swimming Pools	5,780		5,027	15		(738)	
Sporting Grounds	3,286		571	5		(2,710)	
Parks & Gardens (Lakes)	6,287		309	23		(5,955)	
Other Sport & Recreation	311		312			1	
		22,091			8,258		(13,833)
FUEL & ENERGY SUPPLIES							
Gas Supplies							
MINING, MANUFACTURING & CONSTRUCTION							
Building Control	577		228			(349)	
Abattoirs							
Quarries & Pits							
Other							
		577			228		(349)

Special Schedules – Year Ended 30 June 2014

Special Schedule 1 – Net Cost of Services (continued)

(\$'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
TRANSPORT & COMMUNICATION							
Urban Roads : Local	9,877		2,594	10,330		3,047	
Urban Roads : Regional	107		76			(31)	
Sealed Rural Roads : Local							
Bridges on Urban Roads : Local	87					(87)	
Bridges on Urban Roads : Regional							
Bridges on Urban Roads : Other							
Footpaths	1,080					(1,080)	
Aerodromes							
Parking Areas	1,018					(1,018)	
Bus Shelters & Services	97					(97)	
Water Transport							
RTA Works (State)							
Street Lighting	2,247		364			(1,883)	
Other	312		155			(157)	
		14,825			13,519		(1,306)
ECONOMIC AFFAIRS							
Camping Areas							
Caravan Parks							
Tourism & Area Promotion	4					(4)	
Industrial Development & Promotion							
Saleyards & Markets							
Real Estate Development							
Commercial Nurseries							
Other Business Undertakings	951		900			(51)	
		955			900		(55)
TOTALS - FUNCTIONS		94,781			58,539		(36,242)
GENERAL PURPOSE REVENUES ⁽¹⁾					51,812		51,812
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⁾		94,781			110,351		15,570
EXTRAORDINARY ITEMS ⁽²⁾							
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾		94,781			110,351		15,570

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

Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 2(a) – STATEMENT OF LONG-TERM DEBT (ALL PURPOSES)

(\$,000)

Classification of Debt	Principal Outstanding at beginning of Year			New Loans Raised during the year	Debt Redemption during the year		Interest Applicable For Year	Principal Outstanding at end of Year		
	Current	Non-Current	Total		From Revenue	Sinking Funds		Current	Non-Current	Total
LOANS (By Source)										
Commonwealth Bank										
Treasury Corporation										
Other State Government										
Public Subscriptions										
Financial Institutions	527	2,895	3,422	2,700	507	-	146	793	4,822	5,615
Other										
TOTAL LOANS	527	2,895	3,422	2,700	507	-	146	793	4,822	5,615
OTHER LONG TERM DEBT										
Ratepayer's Advances										
Government Advances										
Finance Leases										
Deferred Payments										
TOTAL LONG TERM DEBT	527	2,895	3,422	2,700	507	-	146	793	4,822	5,615

Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 2(b) – STATEMENT OF INTERNAL LOANS

(\$'000)

SUMMARY OF INTERNAL LOANS

Borrower (by Purpose)	Amount Originally Raised ⁽²⁾	Total Repaid During the Year Principal & Interest ⁽³⁾	Principal Outstanding at End of Year
General Water Sewerage Domestic Waste Management Gas			
Other (1)	688	(1,321)	2,009
TOTALS	688	(1,321)	2,009

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 ⁽²⁾	Total Repaid During the Year Principal & Interest ⁽³⁾	Principal Outstanding at End of Year
RALC (4) - surf rider						688	(1,321)	2,009
TOTALS						688	(1,321)	2,009

(1) This includes Internal Loans from Internally Restricted Reserves, and not just those from Externally Restricted Reserves

(2) An additional amount of \$323,123 was drawn down in 2012/2013, but was not included in the Schedule.

(3) An additional amount of \$1,321,378 was drawn down for the project in 2013/2014.

(4) This project was to be completed over three years, with a draw down in each of the years.

Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 7 – CONDITION OF PUBLIC WORKS

As at 30 June 2014
(\$'000)

Asset Class	Asset Category	Estimated Cost to bring to a satisfactory standard \$'000	Required Annual Maintenance Expense \$'000	Current Annual Maintenance \$'000	GBV \$'000	Assets in Condition as a % of Gross Book Value				
						1	2	3	4	5
*Buildings		2,144	4,436	4,048	133,757	8.0%	81.0%	9.0%	2.0%	
**Public Roads					444,937					
	Road Pavement/Rd Ancillaries	21,117	6,836	6,236		27.0%	48.0%	20.0%	5.0%	
	Footpaths/Cycleways	4,376	1,402	1,279		11.0%	59.0%	22.0%	7.0%	1.0%
	Bridges		237	216			94.0%	6.0%		
	Kerb & Gutter	13,905	49	45		1.0%	14.0%	71.0%	14.0%	
Drainage Works		14,187	1,129	1,030	244,973	25.0%	41.0%	28.0%	4.0%	2.0%
Other Structures		687	1,661	1,515	100,298	30.0%	12.0%	23.0%	10.0%	25.0%
Totals		56,416	15,752	14,369	923,965					

Special Schedule 7 – Condition of Public Works (continued)

Notes:

Satisfactory condition refers to an asset condition rating of 1 to 3, 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	new or equivalent
2	good condition without visible blemishes or deterioration
3	usable & safe condition, with visible signs of wear or deterioration, eg cracks in footpaths
4	usable condition with defects that interfere with use or reduce asset life eg extensive road cracking
5	requires major repairs or is not suitable to remain in use due to a significant safety hazard

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

Backlog is asset renewals that have been deferred due to insufficient funds. Any asset in condition 4 or 5 is considered part of the backlog of renewals

Annual Maintenance includes operating as differentiation and tracking of costs has not been previously done and there is insufficient information to estimate this
Required Annual Maintenance is what should be spent to maintain and operate assets in a satisfactory standard that are already in satisfactory standard
Council is currently undertaking the required maintenance giving the required and annual to be the same

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 condition audit of Councils footpath network during the 2008/2009 financial year. A new audit was commenced in 2014, but the results will not be available until 2014/15
The condition of public roads infrastructure has been updated to reflect known works since the 2008/9 audit, which captures changes that materially affect the status of the network.
The system for differentiating and tracking activities on the basis of renewal, upgrade, maintenance and operating, is being implemented in 2013/14

*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	Included within the "Public Roads" group of assets is Urban Roads, Footpaths, and Kerb and Gutter
Urban Roads	Council has adopted the use of a Pavement Management System (PMS) and condition data has been collected since 1991. The current replacement cost of the road assets is \$290M.
Footpaths	Council's footpath network has a current replacement value of \$58M. 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 manages kerb & gutter as part of the pavement management system, with condition rating done in conjunction with pavements. The current replacement value is \$99M.
Bridges	The current replacement cost of bridges is \$4M

Special Schedules – Year Ended 30 June 2014

Special Schedule 7 – Condition of Public Works (continued)

Infrastructure Asset Performance Indicators – Consolidated	Amounts \$'000	Current year indicators	2013	2012
Buildings & Infrastructure Renewals Ratio				
Asset Renewals (building & infrastructure) ⁽⁵⁾	\$14,018	123.14%	93.64%	80.19%
Depreciation, amortisation	\$11,384			
Infrastructure backlog				
Estimated cost to bring assets to a satisfactory condition	\$56,416	6.11%	6.02%	6.35%
Total value * of infrastructure, building, other structures and depreciable land improvement assets	\$923,965			
Asset maintenance ratio				
Actual asset maintenance	\$14,369	91.22%	228.08%	69.48%
Required asset maintenance	\$15,752			
* Gross Book Value (GBV)				
Capital Expense Ratio				
Annual Capital expenditure	\$25,365	151.99%	125.92%	189.33%
Annual Depreciation	\$16,689			

Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 8 – FINANCIAL PROJECTIONS

	2014 ⁽¹⁾ (\$'000)	2015 (\$'000)	2016 (\$'000)	2017 (\$'000)	2018 (\$'000)	2019 (\$'000)	2020 (\$'000)	2021 (\$'000)	2022 (\$'000)	2023 (\$'000)	2024 (\$'000)
Operating Budget											
Income From Continuing Operations	116,716	98,321	103,536	106,277	109,562	112,892	116,350	119,924	123,619	127,438	131,387
Expenditure From Continuing Operations	94,781	101,866	104,476	108,521	110,730	115,749	119,983	124,088	127,492	131,332	135,641
Operating Result From Continuing Operations	21,935	(3,545)	(940)	(2,244)	(1,168)	(2,857)	(3,633)	(4,164)	(3,873)	(3,894)	(4,254)
Operating Result before Capital Contributions	2,251	(3,969)	(1,824)	(2,718)	(1,642)	(3,326)	(4,114)	(4,658)	(4,380)	(4,414)	(4,787)
Capital Budget											
New Capital Works ⁽²⁾	11,347	16,790	14,062	9,334	10,986	6,732	7,660	7,088	7,665	7,261	8,089
Replacement/refurbishment of existing assets	14,018	7,381	8,584	6,939	7,506	7,701	7,901	8,106	7,593	7,493	7,662
	25,365	24,171	22,646	16,273	18,492	14,433	15,561	15,194	15,258	14,754	15,751
Funded By ⁽³⁾:											
Loans	-	1,500	-	-	-	-	-	-	-	-	-
Asset Sales	1,000	925	1,075	900	1,000	1,026	1,053	1,080	1,108	1,137	1,167
Reserves	5,643	14,428	13,706	8,625	10,550	6,566	8,086	6,873	8,473	7,196	8,880
Grants & Contributions	1,836	424	884	474	474	469	482	494	507	520	534
General Revenue	16,886	6,894	6,981	6,274	6,468	6,372	5,940	6,747	5,170	5,901	5,170
Other	-	-	-	-	-	-	-	-	-	-	-
	25,365	24,171	22,646	16,273	18,492	14,433	15,561	15,194	15,258	14,754	15,751

⁽¹⁾ From income statement

⁽²⁾ New capital works are major non-recurrent projects

⁽³⁾ Projections based on the adopted Delivery Plan and revised Long Term Financial Plan (LTFP)

Special Schedules – Year Ended 30 June 2014

SPECIAL SCHEDULE 9 – PERMISSIBLE INCOME

	2013/14 Calculation \$'000	2014/15 Calculation \$'000
Notional General Income Calculation ⁽¹⁾		
Last Year Notional General Income Yield	46,453	48,283
Plus or minus Adjustments ⁽²⁾	260	402
Notional General Income	<u>46,713</u>	<u>48,685</u>
Permissible Income Calculation		
Special variation percentage ⁽³⁾		
OR Rate peg percentage	3.40%	2.30%
OR Crown land adjustment incl. rate peg percentage		
Less expiring special variation amount		
Plus special variation amount		
OR Plus rate peg amount	1,588	1,120
OR Plus crown land adjustment and rate peg amount		
Sub-total	<u>48,301</u>	<u>49,805</u>
Plus or minus last year's Carry Forward Total	0	18
Less Valuation Objections claimed in the previous year		
Sub-total	<u>0</u>	<u>18</u>
Total Permissible income	<u><u>48,301</u></u>	<u><u>49,823</u></u>
Less Notional General Income Yield	48,283	49,803
Catch-up or (excess) result	<u>18</u>	<u>20</u>
Plus Income lost due to valuation objections claimed ⁽⁴⁾		
Less Unused catch-up ⁽⁵⁾	0	
Carry forward to next year	<u>18</u>	<u>20</u>

Notes

- (1) The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called in the Valuation of Land Act 1916. "supplementary valuations" as defined in the Valuation of Land Act 1916.
- (3) The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

Special Schedules – Year Ended 30 June 2014

**The City of Ryde Council****Independent auditor's report
Report on the Special Schedule No. 9****Report on the Special Schedule No. 9**

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of The City of Ryde Council ("the Council") for the year ended 30 June 2014.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Independence

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

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Liability limited by a scheme approved under Professional Standards Legislation.

Special Schedules – Year Ended 30 June 2014

**Audit Opinion**

In our opinion, Special Schedule No. 9 of The City of Ryde Council for the year ended 30 June 2014 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Division of Local Government.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, light-colored signature line.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz', is written over a faint, light-colored signature line.

Peter Buchholz
Partner

Sydney
30 September 2014

Special Schedules – Year Ended 30 June 2014

**City of Ryde Council****Independent auditor's report
Report on the Special Schedules No. 7 & 8****Report on the Special Schedules No. 7 & 8**

We were engaged to audit the accompanying Special Schedules 7 & 8 comprising the Condition of Public Works and Financial Projections, respectively for the City of Ryde Council as at the year ended 30 June 2014.

Responsibility of Council for Special Schedules No. 7 & 8

The Council is responsible for the preparation and fair presentation of Special Schedules No. 7 & 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 7 & 8 that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 7 & 8 based on our audit. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Special Schedules 7 & 8 are based in forecast expenditure over the useful life of public works in the case of Special Schedule 7 and forecast revenue and expenditure of Council for a period of 10 years in the case of Special Schedule 8. Any of the estimates used in preparing these forecasts could be inaccurate and therefore we can provide no assurance the forecast information in Special Schedule 7 & 8 will eventuate. In the light of significant uncertainties inherent in forward looking statements, we disclaim from forming an audit opinion on these Special Schedules.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on Special Schedules 7 & 8.

Independence

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

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Special Schedules – Year Ended 30 June 2014

**Restriction on distribution**

Without modifying our opinion, we advise that Special Schedules 7 & 8 have been prepared for distribution to the Office of Local Government for the purposes of informing the Council's the Condition of Public Works and Financial Projections. As a result, the schedules may not be suitable for another purpose. Our report is intended solely for the council and the Division of Local Government.

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'Peter Buchholz'.

Peter Buchholz
PartnerSydney
30 September 2014

Business Case for Ryde S.94A Plan



Working draft

City of Ryde

August 2014

Independent insight.



This report has been prepared for City of Ryde. SGS Economics and Planning has taken all due care in the preparation of this report. However, SGS and its associated consultants are not liable to any person or entity for any damage or loss that has occurred, or may occur, in relation to that person or entity taking or not taking action in respect of any representation, statement, opinion or advice referred to herein.

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Offices in Canberra, Hobart, Melbourne and Sydney

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1 THE CASE FOR CHANGE

1.1 Proposal

City of Ryde will be experiencing high levels of growth in commercial and residential floorspace in the medium term future. This will put pressure on existing infrastructure. This growth will be concentrated in Urban Activation Precincts at North Ryde Station and Herring Road, Macquarie Park.

