

Meeting Date: Tuesday 28 August 2018
Location: Council Chambers, Level 1A, 1 Pope Street, Ryde
Time: 7.00pm

ATTACHMENTS FOR Council Meeting

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ITEM 8 (continued)

ATTACHMENT 1



Lifestyle and opportunity @ your doorstep



**Draft General and
Special Purpose
Financial Statements**
Year Ended 30 June 2018

ITEM 8 (continued)

ATTACHMENT 1



ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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

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

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

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ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

**STATEMENT BY COUNCILLORS AND MANAGEMENT
made pursuant to Section 413 (2c) of the Local Government Act 1993 (NSW)
(as amended)**

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

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

Signed in accordance with a resolution of Council made on **DD/MM/YYYY**.

Councillor Jerome Laxale

Mayor

___/___/___

Councillor Christopher Gordon

Deputy Mayor

___/___/___

Mr George Dedes

General Manager

___/___/___

Mr Steven Kludass

Responsible Accounting Officer

___/___/___

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

INCOME STATEMENT

Original unaudited Budget* 2018 (\$'000)	Notes	Actual 2018 (\$'000)	Actual 2017 (\$'000)
INCOME FROM CONTINUING OPERATIONS			
82,315	Rates and annual charges 3(a)	83,789	77,629
16,571	User charges and fees 3(b)	18,865	17,183
4,165	Interest and investment revenue 3(c)	6,096	5,625
9,294	Other revenues 3(d)	10,207	8,690
7,236	Grants & contributions provided for operating purposes 3(e&f)	7,244	9,064
20,414	Grants & contributions provided for capital purposes 3(e&f)	28,448	25,720
Other Income:			
-	Net gain from the disposal of assets 5	617	-
-	Fair value increment on investment properties 10	1,625	2,375
-	Reversal of revaluation decrements on IPPE previously expensed 9	-	-
-	Net share of interests in joint ventures and associates using the equity method	-	-
139,995	TOTAL INCOME FROM CONTINUING OPERATIONS	156,891	146,286
EXPENSES FROM CONTINUING OPERATIONS			
47,641	Employee benefits and on-costs 4(a)	46,117	43,945
146	Borrowing costs 4(b)	110	139
30,621	Materials and contracts 4(c)	31,632	29,604
16,295	Depreciation and amortisation 4(d)	16,416	15,121
-	Impairment of investments 4(d)	-	-
20,149	Other expenses 4(e)	15,244	16,877
-	Interest and investment losses 3(c)	-	-
-	Net loss from the disposal of assets 5	-	1,020
-	Revaluation decrement/impairment of IPPE 4(d)	-	-
-	Fair value decrement on investment properties 10	-	-
-	Share of interests in joint ventures and associates using the equity method	-	-
114,852	TOTAL EXPENSES FROM CONTINUING OPERATIONS	109,519	106,706
25,143	OPERATING RESULT FROM CONTINUING OPERATIONS	47,372	39,580
-	Operating result from discontinued operations	-	-
25,143	NET OPERATING RESULT FOR THE YEAR	47,372	39,580
4,729	NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS & CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES	18,924	13,860

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

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ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018 (\$'000)	2017 (\$'000)
Net operating result for the year - from Income Statement		47,372	39,580
Other comprehensive income			
Amounts which will not be reclassified subsequently to operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	9	(28,741)	67,078
Amounts which will be reclassified subsequently to operating result when specific conditions are met.			
Gain (loss) on revaluation of available-for-sale investments			
Realised available-for-sale investment gains (losses) recognised in operating result			
Total other comprehensive income for the year		(28,741)	67,078
Total comprehensive income for the year		<u>18,631</u>	<u>106,658</u>
Attributable to:			
- Council		18,631	106,658
- Non-controlling Interests		-	-

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

ITEM 8 (continued)
ATTACHMENT 1
Draft General Purpose Financial Statements – Year Ended 30 June 2018
STATEMENT OF FINANCIAL POSITION

	Notes	2018 (\$'000)	2017 (\$'000)
ASSETS			
Current assets			
Cash and cash equivalents	6(a)	7,532	6,823
Investments	6(b)	94,712	89,250
Receivables	7	12,228	11,125
Inventories	8	828	894
Other	8	2,478	2,795
Total current assets		<u>117,778</u>	<u>110,887</u>
Non-current assets			
Investments	6(b)	108,499	90,379
Receivables	7	79	72
Infrastructure, property, plant and equipment	9	1,149,043	1,152,904
Investment property	10	117,165	115,540
Total non-current assets		<u>1,374,786</u>	<u>1,358,895</u>
TOTAL ASSETS		<u><u>1,492,564</u></u>	<u><u>1,469,782</u></u>
LIABILITIES			
Current liabilities			
Payables	11	27,509	23,237
Income received in advance	11	1,500	1,477
Borrowings	11	911	891
Provisions	11	13,269	12,516
Total current liabilities		<u>43,189</u>	<u>38,121</u>
Non-current liabilities			
Borrowings	11	1,710	2,620
Provisions	11	163	170
Total non-current liabilities		<u>1,873</u>	<u>2,790</u>
TOTAL LIABILITIES		<u><u>45,062</u></u>	<u><u>40,911</u></u>
NET ASSETS		<u><u>1,447,502</u></u>	<u><u>1,428,871</u></u>
EQUITY			
Accumulated Surplus		1,283,380	1,236,008
Revaluation reserves		164,122	192,863
Council interest		1,447,502	1,428,871
Non-controlling equity interest		-	-
TOTAL EQUITY		<u><u>1,447,502</u></u>	<u><u>1,428,871</u></u>

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

STATEMENT OF CHANGES IN EQUITY

	2018 (\$'000)					2017 (\$'000)						
	Accumulated Surplus	IPP&E Revaluation Reserve	Other Reserves	Council Equity Interest	Non-controlling Interest	Total Equity	Accumulated Surplus	IPP&E Revaluation Reserve	Other Reserves	Council Equity Interest	Non-controlling Interest	Total Equity
Opening balance	1,236,008	192,863	-	1,428,871	-	1,428,871	1,196,428	125,785	-	1,322,213	-	1,322,213
Correction of errors	-	-	-	-	-	-	-	-	-	-	-	-
Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Restated opening balance	1,236,008	192,863	-	1,428,871	-	1,428,871	1,196,428	125,785	-	1,322,213	-	1,322,213
Net operating result for the year	47,372	-	-	47,372	-	47,372	39,580	-	-	39,580	-	39,580
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on revaluation of infrastructure, property, plant and equipment	-	(28,741)	-	(28,741)	-	(28,741)	-	67,078	-	67,078	-	67,078
Gain (loss) on revaluation of available for-sale investment	-	-	-	-	-	-	-	-	-	-	-	-
Realised available-for-sale investment gains (losses) recognised in operating result	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	47,372	(28,741)	-	18,631	-	18,631	39,580	67,078	-	106,658	-	106,658
Transfers between Equity Items	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance	1,283,380	164,122	-	1,447,502	-	1,447,502	1,236,008	192,863	-	1,428,871	-	1,428,871

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

STATEMENT OF CASH FLOWS

Original unaudited Budget* 2018 (\$'000)	Notes	Actual 2018 (\$'000)	Actual 2017 (\$'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
82,315		83,375	77,400
17,914		19,943	18,604
4,165		5,878	5,555
7,741		35,970	34,214
-		4,331	3,346
9,705		8,349	8,919
Payments			
(47,753)		(45,429)	(43,503)
(31,835)		(33,429)	(32,714)
(146)		(113)	(144)
-		(1,782)	(3,579)
(21,828)		(11,396)	(14,975)
20,279	14(b)	65,697	53,123
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
89,250		71,694	57,301
1,100		1,633	1,325
-		-	-
-		-	-
-		-	-
Payments			
(89,250)		(95,178)	(68,276)
(43,376)		(42,247)	(45,249)
-		-	-
-		-	-
(42,276)		(64,098)	(54,899)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
350		-	-
-		-	-
Payments			
(914)		(890)	(865)
-		-	-
-		-	-
(564)		(890)	(865)
(22,561)		709	(2,641)
6,823		6,823	9,464
(15,738)	14(a)	7,532	6,823

* Original budget as approved by Council - Refer Note 18

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 1 BASIS OF PREPARATION

These financial statements were authorised for issue by Council on **dd/mm/2018**. Council has the power to amend and reissue these financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and 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. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

(i) New and amended standards adopted by Council

The following new standards and amendments were adopted during the year of which have no impact for the Council:

- AASB 2016 – 1 *Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
- AASB 2016 – 2 *Disclosure Initiative - Amendment to AASB 107*
- AASB 2016 – 4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-For-Profit Entities*
- AASB 2017 – 2 *Amendments to Australian Accounting Standards – Further Annual Improvements 2014 – 2016 cycle*

(ii) Historical cost convention

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

(iii) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its 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.

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 include:

- (i) Estimated fair values of investment properties – refer Note 10
- (ii) Estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (iii) Estimated tip remediation provisions – refer Note 16
- (iv) Employee benefit provisions – refer Note 12

Significant 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) 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.

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ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 1 BASIS OF PREPARATION (CONTINUED)

Those estimates are based on recent actual costs to replace infrastructure assets by Council.

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, impact the amount of depreciation.

Monies and other assets received by Council

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

(ii) The Trust Fund

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

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

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period.

The Council of the City of Ryde has not applied any pronouncements before their operative date in the annual reporting period beginning 1 July 2017.

Effective for annual reporting periods beginning on or after 1 January 2018

AASB 9 Financial Instruments and Associated Amending Standards

Effective for annual reporting periods on or after 1 January 2019

AASB 16 Leases

AASB 15 *Revenue from Contracts with Customers*, and associated amending standards

AASB 1058 *Income of NFP Entities*

AASB 2017 – 1 *Amendments to Australian Accounting Standards – Transfers of Investment Property 2014-2016 Cycle and Other Amendments (AASB 1, AASB 128, AASB 140)*

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 1 BASIS OF PREPARATION (CONTINUED)

AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements Cycle 2015 – 2017 Cycle

AASB 2017-7 Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures

Effective for annual reporting periods beginning on or after 1 January 2022

AASB2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. AASB2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128.

AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

The full impact of these standards has yet to be ascertained or quantified but will be assessed during the 2018/19 financial year.

Disclaimer

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 2(a) FUNCTIONS OR ACTIVITIES

FUNCTIONS/ACTIVITIES	Original Budget 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Original Budget 2018 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000	Actual 2018 \$'000	Actual 2017 \$'000
Programs										
Catchment program	24	1,096	155	3,791	3,877	3,753	(3,767)	(3,588)	200,694	202,870
Centres and Neighbourhood program	418	387	2,396	4,685	3,960	3,665	(4,267)	(1,269)	10,007	10,112
Community and Cultural program	1,735	1,974	1,827	4,859	5,333	4,337	(3,124)	(3,593)	734	230
Customer and Community Relations program	15	13	37	3,633	2,944	3,096	(3,618)	(2,931)	3	3
Economic Development program	6	6	9	420	386	340	(414)	(331)	2	5
Environmental program	11	9	8	668	547	556	(657)	(548)	60	18
Foreshore program	5	13	18	155	91	91	(155)	(73)	57	164
Governance and Civic program	4,735	8,547	8,316	14,193	12,863	14,067	(9,450)	(4,123)	536,448	514,241
Internal Corporate Services program	20,249	24,779	15,648	1,712	1,469	1,552	(9,458)	(5,761)	295	1,222
Land Use Planning program	1,109	1,126	1,110	6,606	5,779	5,640	(5,497)	(4,653)	80	5,095
Library program	7,004	7,189	12,201	17,627	17,423	16,704	(10,623)	(4,503)	765	228
Open Space, Sport & Recreation program	5	10	39	257	253	286	(252)	(243)	1,662	2,982
Organisational Development program	59	765	229	2,228	2,182	2,266	(2,169)	(1,417)	2,982	3,771
Paths and Cycleways program	2,555	2,885	2,302	6,905	5,753	6,555	(4,350)	(2,868)	375,164	115,540
Property Portfolio program	9,451	12,252	10,674	8,229	7,947	8,003	1,222	4,305	1,186	1,080
Regulatory program	156	140	109	3,336	3,608	3,109	(3,180)	(3,468)	236	217
Risk Management program	3,710	2,501	3,091	9,581	9,546	9,361	(5,871)	(7,045)	1,228	1,120
Roads program	13	2,407	2,003	435	296	188	(422)	(296)	1,186	1,080
Strategic City program	711	2,407	2,003	1,671	2,740	2,205	(960)	(333)	236	217
Traffic & Transport program	21,667	22,761	21,809	19,406	18,366	17,438	2,261	4,395	5,380	11,181
Waste and Recycling program	66,357	67,971	64,299	66,357	67,971	64,299	66,357	67,971	1,492,564	1,469,782
Total Functions & Activities	73,638	88,920	81,987	114,852	109,519	106,706	(41,214)	(20,599)	5,380	11,181
General Purpose Income	139,895	156,891	146,286	114,852	109,519	106,706	25,143	47,372	8,258	15,179
Totals										

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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 of 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.