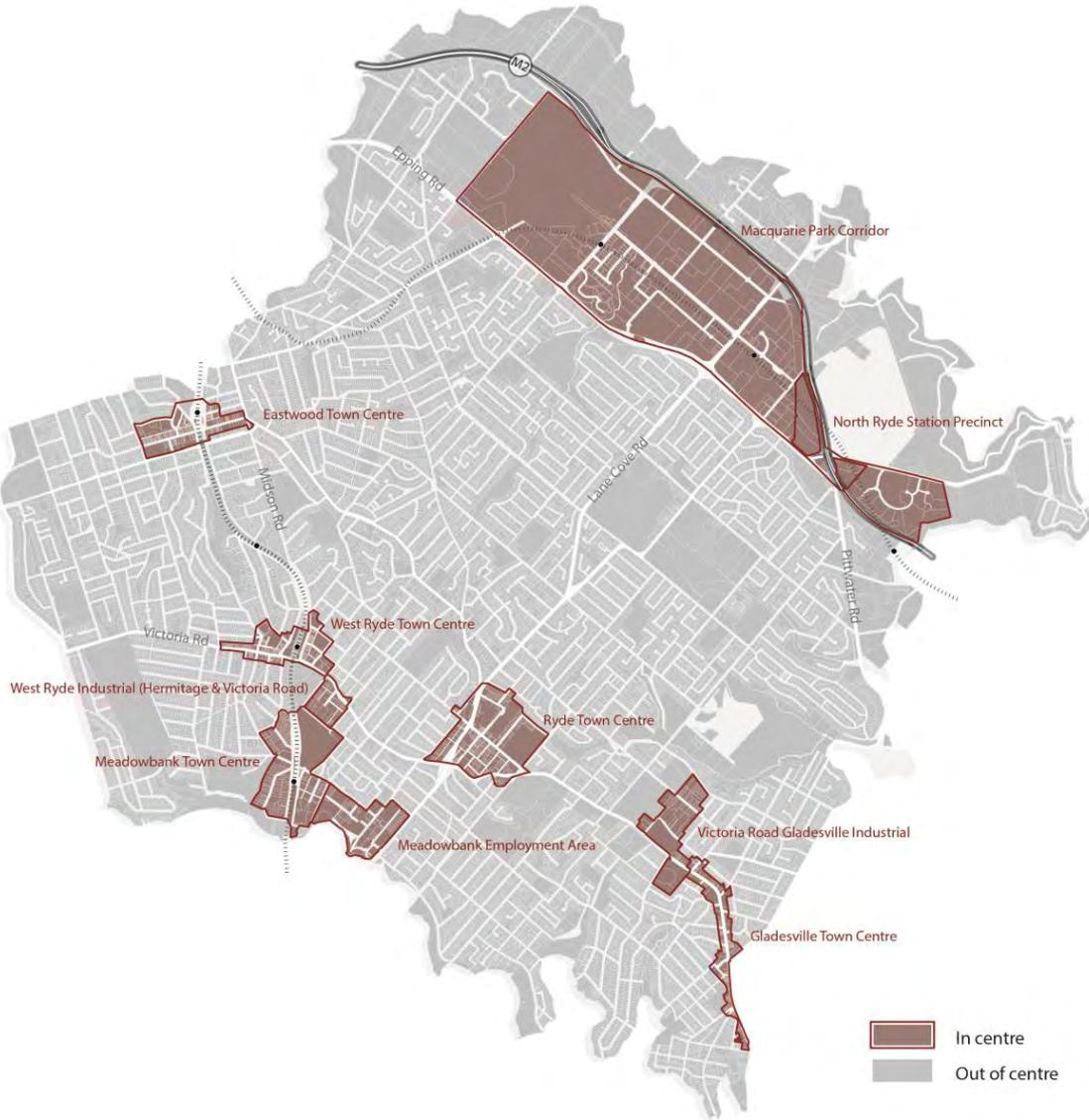
Macquarie Park, as part of the Global Economic Corridor, is of strategic importance to metropolitan Sydney and the broader NSW economy and requires significant upgrades to maintain its position as a 'specialised centre'.

This business case seeks the *Ryde Section 94A Development Contributions Plan 2014* to be applied to all land within City of Ryde LGA.

The s94A levy rates for different types of development are set out in the table below. Note that Council has resolved to exempt development costing less than \$350,000, where the Act exempts development costing less than \$100,000. This was resolved by Council on 24 September 2013.

Area	Type of development	Cost* threshold	Levy rate
Outside centres (as shown in Figure 1)	Secondary dwelling on site (e.g. granny flat)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	0.25%
	All other development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	1.0%
Inside centres (as shown in Figure 1)	All development (outside Macquarie Park)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	3.0%
Macquarie Park Corridor	All development	\$0 - 350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	4.0%

FIGURE 1. CENTRES IN RYDE LGA



1.2 Proposed schedule of works

To enable City of Ryde to fund the infrastructure demands in Macquarie Park and town centres, Council has prepared a Ten Year Schedule of Works for the local government area. Based on this schedule the estimated costs are as follows:

The following table provides a summary of major programs in the ten year work schedule.

S94A Work Schedule - Summary 2015-2025									
	Activity	Totals	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
1	Roads - Acquisition, Construction & Renewal	\$178,830,816	\$130,736,619	\$323,526	\$291,099	\$515,365	\$424,207	\$320,682	\$46,219,319
2	Stormwater and Flood Mitigation	\$71,405,418	\$7,236,354	\$40,536,887	\$3,618,177	\$9,010,000	\$3,618,177	\$1,817,645	\$5,568,177
3	Pathways Expansion & Construction	\$17,077,493	\$2,300,543	\$1,509,818	\$370,682	\$593,091	\$741,363	\$591,545	\$10,970,451
4	Traffic & Transport Works & Services	\$34,294,424	\$22,347,021	\$4,022,850	\$909,401	\$921,785	\$929,358	\$905,575	\$4,258,435
5	Community Buildings, Facilities & Public Art	\$86,245,575	\$27,311,215	\$3,013,986	\$6,149,982	\$197,500	\$42,972,200	\$1,183,816	\$5,416,877
6	Sportsfields, Acquisition, Facilities & Renewals	\$76,029,796	\$10,218,750	\$960,000	\$587,500	\$0	\$1,350,000	\$0	\$62,913,546
7	Open Space, Planting, Management & Signage	\$19,015,500	\$1,065,000	\$442,500	\$386,250	\$946,250	\$386,250	\$348,750	\$15,440,500
8	Parking Provision	\$23,441,109	\$1,677,067	\$15,173,287	\$6,906	\$11,049	\$13,812	\$5,180,525	\$1,378,464
9	Public Domain, Provision, Renewal and Heritage	\$16,851,291	\$4,547,750	\$4,085,000	\$2,525,000	\$25,000	\$2,615,000	\$1,355,000	\$1,698,541
	Totals	\$523,191,422	\$207,440,318	\$70,067,853	\$14,844,997	\$12,220,039	\$53,050,367	\$11,703,538	\$153,864,310

1.3 Ryde s.94 Plan

City of Ryde Council recently resolved to prepare a Section 94A Plan as it allowed them greater flexibility on expenditure of levies, the process is less complex, more efficient and reduced administrative costs.

Section 94A of the EP&A Act provides for the levying of development contributions through an established proportion of the proposed cost of carrying out the development. Unlike s.94, a condition imposed under s.94A is **not invalid** because there is no connection between the development and the object of expenditure.

Clause 25K of the *Environmental Planning and Assessment Regulation 2000* sets out the maximum percentage which may be imposed as a development contribution under section 94A of the EP&A Act.

The current maximum percentages are:

- Nil if the development cost is up to and including \$100,000
- 0.5% per cent of the cost if the development cost is more than \$100,000 and up to an including \$200,000, and
- 1 per cent of the cost if the development cost is more than \$200,000.

1.4 Strategic regional context

Metropolitan Plan for Sydney 2036 (2010) and City of Cities (2005)

A key aim of the Metropolitan Strategy for Sydney: City of Cities (2005) was to build on the strengths of the Global Economic Corridor, growing 150,000 new jobs in this corridor up to 2031; representing 30% of all new jobs in Sydney. City of Cities (2005) identified Macquarie Park as a 'specialised centre', which forms part of Sydney's Global Economic Corridor (GEC). The concept of the GEC embodies the importance of a series of centres and employment areas in Sydney that generate much of Sydney's income and employment. The GEC extends from Sydney Airport and Port Botany in the South to Macquarie Park in the North, via Sydney CBD, North Sydney and Chatswood. The strategy indicates that the strength of the GEC is based on good historical planning decisions that designated and protected Macquarie Park as a key employment area in post war planning documents (p. 108).

The 2010 *Metropolitan Plan for Sydney 2036* reiterates the critical role the GEC plays in the metropolitan economy. It outlines a job target for an additional 19,000 jobs by 2036; reaching 58,000 jobs by 2036. The *Metro Plan* again states that a strategic planning framework should be established to plan for future demand (p. 137). Action E2.5 of the plan underlines the importance of strengthening clusters of activity in specialised centres, particularly for high growth and high value sectors (p. 138).

The *Metropolitan Plan for Sydney 2036* also provided an updated housing target for the Inner North Subregion, in which Ryde local government area (LGA) is located. The target set by the Plan is 44,000 new dwellings by 2036 (p.115). The target set by the previous metropolitan strategy (2005) was 30,000 new dwellings by 2031.

TABLE 1. DWELLING TARGETS INNER NORTH SUBREGION

Source	Existing dwellings	Additional dwellings	Total dwellings
Metropolitan Strategy: City of Cities (2005)	129,256 (2004)	30,000 (by 2031)	159,000 (2031)
Metropolitan Plan for Sydney 2036 (2010)		44,000 (by 2036)	

Source: Adapted from Department of Planning 2005 and Department of Planning 2010

Employment capacity targets were also updated through the 2010 Plan which indicated a targeted growth of 62,000 workers by 2036 (p.133). The base year for all these figures is 2006. Employment capacity targets for strategic centres were set by the plan including Macquarie Park. The employment capacity of Macquarie Park, with a base year of 39,000 in 2006, is 58,000 workers by 2036, a growth of 19,000 (p.135). This indicates that Macquarie Park will continue to accommodate a large proportion of employment within not only the Ryde LGA but also the Inner North Subregion. The previous metropolitan strategy (2005) set an employment capacity target for the Inner North Subregion of 300,000 employees by 2031. This capacity target has been extended to 2036.

TABLE 2. EMPLOYMENT CAPACITY TARGETS

Location	2006 Base Employment	2036 Long Term Employment Capacity Target	Employment Growth (2006-2036)
Inner North Subregion	238,000	300,000	62,000
Macquarie Park Strategic Centre	39,000	58,000	19,000

Source: Adapted from Department of Planning 2010

Draft Inner North Sub-regional Strategy (2007)

The *Draft Inner North Sub-regional Strategy* (DINSS) translates the 2005 Metropolitan Strategy from the regional level to the sub-regional level. The draft Inner North Subregional Strategy has not been updated since 2007. The strategy established a housing target for Ryde LGA of 12,000 additional dwellings by 2031. This represents 40% of the dwelling target for the Inner North Subregion of 30,000 additional dwellings by 2031. An employment capacity target for Ryde LGA was also set at 21,000 additional workers by 2031. This target represents approximately 35% of the employment capacity target set for the Inner North Subregion of 60,100 additional employees by 2031 (p.7).

The DINSS also reinforces the importance of Macquarie Park in the GEC. Key directions of the strategy include 'strengthen[ing] north Sydney to Macquarie Park Corridor' and to 'promot[ing] Macquarie Park as Australia's leading business park'. It outlines a job target of an additional 23,100 jobs by 2031; reaching a total of 55,300 jobs (p.46). The DINSS estimates that the current supply of commercial floorspace in Macquarie Park is 800,000 square metres (p.46). The future of Macquarie Park is 'to continue to evolve as Australia's leading technology-park, with jobs growth, further investment and improved public transport accessibility' (p. 47).

Draft Metropolitan Strategy to 2031 (2013)

The 2013 draft Metropolitan Strategy again updates the employment and dwelling targets for the Ryde LGA. The draft Strategy also reshuffles the structure of subregions, and Ryde is now in the Central subregion, which extends from Botany Bay in the south to Strathfield in the west to Waverley and Woollahra in the east. The baseline for the targets is 2011, and the draft Strategy indicates a targeted growth of 242,000 in population, 138,000 in additional housing and 230,000 in additional jobs to 2031 (p.83). The spatial distribution of this forecast growth will be fleshed out in the forthcoming subregional strategies.

TABLE 3. CENTRAL SUBREGION TARGETS

	Current (2011)	Target to 2021 (2011-2021)	Target to 2031 (2011-2031)
Population	1,144,000	1,280,000 (136,000)	1,385,000 (242,000)
Housing	534,000	616,000 (82,000)	672,000 (138,000)
Employment	998,000	1,113,000 (135,000)	1,228,000 (230,000)

Source: Department of Planning and Infrastructure, 2013, p.83.

The draft Strategy prioritises continued economic clustering in the GEC to support globally competitive industries. The importance of Macquarie Park in the GEC is reinforced and under the draft Strategy Macquarie Park is a Specialised Precinct, with the following objectives:

- continue to develop as a metropolitan-scale office park with a technology focus in the Global Economic Corridor, supporting and supported by the growth of Macquarie University Research Park, Macquarie Hospital, Macquarie Centre, Macquarie Park and Riverside Corporate Park (and Hospital)
- expand office space to increase productivity advantages and prioritise office space over housing
- provide capacity for at least 16,000 additional jobs to 2031 (p. 84).

Under the ‘Balanced Growth’ section of the draft strategy, the second objective is to ‘strengthen and grow Sydney’s centres’ (p. 14). A key policy move under this objective is to ‘maintain a strong employment focus in specialised precincts’ (p. 14). Macquarie Park has an updated job target of an additional 16,000 jobs; reaching 61,000 jobs by 2031 (p. 43).

The importance of the GEC will also be underpinned by delivery of Urban Activation Precincts at Epping, Herring Road, North Ryde, Mascot Station, Randwick and Anzac Parade (p.20).

1.5 Urban Activation Precincts

City of Ryde has been earmarked by NSW DP&I for substantial future population growth, concentrated in Urban Activation Precincts (UAPs).

The NSW Premier announced the UAPs program in 2013, with the aim to deliver more homes in places with access to infrastructure, transport, service and jobs. The UAP *Guidelines* state that “precincts are envisaged as being larger areas, usually made up of multiple land-holdings. They will be capable of delivering significant additional growth and require coordination from State and local government to realise their potential” (p.5). There are eight UAPs across the Sydney metropolitan area, including two in the City of Ryde: North Ryde Station and Herring Road, Macquarie Park.

Nomination of potential precincts may come from a number of sources, including the NSW government, councils, State agencies and the private sector. Precinct nominations are required to address the following UAP program criteria:

- Is the precinct consistent with a State, regional or local strategy, particularly relating to housing, employment or urban renewal?

- Does the precinct support or maximise the use of existing and planning infrastructure, especially transport?
- Is the precinct important to more than one local government area and/or has support from the local council?
- Is the precinct environmentally, socially and economically sustainable and viable?
- Is the development of the precinct financially viable and consistent with market demand? (p.6)

If the State government decides to proceed with the rezoning of an area as an UAP, the process will be underpinned by:

- Growth Infrastructure Plans to identify capacity within the infrastructure network and outline required infrastructure to support planned growth. These Plans are linked to the State's budget allocation process to ensure coordinated delivery of infrastructure for a precinct (p.13).
- Precinct Support Schemes to provide funding assistance for local government to deliver local infrastructure needed for a precinct (p.13).

These policies aim to assist in the delivery of the UAP, while providing certainty for the community and landowners regarding the future form of a precinct.

The first eight precinct identified have the potential to provide 30,000 homes and some have potential to also accommodate commercial and retail employment.¹

FIGURE 2. URBAN ACTIVATION PRECINCTS



Source: NSW P&I, 2013.

North Ryde Station UAP

The North Ryde Station UAP is located south of Macquarie Park. Investigations have centred on vacant, government-owned land surrounding the station and a privately-owned employment site. Community

¹ NSW Planning & Infrastructure, Urban Activation Precincts FAQ, November 2013 <

http://www.planning.nsw.gov.au/Portals/0/HousingDelivery/UrbanActivation/UAP_FAQs_Nov13.pdf>

feedback has resulted in changes to the UAP plans proposed by DP&I, including exclusion of some proposed sites from the UAP, and reduction of maximum building heights.

The revised proposal rezones 12.5 hectares of land for high density residential and mixed uses, including:

- Up to 3000 new homes
- Up to 1500 commercial and retail jobs
- 330,000 square metres of residential and commercial gross floor area
- 2.4 hectares of open space to accommodate a range of passive and active uses.²

Herring Road, Macquarie Park

The Herring Road UAP is at the northern end of Macquarie Park. Investigations have centred on sites suggested by City of Ryde, including Macquarie Shopping Centre, Macquarie University and Ivanhoe Estate. The draft rezoning proposal for the Herring Road UAP is currently on exhibition until mid-August 2014.

The Herring Road Precinct is located close to Macquarie University Station, and there is existing market demand for new housing and employment in the area. The precinct could also provide a new centre around the station, if supported by high quality public space and retail opportunities.

The rezoning proposal has the potential to increase housing supply by up to 2400 new homes to 2021 and 5400 to 2031.³

The establishment of the UAP draws on work begun by the Macquarie Park Taskforce to assess opportunities to redevelop government lands within Macquarie Park.

1.6 Local planning

Ryde Local Planning Study

The City of Ryde Local Planning Study (LPS) was prepared in 2010, with the purpose being:

- to guide future growth in Ryde over the next 10 years through a range of land use planning initiatives;
- to inform the comprehensive Local Environmental Plan (LEP2011);
- to review and respond to the directions and actions of the Metropolitan Strategy and Draft Inner North Sub-regional Strategy, in particular to respond to the 12,000 dwelling target and 21,000 jobs target set for the City of Ryde by the Draft Inner North Sub-regional Strategy (p. 4).

The document covered the following areas:

- | | |
|------------------------------|------------------------|
| – Centres and Corridors | – Cultural Heritage |
| – Small Centres | – Employment |
| – Housing | – Transport |
| – Environment and Open Space | – Strategic Directions |

A general recommendation within the study is:

“That City of Ryde funding mechanisms for community benefit and infrastructure improvements be reviewed to:

- *Consider the type of contributions plan best suited to the City of Ryde (traditional or flat rate levy) and appropriate contributions rates.*

² NSW DP&I, North Ryde Station Urban Activation Precinct Finalisation Report, July 2013, p. i.

³ NSW Planning and Environment, Herring Road Macquarie Park brochure, 2014 <
https://majorprojects.affinitylive.com/public/42e899db369acf31efb03a70bfaa494f/Herring_Road_Brochure_June_2014.pdf>

- *Review the use of planning incentives to deliver community benefits to ensure a consistent approach and development certainty across centres within the City of Ryde” (p.9-22).*

The study references 2006 data from the Australian Bureau of Statistics (ABS), growth forecasts from the existing Section 94 contributions plan for Ryde and reviews past strategies to highlight opportunities for new housing, employment, facilities and infrastructure in order to meet the dwelling and employment targets set by the NSW Government. Town centres are highlighted as the focal points for new housing, employment, infrastructure and facilities. The town centres hierarchy has been adopted from the Ryde Centres Study and includes the following centres ranked according to retail floor space, community facilities and public transport services:

1. Macquarie Park Corridor (specialised centre)
2. Ryde Town Centre (town centre)
3. Eastwood (village)
4. West Ryde (village)
5. Meadowbank (village)
6. Gladesville (village)

In terms of environment and open space, the study highlights that open space in Ryde LGA is below the benchmark, emphasising the need for better provision of open space. The study highlights that development incentives should be explored for the provision of public open space. This could be facilitated through the use of Voluntary Planning Agreements (VPAs).

The LPS once again highlights the importance of Macquarie Park as a centre for the LGA and metropolitan Sydney more broadly. In response to the DINSS the City of Ryde suggest that more emphasis should be placed on “the importance of the Macquarie Park Corridor and its transition from being a car dependent commercial centre to a vibrant, public transport orientated mixed-use centre” (p. 8).

The LPS indicates a key direction for the Macquarie Park Corridor ‘continues to be developed into a premium business location through the implementation of the current planning framework’ (p. 31) and that the role of Macquarie Park as a major commercial centre continue to be supported ‘through the implementation of the current planning framework’ (p. 32). The LPS reveals that the forecast growth in the Macquarie Park - North Ryde corridor (derived from the City of Ryde S94 Contributions Plan 2007) is expected to be around 1.25 million square metres of floorspace by 2034 (p. 29). While the development capacity of planning controls for the Macquarie Park precinct was not completed, the LPS nevertheless suggests that “target and current growth projections will be accommodated” (p. 30).

The Housing component of the study notes that ‘the City of Ryde can meet the 12,000 dwelling target by 2031 through dwellings approved since January 2004 and dwellings which have the potential to be delivered through either existing planning controls or planning controls currently in preparation’ (p. 4-25). In other words, the study notes that under current controls, there is sufficient zoned land to meet the housing target.

In addition, the study recognised the need to provide a diverse range of housing within the LGA including residential units. It identified 5 town centres which are to function as genuine mixed use precincts. With regards to Macquarie Park, it is considered that sufficient residential units are provided in the existing B4 Mixed Use zones around Herring Road and the North Ryde Station Precinct.

Ryde 2021 Community Strategic Plan

The Ryde 2021 Community Strategic Plan contains the vision for the City of Ryde for 2012, including seven major outcomes and a number of key demonstration projects that may inform the schedule of works for the new Ryde development contributions plan.

The seven outcomes for the City of Ryde are:

1. City of liveable neighbourhoods: a range of well-planned clean and safe neighbourhoods, and public spaces, designed with a strong sense of identity and place
2. City of wellbeing: a healthy community, with all supported throughout their life by services, facilities and people.
3. City of prosperity: creating urban centres which champion business, innovation and technology to stimulate economic growth and local jobs.
4. City of environmental sensitivity: working together as a community to protect and enhance our natural and built environments for the future.
5. City of connections: access and connection to, from and within the City of Ryde. Providing safe, reliable and affordable public and private travel, transport and communication infrastructure.
6. City of harmony and culture: a welcoming and diverse community, celebrating our similarities and differences, in a vibrant city of culture and learning.
7. City of progressive leadership: a well led and managed city, supported by ethical organisations which deliver projects and services to the community by listening, advocating and responding to their needs.

A number of key demonstration projects within the Plan that may guide the schedule of works of the new contributions plan include:

- A new local performance venue at the redeveloped civic precinct
- A new rehearsal space for the Ryde Youth Theatre
- More library e-books and Wi-Fi access across all libraries in Ryde LGA
- Herring Road transport interchange to improve connections
- Connect missing links for footpaths and cycleways
- Encourage vital connections in public spaces
- Implement cogeneration energy at our Ryde Aquatic Leisure Centre
- Implement bio-filtration to reduce pollution in waterways
- Upgrade and reinvigorate the town centres in Ryde
- Improve accessibility in Macquarie Park through remodelling
- Support business and investment by locating an information centre in Macquarie Park
- Night lighting for sporting fields
- Advocate Top Ryde as a location for a regional health centre
- Provide an all abilities regional playground at Yamble Reserve
- Upgrade local shopping centres
- Upgrade and reinvigorate Cox's Road
- Incorporate safety by design in public places within Ryde LGA

Four Year Delivery Plan 2011-2015

The Four Year Delivery Plan 2011-2015 details the project expenditure budget for a range of facilities and services categorised under seven outcomes from the Community Strategic Plan. Each outcome contains a number of programs and specific facilities which are detailed and include projected expenditure. The works listed under these programs could inform the schedule of works for the new development contributions plan if these works can be apportioned to the future population and development in Ryde LGA.

TABLE 4. PROJECTED EXPENDITURE FOUR YEAR DELIVERY PLAN

Outcome	Base budget	Projects	Total Expenditure
City of liveable neighbourhoods	\$38,287,200	\$3,211,357	\$41,498,557
City of wellbeing	\$69,702,172	\$16,808,216	\$86,510,389
City of prosperity	\$591,730	\$9,696,158	\$10,287,888
City of environmental sensitivity	\$87,423,486	\$10,236,492	\$97,659,979
City of connections	\$47,853,370	\$26,193,461	\$74,046,831
City of harmony and culture	\$25,994,088	\$2,371,451	\$28,365,539
City of progressive leadership	\$97,612,321	\$36,358,288	\$133,970,609
Total Expenditure	\$367,464,367	\$104,875,423	\$472,339,792

Source: Adapted from City of Ryde 2011

Draft Asset Management Plan

The draft Asset Management Plan provides a rank for all assets within City of Ryde. Assets are ranked on a scale of one to five:

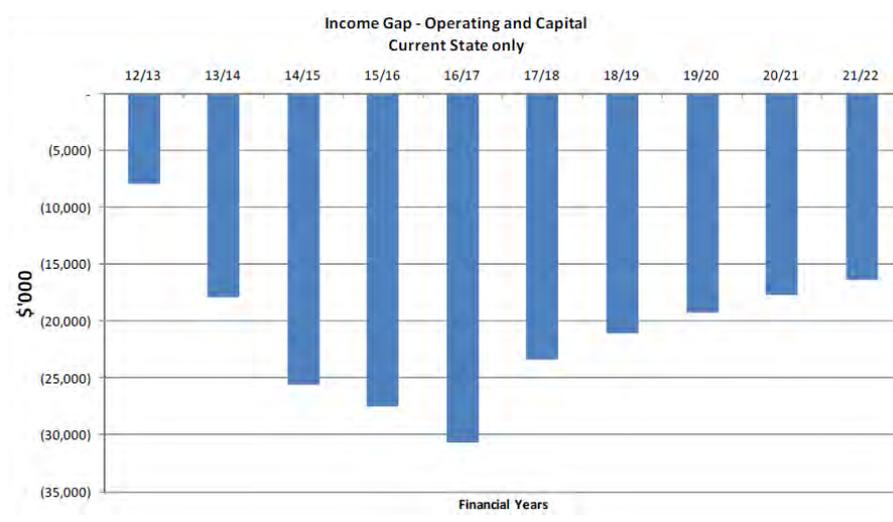
1. New or equivalent
2. Good condition without visible blemishes or deterioration
3. Usable and safe condition with visible signs of wear or deterioration
4. Usable condition with some defects which do not represent a significant safety hazard and can be managed
5. Requires repairs or is suitable or remain in use.

The Plan provides a number of actions for the improvement of assets or provision of new assets and highlights the means of provision, including s.94 contributions. However this is categorised into a number of other methods of funding and thus it is not clear which actions will be funded through s.94 contributions.

Long Term Financial Plan

The City of Ryde Long Term Financial Plan highlights that there is a gap in the operating capital of Council, demonstrated in Figure 1.

FIGURE 3. CITY OF RYDE INCOME GAP



Source: City of Ryde 2011

Community Facilities Plan

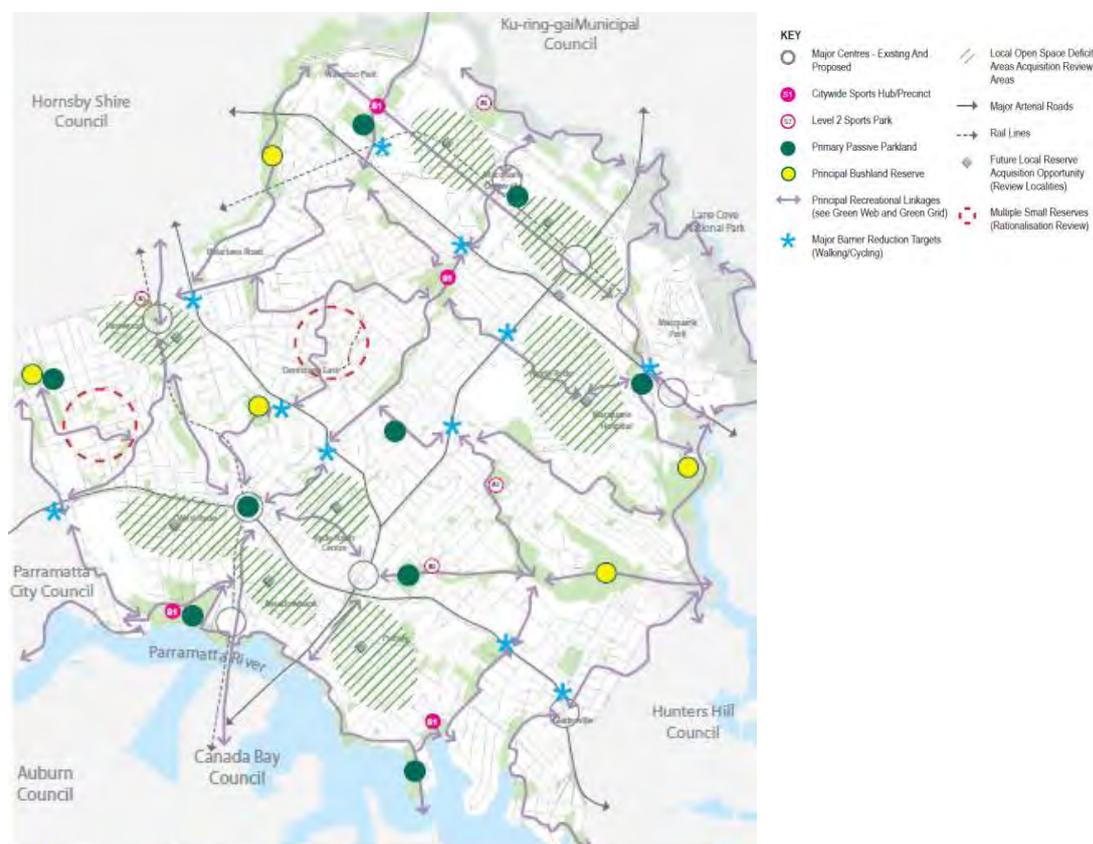
This document sets out the principles to guide the future development of community facilities. The document provides a complete list of all community facilities in Ryde LGA as at 2010. The document makes reference to the existing s.94 plan highlighting what it currently seeks to achieve, rather than setting a target for future s.94 plans.

Draft Integrated Open Space Plan

The Integrated Open Space Plan, adopted on 24 July 2012, identifies where there is a need for open space within Ryde LGA. The plan provides an inventory of existing open space (as at 2011) and categorises the sizes of open space. An analysis of the relationship between open space and the existing and future population highlights where there is a need for open space specifically within the LGA. The

open space structure plan within the report highlights local open space deficit areas and potential areas for future local reserve acquisition, shown in Figure 2.

FIGURE 4. CITY OF RYDE OPEN SPACE STRUCTURE PLAN



Source: City of Ryde 2012

Within Ryde LGA there are 194 open spaces covering 306 ha of land. These open spaces have been categorised under four levels (level 4, level 3, level 2, and level 1). Detail on this categorisation is contained in the table overleaf.

About a third of open spaces in Ryde LGA are under 0.2 ha in size which the Plan highlights is significantly smaller in size than what is considered optimal for local open space (0.5 ha). Less than 0.3 ha reduces the recreation opportunity of the open space. 50 percent of open space is under 0.5 ha, 36 percent is over 1 ha and only four open spaces in Ryde LGA are more than 10 ha in size.

Public Art Implementation Guide

This document sets out clear expectations for the integration and commitment to public art. In the City of Ryde most public art projects will be integrated as part of public domain upgrades, community land upgrades, and street upgrades (traffic controls). Public art that is integrated is strategic and better placed to meet City goals.

The City of Ryde requires a minimum public art budget of 10% (calculated from the total project budget) to be added to the total project budget for all public domain upgrades, community land upgrades, and street upgrades (traffic controls).

Plans of management

Plans of management provide guidance for the future development and management of public open space. They identify the values which affect public open space and highlight how open space can be used, managed, maintained and improved. City of Ryde currently has nine plans of management for open space and parks in Ryde LGA.

- Generic plan of management for open space
- Brush Farm Park and Lambert Park Plan of Management
- Eastwood Park Plan of Management
- Field of Mars Plan of Management
- Morrison Bay Park Plan of Management
- Putney Park Plan of Management
- Ryde Park Plan of Management
- Shrimptons Creek Parklands Master Plan and Plan of Management
- Yamble Reserve Plan of Management

The General plan of management for open space is applicable to community land which is not covered under any other plan of management. Each plan of management contains a list of actions and priorities for the park or reserve it is applicable to. The actions contained in each plan of management could inform the Schedule of works for the s.94 contributions plan, however further detail on the cost of each work and detail on which works have been completed is required.

Integrated Transport and Land Use Strategy

The Integrated Transport and Land Use Strategy (ITLUS), adopted in August 2007, investigates transport and develops actions and recommendations for future transport and land use planning in Ryde LGA. The ITLUS highlights that s.94 contributions could be used as funding sources for the actions developed. The ITLUS also provides actions for the major town centres in Ryde LGA, specifying the broad cost and timescale. These actions could inform the Schedule of Works for the new s.94 plan, however further detail is required in relation to these actions and the specific costs associated with implementing them.