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.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 2(b) COMPONENTS OF FUNCTIONS OR ACTIVITIES (CONTINUED)

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 managing the reporting on our corporate performance.

Traffic & Transport program

Managing our transport, traffic and car parking; developing sustainable transport options.

Waste and Recycling program

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS

	2018 (\$'000)	2017 (\$'000)
(a) Rates and Annual Charges		
Ordinary rates		
Residential	30,201	28,628
Business	15,900	15,928
Environmental management levy	7,126	6,845
Less: Pensioner rebates (mandatory)	(760)	(792)
Less: Pensioner rebates (council)	(22)	(25)
Total ordinary rates	52,445	50,584
Special rates		
Macquarie park	1,378	1,347
Infrastructure special rate levy	8,692	5,157
Total special rates	10,070	6,504
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	20,341	19,556
Non-rateable waste management charges	125	137
Stormwater management service charge	1,044	1,029
Section 611 charges	148	223
Less: Pensioner rebates (mandatory)	(372)	(391)
Less: Pensioner rebates (council)	(12)	(13)
Total annual charges	21,274	20,541
Total rates and annual charges	83,789	77,629

Council has used 2016 valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and annual charges

Rates and annual charges are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS (CONTINUED)

	2018 (\$'000)	2017 (\$'000)
(b) User charges and fees		
User charges (pursuant to s.502)		
Aquatic centre	5,656	5,850
Sports facility rental	880	709
Hall hire	478	430
Road restorations	904	767
Gutter crossings	65	81
Commercial waste service	1,348	1,303
Other	211	100
Total user charges	<u>9,542</u>	<u>9,240</u>
Fees		
Regulatory/statutory fees	3,810	3,258
s603 certificates	160	169
Discretionary		
- Parking fees	1,772	1,600
- Environmental planning	2,839	2,212
- Private works	60	147
- Home maintenance & modification	66	67
- Other	616	490
Total fees	<u>9,323</u>	<u>7,943</u>
Total user charges and fees	<u>18,865</u>	<u>17,183</u>

Accounting policy for 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.

	2018 (\$'000)	2017 (\$'000)
(c) Interest and investment revenue (losses)		
Overdue rates & annual charges	206	197
Cash, cash equivalents and investments:		
- Externally restricted	1,979	1,922
- Internally restricted	-	-
- Unrestricted	3,888	3,484
Amortisation of discounts and premiums:		
- Investments held to maturity	23	22
Total interest and investment revenue	<u>6,096</u>	<u>5,625</u>

Accounting policy for interest and investment revenue

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS (CONTINUED)

	2018 (\$'000)	2017 (\$'000)
(d) Other revenues		
Rental income:		
- Investment property	700	568
- Other property	2,299	1,976
Parking fines	4,095	4,026
Other fines	44	63
Ex gratia payments	232	40
Materials recycling	891	272
Lease - telecommunications	108	107
Legal fees recoveries		
- Rates	7	1
- Other	72	72
Insurance claims	1	1
Staff vehicle leases and other payments	781	674
Eastwood plaza	7	43
Sundry sales	60	59
Other	910	788
Total other revenue	10,207	8,690

Accounting policy for other revenues

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:

Other revenues (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.

Rental income is accounted for on a straight-line basis over the lease term.

Other income is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS (CONTINUED)

	OPERATING		CAPITAL	
	2018 (\$'000)	2017 (\$'000)	2018 (\$'000)	2017 (\$'000)
(e) Grants				
General purpose (untied)				
Financial assistance	3,395	4,872	-	-
Pensioner rebate subsidy - rates	398	443	-	-
Total general purpose (untied)	3,793	5,315	-	-
Specific purpose				
Pensioner rebate subsidy - domestic waste	196	217	-	-
Macquarie park construction	-	-	-	5,000
Library	295	291	-	-
Home maintenance & modification	368	410	-	-
DEEWR - Apprentice rebate scheme	-	3	-	-
Community staff funding	271	267	-	-
Street & traffic lighting	364	364	-	-
Roads To recovery	-	-	749	1,365
RMS transport	-	-	1,945	1,535
WH&S incentive rebate	58	164	-	-
LIRS subsidy	67	75	-	-
Other	144	147	8	26
Total specific purpose	1,763	1,938	2,702	7,926
Total grants	5,556	7,253	2,702	7,926
Comprising:				
- Commonwealth funding	3,690	5,163	749	-
- State funding	1,866	2,090	1,953	7,926
	5,556	7,253	2,702	7,926

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS (CONTINUED)

	OPERATING		CAPITAL	
	2018 (\$'000)	2017 (\$'000)	2018 (\$'000)	2017 (\$'000)
(f) Contributions				
Developer contributions (s7.11)				
- Open space	-	-	17,070	10,381
- Drainage	-	-	889	444
- Traffic facilities	-	-	1,865	1,515
- Other	-	-	141	56
- Community facilities	-	-	4,731	2,778
Voluntary planning agreements (s7.4)	-	-	-	2,021
Non-cash contributions				
s7.11 affordable housing	-	-	-	300
Total developer contributions	-	-	24,696	17,495
Other Contributions				
Other councils	722	706	-	-
Community events	138	175	-	-
Community Bus Service	-	109	-	-
North Ryde Office Fitout	-	-	-	50
Other	80	7	1,048	181
RMS contributions				
- Roads & bridges	392	386	-	-
- Other	70	68	-	-
Customer/resident contributions	-	-	2	68
LSL contributions from other councils	142	100	-	-
DWM better waste and recycling fund	144	260	-	-
Total other contributions	1,688	1,811	1,050	299
Total contributions	1,688	1,811	25,746	17,794
Total Grants & Contributions (e) & (f)	7,244	9,064	28,448	25,720

Accounting policy for grants and contributions

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 granted assets/contributed 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.

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.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 3 INCOME FROM CONTINUING OPERATIONS (CONTINUED)

	2018 (\$'000)	2017 (\$'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	27,126	24,490
Less:		
Grants and contributions recognised in previous reporting periods which have been spent in the current reporting period	19,044	17,407
Net increase/(decrease) in restricted grants and contributions	<u>8,082</u>	<u>7,083</u>

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

	2018	2017
	(\$'000)	(\$'000)
(a) Employee Benefits & On Costs		
Salaries and wages	33,928	32,851
Employee leave entitlements	9,668	8,721
Superannuation	4,700	4,307
Workers' compensation insurance	576	1,603
Fringe benefits tax (FBT)	177	172
Training costs (excluding salaries)	322	382
Other	535	511
Less: capitalised costs	(3,789)	(4,602)
Total employee costs expended	46,117	43,945

Accounting policy for employee benefits & on-costs

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

Retirement benefit obligations

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

Defined Benefit Superannuation Plans

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

The present value of the defined benefit obligation is based on expected future payments that arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable.

Defined Contribution Superannuation Plans

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)

	2018 (\$'000)	2017 (\$'000)
(b) Borrowing costs		
Interest on overdrafts	-	-
Interest on loans	110	139
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>110</u>	<u>139</u>

Accounting policy for 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. Other borrowing costs are expensed.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)

	2018	2017
	(\$'000)	(\$'000)
(c) Materials and Contracts		
Raw materials and consumables	1,846	1,398
Contractor Costs		
- Roads and Footpaths Maintenance	1,754	1,921
- Parks Maintenance	1,747	1,602
- Waste Disposal, Collection and Recycling	13,506	11,476
- Construction Recycling	710	162
- Building Cleaning & Maintenance	913	886
- Temporary and Agency Staff	3,113	2,986
- Repairs and Maintenance	432	676
- Electrical	922	727
- Events	451	343
- Labour Hire	263	348
- Security	338	316
- Project Design & Construction	13	330
- Parking Meter	140	290
- Plant Hire External	74	50
Other Contractor Costs	2,844	2,529
Consultancy Costs		
- Town Planning	874	1,166
- Ryde Civic Hub Design Competition	-	516
- Project Development Design	78	258
- Open Space Planning	-	-
- Property	37	109
- Risk Management	342	195
Other Consultancy Costs	1,010	1,011
Remuneration of auditors	96	75
Legal Fees:		
- Planning & Development	163	14
- Other	771	544
Infringement Notice Contract (SEINS)	497	567
Other		
- IT Licenses	1,039	1,116
Less: capitalised costs	(2,341)	(2,007)
Total Materials & Contracts	31,632	29,604
	2018	2017
	(\$'000)	(\$'000)
Auditor's Remuneration		
Auditors of the City of Ryde: NSW Auditor-General		
(i) Audit and other assurance services		
Audit and review of financial statements	96	75
Other assurance services	-	-
Total remuneration for audit and other assurance services	96	75
Total Fees paid to or payable to the Auditor General	96	75

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)

(d) Depreciation, Amortisation and Impairment	2018 (\$'000)	2017 (\$'000)
Depreciation and Amortisation		
Plant and equipment	2,230	2,249
Office Equipment	710	863
Furniture & fittings	76	220
Property, plant and equipment leased	-	-
Land improvements (depreciable)	-	517
Buildings - specialised	888	650
- non-specialised	1,704	958
Infrastructure:		
- Roads, Bridges and Footpaths, Other Road Assets	7,000	6,381
- Stormwater Drainage	1,821	1,689
- Open space/recreational assets	1,219	953
- Other Structures	395	353
Other Assets:		
- Library Books	444	378
Total Depreciation Costs	<u>16,487</u>	<u>15,211</u>
Less: Capitalised Costs	<u>(71)</u>	<u>(90)</u>
Total Depreciation, Amortisation and Impairment	<u>16,416</u>	<u>15,121</u>

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

Council has transitioned from a consumption-based depreciation methodology to a straight-line depreciation methodology in the current financial period. Consistent with audit advice, Council has treated the transition prospectively (i.e. only changed depreciation in the current year). Useful lives are included in Note 9 for IPPE assets.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are 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 that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

Council's assessment has indicated there is nothing requiring an impairment adjustment.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (CONTINUED)

(e) Other Expenses	2018 (\$'000)	2017 (\$'000)
Fair value adjustments on assets	-	1,056
Bad & doubtful debts	6	1
Mayoral fee	68	61
Councillors' fees	296	255
Councillors' (incl. Mayor) expenses	89	45
Election costs (excl. employee costs)	473	-
Insurance	1,265	1,135
Street lighting	1,835	1,881
Communications costs	265	187
Contribution to fire control	1,653	1,598
Contribution to Dept of Planning	280	263
Contributions & donations - community grants	671	978
Waste development tax	2,397	4,153
Membership fees	165	78
Valuation fees	168	173
Electricity & heating	1,254	1,134
Water rates	448	388
Bank fees & charges	272	224
Property lease costs	2,259	2,219
Postage & courier costs	418	376
Advertising	454	408
Other expenses	513	272
Less: capitalised costs	(5)	(8)
Total other expenses from continuing operations	<u>15,244</u>	<u>16,877</u>

Accounting policy for Other Expenses

Other expenses are recorded on an accruals basis as the council receives the goods or services.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 5 GAIN OR LOSS FROM THE DISPOSAL OF ASSETS

	Notes	2018 (\$'000)	2017 (\$'000)
Gain (or loss) on disposal of community land	9		
Proceeds from disposal		259 ⁽¹⁾	-
Less: Carrying amount of assets sold		-	-
Gain (or loss) on disposal		<u>259</u>	<u>-</u>
Gain (or loss) on disposal of plant & equipment	9		
Proceeds from disposal		1,374	1,325
Less: Carrying amount of assets sold		(978)	(793)
Gain (or loss) on disposal		<u>396</u>	<u>532</u>
Gain (or loss) on disposal of office equipment	9		
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		(15)	-
Gain (or loss) on disposal		<u>(15)</u>	<u>-</u>
Gain (or loss) on disposal of other structures - parks	9		
Proceeds from disposal		-	-
Less: Carrying amount of assets disposed		-	(1,388)
Gain (or loss) on disposal		<u>-</u>	<u>(1,388)</u>
Gain (or loss) on disposal of works in progress	9		
Proceeds from disposal		-	-
Less: Carrying value of Works in Progress		(99)	(217)
Gain (or loss) on disposal		<u>(99)</u>	<u>(217)</u>
Gain (or loss) on disposal of financial assets	6		
Proceeds from disposal ⁽²⁾		10,056	8,053
Less: Carrying value of financial assets ⁽³⁾		(9,980)	(8,000)
Gain (or loss) on disposal		<u>76</u>	<u>53</u>
NET GAIN (OR LOSS) ON DISPOSAL OF ASSETS		<u>617</u>	<u>(1,020)</u>

⁽¹⁾ This includes the sale of land under roads, which is Community Land.