Ryde Bicycle Strategy and Masterplan 2007

The Ryde Bicycle Strategy and Masterplan 2007 provide information on the required works for the Ryde cycle network over the next 10 years. Information including the location, route description, estimated cost and length of the route works is provided. The total cost of the works specified is \$16,387,656 over the 10 years between 2007 and 2017. The Strategy discusses funding options additional to the Council's own resources including state and federal options. However, it is not clear within the Strategy what proportion, if any, will be funded through s.94 contributions.

2 ASSESSMENT OF ALTERNATIVE OPTIONS

In reviewing the current s.94 plan, a range of alternative options for levying of development contributions, using different mechanisms have been identified. These include consideration of the continued use of s.94 development contributions, the introduction of an s.94A flat-rate levy approach or a hybrid of the two approaches.

Each of the identified development contributions options is then examined. Testing of the options considers their financial and infrastructure delivery implications, impacts on the feasibility of development (particularly for town centres and Macquarie Park) and a range of other evaluation criteria that are of importance to COR in choosing the preferred option.

2.1 Alternative options

The following table shows the options considered for levying of development contributions.

TABLE 5. DEVELOPMENT CONTRIBUTIONS OPTIONS TO BE TESTED

Options	Descriptions
Option 1A - s.94	s.94 continued under the current capital works program over 15 years, with different contribution rates to be applied to Macquarie park and balance of the city.
Option 1B - s.94	As above, but taking into account additional values from VPAs currently being used by Council.
Option 2A - s.94A	s.94A citywide plan to all development with a flat levy of 1% (and changed rates as per regulations).
Option 2B - s.94A	s.94A citywide plan with variation to rates for Macquarie park (3%) and town centres (2.5%).
Option 2C - s.94A	s.94A citywide plan with variation to rates for Macquarie park (4%), town centres (3%) and industrial areas (3%).
Option 3A - s.94 & s.94A	s.94 plan for all residential development and s.94A for all retail, commercial and industrial development (1%)
Option 3B - s.94 & s.94A	As above with 3% s.94A levy for commercial, retail and industrial development.
Option 3C - s.94 & s.94A	s.94 plan for development outside centres and s.94A for development within centre, with variation rates for Macquarie park (4%), town centres (3%) and industrial areas (3%).

Source: developed by SGS in consultation with COR, 2013

2.2 Financial analysis of options

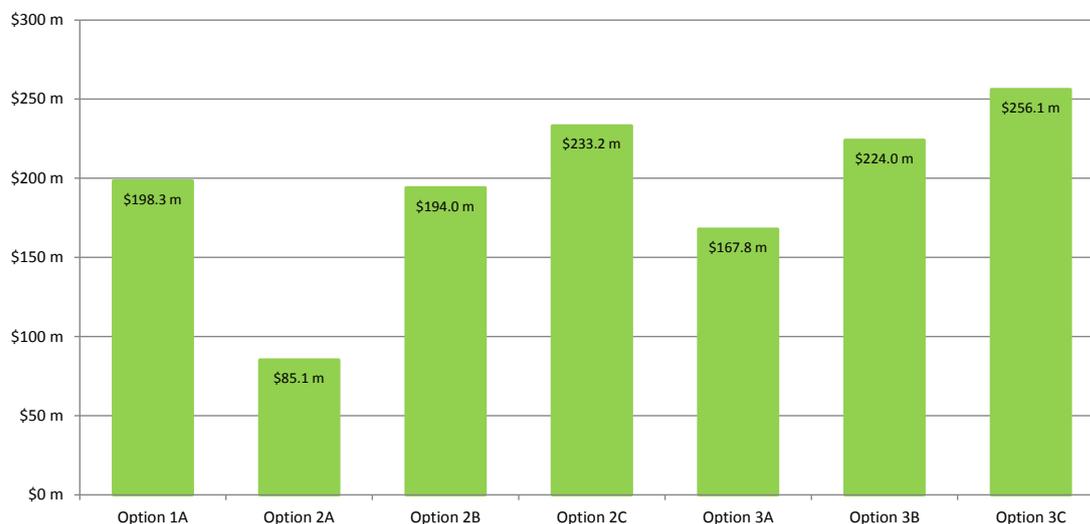
To allow the analysis of the projected revenue from the different options, the Ryde LGA has been divided into a number of precinct types. These precincts include:

- town centres (including Top Ryde, Eastwood, Gladesville, West Ryde and Meadowbank)
- Macquarie Park Corridor, and
- other residential areas (balance of the LGA).

The development contributions over time are then estimated for various options, by applying the applicable s.94 and s.94A rates to the development projections and the estimated value of these developments.

The chart below compares the present value of development contributions that are likely to be generated under each option. It shows that options 2C and 3C are the top two performers, in terms of income generations. Option 2C outperforms option 1A (i.e. current s.94 plan) and is only \$20 million short of the expected incomes under option 3C.

FIGURE 5. ESTIMATED CONTRIBUTIONS BY OPTION, PRESENT VALUES, \$ MILLION (USING COUNCIL FORECASTS)



Source: SGS Economics and Planning calculations, 2013

Note that the development contribution incomes are calculated using the high growth projections prepared by COR at the time when the review of s.94 plan was carried out. The population and dwelling forecasts were updated by COR early 2014, based on the more up-to-date dwelling yields of UAPs. This is incorporated in the revised income projections for the preferred option in section 3.

It should be also noted that the estimated contribution incomes shown in Figure 5 have taken into account the funding shortfalls under an s.94 plan.

According to Lindsay Taylor Lawyers (LTL) advice, it is common to experience some significant funding shortfalls under an s.94 plan. These may be due to:

- potential merits appeal (contestability) regarding Council development application determinations and associated legal costs;
- modifications or reviews of development consents that result in lowering or eliminating s94 contributions payable under a development consent; and
- higher administrative and plan preparation costs.

According to CoR's experience, these shortfalls are in the order of 20 percent of the expected s.94 incomes.

2.3 Development feasibility

Following the income comparison of the contribution options, their impacts on development feasibility have been assessed via a site-specific feasibility analysis.

The four case study developments chosen for the feasibility analysis have been based on recent DAs approved by Council. These include:

- 126 Herring Road, Macquarie Park – 229 residential units

- 22 Giffnock Avenue, Macquarie Park – seven levels of commercial office space
- 125 – 135 Church Street, Ryde – mixed use (269 units, and 1080 square metres of retail)
- 1-9 Monash Road and 407-417 Victoria Road, Gladesville – mixed use (70 units, and 2520 square metres of retail)

The following table compares the development contributions under options 1A (current s.94 plan) and 2C (variable s.94A levies). It shows that proposed higher levies for key centres under option 2C and current s.94 contributions have similar impacts on mixed use development in town centres and commercial development in Macquarie Park. For residential development, a 4% levy in Macquarie Park is likely to have a smaller impact on development feasibility, compared to the amount of contributions levied under the current s.94 plan.

TABLE 6. COMPARISON OF DEVELOPMENT CONTRIBUTIONS

	126 Herring Rd, Macquarie Park (Res. only)	22 Giffnock Ave, Macquarie Park (Commercial)	125 – 135 Church St, Ryde (Mixed use)	1-9 Monash Rd, Gladesville (Mixed use)
Option 1A (current s.94)	\$3,075,459	\$1,231,133	\$2,508,368	\$970,583
Option 2C (4% in MPC and 3% in town centres)	\$2,586,007	\$1,295,605	\$2,410,031	\$1,046,634

Source: SGS, 2013.

Note that current s.94 contributions applicable to each development have been provided by Ryde Council. S.94A contributions have been calculated by SGS as a proportion of development costs. Based on advice from LTL, project management costs (inside professional fees), and construction contingency costs have been excluded, and GST is included in the development costs used to calculate s.94A contributions.

2.4 Multi-criteria analysis

In addition to the financial analysis of the development contributions options, a broader range of criteria for decision making on a preferred options has been conducted, based on the identification, weighting and rating of options against a range of criteria.

SGS has identified a number of criteria to assess the various options. The multi-criteria assessment for each option will consider:

- Assessment against criteria
- Weighting attached to each criteria, and
- Weighted 'score' for each option.

To assess the eight options and determine the preferred option, a weighted matrix has been used as an evaluation tool. The weightings and ratings have been provided in the tables below for each option. The weightings represent the *importance* placed on each criterion, ranging from a weighting of three equating to the most desirable outcome and one equating to the least desirable outcome. The ratings rate the *effectiveness* of the options against each criterion using a scale of one to five, where five represents most desirable outcome and one the least.

The criteria that have been used include the following:

1. **Impact on development feasibility:** The extent to which the development contribution option impacts on feasible development.

2. **Ability to generate contributions revenues:** The ability of the option to generate contribution revenues and provide for the infrastructure needs identified by Council. Council's capital works program requirements will inform this assessment.
3. **Administrative efficiency and costs:** The ease of administration of the option by the Council and use by the development industry. This assessment will be informed by input from Council officers.
4. **Flexibility:** to achieve timely and cost effective infrastructure delivery.
5. **Transparency:** in regards to the collection and use of development contribution funds.
6. **Achieving price signals** that reflect the variation in infrastructure costs: Decisions regarding the application of development contributions as user charges should consider the degree to which infrastructure supply costs vary from one development location to another. If there is spatial variation in infrastructure delivery costs at the local level, the location signalling role to the market of variations in development contributions can be applied. The establishment of a price signal is a key efficiency argument in support of up front infrastructure charges on development. This spatial variation should consider the costs of development within the metropolitan area as well as within the City of Ryde.
7. **Risk and the certainty of funding outcomes:** The ability of the option to provide a clear funding outcome and minimise risk to the Council.

The Council officer working group has reviewed the criteria with SGS and a weighting for each criteria has been identified to indicate their relative importance. Options have then been rated with input from Council officers to calculate the weighted average score for each option in the table below. Note that the rating against the 'ability to generate contributions revenues' criterion is determined, based on the comparison of contribution incomes before the deduction of the potential s.94 funding shortfalls. This is to avoid double dipping, because the causes for the potential shortfall of an s.94 plan are already accounted for by other criteria in the MCA.

TABLE 7. WEIGHTING AND SCORES OF OPTIONS

EVALUATION CRITERIA	Weighting (1-3)	OPTION 1A Current s.94	OPTION 1B Current s.94 with VPA	OPTION 2A 1% s.94A	OPTION 2B 2-3% s.94A for TC and MP and 1% for the rest	OPTION 2C 3-4% s.94A for TC and MP and 1% for the rest	OPTION 3A s.94 for res. and 1% s.94A for non res.	OPTION 3B s.94 for res. and 3% s.94A for retail/commercial	OPTION 3C 3-4% s.94A for TC and MP and s94 for the rest
		Rating (1-5)	Rating (1-5)	Rating (1-5)	Rating (1-5)	Rating (1-5)	Rating (1-5)	Rating (1-5)	Rating (1-5)
		Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)	Weighted score (1-15)
Impact on development feasibility	2	1	2	5	3	2.5	4	3	2.5
Ability to generate contributions revenues	3	4	4.5	2	3	4	3	4.5	5
Administrative efficiency and costs	1	2	1	5	5	5	2	2	3
Flexibility to achieve timely and cost effective infrastructure delivery	2.5	1	1	5	5	5	3.5	4	4
Transparency in regards to the collection and use of development contribution funds	2.5	5	5	3	3	3	4	4	4
Achieve price signals that reflect the variation in infrastructure costs	2	4	4	1	5	5	3	3	4
Risk and the certainty of funding outcomes	2	2	3.5	4	4	4	3	3	3.5
TOTAL SCORES			48.5	51	58	60	49.75	53.5	58



2.5 Preferred option

As identified in the multi-criteria analysis, the preferred option is 2C, closely followed by options 3C and 2B. Options 2C, 3C and 2B would all be appropriate frameworks for the revision of Councils development contributions framework. Option 2C would involve Council introducing an s.94A city-wide plan, with area-specific variation to the standard levy rate for high growth areas such as Macquarie Park (4%) and town centres (3%).

The analysis identifies that key strengths of the option 2C are:

- The level of funding for infrastructure (generally consistent with funding from the current plan), if increased % levies are approved for growth areas.
- The administrative efficiency of the s.94A Plan compared to the more complex s.94 contributions planning system which required demonstration of nexus and apportionment to development and appropriate studies to support the plan.
- The limited risk to funding outcomes, limited primarily to development rates as conditions subject to s.94A plan are not subject to merits appeal of Council decisions and potential associated legal costs and uncertainty of funding outcomes.
- Flexibility of the use of the funding, without nexus or apportionment requirements, and the opportunity to integrate with wider Council asset and capital works planning.
- The ability to apply revenue derived from s.94A levies for infrastructure across the Council's area.
- The ability to establish price signals which reflect the higher infrastructure provision costs in high growth areas such as town centres and Macquarie Park compared to infill development of wider areas.
- The ability to be used in conjunction with planning agreements in respect of specific development sites, or in development areas such as Macquarie Park.
- The 4% levy in Macquarie Park has less impact on feasibility of residential development than current contributions rates, whereas it has a higher impact on non-residential development.

In addition to the above, the final preferred option resolved by Council on 24 September 2013 exempts development costing less than \$350,000, where the Act exempts development costing less than \$100,000.

This would lower the potential impacts on small and domestic scale projects, alterations and extensions to existing uses, as these projects are less likely to generate additional demand for infrastructure or facilities.

3 ANALYSIS OF THE PREFERRED OPTION

3.1 Meeting infrastructure needs

To demonstrate higher % levies are needed to fund the necessary works in Macquarie Park and town centres, the income projections under the proposed scheme have been compared against the values of works identified in these areas.

Income projections

The s.94A income projections have been based on the revised dwelling forecasts prepared by COR in 2014 and the 2012 Bureau of Transport Statistics (BTS) employment forecasts for key employment areas.

The following table shows the projected dwelling and employment growth according to these forecasts.

TABLE 8. PROJECTED DWELLING AND EMPLOYMENT GROWTH

	Macquarie Park	Town centres	Rest of the Ryde LGA	Total Ryde LGA
Additional dwellings (2014-31)	17,930	6,399	3,424	27,753
Additional jobs (2011-31)	16,093	321	1,408	17,824

Source: CoR 2014 & SGS estimates based on BTS employment forecasts 2012.

Projections of contributions income are prepared for Macquarie Park and town centres, by applying the proposed % levies to the value of future development derived from the above growth forecasts.

The following table provides a break-down of the income projections by development type, location and time interval. Over the forecast period, the proposed scheme is expected to generate around \$374 million (in NPV terms) contributions income. Of this, over \$28

TABLE 9. PROJECTED CONTRIBUTIONS UNDER PREFERRED S.94A SCHEME

Development types	Development contributions					
	2014-16	2016-21	2021-26	2026-31	2014-31	NPV
From residential development						
Macquarie Park	\$29,554,178	\$73,885,445	\$73,885,445	\$73,885,445	\$251,210,515	\$212,055,902
Town Centre	\$7,910,646	\$19,776,616	\$19,776,616	\$19,776,616	\$67,240,494	\$56,760,139
Other areas	\$1,340,169	\$3,350,423	\$3,350,423	\$3,350,423	\$11,391,440	\$9,615,927
Total residential	\$38,804,994	\$97,012,485	\$97,012,485	\$97,012,485	\$329,842,449	\$278,431,968
From non-residential development						
Macquarie Park	\$8,871,097	\$29,113,657	\$28,170,490	\$21,131,625	\$87,286,870	\$74,109,378
Town Centres	\$581,760	\$699,123	\$689,264	\$393,821	\$2,363,968	\$2,063,328
Other areas	\$43,383	\$82,786	\$77,553	\$61,125	\$264,847	\$227,046
Total Non-residential	\$9,496,241	\$29,895,565	\$28,937,308	\$21,586,571	\$89,915,685	\$76,399,752

Additional items						
Macquarie Shopping Centre expansion	\$15,600,000	\$0	\$0	\$0	\$15,600,000	\$15,155,010
Low-value development below thresholds	\$587,027	\$1,467,569	\$1,467,569	\$1,467,569	\$4,989,734	\$4,212,015
Total incomes	\$64,488,262	\$128,375,619	\$127,417,361	\$120,066,625	\$440,347,867	\$374,198,745

Source: SGS estimates CoR 2014 & based on BTS employment forecasts 2012.

Costs of works

In order to determine the infrastructure needs in Ryde LGA, Council has identified a 10 year works schedule. This is detailed in Appendix 1.

The table below provides a summary of the costs of works by location. It shows that 40 percent of the works are expected to occur in Macquarie Park.

TABLE 10. ESTIMATED COSTS OF WORKS BY LOCATION, 2015-25

Locations	Costs of works (\$million)	% breakdown
Macquarie	\$207.4	40%
Eastwood	\$70.1	13%
West Ryde	\$14.8	3%
Meadowbank	\$12.2	2%
Ryde	\$53.1	10%
Gladesville	\$11.7	2%
Outside Centres	\$153.9	29%
Total	\$523.2	100%

Source: COR 2014.

The following table compares the costs of works to the projected contributions income over the same period. It shows that the total value of proposed works from FY 2015-24 is \$274 million higher than the income projected over the same period. In Macquarie Park and Town Centres, the costs of works exceed the projected development contributions by \$9 million and \$121 million respectively.

TABLE 11. FUNDING GAPS BY LOCATION, 2015-25 (\$MILLION)

	Costs of works (2015-25)	NPV of projected incomes (2015-25)	Funding gap
Macquarie Park	\$207.4	\$198	\$9
Town Centre	\$161.9	\$41	\$121
Outside the centres	\$153.9	\$10	\$144
Total	\$523.2	\$249	\$274

Source: SGS estimates 2014.

3.2 Impact of higher levies on development

Impacts of higher % levies on development feasibility have been assessed and compared against the current s.94 contributions. This is to ensure that the proposed higher levies will neither prevent/hinder development occurring nor jeopardise the employment role of Macquarie Park in the economic global corridor.

Additional case studies have been considered to examine the impact. These include:

- A mixed use development in Macquarie Park (84-92 Talavera Road. LDA2011/0485)
- A commercial development in Macquarie Park (8 Khartoum Road, Macquarie Park. LDA2013/0106)
- three residential developments in town centres
 - 3-13 Angas Street, Meadowbank. LDA2013/0390
 - 34-36 Herbert Street, West Ryde. LDA2011/0423
 - 3-5 Trelawney Street, Eastwood. LDA2011/0611

The table below compares the current s.94 contributions to the s.94A payment that would be levied under the proposed scheme.

TABLE 12. COMPARISON OF S.94 AND S.94A PAYMENT

	Mixed use	Commercial	Residential		
	Macquarie Park	Macquarie Park	Meadowbank	West Ryde	Eastwood
S.94 contributions	\$5,020,166	\$1,458,143	\$2,458,418	\$314,858	\$698,964
S.94A contributions (4% for MP and 3% for TC)	\$4,140,982	\$1,157,867	\$950,400	\$245,203	\$374,739

Source: SGS estimates and CoR 2014. These forecasts are pre the residential boom and conservative.

In all cases considered, the s.94 contribution is greater than the s.94A contribution. This is particularly noticeable for residential development in town centres. The likely reduction in contribution is in the order of 17 to 60 percent.

This implies that the proposed s.94A levies would have a positive impact on development feasibility and encourage more developments occurring in Macquarie Park and town centres, in comparison to the current s.94 plan.

4 COMPLIANCE TO LEGAL FRAMEWORK

The development of the new Section 94 A Plan was developed in conjunction with Lindsay Taylor Lawyers to ensure compliance with legislation.

He has reviewed work schedule to ensure works can be funded by S94A which were not previously permitted under S94 Plan

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Draft Development Contributions Plan

City of Ryde

September 2014



Independent insight.



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INTRODUCTION

Section 94A of the *Environmental Planning and Assessment Act 1979* (the Act) authorises a consent authority when determining a development application to impose a condition requiring the applicant to pay a levy of the percentage, authorised by a contributions plan, of the proposed cost of carrying out the development. A contributions plan may also specify whether or not an accredited certifier must impose such a condition when issuing a complying development certificate.

For a consent authority to impose a condition under section 94A, a contributions plan that complies with the Act and the *Environmental Planning and Assessment Regulation 2000* (the Regulation) must be in place.

The *Ryde Section 94A Development Contributions Plan 2014* authorises a condition of development consent or a complying development certificate to require the payment of a fixed levy.

The percentage of the levy and the types or area of development which attract the levy are set out in other clauses of this Plan.

Levies paid to the Council will be applied towards the provision, extension or augmentation of public amenities or public services, or towards recouping the cost of their provision, extension or augmentation.

The Plan applies to the whole City of Ryde local government area (LGA) and repeals all existing contributions plans within the meaning of the Act in so far as they apply to this land.

PART A: SUMMARY SCHEDULES

The following summary schedules are included in this plan:

Schedule 1: Ten Year Works Schedule

Schedule 2: Summary of section 94A levy rates by proposed cost of development

The schedule of works contained in Schedule 1 of this Contributions Plan identifies the public amenities and services for which a Section 94A (s94A) levy will be required.

The s94A levy rates for different types of development are set out in Schedule 2 of this Contributions Plan.

PART B: EXPECTED DEVELOPMENT AND DEMAND FOR PUBLIC FACILITIES

The relationship between expected types of development and the demand for public amenities and services is established through:

The population projections undertaken by the NSW Bureau of Transport Statistics for Ryde LGA.

The expected development associated with this projected population growth, based on projections by the City of Ryde and NSW Bureau of Transport Statistics and Australian Bureau of Statistics (ANZSIC) in relation to dwelling capacities and job forecasts.

The likely population growth will require the provision of additional public facilities. The likely population growth will also diminish the enjoyment and standard of public facilities for the existing population unless new facilities are provided to meet the additional demand.

The population projections undertaken by the NSW Bureau of Transport Statistics for Ryde LGA indicate a likely growth in population of 23,387 from the 2011 Census population of 110,122 to 133,509 in 2031.

Table 1 illustrates the population projections by age for Ryde LGA and total population projections.

TABLE 1. POPULATION PROJECTIONS FOR RYDE BY AGE

Population	2011	2016	2021	2026	2031
Aged 0-4	6,774	6,799	7,155	7,434	7,738
Aged 5-9	5,827	6,439	6,570	6,832	7,100
Aged 10-14	5,588	5,709	6,332	6,419	6,681
Aged 15-19	6,008	6,056	6,239	6,792	6,906
Aged 20-24	9,998	9,876	10,035	10,189	10,867
Aged 25-29	8,907	9,151	9,317	9,421	9,647
Aged 30-34	8,616	9,028	9,413	9,570	9,727
Aged 35-39	8,494	8,578	9,110	9,411	9,622
Aged 40-44	7,920	8,251	8,454	8,910	9,228
Aged 45-49	7,723	7,567	7,982	8,133	8,596
Aged 50-54	7,006	7,305	7,305	7,655	7,830
Aged 55-59	6,129	6,580	6,949	6,948	7,297
Aged 60-64	5,409	5,635	6,136	6,447	6,489
Aged 65-69	3,992	5,028	5,327	5,785	6,098
Aged 70-74	3,349	3,786	4,822	5,111	5,585
Aged 75-79	2,952	3,142	3,670	4,660	4,992
Aged 80-84	2,652	2,526	2,802	3,331	4,267
Aged 85+	2,779	3,301	3,595	4,034	4,839
Total	110,122	114,758	121,212	127,082	133,509

Source: BTS population projection by age, 2012

Residential development forecasts for the Ryde LGA are based on the dwelling capacity figures for various town centres, Macquarie Park and other areas taken from the *2010 City of Ryde Local Planning Study – Housing Study* (see Table 2). Council has projected 15,792 additional dwellings within Ryde LGA

to 2031. The majority of these additional dwellings are expected to occur within Macquarie Park during the period 2016-2021. The location of the town centres are shown in Figure 2 of Appendix B.

TABLE 2. HIGH RESIDENTIAL DEVELOPMENT FORECASTS FOR TOWN CENTRES, MACQUARIE PARK CORRIDOR AND REST OF THE LGA, 2011-31

	Additional dwellings				
	2011-16	2016-21	2021-26	2026-31	2011-31
Flat / unit / apartment	2,094	3,832	2,963	2,963	11,851
Town Centre	1,142	1,713	1,427	1,427	5,709
Macquarie Park	875	2,042	1,458	1,458	5,833
Village	77	77	77	77	309
Semi-detached / row / terrace / townhouse	985	985	985	985	3,941
Infill areas	985	985	985	985	3,941
Total Residential	3,079	4,817	3,948	3,948	15,792

Source: City of Ryde, 2013

In relation to expected non-residential development, Table 3 shows the floor space forecast for town centres, Macquarie Park and other employment areas in the Ryde LGA using job forecasts. (To be inserted)

Note that the projected retail floor space in Macquarie Park does not include the proposed 31,800 square metre expansion of Macquarie Shopping Centre, which is separately accounted for in the income projections.

According to NSW Bureau of Transport Statistics, Macquarie Park will accommodate over 90 per cent of the employment growth in the Ryde LGA (17,824 additional jobs to 2031).

The majority of residential and non-residential development in Ryde to 2031 will be accommodated in the centres identified in Figure 2 in Appendix 3.

TABLE 3. PROJECTED ADDITIONAL COMMERCIAL, RETAIL AND INDUSTRIAL FLOOR SPACE BY PRECINCT TYPE, 2011-2031

Category	Δ 2011-2016	Δ 2016-2021	Δ 2021-2026	Δ 2026-2031	Total Δ 2011-2031
Macquarie Park					
Commercial office, research and development, university and hospitals	151,886 m ²	208,195 m ²	198,248 m ²	132,998 m ²	691,327 m ²
Retail	1,220 m ²	7,220 m ²	9,570 m ²	9,570 m ²	27,580 m ²
Industrial	0 m ²				
Town Centres					
Commercial office, research and development, university and hospitals	3,586 m ²	3,164 m ²	2,530 m ²	1,698 m ²	10,978 m ²
Retail	12,117 m ²	6,015 m ²	5,943 m ²	2,684 m ²	26,759 m ²
Industrial	0 m ²				
Other areas					
Commercial office, research and development, university and hospitals	2,290 m ²	1,241 m ²	1,249 m ²	1,103 m ²	5,883 m ²
Retail	2,615 m ²	2,803 m ²	2,483 m ²	1,751 m ²	9,652 m ²
Industrial	0 m ²				
Total	173,713 m²	228,638 m²	220,023 m²	149,804 m²	772,179 m²

Source: SGS Economics and Planning Calculation, 2013

PART C: ADMINISTRATION AND OPERATION OF THE PLAN

What is the name of this development contributions plan?

This development contributions plan is called the *Ryde Section 94A Development Contributions Plan 2014*.

1.1 Application of this plan

This Contributions Plan applies to all land within City of Ryde LGA, as shown on the maps in Appendix B. and to all development on such land.

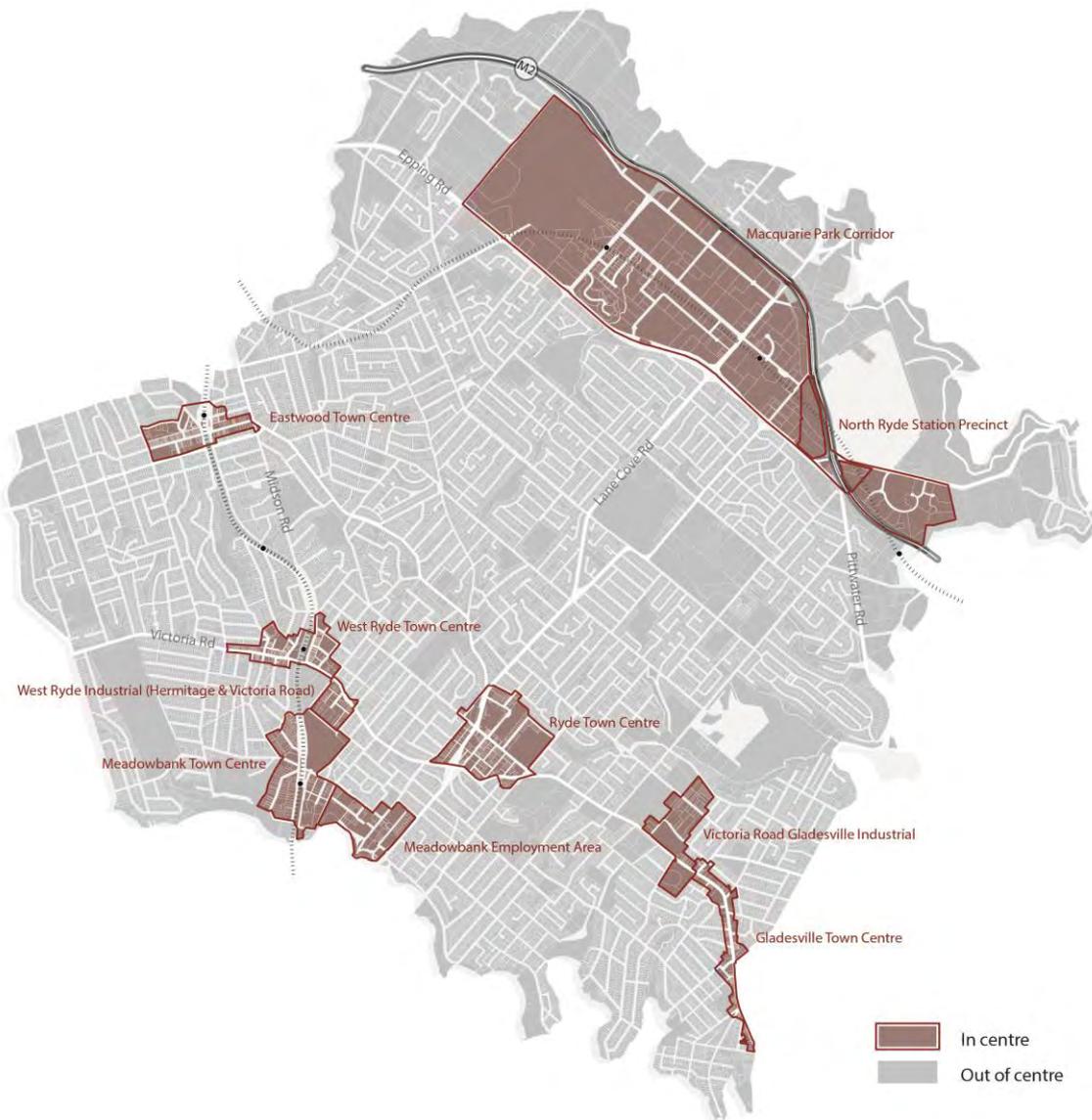
For the avoidance of any doubt, this plan applies to development in Macquarie Park involving additional height or floor space that is permitted by Part 7 of *Ryde Local Environmental Plan 2013*.

This Contributions Plan applies to the granting of development consents and the issuing of complying development certificates under Part 4 of the Act. The s94A levy rates for different types of development are set out below: (Council has resolved to exempt development costing less than \$350,000, where the Act exempts development costing less than \$100,000.)

Area	Type of development	Cost* threshold	Levy rate
Outside centres (as shown in Figure 1)	Secondary dwelling on site (e.g. granny flat)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	0.25%
	All other development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	1.0%
Inside centres (as shown in Figure 1)	All development (outside Macquarie Park)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	3.0%
Macquarie Park Corridor	All development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	4.0%

FIGURE 1. CENTRES IN RYDE LGA

This Contributions Plan precludes the imposition of a condition under s94 of the Act in respect of the development to which this plan applies.