⁽²⁾ This does not include investments that are rolled over, in full, with the same authorised deposit-taking institution (ADI).

Gross amount including rolled over investments:	Notes		
Proceeds from disposal (Statement of cashflows)	CF	71,694	57,301
Less: Carrying value of financial assets	6	(71,618)	(57,248)
Gain (or loss) on disposal		<u>76</u>	<u>53</u>

⁽³⁾ This includes the settlement from legal action in regards to CDO investments.

Accounting policy for disposal of assets

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 6(a) CASH AND CASH EQUIVALENTS

Notes	2018 (\$'000)	2017 (\$'000)
Cash at bank and on hand	802	450
Deposits at call ⁽¹⁾	6,730	6,373
	<u>7,532</u>	<u>6,823</u>

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

Accounting policy for cash and cash equivalents

For Statement of Cash Flow 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 Statement of Financial Position.

NOTE 6(b) INVESTMENTS

The following financial assets are held as investments:

	2018		2017	
	<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	94,712	108,499	89,250	90,379
Available for Sale Financial Assets	-	-	-	-
Total	<u>94,712</u>	<u>108,499</u>	<u>89,250</u>	<u>90,379</u>
Held to Maturity Investments				
Comprising of:				
- FRNs	8,600	42,337	7,000	41,414
- Fixed Bonds	-	24,162	-	10,965
- Term Deposits ⁽²⁾	86,112	42,000	82,250	38,000
TOTAL	<u>94,712</u>	<u>108,499</u>	<u>89,250</u>	<u>90,379</u>

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 6(b) INVESTMENTS (CONTINUED)

Investments and other financial assets

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, 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 or 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. Assets in this category are classified as current assets.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

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

(iii) 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 reporting 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.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset.

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 6(b) INVESTMENTS (CONTINUED)

Investments and other financial assets (continued)

Investment Policy

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order (the Order) arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed; however, they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

Fair value estimation – financial instruments

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 reporting 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 reporting date. 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.

Impairment of available-for-sale investments

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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

	2018		2017	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Total cash, cash equivalents and investments	102,244	108,499	96,073	90,379
External restrictions	44,173	67,930	37,779	62,735
Internal restrictions	49,175	40,569	55,752	27,644
Unrestricted	8,896	-	2,542	-
Total	102,244	108,499	96,073	90,379

MOVEMENT IN RESTRICTIONS

	<u>Opening Balance</u> 30 June 2017 \$'000	<u>Transfers To</u> Restriction \$'000	<u>Transfers From</u> Restriction \$'000	<u>Closing Balance</u> 30 June 2018 \$'000
External restrictions				
Developer contributions (A)	76,402	26,675	(16,430)	86,647
Specific purpose unexpended grants (B)	11,203	451	(2,614)	9,040
Domestic waste management	9,328	20,215	(17,460)	12,083
Stormwater management	1,174	1,047	(996)	1,225
Affordable housing contribution	139	-	-	139
Local Infrastructure Renewal Scheme (LIRS)	271	-	(271)	-
Macquarie Park special rate	1,307	1,389	(701)	1,995
Infrastructure special rate reserve	690	8,690	(8,406)	974
Total external restrictions	100,514	58,467	(46,878)	112,103
Total restricted grants and contributions (A + B only)	87,605	27,126	(19,044)	95,687

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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

	Opening Balance 30 June 2017 \$'000	Transfers To Restriction \$'000	Transfers From Restriction \$'000	Closing Balance 30 June 2018 \$'000
Internal restrictions				
Plant replacement reserve	3,417	2,233	(2,350)	3,300
Employee leave entitlements	3,822	2,443	(1,513)	4,752
Incomplete/carry over works and projects	169	50	(169)	50
Refundable deposits	12,839	2,695	-	15,534
Asset replacement reserve	18,940	7,046	(6,829)	19,157
Ryde Aquatic Leisure Centre	1,207	4,237	(4,148)	1,296
Investment property reserve	20,033	2,107	(575)	21,565
Accommodation reserve	13,477	-	(2,293)	11,184
Merger & transition reserve	4,156	-	(3,857)	299
Civic Centre precinct redevelopment reserve	898	6,792	(325)	7,365
Council Election Reserve	660	150	(693)	117
Insurance fluctuation reserve	809	-	(159)	650
Risk rebate reserve	111	-	(111)	-
Workers Compensation	-	500	-	500
Other	2,858	3,199	(2,082)	3,975
Total internal restrictions	83,396	31,452	(25,104)	89,744
Total restrictions	183,910	89,919	(71,982)	201,847

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 7 RECEIVABLES

<u>Purpose</u>	2018		2017	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
Rates and annual charges	3,010	52	2,603	45
Rates interest & extra charges	311	5	264	5
User charges & fees				
Environmental & health	704	-	558	-
Restorations	155	-	190	-
Recreational facilities	199	-	258	-
Property & infrastructure works	299	-	108	-
Advertising	122	-	-	-
Home modification service	22	-	22	-
Ryde Aquatic Leisure Centre	94	-	30	-
Interest on investments	1,936	-	1,741	-
Contributions to works	6	-	11	-
Government grants & subsidies	2,447	-	2,094	-
Commercial waste	569	-	568	-
GST	1,857	-	1,929	-
Asset sales	138	-	203	-
Workers compensation	19	-	19	-
Fines	391	-	314	-
Other	402	22	665	22
Total ⁽¹⁾	12,681	79	11,577	72
Less: <u>provision for impairment</u>				
- User charges and fees	453	-	452	-
	12,228	79	11,125	72

Restricted/unrestricted receivables (included above)

Restricted receivables (DWM) ⁽²⁾	-	-	-	-
Unrestricted receivables	12,228	79	11,125	72
Total Receivables	12,228	79	11,125	72

⁽¹⁾ Total refers to Note 17

⁽²⁾ 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 on the above Debtors:

Rates and annual charges are secured by underlying properties.

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 7 RECEIVABLES (CONTINUED)

Accounting Policy for receivables

Recognition and measurement

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

Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position.

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 30 days.

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

Impairment

(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.

Collectability of receivables is reviewed on an on-going basis. Debts that 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. 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.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 8 INVENTORIES AND OTHER ASSETS

	2018		2017	
	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)	<u>Current</u> (\$'000)	<u>Non-Current</u> (\$'000)
(a) Inventories				
Real estate	-	-	-	-
Stores and materials	828	-	894	-
Other	-	-	-	-
Total inventories	828	-	894	-
(b) Inventories not expected to be realised within the next 12 months⁽¹⁾	539	-	379	-
(c) Other Assets				
Prepayments	949	-	1,370	-
Prepayments - salaries and wages	789	-	800	-
Prepayments - waste alliance	740	-	625	-
Total other assets	2,478	-	2,795	-

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.

Accounting policy for inventories and other assets

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 are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 9 INFRASTRUCTURE, PROPERTY, PLANT AND EQUIPMENT

ASSET CLASS	At 30 June 2017						MOVEMENTS DURING THE YEAR						At 30 June 2018	
	Gross Carrying Amount	Accumulated Depreciation & Impairment	Net Carrying Amount	Renewals	New Assets	Transfers From WIP	Carrying Value of Disposals	Transfers and Adjustments	Depreciation & Impairment	Gross Book Value	Accumulated Depreciation & Impairment	Gross Carrying Amount	Accumulated Depreciation & Impairment	Net Carrying Amount
Plant and Equipment	27,430	16,879	10,551	76	3,428	18	(978)	-	(2,230)	-	17,447	28,312	10,865	10,865
Office Equipment	9,168	7,725	1,443	603	173	450	(15)	-	(710)	-	7,791	10,314	2,523	2,523
Furniture and Fixings	4,459	3,811	648	27	153	102	-	-	(76)	-	3,882	4,741	859	859
Leased Plant & Equipment	163	163	-	-	-	-	-	-	-	-	163	163	-	-
Land														
- Operational Land	220,018	-	220,018	-	-	-	-	-	-	-	-	220,018	-	220,018
- Community Land	142,287	-	142,287	-	-	-	-	-	-	-	-	142,287	-	142,287
- Land Improvements (non-depr'n)	9,073	-	9,073	53	142	26	-	-	-	-	9,294	9,294	-	9,294
- Land Improvements (depr'n)	14,521	13,431	1,090	157	104	359	-	-	-	-	15,141	13,431	1,710	1,710
- Land Under Roads	1,155	-	1,155	-	-	-	-	-	-	-	1,155	1,155	-	1,155
Buildings														
- Non-specialised	125,934	71,893	54,041	290	143	5,822	-	(1,704)	(6,255)	-	73,597	125,934	52,337	73,597
Other Structures														
- Carparks	11,590	1,479	10,111	420	-	-	-	(331)	(420)	227	11,580	11,580	1,583	10,007
- Foreshore Assets	5,333	1,102	4,231	-	-	411	-	(62)	(410)	(11)	5,333	5,333	1,174	4,159
- Road Ancillary	11,516	3,473	8,043	319	1,232	1,824	-	(272)	(3,375)	67	11,516	11,516	3,678	7,838
- Other	253	2	251	-	-	7	-	(2)	(2)	-	260	260	4	256
Infrastructure														
- Roads, Bridges and Footpaths														
- Road Pavement	301,237	78,856	222,381	8,236	-	988	-	(5,312)	(9,234)	4,278	301,237	79,880	221,347	221,347
- Road Ancillaries	7,072	3,707	3,365	180	312	303	-	(141)	(796)	(14)	7,072	3,863	3,209	3,209
- Bridges	4,129	1,679	2,450	134	69	69	-	(45)	(203)	-	4,129	4,129	2,405	2,405
- Footpaths and Cycleways	62,009	10,510	51,499	1,981	865	4,442	-	(545)	(7,229)	55	62,009	11,001	51,008	51,008
- Kerb & Guttering	102,792	13,973	88,819	1,775	-	576	-	(685)	(2,352)	68	102,792	14,591	88,201	88,201
- Stormwater Drainage	296,535	63,707	202,828	2,763	-	1,910	-	(1,821)	(4,673)	(360)	296,535	65,888	200,647	200,647
- Swimming Pools	53,168	13,292	39,876	135	-	117	-	(898)	(252)	-	53,168	14,180	38,988	38,988
- Other Open Space/Recreational assets	65,293	10,857	54,436	685	346	2,224	-	(1,219)	803	761	69,331	11,315	58,016	58,016
Other Assets														
- Heritage Collections	229	-	229	-	-	-	-	-	-	-	229	229	-	229
- Library/Books	3,252	2,067	1,185	480	-	-	-	(444)	-	-	3,285	2,064	1,221	1,221
Capital Works in Progress	22,684	-	22,684	-	17,327	(19,658)	(99)	-	-	-	20,464	-	-	20,464
TOTALS	1,471,510	316,606	1,154,904	18,294	24,165	-	(1,092)	(16,497)	(34,396)	5,655	1,476,309	327,266	1,149,043	1,149,043

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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

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

Depreciation is 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.

The following table sets out the range of useful lives and depreciation within each condition rating by asset category.

Asset Category	Useful Life (years)	Depreciation Rate
Drainage assets	40 - 200	0.50% - 2.50%
Land Improvements	25 - 25	4.00% - 4.00%
Other assets	20 - 50	2.00% - 8.33%
Other structures	20 - 150	0.67% - 5.00%
Road assets – roads, bridges and footpaths	15 - 200	0.50% - 6.67%
Plant & Equipment	5 - 50	2.00% - 20.00%
Buildings - Specialised/Non Specialised	5 - 99	0.50% - 1.50%

Operational land was last valued as at 31 May 2017 and Community Land has been valued using the Valuer General rates with a base date of 1/7/2016.

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

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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

Accounting policy for infrastructure, property, plant and equipment (con't)

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

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB1051 Land Under Roads.

Crown reserves

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

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

Rural Fire Service assets

Under Section 119 of the Rural Fire Services Act 1997 (NSW), 'all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed'.

Councils has no control of any Rural Fire Services assets.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 10 INVESTMENT PROPERTIES

	2018	2017
	(\$'000)	(\$'000)
At fair value		
Opening balance at July 1 2017	115,540	113,165
Acquisitions	-	-
Transferred from Note 9	-	-
Classified as held for disposals	-	-
Net gain (loss) from fair value adjustment	1,625	2,375
Transfer (to) from inventories and other occupied property	-	-
Closing balance at 30 June 2018	<u>117,165</u>	<u>115,540</u>
(a) Amounts recognised in profit and loss for investment property		
Rental income	700	568
Net gain (loss) from fair value adjustment	1,625	2,375
Direct operating expenses from property that generated rental income	(399)	(282)
Direct operating expenses from property that did not generate rental income	-	-
Total	<u>1,926</u>	<u>2,661</u>
(b) Leasing arrangements - Council as lessor		
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	312	421
- Later than one year and not later than 5 years	951	951
- Later than 5 years	308	195
Total	<u>1,571</u>	<u>1,567</u>

Accounting policy for Investment property

Investment property, principally comprising freehold buildings, car parks and blocks of units, are held for development to generate long-term rental yields and are 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. Changes in fair values are recorded in the income statement as part of other income.

Properties that are under construction for future use as investment properties are regarded 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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 11 PAYABLES AND BORROWINGS

	2018		2017	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Payables				
Goods and services	9,060	-	7,569	-
Accrued expenses	2,661	-	2,636	-
Interest expenses	19	-	22	-
Deposits and retentions	15,533	-	12,840	-
Deferred lease expense	220	-	155	-
Other	16	-	15	-
Total payables	27,509	-	23,237	-
Income received in advance				
Payments received in advance	788	-	922	-
Payments received in advance - rates	712	-	555	-
	1,500	-	1,477	-
Borrowings				
Loans - secured ⁽¹⁾	911	1,710	891	2,620
Total borrowings	911	1,710	891	2,620
(a) Restricted and Unrestricted liabilities				
Liabilities relating to restricted assets				
Domestic waste management	-	-	-	-
Total restricted liabilities	-	-	-	-
Liabilities relating to unrestricted assets	29,920	1,710	25,605	2,620
Total	29,920	1,710	25,605	2,620
(b) Current payables not expected to be settled within the next 12 months				
	12,426	-	10,272	-
(c) Changes in liabilities arising from financial activities				

Total Liabilities from financing activities	2017 (\$'000)	Cash Flows (\$'000)	Non Cash Changes			2018 (\$'000)
			Acquisition (\$'000)	Fair Value Changes (\$'000)	Other Non-Cash Investment (\$'000)	
LOANS -secured						
Financial Institutions	3,511	(890)				2,621
LOANS -unsecured						
Nil						
Finance Leases						
Other						
Total	3,511	(890)				2,621

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 11 PAYABLES AND BORROWINGS (CONTINUED)

	2018 (\$'000)	2017 (\$'000)
(d) Financing Arrangements		
Total facilities		
The amount of total financing facilities available to councils at the reporting date is:		
Corporate credit cards	60	60
	<u>60</u>	<u>60</u>
Drawn Facilities		
The financing facilities drawn down at the reporting date is:		
Corporate credit cards	11	8
	<u>11</u>	<u>8</u>
Undrawn Facilities		
The amount of undrawn financing facilities available to councils at the reporting date is:		
Corporate credit cards	49	52
	<u>49</u>	<u>52</u>

Accounting policy for payables and borrowings

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 14 days of recognition.

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 drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Finance Leases

Council has no current finance leases.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 12 PROVISIONS

	2018		2017	
	Current (\$'000)	Non-Current (\$'000)	Current (\$'000)	Non-Current (\$'000)
Annual & other accrued leave	3,870	-	3,505	-
Sick leave	193	-	192	-
Long service leave	8,608	163	8,297	170
Employee leave entitlements on costs	-	-	-	-
Site Remediation (see Note 16)	-	-	-	-
Self insurance liabilities	-	-	-	-
Other employee provisions	598	-	522	-
Total provisions	13,269	163	12,516	170
Current provisions not expected to be settled within the next 12 months	6,905	-	6,682	-

(a) Description of and movements in provisions

The movement in each class of provision is presented in the table below.

Class of Provision	Opening Balance (\$'000)	Increase in Provision (\$'000)	Payments (\$'000)	Re-Measurement (\$'000)	Closing Balance (\$'000)
Annual & Other Accrued Leave	3,505	3,244	2,879	-	3,870
Sick Leave	192	1,396	1,395	-	193
Long service leave	8,467	1,440	1,136	-	8,771
Other employee provisions	522	1,857	1,781	-	598
Total	12,686	7,937	7,191	-	13,432

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 12 PROVISIONS (CONTINUED)

Accounting policy for provisions

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.

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.

Employee benefits

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.

Other Long term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Self-insurance

Council does not self-insure.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 13 ACCUMULATED SURPLUS, REVALUATION RESERVES, CHANGES IN ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

(a) Nature and purpose of reserves

(i) Revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments and decrements in the revaluation of non-current assets.

(ii) Available-for-sale investments revaluation reserve

Changes in fair value are taken to the available-for-sale investments revaluation reserve, amounts are recognised in profit and loss when the associated assets are sold or impaired.

(iii) Other reserves (specify)

Nil

(b) Correction of errors in previous years

Accumulated Surplus	0
IPPE Reval Reserve	0

(c) Changes in Accounting Policies

Accumulated Surplus	0
IPPE Reval Reserve	0

(d) Changes in Accounting Estimates

Council has transitioned from a consumption-based depreciation methodology to a straight-line depreciation methodology in 2017/2018. Consistent with audit advice, Council has treated the transition prospectively (ie. only changed depreciation in the current year).

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 14 STATEMENT OF CASH FLOW INFORMATION

(a) Reconciliation of Cash Assets	Notes	2018 (\$'000)	2017 (\$'000)
Total cash and cash equivalents	6(a)	7,532	6,823
Less: bank overdraft	11	-	-
Balances as per statement of cash flow		<u>7,532</u>	<u>6,823</u>
(b) Reconciliation of net operating result to cash provided from operating activities		2018 (\$'000)	2017 (\$'000)
Net operating result from income statement		47,372	39,580
Add: Depreciation and impairment	3	16,416	15,121
Impairment of investments	3	-	-
Decrements from revaluations/(Reversal of previous revaluation decrements)	3,4	-	-
Loss/(gain) on sale of assets	5	(617)	1,020
Amortisation of discounts & premiums recognised	3,4	(23)	(22)
Non cash contributions and dedications		-	-
Fair value (gains)/losses to investment property	10	(1,625)	(1,319)
Fair value adjustments to financial assets at fair value through profit and loss	6	-	-
Increase/(decrease) in provision for doubtful debts	7	1	46
Increase/(decrease) in provision for leave entitlements	11	746	602
Increase/(decrease) in other provisions	11	-	-
(Increase)/decrease in receivables	7	(1,111)	(1,472)
(Increase)/decrease in inventories	8	66	(248)
(Increase)/decrease in other current assets	8	317	225
Increase/(decrease) in payables	11	1,242	(136)
Increase/(decrease) in accrued interest payable	11	(3)	(5)
Increase/(decrease) in other current liabilities	11	2,916	31
Other	3,4	-	-
Non cash capital grants & contributions	3	-	(300)
Net cash provided by (used in) operating activities		<u>65,697</u>	<u>53,123</u>
(c) Non-Cash Financing and Investing Activities			
s7.11 contributions in kind		-	300
		<u>-</u>	<u>300</u>

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 15 COMMITMENTS

	2018	2017
	(\$'000)	(\$'000)
(a) Capital commitments (exclusive of GST)		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:		
Plant & Equipment	115	450
Office Equipment	182	-
Land	99	2,250
Buildings	434	-
Other Structures	565	22
Infrastructure	3,041	1,692
Total	<u>4,437</u>	<u>4,414</u>

Major commitments include the design and construction of a new recreational space, and the construction of a cycleway.

(c) Non-cancellable operating lease commitments

Commitments under non-cancellable operating leases at 30 June 2018 but not recognised in the financial statements are payable as follows:

- Not later than one year	2,170	2,192
- Later than one year and not later than 5 years	3,830	6,211
- Later than 5 years	-	-
Total⁽¹⁾	<u>5,999</u>	<u>8,403</u>

⁽¹⁾ This represents the leased premises at the North Ryde office which comprise of:
1 x 5 year lease commencing 1 May 2016, with 3 options of 5 years,
1 x 4 years and 9 months lease commencing 1 August 2016, with 3 options of 5 years.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 16 CONTINGENCIES

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

CONTINGENT LIABILITIES

1 Guarantees

(i) Defined Benefits Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefits Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees. Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due. The Scheme's most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Scheme's Defined Benefit member category with member councils required to make significantly higher contributions in future years. The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB119. Future contributions made to the defined benefits scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for defined contributions plans.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government. Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years. The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity. StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council. Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA. These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other Guarantees

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

2 Other liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services. Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 16 CONTINGENCIES (CONTINUED)

(ii) s7.11 Plans (formerly s94)

Council levies s7.11 plans (formerly section 94/94A contributions) upon various developments across the Council area through the required Contributions Plans.

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

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

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

3 Remediation works

(i) Old landfill sites

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

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

CONTINGENT ASSETS

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement Notices/Fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau. Council's revenue recognition policy for such income is to account for it as revenue on receipt. Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices. 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.

(iii) Pedestrian Bridge and Tunnel, Top Ryde

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

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 17 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 Department under policies approved by the Council.

Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	7,532	6,823	7,532	6,823
Receivables	12,307	11,197	12,307	11,197
Financial assets at fair value through profit or loss	-	-	-	-
Available-for-sale financial assets	-	-	-	-
Held-to-maturity investments	203,211	179,629	203,527	180,009
	223,050	197,649	223,366	198,029
Financial liabilities				
Payables	27,509	23,237	27,509	23,237
Borrowings	2,621	3,511	4,470	5,811 ⁽¹⁾
	30,130	26,748	31,979	29,048

Note:

Refer to Note 19 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.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance Department 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 Ministerial Investment Order 625. 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 as required by local government regulations.

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.

(a) Market risk - price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable. It is assumed that the change in interest rates would have been constant throughout the reporting period.

	30/06/2018 \$'000	30/06/2017 \$'000
Estimated impact of a 10% ⁽²⁾ movement in price of investments:		
- Equity	n/a	n/a
- Income statement	n/a	n/a
Estimated impact of a 1% movement in interest rates on cash and investments:		
- Equity	2,107	1,865
- Income statement	2,107	1,865

Note:

⁽²⁾ Movements in the price of investments is not calculated, as tradable investments are purchased with the intent to hold to maturity, at which point they are redeemed at face value. Movement in price of investments is calculated only on tradable investments.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk

Council's major receivables comprise rates and annual charges and user charges and fees. Council manages the credit risk associated with these receivables 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 was:

Percentage of Rates and Annual charges

	Notes		
- Current		64%	65%
- Overdue debts		36%	35%

Analysis of overdue debts

	\$'000	\$'000
Less than 1 year	2,170	1,901
1 to 2 years	625	534
2 to 5 years	538	464
Greater than 5 years	45	18
7	3,378	2,917

Percentage of Other Receivables

- Current	87%	86%
- Overdue debts	13%	14%

Analysis of overdue debts

	\$'000	\$'000
0 - 30 days overdue	8,120	7,503
31 - 60 days overdue	279	200
61 - 90 days overdue	47	108
>91 days overdue	936	921
7	9,382	8,732

Movement in provision for impairment for receivables

	2018	2017
Balance at the beginning of the year	452	406
Plus: New provisions recognised during the year	4	1
Less: Amounts already provided for & written off	(3)	45
Balance at the end of the year	453	452

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

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.

2018 \$'000	Weighted Average Interest rate %	Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual CashFlows	Carrying Values
Payables		27,509	-	-	27,509	27,509
Borrowings	3.15%	1,003	1,415	420	2,838 ⁽³⁾	2,621
		28,512	1,415	420	30,347	30,130
2017 \$'000		Due Within 1 Year	Due Between 1 and 5 Years	Due After 5 Years	Total Contractual Cash Flows	Carrying Values
Payables		23,237	-	-	23,237	23,237
Borrowings	3.58%	986	2,022	784	3,792 ⁽³⁾	3,511
		24,223	2,022	784	27,029	26,748

⁽³⁾ 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.

Refer to Note 19 for fair value information.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 18 MATERIAL BUDGET VARIATIONS

Council's Original Budget was incorporated as part of the 2017-2021 Delivery Plan adopted by the Council on 27 June 2017, and is not required to be audited.

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. Many of the variances below have been adjusted during budget reviews throughout the 2017/18 financial year and, where appropriate, have been incorporated into the 2018/19 Original Budget in order to frame a more rigorous and robust budget.

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 Quarterly Budget Review 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, or if considered appropriate to comment.

Revenues

User charges and fees \$2,294K (14%) (F)

Council received user charges and fees revenue of \$18,865k which was above the original budget by \$2,294k (14%).

The additional income received was predominantly related to development related income amounting to an additional \$2.7 million above the Original Budget. This is a reflection of the level of activity in the current local development market. Macquarie Park Parking Scheme income exceeded budgeted expectations by \$0.3 million. Road Restoration income was \$0.7 million below the Original Budget (note: a corresponding Road Restorations expenditure saving has been realised to offset this reduced income).