Development exempted by Ministerial direction under Section 94E of the Act

In accordance with the Ministerial direction dated 10 November 2006 in Appendix B, and until that direction is amended, repealed or revoked, a levy under s94A of the Act will not be imposed in respect of development:

Where the proposed cost of carrying out the development is \$100,000 or less,

For the purpose of disabled access,

For the sole purpose of providing affordable housing,

For the purpose of reducing a the consumption of mains-supplied potable water, or reducing the energy consumption of a building,

For the sole purpose of the adaptive reuse of an item of environmental heritage, or

Other than the subdivision of land, where a condition under section 94 of the Act has been imposed under a previous development consent relating to the subdivision of the land on which the development is to be carried out.

In accordance with the Ministerial direction dated 14 September 2007, and until that direction is amended, repealed or revoked, a levy under s94A of the Act will not be imposed in respect of development consents to carry out development for the purposes of any form of seniors housing as defined in *State Environmental Planning Policy (Seniors Living) 2004* granted to a social housing provider as defined in that SEPP.

In accordance with the Ministerial direction dated 9 September 2009, and until that direction is amended, repealed or revoked, a levy under s94A of the Act will not be imposed in respect of any component of a government school or non-government school (within the meaning of the Education Act 1990) development that is a 'Building the Education Revolution' project undertaken pursuant to the Building the Education Revolution program and funded by the Commonwealth under the *Nation Building and Jobs Plan, Appropriation 9Nation Building and Jobs) Act (No.1) 2008-2009* and the *Appropriation (Nation Building and Jobs) Act (No.2) 2008-2009*.

1.2 When does this development contributions plan commence?

This Contributions Plan commences on [insert when].

1.3 What is the purpose of this Plan?

The primary purposes of this contributions plan are:

To authorise the imposition of a condition on development consents and complying development certificates requiring the payment of a levy pursuant to section 94A of the Act

To assist the Council to provide the appropriate public facilities which are required to maintain and enhance amenity and service delivery within the area

To publicly identify the purposes for which the levies may be applied

1.4 What plans does this Contributions Plan repeal?

This Plan repeals the Ryde Section 94 Development Contributions Plan 2007.

1.5 Complying development and the obligation of certifying authorities

An accredited certifier to whom an application for a complying development certificate is made under s85A(1) of the Act in respect of development to which this plan applies, must impose a condition under s94A of the Act in accordance with this Contributions Plan if a complying development certificate is issued in respect of the development. The method by which the amount of the levy is determined is set out in clause 1.7.

1.6 How will the levy be calculated?

The Levy payable in respect of development will be determined by the consent authority on the basis of the proposed cost of carrying out the development, the corresponding levy rate as set out in Schedule 2 and calculated as follows:

Levy payable = %C x \$C

Where

%C is the levy rate applicable as set out in Schedule 2 corresponding to the proposed cost of carrying out the development

\$C is the proposed cost of carrying out the development determined by the consent authority in accordance with clause 25J of the Regulation.

The procedures set out in Appendix A to this Contributions Plan must be followed to enable the consent authority to determine the proposed cost of carrying out the development.

1.7 When is the levy payable?

A Levy imposed by a condition in a development consent (other than a complying development certificate) must be paid to the Council at the time specified in the condition that imposes the Levy. If no such time is specified, the Levy must be paid prior to the issue of a construction certificate or a complying development certificate.

A Levy imposed by a condition in a complying development certificate must be paid before the commencement of any building work or subdivision work (within the meaning of, the Act) that is authorised by the certificate.

1.8 How will the levy be applied?

Levies paid to the Council under this Contributions Plan will be applied towards the provision, extension or augmentation, or recouping the cost of the provision, extension or augmentation, of such of the public amenities and public services specified in Schedule 1 as the Council considers is in the public interest and reasonably practicable to do so. Levies will be applied by the Council in accordance with the priorities identified in the Works Schedule to the extent that it is not inconsistent with this Contributions Plan in so far as the Council considers it reasonably practicable to do so. Refer to Schedule 1. Schedule of Works and Appendix C Maps.

1.9 How will the levy be adjusted?

The amount of a levy required to be paid to the Council under a condition of development consent or a complying development certificate imposed in accordance with this Contributions Plan will be adjusted between the time of the imposition of the condition and the time of payment. This will be done by adjusting the proposed cost of carrying out the development (on which the calculation of the amount of the levy is based) to which the condition applies to reflect quarterly variations to readily accessible index figures such as CPI or Building price Index between the date the proposed cost was determined by the consent authority and the date the levy is required to be paid.

1.10 Can deferred or periodic payments be made?

Deferred or periodic payments of a Levy may be permitted only with the approval in writing of the Council in the following circumstances: where the deferred or periodic payment of the contribution will not prejudice the timing or the manner of the provision of public amenities and public services included in the Works Schedule in Schedule 1,

Council may approve deferred or periodic payments, provided Council is satisfied with proposed security on terms.

1.11 Alternatives to payment of the levy

A planning agreement under s93F of the Act may provide that s94A of the Act is wholly or partly excluded from applying to development to which the agreement applies. This means that, if the applicant and the Council agree, a planning agreement may be entered into in connection with the granting of a development consent (other than a complying development certificate) as an alternative to the imposition of a condition requiring the payment of the levy under this Contributions Plan.

A condition of development consent (other than a complying development certificate) may provide that a levy must be paid to the Council under this Contributions Plan unless, before the time payment is due, the applicant has entered into a planning agreement with the Council.

A development consent that has been granted that is subject to a condition requiring a levy to be paid to the Council under this Contributions Plan may, upon application being made to the consent authority and subject to the Council's approval under the Act, be modified at any time to require a planning agreement to be entered into instead of payment of the levy.

1.12 Ministerial conditions under Section 94E of the Act

Conditions authorised by this Plan are subject to any direction given by the Minister under Section 94E of the Act. This Plan authorises the imposition of conditions in accordance with any such direction.

1.13 Definitions

Council means Ryde City Council.

Contributions Plan means this plan

Levy means a levy under section 94A of the Act authorised by this plan.

The Act means the *Environmental Planning and Assessment Act 1979*

The Regulation means the *Environmental Planning and Assessment Regulation 2000*.

1.14 Procedure

For the purposes of the consent authority determining the proposed cost of carrying out the development in accordance with clause 25J of the Regulation, the applicant is to submit the following to the consent authority:

A cost summary report in accordance with Appendix D in respect of development where the estimated development costs is \$499,999 or less.

A Quantity Surveyor's Detailed Cost Report in accordance with Appendix D, in respect of development where the estimated development costs is \$500,000 or more.

To avoid doubt, section 25J of the Environmental Planning and Assessment Act 1979 sets out the things that are included in the estimation of the development costs by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:

if the development involves the erection of a building, or the carrying out of engineering or construction work—the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation
if the development involves a change of use of land—the costs of or incidental to doing anything necessary to enable the use of the land to be changed
if the development involves the subdivision of land—the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.

Upon reviewing a cost summary report or a Quantity Surveyor's Detailed Cost Report, the Council may, at the applicant's cost, engage an independent person to verify the costs.

Approved persons for the provision of cost estimate reports where Council is consent authority

For the purpose of clause 25J(2) of the Regulation, the following persons are approved by the Council as consent authority to provide an estimate of the proposed cost of carrying out development in the following circumstances:

Where the proposed development cost is \$499,999 or less— a person who, in the opinion of the Council, is suitably qualified to provide a cost summary report,

Where the proposed development cost is \$500,000 or more – a quantity surveyor who is a registered member of the Australian Institute of Quantity Surveyors to provide a Quantity Surveyor's Detailed Cost Report

SCHEDULE 1A: TEN YEARS WORK SCHEDULE - COST BY YEAR

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Heavy Patching	\$2,951,433	\$257,000	\$265,225	\$273,180	\$281,375	\$289,817	\$298,511	\$307,466	\$316,690	\$326,191	\$335,977
Road Resurfacing	\$29,912,667	\$2,813,773	\$2,879,674	\$2,630,064	\$2,817,522	\$2,902,048	\$2,989,109	\$3,078,782	\$3,171,146	\$3,266,280	\$3,364,269
Road Kerb Renewal	\$17,458,209	\$1,001,133	\$1,822,489	\$1,822,489	\$1,822,489	\$1,822,489	\$1,822,489	\$1,822,489	\$1,822,489	\$1,822,489	\$1,877,164
Bridge Upgrade / Renewal	\$1,958,588	\$175,000	\$180,300	\$180,300	\$185,709	\$191,280	\$197,019	\$202,929	\$209,017	\$215,288	\$221,746
Stormwater Asset Replacement Renewal	\$12,104,261	\$787,856	\$811,492	\$900,000	\$998,161	\$1,107,029	\$1,227,771	\$1,361,682	\$1,510,198	\$1,674,912	\$1,725,160
Stormwater Improvement Works Renewal	\$16,841,157	\$2,090,000	\$1,133,000	\$1,167,000	\$1,294,203	\$1,435,271	\$1,591,716	\$1,765,213	\$1,957,621	\$2,171,002	\$2,236,132
Footpath Construction Renewal	\$4,136,337	\$337,000	\$350,000	\$387,900	\$399,537	\$411,523	\$423,869	\$436,585	\$449,682	\$463,173	\$477,068
Cycleways Construction Expansion	\$2,361,155	\$206,000	\$212,180	\$218,500	\$225,055	\$231,807	\$238,761	\$245,924	\$253,301	\$260,900	\$268,727
Footpath Construction Expansion	\$9,990,000	\$790,000	\$1,000,000	\$1,200,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Top Ryder Bus Service	\$3,180,000	\$300,000	\$480,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Bus Shelters – new	\$516,089	\$45,020	\$46,371	\$47,760	\$49,193	\$50,669	\$52,189	\$53,754	\$55,367	\$57,028	\$58,739
Bus Stop DDA compliance	\$1,032,178	\$90,040	\$92,742	\$95,520	\$98,386	\$101,337	\$104,377	\$107,509	\$110,734	\$114,056	\$117,478
Bus Stop Seats –new	\$387,066	\$33,765	\$34,778	\$35,820	\$36,895	\$38,001	\$39,141	\$40,316	\$41,525	\$42,771	\$44,054

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Eastwood Town Centre - TMAP	\$3,110,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000	\$311,000
Traffic Calming Devices	\$3,050,200	\$260,000	\$270,000	\$280,000	\$290,000	\$300,000	\$310,000	\$320,000	\$330,000	\$340,000	\$350,200
Macquarie Park Traffic Facilities (Traffic Signals)	\$21,100,000	\$2,400,000	\$3,000,000	\$1,200,000	\$3,000,000	\$1,200,000	\$1,200,000	\$1,200,000	\$2,400,000	\$2,750,000	\$2,750,000
Traffic Facilities Renewal	\$1,918,891	\$180,000	\$185,400	\$174,700	\$179,941	\$185,339	\$190,899	\$196,626	\$202,525	\$208,601	\$214,859
Car Park Renewal	\$1,891,109	\$165,000	\$169,950	\$175,000	\$180,250	\$185,658	\$191,227	\$196,964	\$202,873	\$208,959	\$215,228
Library Books	\$7,126,642	\$437,746	\$563,987	\$563,987	\$563,987	\$2,177,000	\$563,987	\$563,987	\$563,987	\$563,987	\$563,987
Digital enhancement for Libraries	\$456,598	\$36,300	\$26,500	\$34,000	\$105,020	\$35,020	\$36,071	\$37,153	\$108,267	\$38,267	\$0
Community Buildings Renewals - Libraries Only	\$1,684,000	\$300,000	\$100,000	\$125,000	\$299,000	\$174,000	\$39,000	\$105,000	\$170,000	\$186,000	\$186,000
Library Laptops for Community Training	\$53,100	\$8,100	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$25,000	\$0
RFID equipment replacement	\$874,360	\$0	\$129,000	\$83,000	\$212,000	\$0	\$218,360	\$0	\$0	\$232,000	\$0
Ryde Library refurbishment	\$5,348,750	\$0	\$0	\$0	\$0	\$0	\$5,348,750	\$0	\$0	\$0	\$0
West Ryde Library refurbishment	\$3,652,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,652,000	\$0
Lighting Upgrade - Council Facilities	\$270,000	\$90,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Sustainable Management of Sports Facilities Implementation	\$4,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$1,000,000	\$0	\$0

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Street Tree Planting Program	\$1,575,000	\$75,000	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$0
Park & Open Space Tree Planting Program	\$1,350,000	\$0	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Delineation of Natural areas	\$553,000	\$13,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Sportsfield Synthetic Surfaces	\$8,200,000	\$1,400,000	\$200,000	\$1,500,000	\$200,000	\$1,500,000	\$200,000	\$1,500,000	\$200,000	\$1,500,000	\$0
Implementation of Children Play Plan -P2	\$3,674,700	\$174,700	\$437,500	\$437,500	\$437,500	\$437,500	\$437,500	\$437,500	\$437,500	\$437,500	\$0
Sportsfield Renewal & Upgrade	\$7,500,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Ryde Aquatic Centre	\$10,292,596	\$240,000	\$770,000	\$3,485,380	\$903,794	\$1,000,000	\$1,381,481	\$2,262,326	\$94,579	\$77,518	\$77,518
Sportsground Amenities Renewal & Upgrade	\$3,050,000	\$350,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Sportsground Subsidence Program	\$500,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Sportsfield Floodlighting Renewal	\$2,360,000	\$210,000	\$200,000	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Walking trail upgrade (New)	\$1,687,500	\$0	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Signage - Bush regen in progress / EEC / Directional information for walking trails and all open space assets (new)	\$1,687,500	\$0	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Biodiversity action plan roll out? (new)	\$2,250,000	\$0	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Flora and Fauna Surveys	\$500,000	\$0	\$125,000	\$125,000	\$0	\$0	\$0	\$0	\$125,000	\$125,000	\$0
Planting project	\$675,000	\$0	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Marsfield Park - termite control	\$140,000	\$0	\$0	\$0	\$140,000	\$0	\$0	\$0	\$0	\$0	\$0
Skate park / Youth Space	\$1,000,000	\$0	\$0	\$500,000	\$0	\$0	\$500,000	\$0	\$0	\$0	\$0
Open Space Acquisition	\$35,312,500	\$0	\$12,812,500	\$2,812,500	\$2,812,500	\$2,812,500	\$2,812,500	\$2,812,500	\$2,812,500	\$2,812,500	\$2,812,500
Plan of Management Implementation Work	\$4,050,000	\$0	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
Recreation Trail (connections and cycleways)	\$1,687,500	\$0	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Ryde River Walk Implementation	\$3,000,000	\$0	\$750,000	\$0	\$750,000	\$0	\$750,000	\$0	\$750,000	\$0	\$0
Community Buildings Renewal - Excluding Libraries	\$2,892,625	\$250,000	\$293,625	\$293,625	\$293,625	\$293,625	\$293,625	\$293,625	\$293,625	\$293,625	\$293,625
Community Buildings - including Community Halls, Libraries and Community Facilities	\$47,200,000	\$0	\$0	\$0	\$0	\$24,500,000	\$0	\$19,200,000	\$0	\$3,500,000	\$0
Centres and Neighbourhoods Public Art	\$1,687,500	\$0	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500	\$187,500
Macquarie Park Parking Study	\$1,550,000	\$50,000	\$0	\$0	\$0	\$0	\$750,000	\$750,000	\$0	\$0	\$0
Multi Function Poles in Macquarie Park	\$1,225,000	\$225,000	\$100,000	\$100,000	\$250,000	\$300,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Public Domain Upgrade Lane Cove (east)	\$663,750	\$612,750	\$25,500	\$25,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Public Domain Upgrade Waterloo Rd	\$684,000	\$9,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Ped Access & Mobility Plan - Macq Park	\$775,000	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000
Neighbourhood Centre Renewal	\$1,673,541	\$113,541	\$60,000	\$0	\$450,000	\$250,000	\$50,000	\$450,000	\$250,000	\$50,000	\$0
Town Centre Upgrade Renewal	\$7,920,000	\$1,500,000	\$0	\$1,300,000	\$1,500,000	\$1,000,000	\$60,000	\$1,500,000	\$1,000,000	\$60,000	\$0
Sculpture, monuments and outdoor cultural material - audit, works and signage	\$210,000	\$0	\$15,000	\$15,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0
Pedestrian Accessibility & Mobility Plan	\$590,000	\$120,000	\$60,000	\$60,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Footpath Upgrade - Byfield St Macquarie Park	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Footpath Upgrade Delhi Rd	\$700,000	\$0	\$0	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Seawalls/Retaining Walls Refurbishment	\$2,960,000	\$600,000	\$180,000	\$420,000	\$220,000	\$280,000	\$340,000	\$310,000	\$160,000	\$450,000	\$0
Pedestrian Tunnel under Rail Embankment, Rowe Street	\$2,500,000	0	0	1,250,000	1,250,000	0	0	0	0	0	0
Stormwater Infrastructure, Tunnel, Eastwood	\$30,000,000	0	10,000,000	10,000,000	10,000,000	0	0	0	0	0	0