Interest and investment revenue \$1,931K (46%) (F)

Council received interest revenue of \$6,096k which was above the original budget by \$1,931k (46%). Whilst interest rates have been reasonably flat over the last 12 months, the pool of funds available for investment have increased due to higher than expected Section 7.11 contributions and other Internal Reserves. It should be noted that these Section 7.11 funds, and the interest earned on their investment, cannot be applied to Council's normal operations and they are restricted in Council's reserves to be used for construction of new works under the Section 7.11 plan they were collected under.

Other revenues \$913K (10%) (F)

Council received other revenues of \$10,207k which was above the original budget by \$913k (10%). Additional income derived from the sale of recycled construction materials amounted to \$0.5 million. An additional \$0.4 million in rental income also contributed to this favourable variation.

Grants & contributions provided for capital purposes \$8,034K (39%) (F)

Council received capital income of \$28,448k which was above the original budget by \$8,034k (39%). Council received \$5.7 million in Section 7.11 Developer Contributions over and above its Original Budget estimate of \$20 million. In addition, Council received an RMS Grant of \$1.95 million which was not included in the Original Budget.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 18 MATERIAL BUDGET VARIATIONS (CONTINUED)

Expenses

Borrowing costs -\$36K (-25%) (F)

Council incurred borrowing costs of \$110k which was below the original budget by -\$36k (-25%). Council's interest rates on loans are largely variable and with interest rates still relatively low, borrowing costs were less than anticipated.

Other expenses -\$4,905K (-24%) (F)

Council paid other expenses of \$15,244k which was below the original budget by -\$4,905k (-24%). The majority of expenditure savings, when compared to the Original Budget, relate to a reduction in the Waste Development Tax as a result of increased processed material being diverted from landfill (\$2.4 million), street lighting charges (\$0.5 million) and utilities - power (\$0.2 million). The balance of expenditure savings in this area is the sum of minor savings across a wide variety of expenses throughout the organisation.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 19 FAIR VALUE MEASUREMENT

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

- Infrastructure, property plant and equipment
- Investment property

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 Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 19 FAIR VALUE MEASUREMENT (CONTINUED)

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

30 June 2018	Note	Level 2 Significant observable inputs (\$000's)	Level 3 Significant unobservable inputs (\$000's)	Total (\$000's)
Investment properties	10	117,165	-	117,165
Infrastructure, Property, Plant and Equipment	9			
- Operational land		220,018	-	220,018
- Community land		-	142,287	142,287
- Land under roads		-	1,155	1,155
- Buildings (Specialised and non-specialised)		-	92,710	92,710
- Roads, Bridges, Footpaths		-	366,170	366,170
- Stormwater drainage		-	200,647	200,647
Subtotal I, PP & E			802,969	1,022,987
TOTALS		337,183	802,969	1,140,152

30 June 2017	Note	Level 2 Significant observable inputs (\$000's)	Level 3 Significant unobservable inputs (\$000's)	Total (\$000's)
Investment properties	10	115,540	-	115,540
Infrastructure, Property, Plant and Equipment	9			
- Operational land		220,018	-	220,018
- Community land		-	142,287	142,287
- Land under roads		-	1,155	1,155
- Buildings (Specialised and non-specialised)		-	93,917	93,917
- Roads, Bridges, Footpaths		-	368,514	368,514
- Stormwater drainage		-	202,828	202,828
Subtotal I, PP & E			808,701	1,028,719
TOTALS		335,558	808,701	1,144,259

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 19 FAIR VALUE MEASUREMENT (CONTINUED)

Valuation Techniques

Council's non-current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government. Further details of the revaluations policy is provided under Note 9.

Level 2 measurements

Investment 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 2018, the fair values of the land have been determined by Scott Fullarton Valuations Pty Ltd.

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

Land (Operational)

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

Operational Land was last revalued as at 31 May 2017 as determined by Scott Fullarton Valuations Pty Ltd.

Level 3 measurements

Buildings

The Council engages external, independent and qualified valuers to determine the fair value of the Council's buildings. Buildings were revalued in the 30 June 2017 financial year and the fair values were determined by Scott Fullarton Valuations Pty Ltd.

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

Land (Community and Land under road)

Community Land has been valued by the Valuer General as at 1 July 2016. Council has resolved to not value Land Under Roads (LUR) acquired before 1 July 2008.

The key unobservable input to the valuation based on the Englobo method.

Infrastructure assets

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

The unit rate, which is a key unobservable input, is determined using an assessment of average historical internal costs, and rates from contracts with third party suppliers. Infrastructure assets were last revalued at 30 June 2016 with the exception of specialised buildings.

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 19 FAIR VALUE MEASUREMENT (CONTINUED)

Reconciliation of movements

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

Level 3	2018 (\$)	2017 (\$)
Balance at 1 July	808,701	770,926
Total gains or losses for the period	-	-
Recognised in profit or loss – realised (refer to Note 5)	-	-
Recognised in other comprehensive income – revaluation surplus	(26,966)	27,454
Other movements	(11,141)	(9,428)
Purchases	30,991	19,749
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Other movements	-	-
Balance at 30 June	801,584	808,701

A reconciliation of the movements in recurring fair value measurements allocated to Level 2 of the hierarchy is provided below:

Level 2	2018 (\$)	2017 (\$)
Balance at 1 July	335,558	333,183
Total gains or losses for the period	1,625	2,375
Recognised in profit or loss – realised (refer to Note 5)	-	-
Recognised in other comprehensive income – revaluation surplus	-	-
Other movements	-	-
Purchases	-	-
Sales	-	-
Transfers into Level 2	-	-
Transfers out of Level 2	-	-
Other movements	-	-
Balance at 30 June	337,183	335,558

Transfers between levels of the hierarchy

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

Highest and Best Use

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 20 RELATED PARTY DISCLOSURES

Key Management Personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the Council, directly or indirectly. The City of Ryde KMP's are identified as the Councillors, General Manager and Directors.

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

Compensation	2018 (\$000's)	2017 (\$000's)
Short-term benefits	1,893	1,719
Post-employment benefits	98	96
Other long-term benefits	54	47
Termination benefits	0	0
Total	2,044	1,861

Other transactions with KMP and their related entities

Council has determined that transactions at arms lengths between KMP and Council as part of KMP using Council services (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the Transaction	Amount of the transactions during the year (\$000's)	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related to the amount of outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
2018					
	0	0	0	0	0
2017					
Grant Funding	70	0	KMP is a Board member where a Grant was provided as part of funding for FY2016 & FY2017 paid by Council.	0	0

Other Related Parties

Type of related party: subsidiary/ associate/ joint ventures/ other	Nature of the Transactions	Amount of the transactions during the year	Outstanding balances, including commitments at year end	Terms and conditions	Provisions for doubtful debts related to the amount of outstanding balances	The expense recognised during the period relating to bad or doubtful debts due from related parties
2018						
Nil						
2017						
Nil						

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 21 STATEMENT OF DEVELOPER CONTRIBUTIONS

PURPOSE	Opening Balance \$'000	Contributions Received During Year ⁽¹⁾		Interest & Investment Income earned during year \$'000	Expended during year \$'000	Internal Borrowings (To/From) ⁽³⁾ \$'000	Expenditure Reclassified \$'000	Held as restricted asset ⁽²⁾⁽⁴⁾ \$'000	Cumulative Internal Borrowings due/(payable) \$'000
		Cash \$'000	Non-cash \$'000						
Community & Culture	11,414	4,731	-	350	1,004	-	-	15,491	-
Open Space & Public Domain	46,505	17,070	-	1,412	7,685	(88)	-	57,214	-
Roads, Traffic, Carparks & Cycleways	1,800	1,865	-	52	3,805	88	-	-	-
Stormwater Management	5,302	889	-	159	2,551	-	-	3,799	-
Administration	93	141	-	6	211	-	-	29	-
TOTAL UNDER PLANS	65,114	24,696	-	1,979	15,256	-	-	76,533	-
Planning agreements	11,288	-	-	-	1,174	-	-	10,114	-
TOTAL CONTRIBUTIONS	76,402	24,696	-	1,979	16,430	-	-	86,647	-

(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.

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

NOTE 22 STATEMENT OF PERFORMANCE MEASURES - CONSOLIDATED RESULTS

	Amounts (\$'000)	Indicators			Benchmark
		2018	2017	2016	
1. Operating performance					
Total continuing operating revenue ¹ excluding capital grants and contributions – operating expenses	<u>16,682</u>	13.22%	11.47%	8.13%	> 0%
Total continuing operating revenue ¹ excluding capital grants and contributions	126,201				
2. Own source operating revenue					
Total continuing operating revenue ¹ excluding all grants and contributions	<u>118,957</u>	76.92%	75.83%	67.03%	> 60%
Total continuing operating revenue ¹ inclusive of all grants and contributions	154,649				
3. Unrestricted current ratio					
Current assets less all external restrictions	<u>73,066</u>	3.06x	3.44x	4.29x	> 1.5x
Current liabilities less specific purpose liabilities	23,858				
4. Debt service cover ratio					
Operating results ¹ before capital excluding interest and depreciation/impairment/amortisation (EBITDA)	<u>33,208</u>	33.21x	27.65x	12.00x	> 2x
Principal repayments (from the statement of cash flows) + borrowing interest costs (from the income statement)	1,000				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	<u>3,378</u>	3.89%	3.63%	3.59%	< 5%
Rates and annual charges collectible	86,919				
6. Cash expense cover ratio					
Current year's cash, cash equivalents + Term Deposits x 12	<u>135,644</u> x	17.50	15.92	15.72	> 3
Payments from cash flow of operating and financing activities	93,039	months	months	months	months

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

ITEM 8 (continued)

ATTACHMENT 1

Draft General Purpose Financial Statements – Year Ended 30 June 2018

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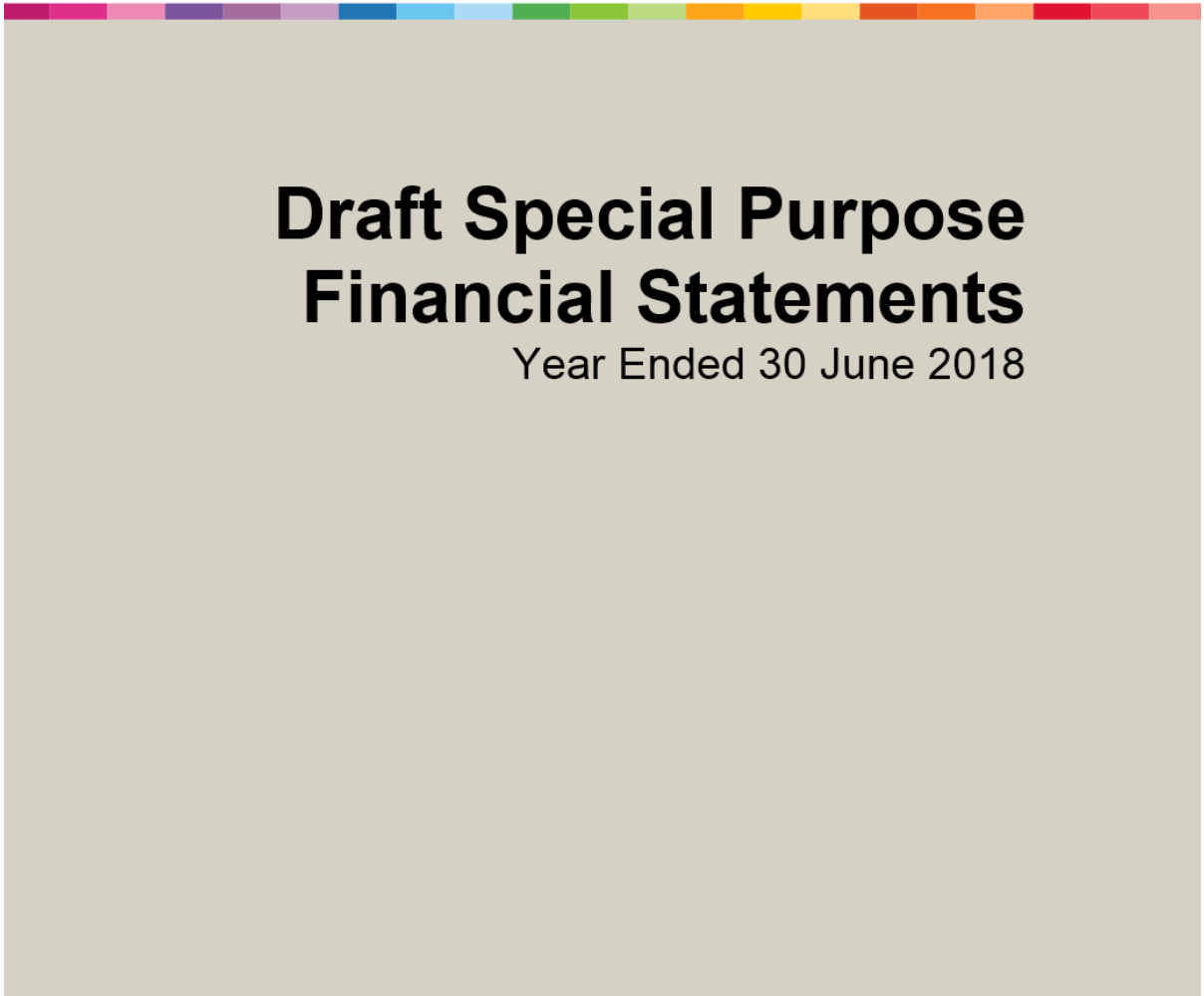
ITEM 8 (continued)

ATTACHMENT 1



 City of Ryde

Lifestyle and opportunity @ your doorstep



ITEM 8 (continued)

ATTACHMENT 1

Draft Special Purpose Financial Statements – Year Ended 30 June 2018

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ITEM 8 (continued)

ATTACHMENT 1

Draft Special Purpose Financial Statements – Year Ended 30 June 2018

**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:

- the NSW Government Policy Statement, Application of National Competition Policy to Local Government
- the Division of Local Government Guidelines, Pricing & Costing for Council Businesses: A guide to Competitive Neutrality
- the Local Government Code of Accounting Practice and Financial Reporting

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

- presents fairly the 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 DD MMMM YYYY

Councillor Jerome Laxale
Mayor

___/___/___

Councillor Christopher Gordon
Deputy Mayor

___/___/___

Mr George Dedes
General Manager

___/___/___

Mr Steven Kludass
Responsible Accounting Officer

___/___/___

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Purpose Financial Statements – Year Ended 30 June 2018

INCOME STATEMENT OF OTHER BUSINESS ACTIVITIES

	Ryde Aquatic Leisure Centre (Category 1)		Commercial Waste Management (Category 2)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Income from continuing operations				
Annual Charges	-	-	-	-
User Charges	5,558	5,754	1,473	1,440
Fees	-	-	-	-
Interest	-	-	-	-
Other income	19	18	-	-
Grants & Contributions provided for Non-Capital Purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Total Income From Continuing Operations	5,577	5,772	1,473	1,440
Expenses from continuing operations				
Employee benefits and on costs	3,480	3,368	55	-
Materials and Contracts	548	597	344	387
Borrowing costs	-	-	-	-
Depreciation, amortisation and impairment	1,088	849	-	-
Loss on sale of assets	-	-	-	-
Calculated Taxation Equivalents	190	184	-	-
Other expenses	81	71	254	273
Total Expenses From Continuing Operations	5,387	5,069	653	660
Surplus (Deficit) from Continuing Operations before capital amounts	190	703	820	780
Grants & Contributions provided for Capital Purposes	-	-	-	-
Surplus (Deficit) from Continuing Operations after capital amounts	190	703	820	780
Surplus (Deficit) from Discontinued Operations	-	-	-	-
Surplus (Deficit) from All Operations before Tax	190	703	820	780
Less Corporate Taxation Equivalent (30%) [based on Operating result before capital]	57	211	246	234
Surplus (Deficit) After Tax	133	492	574	546
Opening Retained profits	33,551	32,664	200	200
Adjustments for Amounts Unpaid:-				
Taxation Equivalent Payments	190	184	-	-
Corporate Taxation Equivalent	57	211	246	234
Plus: Equity Contributions	-	-	-	-
Less: Equity Withdrawals	-	-	-	-
Less: TER Dividend payment (non restricted activities)	-	-	(246)	(234)
Less: Surplus Dividend payment (non restricted activities)	-	-	(574)	(546)
Closing Retained Profits	33,931	33,551	200	200
RETURN ON CAPITAL (%)	0.57%	2.03%	0.00%	0.00%
Required return on capital (%)	5.17%	5.61%	0.00%	0.00%
SUBSIDY FROM COUNCIL	1,549	1,240	-	-

Calculation of Dividend Payable

Surplus (Deficit) after tax	133	492	574	546
Less: Capital grants & contributions	-	-	-	-
Surplus for dividend calculation purposes	133	492	574	546

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Purpose Financial Statements – Year Ended 30 June 2018

FINANCIAL POSITION OF OTHER BUSINESS ACTIVITIES

	Ryde Aquatic Leisure Centre		Commercial Waste Management	
	(Category 1)		(Category 2)	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
CURRENT ASSETS				
Cash Asset and cash equivalents	1,296	1,207	-	-
Investments	-	-	-	-
Receivables	94	30	522	516
Inventories	12	12	-	-
Other	6,562	5,567	-	-
TOTAL CURRENT ASSETS	7,964	6,816	522	516
NON-CURRENT ASSETS				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	33,646	34,639	-	-
Other	-	-	-	-
TOTAL NON-CURRENT ASSETS	33,646	34,639	-	-
TOTAL ASSETS	41,610	41,455	522	516
CURRENT LIABILITIES				
Payables	320	344	50	77
Income received in advance	363	335	-	-
Interest Bearing Liabilities	300	285	210	190
Provisions	925	868	15	-
TOTAL CURRENT LIABILITIES	1,909	1,832	275	267
NON-CURRENT LIABILITIES				
Payables	-	-	-	-
Interest Bearing Liabilities	650	951	-	-
Provisions	11	12	47	49
TOTAL NON-CURRENT LIABILITIES	661	963	47	49
NET ASSETS	39,040	38,660	200	200
EQUITY				
Retained Earnings	33,931	33,551	200	200
Revaluation Reserves	5,109	5,109	-	-
Council Equity interest	-	-	-	-
Minority Equity interest	-	-	-	-
TOTAL EQUITY	39,040	38,660	200	200

ITEM 8 (continued)

ATTACHMENT 1

Notes to the Draft Special Purpose Financial Statements – Year Ended 30 June 2018

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 non-reporting not-for-profit entity.

The figures presented in the special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in the special purpose financial statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation 2005, and the Local Government Code of Accounting Practice and Financial Reporting.

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.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

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 dollars and are rounded to the nearest thousand dollars.

Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the special purpose financial statements. For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

ITEM 8 (continued)

ATTACHMENT 1

Notes to the Draft Special Purpose Financial Statements – Year Ended 30 June 2018

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax	Notional Rate Applied %
Corporate Tax Rate	30%
Land Tax	1.6% of the value in excess of \$629,000 but less than \$3,846,000. 2% of the value in excess of \$3,846,000
Payroll Tax	5.45% of total labour payments for the individual business activity in excess of \$750,000
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 activities. 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 SPFS. 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 NCP 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. The rate of return is disclosed for each of Council's business activities on the Income Statement.

(iii) Dividends

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

END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS

ITEM 8 (continued)

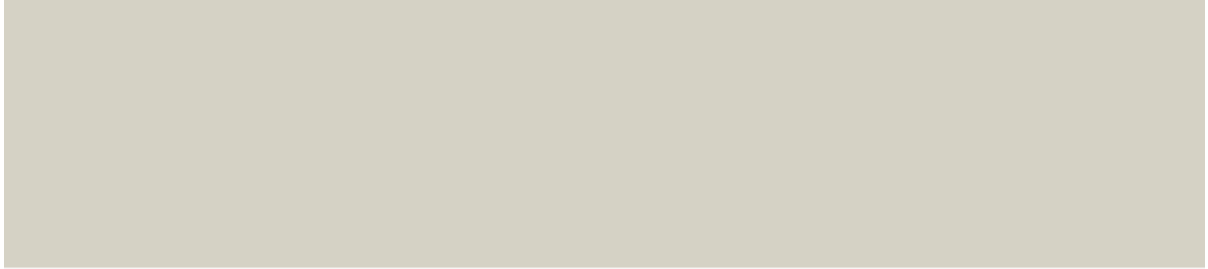
ATTACHMENT 1

Notes to the Draft Special Purpose Financial Statements – Year Ended 30 June 2018

Leave blank for Audit Report

ITEM 8 (continued)

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ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

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ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

SPECIAL SCHEDULE 1 - NET COST OF SERVICES

Function or Activity	Expenses from continuing operations \$'000	Income from continuing operations (non-capital) \$'000	Income from continuing operations (capital) \$'000	Net cost of services \$'000
Governance	3,751	27		(3,724)
Administration	21,461	3,353	10	(18,098)
Public Order & Safety				
Fire Service Lev., Fire Protection, Emergency Services	2,433	23		(2,410)
Animal Control	323	92		(231)
Beach Control				
Enforcement of Local Govt Regs	968	4,164		3,196
Other Public Order & Safety	1,946	4,251		2,305
Total Public Order & Safety	5,670	8,530		2,860
Health	745	429		(316)
Environment				
Noxious Plants and Insect/Vermin Control	118			(118)
Other Environment Protection	552	9		(543)
Solid Waste Management	18,673	22,813		4,140
Street Cleaning				
Drainage				
Stormwater Management	3,844	1,141	1,002	(1,701)
Total Environment	23,187	23,963	1,002	1,778
Community Services & Education				
Administration & Education	804	43		(761)
Social Protection (Welfare)	2,217	798		(1,419)
Aged Persons and Disabled	428	493		65
Children's Services	334	47		(287)
Total Community Services & Education	3,783	1,381		(2,402)
Housing & Community Amenities				
Public Cemeteries				
Public Conveniences	1,140	260		(880)
Street Lighting	2,221	383		(1,838)
Town Planning	7,433	13,438	15	6,020
Other Community Amenities	13	268		255
Total Housing & Community Amenities	10,807	14,349	15	3,557
Water Supplies				
Sewerage Services				
Recreation & Culture				
Public Libraries	5,919	1,126		(4,793)
Museums				
Art Galleries				
Community Centres and Halls	1,398	310		(1,088)
Performing Arts Venues				
Other Performing Arts				
Other Cultural Services	650	235		(415)
Sporting Grounds and Venues	736	875	48	187
Swimming Pools	6,561	5,835		(726)
Parks & Gardens (Lakes)	8,430	8		(8,422)
Other Sport & Recreation	212	80		(132)
Total Recreation & Culture	23,906	8,469	48	(15,389)

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

SPECIAL SCHEDULE 1 - NET COST OF SERVICES (CONTINUED)

Function or Activity	Expenses from continuing operations	Income from continuing operations (non-capital)	Income from continuing operations (capital)	Net cost of services
	\$'000	\$'000	\$'000	\$'000
Fuel & Energy				
Agriculture				
Mining, Manufacturing & Construction				
Building Control	598	177		(421)
Other Mining, Manufacturing & Construction				
Total Mining, Manufacturing & Construction	598	177		(421)
Transport & Communication				
Urban Roads : Local	11,836	3,940	27,313	19,417
Urban Roads : Regional				
Sealed Rural Roads : Local				
Bridges on Urban Roads : Local	64			(64)
Bridges on Urban Roads : Regional				
Bridges on Urban Roads : Other				
Footpaths	1,718			(1,718)
Aerodromes				
Parking Areas	461			(461)
Other	300	205	60	(35)
Total Transport & Communication	14,379	4,145	27,373	17,139
Economic Affairs				
Camping Areas and Caravan Parks				
Other Economic Affairs	1,232	2,125		893
Total Economic Affairs	1,232	2,125		893
TOTALS - FUNCTIONS	109,519	66,948	28,448	(14,123)
GENERAL PURPOSE REVENUES ⁽¹⁾		61,495		61,495
SHARE OF GAIN/(DEFICIT) FROM ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD ⁽²⁾				
CORRECTION OF FUNDAMENTAL ERROR ⁽²⁾				
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEMS ⁽²⁾	109,519	128,443	28,448	47,372
EXTRAORDINARY ITEMS ⁽²⁾				
SURPLUS/(DEFICIT) FROM ALL ACTIVITIES ⁽²⁾	109,519	128,443	28,448	47,372

NOTE : 1 The definition of general purpose income for the purposes of disclosure in Note 2(a) is the aggregation of specific income items disclosed in Note 3 of the GPFS: ordinary rates; general purpose untied grants; interest on overdue rates and annual charges, internally restricted assets, and general council cash and investments and ex gratia rates.