ACTIVITY	Total	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Constitution Road Design and Construction	\$8,000,000	0	0	0	4,000,000	4,000,000	0	0	0	0	0
Stormwater Infrastructure, Building Purchase and Demolition, 100 Rowe Street	\$1,500,000	1,500,000	0	0	0	0	0	0	0	0	0
Land Purchase for Fine Grain Roads, MPC	\$30,491,365	3,049,136	3,049,136	3,049,136	3,049,136	3,049,136	3,049,136	3,049,136	3,049,136	3,049,136	3,049,141
Public Car Park Provision (Glen St, Rowe St, John Wilson)	\$20,000,000	5,000,000	5,000,000	5,000,000	5,000,000	0	0	0	0	0	0
Civic Centre Renovation	\$15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	0	0	0	0	0
Fine Grade Road Construction	\$96,058,554	4,000,000	5,300,000	7,600,000	11,000,000	8,500,000	10,000,000	12,500,000	12,500,000	12,500,000	12,158,554
Totals	\$523,191,422	\$36,506,860	\$61,134,849	\$57,271,361	\$64,428,778	\$68,914,549	\$43,890,988	\$62,290,966	\$41,731,263	\$48,657,684	\$38,364,125

SCHEDULE 1B: TEN YEARS WORK SCHEDULE - COST BY LOCATION

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Heavy Patching	\$2,951,433	\$271,532	\$17,709	\$14,757	\$23,611	\$29,514	\$11,806	\$2,582,504
Road Resurfacing	\$29,912,667	\$2,270,202	\$198,536	\$186,946	\$348,712	\$215,891	\$237,356	\$26,455,025
Road Kerb Renewal	\$17,458,209	\$1,514,051	\$98,743	\$82,281	\$131,657	\$164,572	\$65,829	\$15,401,075
Bridge Upgrade / Renewal	\$1,958,588	\$130,915	\$8,538	\$7,115	\$11,384	\$14,230	\$5,692	\$1,780,715
Stormwater Asset Replacement Renewal	\$12,104,261	\$3,026,065	\$4,539,098	\$1,513,033	\$0	\$1,513,033	\$0	\$1,513,033
Stormwater Improvement Works Renewal	\$16,841,157	\$4,210,289	\$4,497,789	\$2,105,145	\$0	\$2,105,145	\$1,817,645	\$2,105,145
Footpath Construction Renewal	\$4,136,337	\$380,543	\$24,818	\$20,682	\$33,091	\$41,363	\$16,545	\$3,619,295
Cycleways Construction Expansion	\$2,361,155	\$0	\$0	\$0	\$0	\$0	\$0	\$2,361,155
Footpath Construction Expansion	\$9,990,000	\$1,920,000	\$1,190,000	\$350,000	\$560,000	\$700,000	\$280,000	\$4,990,000
Top Ryder Bus Service	\$3,180,000	\$454,285	\$454,284	\$454,285	\$454,285	\$454,285	\$454,289	\$454,287

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Bus Shelters - new	\$516,089	\$47,480	\$3,097	\$2,580	\$4,129	\$5,161	\$2,064	\$451,578
Bus Stop DDA compliance	\$1,032,178	\$94,960	\$6,193	\$5,161	\$8,257	\$10,322	\$4,129	\$903,156
Bus Stop Seats - new	\$387,066	\$35,610	\$2,322	\$1,935	\$3,097	\$3,871	\$1,548	\$338,683
Eastwood Town Centre - TMAP	\$3,110,000	\$0	\$3,110,000	\$0	\$0	\$0	\$0	\$0
Traffic Calming Devices	\$3,050,200	\$435,744	\$435,739	\$435,740	\$435,742	\$435,745	\$435,745	\$435,744
Macquarie Park Traffic Facilities (Traffic Signals)	\$21,100,000	\$21,100,000	\$0	\$0	\$0	\$0	\$0	\$0
Traffic Facilities Renewal	\$1,918,891	\$178,941	\$11,215	\$9,700	\$16,275	\$19,974	\$7,800	\$1,674,987
Car Park Renewal	\$1,891,109	\$127,067	\$173,287	\$6,906	\$11,049	\$13,812	\$180,525	\$1,378,464
Library Books	\$7,126,642	\$2,261,380	\$1,032,708	\$1,201,770	\$0	\$1,714,674	\$639,249	\$276,861
Digital enhancement for Libraries	\$456,598	\$59,335	\$82,700	\$96,056	\$0	\$137,492	\$50,226	\$30,789
Community Buildings Renewals - Libraries Only	\$1,684,000	\$0	\$367,000	\$596,000	\$0	\$357,000	\$180,000	\$184,000
Library Laptops for Community Training	\$53,100	\$6,750	\$9,651	\$11,182	\$0	\$16,023	\$5,841	\$3,653
RFID equipment replacement	\$874,360	\$0	\$174,000	\$270,000	\$0	\$218,360	\$106,000	\$106,000
Ryde Library refurbishment	\$5,348,750	\$0	\$0	\$0	\$0	\$5,348,750	\$0	\$0
West Ryde Library refurbishment	\$3,652,000	\$0	\$0	\$3,652,000	\$0	\$0	\$0	\$0

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Lighting Upgrade - Council Facilities	\$270,000	\$15,000	\$10,000	\$15,000	\$10,000	\$55,000	\$15,000	\$150,000
Sustainable Management of Sports Facilities Implementation	\$4,000,000	\$0	\$0	\$0	\$0	\$1,000,000	\$0	\$3,000,000
Street Tree Planting Program	\$1,575,000	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$78,750	\$1,102,500
Park & Open Space Tree Planting Program	\$1,350,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$450,000
Delineation of Natural areas	\$553,000	\$60,000	\$0	\$0	\$60,000	\$0	\$0	\$433,000
Sportsfield Synthetic Surfaces	\$8,200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,200,000
Implementation of Children Play Plan -P2	\$3,674,700	\$218,750	\$0	\$87,500	\$0	\$0	\$0	\$3,368,450
Sportsfield Renewal & Upgrade	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,000
Ryde Aquatic Centre	\$10,292,596	\$0	\$0	\$0	\$0	\$0	\$0	\$10,292,596
Sportsground Amenities Renewal & Upgrade	\$3,050,000	\$0	\$100,000	\$0	\$0	\$200,000	\$0	\$2,750,000
Sportsground Subsidence Program	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Sportsfield Floodlighting Renewal	\$2,360,000	\$0	\$360,000	\$0	\$0	\$150,000	\$0	\$1,850,000
Walking trail upgrade (New)	\$1,687,500	\$0	\$0	\$0	\$0	\$0	\$0	\$1,687,500
Signage - Bush regen in progress / EEC / Directional information for walking trails and all open space assets (new)	\$1,687,500	\$0	\$0	\$0	\$0	\$0	\$0	\$1,687,500
Biodiversity action plan roll out? (new)	\$2,250,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,250,000
Flora and Fauna Surveys	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000
Planting project	\$675,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$405,000
Marsfield Park - termite control	\$140,000	\$0	\$0	\$0	\$0	\$0	\$0	\$140,000
Skate park / Youth Space	\$1,000,000	\$0	\$500,000	\$500,000	\$0	\$0	\$0	\$0
Open Space Acquisition	\$35,312,500	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$25,312,500
Plan of Management Implementation Work	\$4,050,000	\$450,000	\$150,000	\$75,000	\$75,000	\$75,000	\$75,000	\$3,150,000
Recreation Trail (connections and cycleways)	\$1,687,500	\$281,250	\$18,750	\$37,500	\$37,500	\$37,500	\$0	\$1,275,000

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Ryde River Walk Implementation	\$3,000,000	\$0	\$0	\$0	\$500,000	\$0	\$0	\$2,500,000
Community Buildings Renewal - Excluding Libraries	\$2,892,625	\$0	\$1,103,552	\$120,473	\$0	\$737,401	\$0	\$931,199
Community Buildings - including Community Halls, Libraries and Community Facilities	\$47,200,000	\$24,500,000	\$0	\$0	\$0	\$19,200,000	\$0	\$3,500,000
Centres and Neighbourhoods Public Art	\$1,687,500	\$468,750	\$234,375	\$187,500	\$187,500	\$187,500	\$187,500	\$234,375
Macquarie Park Parking Study	\$1,550,000	\$1,550,000	\$0	\$0	\$0	\$0	\$0	\$0
Multi Function Poles in Macquarie Park	\$1,225,000	\$1,225,000	\$0	\$0	\$0	\$0	\$0	\$0
Public Domain Upgrade Lane Cove (east)	\$663,750	\$663,750	\$0	\$0	\$0	\$0	\$0	\$0
Public Domain Upgrade Waterloo Rd	\$684,000	\$684,000	\$0	\$0	\$0	\$0	\$0	\$0
Ped Access & Mobility Plan - Macq Park	\$775,000	\$775,000	\$0	\$0	\$0	\$0	\$0	\$0
Neighbourhood Centre Renewal	\$1,673,541	\$0	\$0	\$0	\$0	\$0	\$0	\$1,673,541

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Town Centre Upgrade Renewal	\$7,920,000	\$0	\$1,560,000	\$2,500,000	\$0	\$2,560,000	\$1,300,000	\$0
Sculpture, monuments and outdoor cultural material - audit, works and signage	\$210,000	\$0	\$25,000	\$25,000	\$25,000	\$55,000	\$55,000	\$25,000
Pedestrian Accessibility & Mobility Plan	\$590,000	\$0	\$295,000	\$0	\$0	\$0	\$295,000	\$0
Footpath Upgrade - Byfield St Macquarie Park	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0
Footpath Upgrade Delhi Rd	\$700,000	\$700,000	\$0	\$0	\$0	\$0	\$0	\$0
Seawalls/Retaining Walls Refurbishment	\$2,960,000	\$0	\$0	\$0	\$1,010,000	\$0	\$0	\$1,950,000
Pedestrian Tunnel under Rail Embankment, Rowe Street	\$2,500,000	\$0	\$2,500,000	\$0	\$0	\$0	\$0	\$0
Stormwater Infrastructure, Tunnel, Eastwood	\$30,000,000	\$0	\$30,000,000	\$0	\$0	\$0	\$0	\$0
Constitution Road Design and Construction	\$8,000,000	\$0	\$0	\$0	\$8,000,000	\$0	\$0	\$0

ACTIVITY	Total	Macquarie	Eastwood	West Ryde	Meadowbank	Ryde	Gladesville	Outside Centres
Stormwater Infrastructure, Building Purchase and Demolition, 100 Rowe Street	\$1,500,000	\$0	\$1,500,000	\$0	\$0	\$0	\$0	\$0
Land Purchase for Fine Grain Roads, MPC	\$30,491,365	\$30,491,365	\$0	\$0	\$0	\$0	\$0	\$0
Public Car Park Provision (Glen St, Rowe St, John Wilson)	\$20,000,000	\$0	\$15,000,000	\$0	\$0	\$0	\$5,000,000	\$0
Civic Centre Renovation	\$15,000,000	\$0	\$0	\$0	\$0	\$15,000,000	\$0	\$0
Fine Grade Road Construction	\$96,058,554	\$96,058,554	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$523,191,422	\$207,440,318	\$70,067,853	\$14,844,997	\$12,220,039	\$53,050,367	\$11,703,538	\$153,864,310

SCHEDULE 2: SECTION 94A LEVY RATES

Schedule 2: Summary of section 94A levy rates by proposed cost of development

Area	Type of development	Cost* threshold	Levy rate
Outside centres (as shown in Figure 1)	Secondary dwelling on site (e.g. granny flat)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	0.25%
	All other development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 plus	1.0%
Inside centres (as shown in Figure 1)	All development (outside Macquarie Park)	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	3.0%
Macquarie Park Corridor	All development	\$0 - \$350,000	0.0%
		\$350,001 - \$450,000	0.5%
		\$450,001 - \$550,000	1.0%
		\$550,001 plus	4.0%

*Cost as defined in the *Environmental Planning and Assessment Regulation 2000, 25J Section 94A Levy – Determination of proposed cost of development*.

**Town Centres are *Eastwood Town Centre, Gladesville Town Centre and Victoria Road Corridor, Meadowbank Employment Area, Ryde Town Centre and West Ryde Town Centre* as described by the City of Ryde in the *Ryde Local Environment Plan (LEP) 2013, Ryde Development Control Plan 2010 and Public Domain Technical Manuals*.

*** As described by the City of Ryde in the *Ryde Local Environment Plan (LEP) 2013, Ryde Development Control Plan 2010 and Public Domain Technical Manuals*. This area is taken to include any Urban Activation Areas that may be designed within the Macquarie Park Corridor for the purposes of this contributions plan.

Conditions authorised by this Plan are subject to any direction given by the Minister under section 94E (s94E) of the Act.

APPENDIX A: MINISTERIAL DIRECTION

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

DIRECTION UNDER SECTION 94E

I, the Minister for Planning, under section 94E of the *Environmental Planning and Assessment Act 1979* ("the Act"), direct consent authorities that:

- (1) The maximum percentage of the levy for development under section 94A of the Act, having a proposed cost within the range specified in the Table to Schedule A, is to be calculated in accordance with that Table.
- (2) Despite subclause (1), a levy under section 94A of the Act cannot be imposed on development:
- for the purpose of disabled access,
 - for the sole purpose of affordable housing,
 - for the purpose of reducing the consumption of mains-supplied potable water, or reducing the energy consumption of a building,
 - for the sole purpose of the adaptive reuse of an item of environmental heritage, or
 - other than the subdivision of land, where a condition under section 94 of the Act has been imposed under a previous development consent relating to the subdivision of the land on which the development is proposed to be carried out.

In this direction words and expressions used have the same meaning as they have in the Act. The term "item" and "environmental heritage" have the same meaning as in the *Heritage Act 1977*.

This direction does not apply to development applications and applications for complying development certificates finally determined before 1 December 2006.