2. As reported on the Income Statement

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

SPECIAL SCHEDULE 2 - PERMISSIBLE INCOME FOR GENERAL RATES

	2017/2018 Calculation \$'000	2018/2019 Calculation \$'000
Notional General Income Calculation ⁽¹⁾		
Last Year Notional General Income Yield	57,941	63,151
Plus or minus Adjustments ⁽²⁾	1,358	560
Notional General Income	<u>59,299</u>	<u>63,711</u>
Permissible Income Calculation		
Special variation percentage ⁽³⁾	7.00%	7.00%
OR Rate peg percentage	1.50%	2.30%
OR Crown land adjustment incl. rate peg percentage	-	-
Less expiring special variation amount	-	-
Plus special variation amount	4,151	4,645
OR Plus rate peg amount	-	-
OR Plus crown land adjustment and rate peg amount	-	-
Sub-total	<u>63,450</u>	<u>68,356</u>
Plus or minus last year's Carry Forward Total	3	301
Less Valuation Objections claimed in the previous year	-1	-33
Sub-total	<u>63,452</u>	<u>68,624</u>
Total Permissible income	63,452	68,624
Less Notional General Income Yield	63,151	68,467
Catch-up or (excess) result	<u>268</u>	<u>190</u>
Plus Income lost due to valuation objections claimed ⁽⁴⁾	33	-
Less Unused catch-up ⁽⁵⁾	-	-
Carry forward to next year	<u>301</u>	<u>190</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
- (3) The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land
- (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.

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

SPECIAL SCHEDULE 7 - REPORT ON INFRASTRUCTURE ASSETS

Asset Class	Asset Category	Estimated Cost to bring to a satisfactory standard (overdue renewals) \$'000	Required Annual Maintenance Expense \$'000	Current Annual Maintenance \$'000	Net Carrying Amount \$'000	Gross Replacement Cost (GRC) \$'000	Assets in Condition as a % of Gross Replacement Cost				
							1	2	3	4	5
Buildings	Council Offices/ Administration Centres	-	2,862	2,767	-	17,774	19.70%	80.30%	100.00%	-	-
	Council Works Depot	-	422	359	2,118	9,141	0.00%	12.20%	87.80%	-	-
	Council Public Halls	-	-	607	9,604	9,604	100.00%	-	-	-	-
	Urinals	-	696	565	4,934	8,260	35.24%	14.71%	-	-	-
	Cultural Facilities	-	736	468	10,133	20,834	12.65%	62.18%	20.61%	4.37%	0.30%
	Amphitheatres	61	359	469	10,133	20,834	12.65%	62.18%	20.61%	4.37%	0.30%
	Other Buildings	0	1,708	1,477	26,318	39,922	65.14%	11.90%	2.29%	13.11%	7.55%
	Specialised Buildings	-	-	-	38,988	53,168	100.00%	-	-	-	-
	Sub total	61	6,724	6,651	91,325	178,102					
	Other Structures										
		2,585	6,461	6,058	80,019	97,770	30.62%	26.60%	30.42%	9.72%	2.64%
Sub total	2,585	6,461	6,058	80,019	97,770						
Roads	Sealed Roads Surface	8,098	505	330	221,347	301,237	26.44%	49.79%	15.20%	5.88%	2.69%
	Bridges	0	53	20	2,405	4,129	12.72%	59.31%	27.98%	0.00%	0.00%
	Footpaths	97	1,733	1,173	51,009	62,009	10.29%	79.86%	7.02%	2.67%	0.16%
	Cycle ways	-	56	112	-	-	-	-	-	-	-
	Kerb and Gutter	49	1,336	1,365	68,202	102,792	7.4%	81.91%	14.21%	2.10%	0.05%
	Other Road Assets	1,392	1,871	1,905	3,209	7,072	8.33%	32.61%	19.59%	19.81%	19.69%
	Sub total	9,635	5,563	4,925	366,170	477,239					
	Retarding Basins	0	-	-	932	1,064	9.57%	90.43%	0.00%	0.00%	0.00%
	Stormwater Conduits	817	175	175	146,095	183,802	7.79%	72.35%	16.06%	3.36%	0.44%
	Inlet and Junction Pits	103	-	-	45,121	66,874	6.92%	50.88%	38.29%	3.76%	0.15%
Other	0	-	-	8,499	14,795	13.95%	24.65%	45.24%	16.96%	0.00%	
Sub total	920	175	175	200,647	266,535						
Open Space/Recreational Assets	Swimming Pools	-	1,514	1,483	-	-	-	-	-	-	-
	Other Open Space/ Recreational Assets	-	-	-	-	-	-	-	-	-	-
Sub total	-	1,514	1,483	-	-	-	-	-	-	-	
Other Infrastructure Assets	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-
Sub total	-	-	-	-	-	-	-	-	-	-	
Total classes		13,201	20,427	19,191	738,102	1,020,646	17.36%	57.24%	18.94%	4.87%	1.69%

Notes:

Satisfactory condition refers to an asset that is not due for renewal, 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 5 assets are taken as being overdue for renewal, as the end of Condition 4 is the intervention point, useful life of the asset, at which time it should be renewed or disposed of.

Condition Rating

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

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

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

Current Annual Maintenance, included in the table above, includes maintenance and operating costs, excluding depreciation, as the 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.

ITEM 8 (continued)

ATTACHMENT 1

Draft Special Schedules – Year Ended 30 June 2018

SPECIAL SCHEDULE 7 - REPORT ON INFRASTRUCTURE ASSETS (CONTINUED)

***Buildings**
In assessing the condition of the building assets, an overall condition rating is applied to the building. When a building is noted as satisfactory, this should be interpreted that the majority of assets within the building (i.e. building components) are in a satisfactory condition. However there may be individual assets within the building that may be in an unsatisfactory condition.
In June 2017, Council resolved that Denistone East Bowling Club would become a passive and active recreation space. Subsequently, no renewal will occur for the component in Condition 5 for Other Buildings.

****Public Roads**
Included within the "Public Roads" group of assets is Urban Roads, Footpaths, and Kerb and Gutter
Council has adopted the use of a Pavement Management System (PMS) and condition data has been collected since 1991. The current replacement cost of the road assets is \$301M.
Council's footpath network has a current replacement value of \$52M. Council has designed and implemented a Footpath Management System, where every footpath is inspected and rated on a 1 to 5 rating basis.
Council manages kerb & gutter as part of the pavement management system, with condition rating done in conjunction with pavements. The current replacement value is \$103M.
The current replacement cost of bridges is \$4M.

Infrastructure Asset Performance Indicators – Consolidated	Amounts \$'000	Current year	2017	2016	2015	Benchmark
Buildings Infrastructure Renewals Ratio						
Asset Renewals (building, infrastructure & other structures)	\$23,626	210%	194%	134%	89%	>100%
Depreciation, amortisation and impairment	\$11,274					
Infrastructure backlog ratio (WDR)						
Estimated cost to bring assets to a satisfactory condition (overdue renewals)	\$13,201	1.8%	2.7%	3.4%	3%	< 2%
Net carrying amount of infrastructure assets	\$738,162					
Asset maintenance ratio						
Actual asset maintenance	\$19,191	94%	93%	88%	108%	>100%
Required asset maintenance	\$20,427					
Cost to bring assets to agreed service level						
Estimated cost to bring assets to a satisfactory condition (overdue renewals)	\$13,201	1.3%	2.0%	2.5%	3%	< 2%
Total value of infrastructure, building, other structures and depreciable land improvement assets (GBV)	\$1,020,646					

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Policy summary

This policy enables the reasonable and appropriate reimbursement of expenses and provision of facilities to Councillors to help them undertake their civic duties.

It ensures accountability and transparency, and seeks to align Councillor expenses and facilities with community expectations. Councillors must not obtain private or political benefit from any expense or facility provided under this policy.

The policy has been prepared in accordance with the Local Government Act 1993 (the Act) and Local Government (General) Regulation 2005 (the Regulation), and complies with the Office of Local Government's Guidelines for the payment of expenses and provision of facilities to Mayors and Councillors in NSW.

The policy sets out the maximum amounts council will pay for specific expenses and facilities. Expenses not explicitly addressed in this policy will not be paid or reimbursed.

The main expenses and facilities are summarised in the table below. All monetary amounts are exclusive of GST.

Expense or facility	Maximum amount	Frequency
Accommodation and meals	As outlined in Section 9.4 of the policy	
Professional development, conferences and seminars (Clause 9.2)	\$30,400 total for all Councillors Additional \$2,380 for the Mayor	Per year
Attendance at dinners and functions (Clause 9.9)	\$300	Per year
Communications expenses	\$300 per month per Councillor, \$3,600 per year per Councillor, Additional \$250 per month for the Mayor	Per month/year
Carer expenses (Clause 9.10)	\$6,000 per Councillor	Per year
Special needs (Councillors refer 9.10 (4) and (5))	\$6,000	Per year
Expenses for spouses, partners and accompanying persons (directly related to the role of the Councillor in performance of the duties in the Ryde local government area) Clause 9.11)	\$300	Per year

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<i>Expense or facility</i>	<i>Maximum amount</i>	<i>Frequency</i>
<i>Business cards (Clause 12.1)</i>	<i>500 business cards per Councillor, 1000 business cards for the Mayor</i>	<i>Per year</i>
<i>Stationery and other items (Clause 12.1)</i>	<i>2500 sheets of plain A4 paper, 500 plain white DLE envelopes per Councillor</i>	<i>Per year</i>
<i>Home office expenses (Clause 12.2)</i>	<i>Package supplied by Council consisting of: - Desktop PC or laptop - Printer - iPad Pro or equivalent Alternatively to the above, Councillors may choose to be provided with, or receive reimbursement for, information technology equipment and/or software up to a maximum of \$5,000 per term</i>	<i>Per term</i>
<i>Christmas or festive cards (Clause 13.5)</i>	<i>200 for the Mayor</i>	<i>Per year</i>
<i>The maximum value of cash in advance (Clause 8.6)</i>	<i>\$500 (reconcile within 1 week)</i>	<i>Not relevant</i>
<i>Incidental expenses (Clause 9.5)</i>	<i>\$20</i>	<i>Per day</i>
<i>Access to facilities in a Councillor common room</i>	<i>Provided to all Councillors</i>	<i>Not relevant</i>
<i>Council vehicle and fuel card</i>	<i>Provided to the Mayor</i>	<i>Not relevant</i>
<i>Reserved parking space at Council offices</i>	<i>Provided to the Mayor</i>	<i>Not relevant</i>
<i>Furnished office</i>	<i>Provided to the Mayor</i>	<i>Not relevant</i>
<i>Number of exclusive staff supporting Mayor and Councillors</i>	<i>One staff member provided to the Mayor and Councillors</i>	<i>Not relevant</i>

Additional costs incurred by a Councillor in excess of these limits are considered a personal expense that is the responsibility of the Councillor. Councillors must provide claims for reimbursement within three months of an expense being incurred. Claims made after this time cannot be approved.

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Part A – Introduction

1. SCOPE

- (1) This Policy, and associated procedures and guidelines, may be cited as the Policy on Expenses and Facilities for the Mayor and other Councillors, and is effective from **X Month 2018**.
- (2) In this Policy, and associated procedures and guidelines, unless otherwise stated, the expression “Councillor” refers to all Councillors of the City of Ryde, including the Mayor and Deputy Mayor.

2. PURPOSE

This Policy ensures that Councillors have adequate access to the facilities and support required to fulfil their civic duties as elected representatives. It also aims to ensure that the facilities provided to Councillors to carry out their civic functions are equitable and in keeping with legislative requirements.

In addition, the purpose of this Policy, and associated procedures and guidelines, is to ensure that there is accountability and transparency in the payment and reimbursement of expenses incurred or to be incurred by the Councillors while undertaking their civic duties.

Council may disburse money only if the disbursement is authorised by the Local Government Act, either expressly or because it is supplemental, incidental to or consequential upon the exercise of its functions.

3. OBJECTIVES AND PRINCIPLES

- (1) The objective of this Policy is to describe the facilities and expenses that Council will provide, fund or reimburse, to the Councillors of the City of Ryde.
- (2) This Policy also aims to uphold and demonstrate the following key principles:
 - (a) Conduct: Councillors must act lawfully, honestly and exercise a reasonable degree of care and diligence in carrying out their functions under the *Local Government Act 1993* or any other Act.
 - (b) Participation, equity and access: The provisions of the Policy are to be non-discriminatory and used in an equitable manner to enable the full participation by Councillors from different walks of life. The provisions of the Policy shall also be at an appropriate level to encourage members of the community, particularly under-represented groups such as those in primary caregiver roles, to seek election to Council by ensuring that they would not be financially or otherwise disadvantaged by undertaking the civic functions of a Councillor.

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The Policy shall also take into account and make reasonable provision for the special needs of Councillors to allow access to the appropriate parts of Council premises, and facilities, and maximise participation in the civic duties and business of Council.

- (c) Accountability and transparency: The details and range of benefits provided to the Councillors are to be clearly stated and be fully transparent and acceptable to the local community.
 - (d) Reasonable expenses: Councillors shall only be reimbursed for expenses reasonably incurred in their performance of their role as a Councillor.
 - (e) Private benefit: Councillors shall not obtain private benefit from the provision of equipment and facilities. Occasional incidental private use is acknowledged, and is not subject to a compensatory payback. Should substantial private use occur, payback or reimbursement will be required.
 - (f) **Appropriate use of resources: the resources should be used appropriately in accordance with legal requirements and community expectations.**
- (3) Only those entitlements specifically described in this Policy shall be provided by the Council.