FRANK SARTOR, M.P.,
Minister for Planning,
Sydney.
[Dated: 10 November 2006]

SCHEDULE A

Proposed cost of the development	Maximum percentage of the levy
Up to \$100,000	Nil
\$100,001–\$200,000	0.5 percent
More than \$200,000	1.0 percent

APPENDIX B: MAPS

FIGURE 2. CENTRES IN RYDE LGA

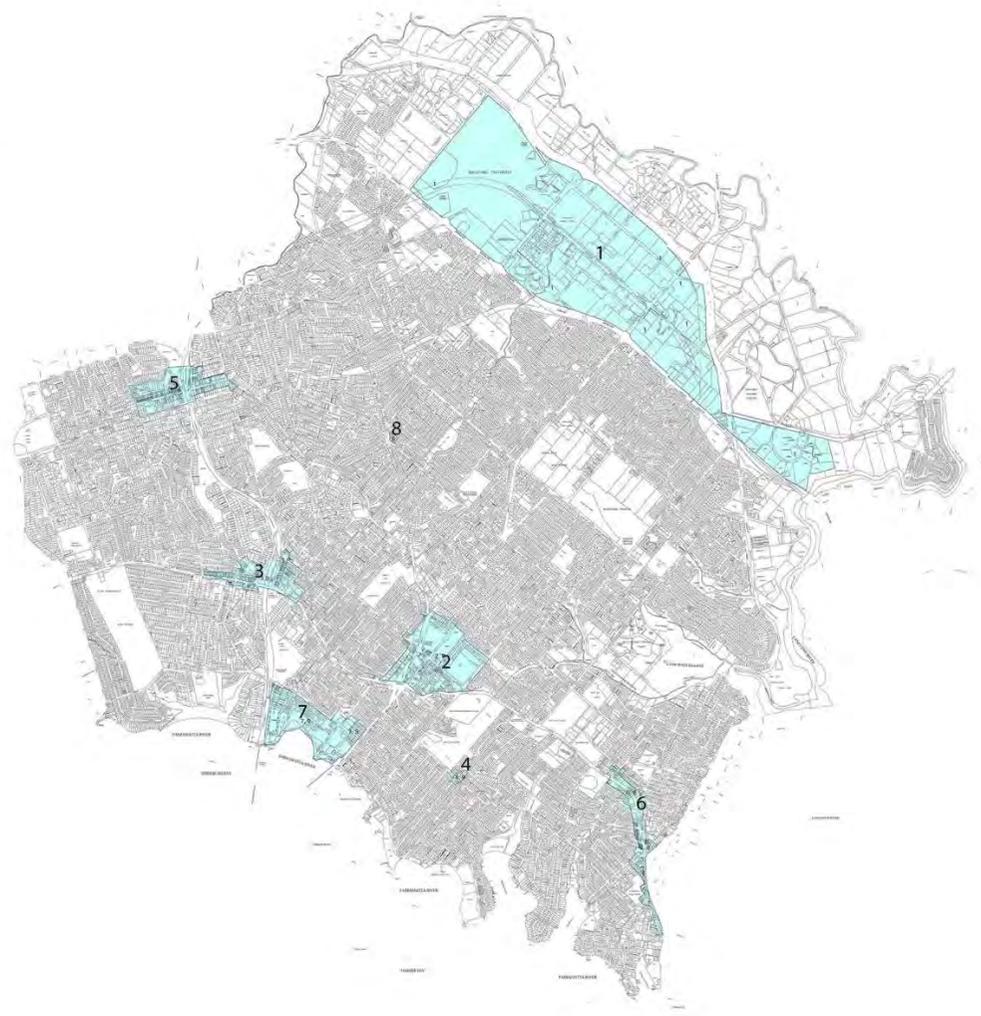


Source: SGS, 2013.

FIGURE 3. POTENTIAL SITES FOR PROPERTY PORTFOLIO, CENTRES AND NEIGHBOURHOOD AND PATHS AND CYCLEWAYS PROGRAM

Ryde Section 94A
 Development Contributions Plan
 Potential sites for
Property Portfolio Program
Centres and Neighborhood Program
Paths and Cycleways Program

1. Macquarie Park Corridor
2. Ryde Town Centre
3. West Ryde
4. Putney Village Centre
5. Eastwood Town Centre
6. Gladesville Town Centre
7. Meadowbank
8. Midway

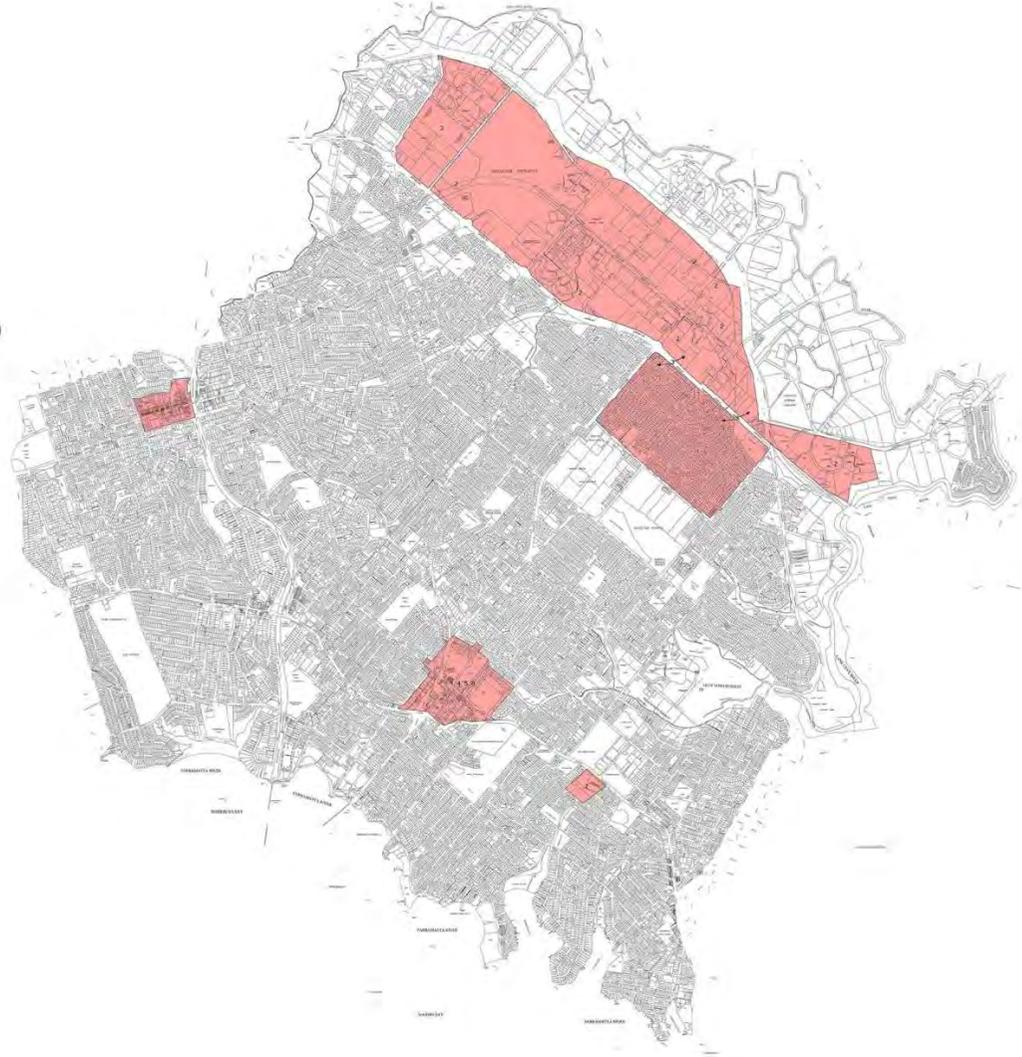


Source: City of Ryde, 2013; SGS, 2013.

FIGURE 4. POTENTIAL SITES FOR LIBRARY, COMMUNITY AND CULTURAL AND ENVIRONMENTAL PROGRAM

Ryde Section 94A
Development Contributions Plan
Potential sites for
Library Program
Community and Cultural Program
Environmental Program

Locations cover (but not limited to)
Ryde Library
Macquarie Park Library
Cultural facilities
Home and Community Care facilities (HACC)
Recreation facilities
Multi-purpose community centre



Source: City of Ryde, 2013; SGS, 2013.

FIGURE 5. POTENTIAL SITES FOR PATH AND CYCLEWAYS PROGRAM



Source: City of Ryde, 2013; SGS, 2013.

FIGURE 6. POTENTIAL SITES FOR OPEN SPACE, SPORT & RECREATION AND FORESHORE PROGRAMS

Ryde Section 94A
 Development Contributions Plan
 Potential sites for
Open Space, Sport & Recreation Programs
Foreshore Program

- 1. North Ryde Park
- 2. Santa Rosa Park
- 3. Pidding Park
- 4. Ann Thorn Park
- 5. Memorial Park
- 6. Fontenoy Park
- 7. Ryde Park
- 8. Playgrounds
- 9. Boulevards
- 10. Foreshore Parks
- 11. Eastwood Park
- 12. ELS Hall
- 13. Shepherds Bay open space
- 14. Meadowbank Park
- 15. Macquarie Park
- 16. Kittys Creek Trail
- 17. Shrimptons Creek
- 18. Buffalo Creek
- 19. Terrys Creek



Source: City of Ryde, 2013; SGS, 2013.

FIGURE 7. POTENTIAL SITES FOR ROADS, TRAFFIC & TRANSPORT PROGRAMS

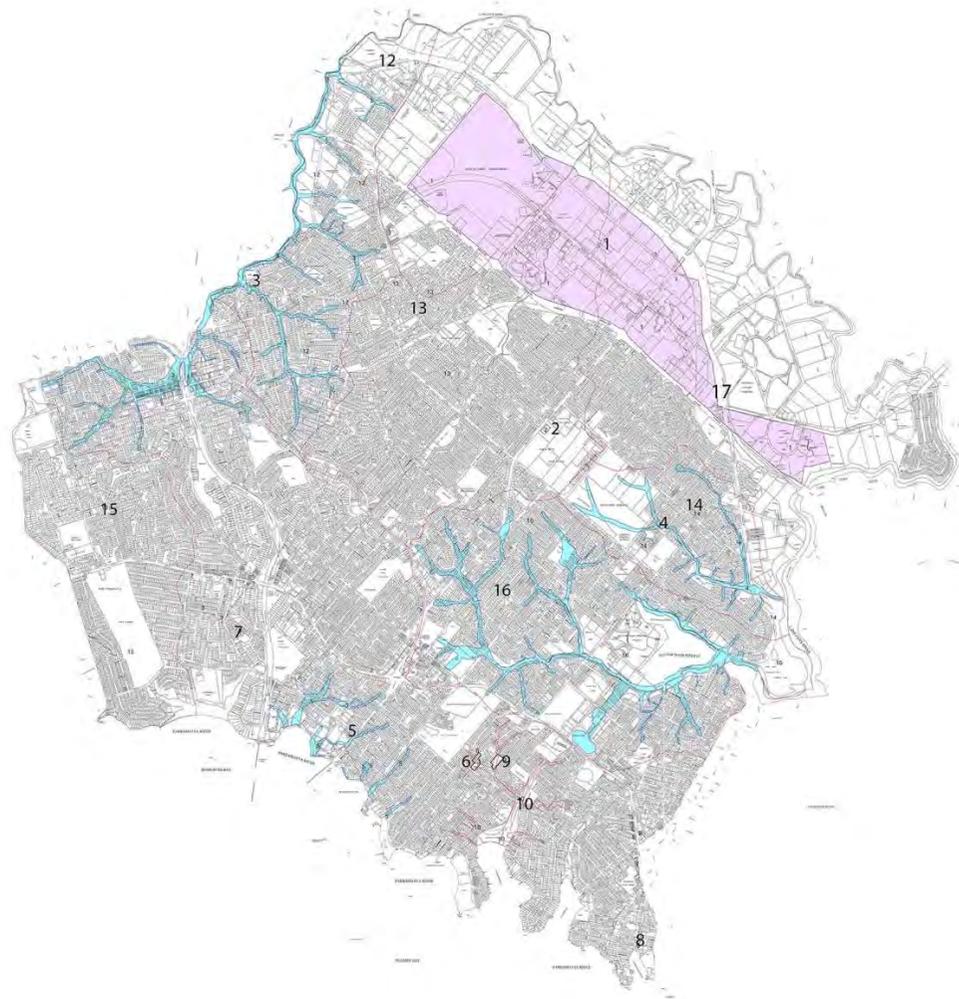


Source: City of Ryde, 2013; SGS, 2013.

FIGURE 8. POTENTIAL SITES FOR CATCHMENTS AND WASTE AND RECYCLING PROGRAMS

Ryde Section 94A
 Development Contributions Plan
 Potential sites for
Catchments Program
Waste and Recycling Program

1. Macquarie Park Corridor
2. North Ryde Gold Club
3. Eastwood & Terrys Creek
4. Kitty & Buffalo Creek
5. Parramatta River catchments
6. Parry Park
7. Hughes St/Dunmore Rd/Moss St
8. Looking Glass Bat
9. Cudal Reserve
10. Morrisons Bay
11. Strangers Creek
12. Terrys Creek
13. Shrimptons Creek
14. Kittys Creek
15. Archers Creek
16. Buffalo Creek
17. Porters Creek



Source: City of Ryde, 2013; SGS, 2013.

APPENDIX C: FORMS

Cost summary report

Development Cost no greater than \$500,000.

DEVELOPMENT APPLICATION _____ No. REFERENCE: _____
 COMPLYING DEVELOPMENT CERTIFICATE APPLICATION No. _____
 CONSTRUCTION CERTIFICATE No. _____ DATE: _____

APPLICANT'S NAME: _____

APPLICANT'S ADDRESS: _____

DEVELOPMENT NAME: _____

DEVELOPMENT ADDRESS: _____

ANALYSIS OF DEVELOPMENT COSTS:

Demolition and alterations	\$	Hydraulic services	\$
Structure	\$	Mechanical services	\$
External walls, windows and doors	\$	Fire services	\$
Internal walls, screens and doors	\$	Lift services	\$
Wall finishes	\$	External works	\$
Floor finishes	\$	External services	\$
Ceiling finishes	\$	Other related work	\$
Fittings and equipment	\$	Sub-total	\$

Sub-total above carried forward	\$
Preliminaries and margin	\$
Sub-total	\$
Consultant Fees	\$
Other related development costs	\$
Sub-total	\$
Goods and Services Tax	\$
TOTAL DEVELOPMENT COST	\$

I certify that I have:

inspected the plans the subject of the application for development consent or construction certificate.

calculated the development costs in accordance with the definition of development costs in clause 25J of the Environmental Planning and Assessment Regulation 2000 at current prices.

included GST in the calculation of development cost.

Signed: _____

Name: _____

Position and Qualifications: _____

Date: _____

Registered Quantity Surveyor's Detailed Cost Report

Development cost of \$500,000 or more.

DEVELOPMENT APPLICATION _____ No. REFERENCE: _____

COMPLYING DEVELOPMENT CERTIFICATE APPLICATION No. _____

CONSTRUCTION CERTIFICATE No. _____ DATE: _____

APPLICANT'S NAME: _____

APPLICANT'S ADDRESS: _____

DEVELOPMENT NAME: _____

DEVELOPMENT ADDRESS: _____

DEVELOPMENT DETAILS

Gross Floor Area – Commercial (m2)		Gross Floor Area – Other (m2)	
Gross Floor Area – Residential (m2)		Total Gross Floor Area (m2)	
Gross Floor Area – Retail (m2)		Total Site Area (m2)	
Gross Floor Area – Car Parking (m2)		Total Car Parking Spaces (m2)	
Total Development Cost	\$		
Total Construction Cost	\$		
Total GST	\$		

ESTIMATE DETAILS

Professional Fees	\$	Excavation	\$
% of Development Cost	\$	Cost per square metre of site area	\$
% of Construction Cost	\$	Car Park	\$
Demolition and Site Preparation	\$	Cost per square metre of site area	\$
Cost per square metre of site area	\$	Cost per space	\$
Construction – Commercial	\$	Fit-out – Commercial	\$
Cost per square metre of commercial area	\$	Cost per square metre of commercial area	\$
Construction – Residential	\$	Fit-out - Residential	\$
Cost per square metre of residential area	\$	Cost per square metre of residential area	\$
Construction –Retail	\$	Fit-out – Retail	\$
Cost per square metre of retail area	\$	Cost per square metres of retail area	\$

I certify that I have:

Inspected the plans the subject of the application for development consent or construction certificate
Prepared and attached an elemental estimate generally prepared in accordance with the Australian Cost Management Manuals from the Australian Institute of Quantity Surveyors.

Calculated the development costs in accordance with the definition of development costs in the S94A Development Contributions Plan of the City of Ryde at current prices.

Included GST in the calculation of development cost.

Measured gross floor areas in accordance with the Method of Measurement of Building Area in the AIQS Cost Management Manual Volume 1, Appendix A2.

Signed: _____

Name: _____

Position and Qualifications: _____

Date: _____

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