4. DEFINITIONS, REFERENCES AND LEGEND

This policy is made pursuant to Sections 252-253 of *the Local Government Act 1993*, Clause 403 of *the Local Government (General) Regulation 2005*, the Office of Local Government's *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW (2009)*, and **the Councillor Expenses and Facilities Policy – Better Practice Template**.

Throughout this procedure, where specific information is drawn from one of the following documents or organisations it will be referenced and displayed in a coloured box as given below. Definitions of commonly used terms are also given in the relevant box below.

The Act: refers to the *Local Government Act 1993*

The Regulation: refers to the *Local Government (General) Regulation 2005*.

The Office or OLG: refers to the Office of Local Government, NSW. ~~In some parts it may be appropriate for the policy to refer to 'the Division' – the former title of the Office of Local Government.~~

Guidelines: refers to the OLG's *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW (October 2009)*. Extracts or summaries from this document are shown in yellow.

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NSW Government Agency circulars or advice on specific issues are shown in pink

Code of Conduct: refers to the City of Ryde Code of Conduct, as in effect at the time. Extracts or summaries from this document are shown in blue.

The following definitions are from the OLG's Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW (2009, page 3).

Councillor expenses and facilities policy: The Policy prepared under the Guidelines on the payment of expenses and the provision of facilities to Mayors and Councillors.

Expenses: Payments made by Council to reimburse Councillors for reasonable costs or charges incurred or to be incurred for discharging their civic functions. Expenses must be outlined in the Council's Policy and may be either reimbursed to a Councillor or paid directly by Council for something that is deemed to be a necessary expense to enable them to perform their civic functions. Expenses are separate and additional to annual fees.

Facilities: Equipment or services that are provided by Council to Councillors to enable them to perform their civic functions with relative ease and at a standard appropriate to their professional role as Councillors.

Functions of civic office/civic functions: Functions that Councillors are required to undertake to fulfil their legislated role and responsibilities for the Council that should result in a direct benefit for Council and/or for the local government area.

5. REVIEW PROCESS AND ENDORSEMENT

Council is required, under Section 252 of the Local Government Act (the Act), to adopt a policy on the payment of expenses and the provision of facilities to the Mayor and other Councillors ~~each year. This is to occur within 5 months of the end of the financial year~~ **within the first 12 months of each term of a council.**

Section 253 of the Act requires that Council give public notice of at least 28 days of its intention to adopt or amend this policy, even if there is no proposed change to the policy. ~~Council is also required to provide the Office of Local Government with the adopted policy, the public notice and any submissions received.~~

Council may amend and adopt the policy at other times of the year without public notice, if the amendments are "not substantial" (Office of Local Government Guidelines).

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6. NO PRIVATE BENEFIT WITHOUT PAYING PRIVATE OR POLITICAL BENEFIT

- a. *Councillors must not obtain private or political benefit from any expense or facility provided under this policy.*
- b. *Council will determine the value of the benefit that is to be invoiced to the Councillor in a non-confidential session of a Council Meeting. The Councillor shall then repay Council the value within four weeks of the determination.*
- c. *Councillors should avoid obtaining any greater private benefit from Council than an incidental benefit. Where there are unavoidable circumstances and more substantial private use of council facilities does occur, Councillors must reimburse the council.*
- d. *Campaigns for re-election are considered to be a political benefit. The following are examples of what is considered to be a political interest during a re-election campaign:*
 - *production of election material*
 - *use of council resources and equipment for campaigning*
 - *use of official council letterhead, publications, websites or services for political benefit*
 - *fundraising activities of political parties or individuals, including political fundraising events.*

Council may disburse money only if the disbursement is authorised by the Local Government Act, either expressly or because it is supplemental, incidental to or consequential upon the exercise of its functions.

Guidelines

Councillors should not obtain private benefit from the provision of equipment and facilities, including from travel bonus programs such as 'frequent flyer' schemes or any other such loyalty programs while on Council business. However it is acknowledged that incidental use of council equipment and facilities may occur from time to time. Such incidental private use is not subject to a compensatory payment back to council.

Where more substantial private use does occur, the Act provides that a payment may be made to cover the level of that private use (refer s252(2)). Councillors should not obtain more than incidental private use of facilities.

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Part B – Expenses and Use of Resources

7. CONDUCT

7.1 KEY PRINCIPLES

Guidelines

Councillors must act lawfully, honestly and exercise a reasonable degree of care and diligence in carrying out their functions under the *Local Government Act* or any other Act. This is required under section 439 of the *Local Government Act* and reinforced in the Model Code of Conduct made under section 440 of the Act.

7.2 USE OF RESOURCES BY COUNCILLORS

Code of Conduct

You must use council resources ethically, effectively, efficiently and carefully in the course of your official duties, and must not use them for private purposes (except when supplied as part of a contract of employment) unless this use is lawfully authorised and proper payment is made where appropriate.

You must be scrupulous in your use of council property, including intellectual property, official services and facilities, and must not permit their misuse by any other person or body.

You must avoid any action or situation that could create the appearance that council property, official services or public facilities are being improperly used for your benefit or the benefit of any other person or body.

You must not use council resources, property or facilities for the purpose of assisting your election campaign or the election campaign of others unless the resources, property or facilities are otherwise available for use or hire by the public and any publicly advertised fee is paid for use of the resources, property or facility.

You must not use council letterhead, council crests and other information that could give the appearance it is official council material for: the purpose of assisting your election campaign or the election campaign of others, or for other non-official purposes.

You must not convert any property of the council to your own use unless properly authorised.

You must not use council's computer resources to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature.

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7.3 ACCOUNTABILITY AND TRANSPARENCY

Guidelines

Councillors can only receive reimbursement for expenses and the use of facilities when these are clearly identified in the Policy.

8. GENERAL EXPENSE ALLOWANCE

Regulation – Clause 403

A policy under section 252 of the Act must not include any provision enabling a council to pay any councillor an allowance in the nature of a general expense allowance.

Guidelines

In accordance with clause 403 of the Regulation, there is no provision under this policy for a general expense allowance. A general expense allowance is a sum of money paid by a Council to a Councillor to expend on an item or a service that is not required to be receipted and/or otherwise reconciled according to a set procedure and within a specific timeframe.

Advice from the Office of Local Government (OLG)

On 25 August 2011 the OLG advised that the provisions of the Local Government Act 1993 and the Local Government (General) Regulation 2005 do not allow for Council to provide Councillors with a monthly base rate. Furthermore, the OLG stated that the Act and Regulation do not allow for Council to reimburse Councillors without the receipt of appropriate supporting documentation showing the expense incurred.

The OLG noted that any payment made to Councillors by Council without the presentation of appropriate documents showing expenses constitutes a “disbursement”. The OLG advised that this practice is to be discouraged by Councils. Correspondingly, the OLG clarified that a “reimbursement” is an entitlement provided to Councillors after they have incurred an expense. Reimbursements are to be provided to Councillors only upon receipt of appropriate supporting documentation showing the expense incurred.

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8.1 MONETARY LIMITS

Monetary limits are stated in this Policy against each expense category as required. These monetary limits set out the maximum amount payable in respect of any facility or expense. Any additional cost incurred by a Councillor in excess of any limit set shall be considered a personal expense that is the responsibility of the Councillor. All monetary amounts stated are exclusive of GST.

Where expense limits are specified in this Policy, these given limits and requirements apply whether the item is purchased via direct payment by Council or reimbursement to the Councillor.

For the purposes of transparency and accountability, monetary limits are highlighted throughout this document where appropriate and also summarised in the table in the 'Policy Summary' section of this policy.

8.2 TIME LIMITS

Reimbursement of costs and expenses to Councillors must be made within 3 months of the cost or expense being incurred.

8.3 USE OF COUNCIL RESOURCES FOR POLITICAL PURPOSES.

Guidelines

The Code of Conduct provides that council resources must be used ethically, effectively, efficiently and carefully. Council property including intellectual property, official services and facilities must not be misused by any person or body for private benefit or gain. Councillors must also avoid any action or situation that could create the appearance that council resources are being used inappropriately.

A person's re-election is considered to be a personal interest. Official council material such as letterhead, publications, websites as well as council services and forums must not be used for such personal interests. Situations in which the appearance may be given that these are being used for such purposes are also to be avoided.

The fundraising activities of political parties, including political fundraising events, are considered to be personal interests. Councils will not pay expenses or provide facilities to Councillors in relation to supporting and/or attending such activities and events.

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8.4 GIFTS AND BENEFITS

City of Ryde adopted a 'Thank you is Enough' - Gifts and benefits policy in September 2013 that requires all Council public officials (Councillors, staff, Council committee members etc.) to refuse gifts and benefits offered by any customers, suppliers or contractors. Public officials are required to declare any offers of gifts or benefits (including hospitality), even when refused, no matter what the value. Records of the declarations are maintained in a public register. The process with regard to Gifts and Benefits is set out in Council's adopted Gifts and Benefits Policy.

8.5 PAYMENT OF COUNCILLOR FEES

Local Government Act – Section 248A

~~Under Section 248A of the Act, Council must not, unless otherwise permitted, pay an annual fee to a Councillor for any period during which the Councillor is suspended from office or the right to be paid any fee is suspended.~~
A Council must not at any time pay any fee or other remuneration, or any expenses, to which a Councillor would otherwise be entitled as the holder of a civic office, in respect of any period during which:

(a) the Councillor is suspended from civic office under this Act, or

(b) the Councillor's right to be paid any such fee or other remuneration, or expense, is suspended under this Act, unless another provision of this Act specifically authorises payment to be made, or specifically permits a person to authorise payment to be made, when the suspension is terminated.

Local Government Act – Section 254A

Under Section 254A of the Act, Council may resolve that an annual fee not be paid to a Councillor or the amount reduced if the Councillor is absent, with or without leave, from meetings of the Council for a period not more than 3 months or in any circumstances prescribed by regulation. A fee must not be paid if the period of absence exceeds 3 months.

Regulation – Clause 404

Under clause 404 of the Regulation, a prescribed circumstance for non-payment or reduction of a Councillor's annual fee is where payment would adversely affect the Councillor's entitlement to a pension, benefit or allowance and the Councillor is agreeable to the non-payment or reduction.

A Councillor may elect not to accept any entitlement under this Policy, except that the Mayor and every Councillor must be paid the appropriate minimum fees determined by the Local Government Remuneration Tribunal (unless the provisions of Section 254A of the Act apply). Payment of the appropriate minimum fees determined by the Remuneration Tribunal is a requirement of Sections 248 (4) and 249 (4) of the Act.

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Advice from the OLG – Surrendering Fees

On 25 August 2011 the Office of Local Government (OLG) advised that as the payment of expenses incurred by Councillors is an entitlement and is distinct to the provision of Councillor fees set out by the Local Government Remuneration Tribunal of NSW, Council does not have the capacity to “surrender” Councillor entitlements, and therefore does not have the ability to donate the entitlements to a charity.

However, the OLG confirmed that Section 404 of the Local Government (General) Regulation 2005 provides that Councillors can agree to a “non-payment or reduction” in their Councillor fees. The OLG stated that Councillors have an option to donate all or part of their Councillor fees to a charity organisation.

- (1) An annual fee is paid to each Councillor by the Council. The fee is the amount fixed by the Council under Division 5 of Part 2 of Chapter 9 of the Act in accordance with the appropriate determination of the Local Government Remuneration Tribunal.
- (2) Unless otherwise provided for in this policy, the annual fee paid to each Councillor is intended to offset the costs involved in discharging the functions of civic office including, but not limited to, all incidental and out-of-pocket expenses relating to transport, clothing, home office, home telephone and postage costs.
- (3) All fees payable under this policy shall be paid monthly in arrears for each month (or part of a month) for which the Councillor holds office.
- (4) Unless otherwise stated, no entitlement under this Policy shall be treated as being a private benefit that requires a reduction in a Councillor’s Fee.

8.6 PAYMENTS IN ADVANCE

- (1) Councillors may request an advance payment for the cost of any service or facility covered by the Policy.
- (2) Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home.
- (3) Councillors must fully reconcile all expenses against the cost of the advance within one (1) week of their return, with receipts, and submit these details to the General Manager or his/her delegated employee for verification. Any unspent money is required to be returned at this time.
- (4) The maximum value of a cash advance is \$500.

Timeframe	Maximum amount
Reconcile within 1 week	\$500.00

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9. SPECIFIC EXPENSES

9.1 TRAINING AND EDUCATION EXPENSES

- (1) An induction program shall be conducted by the General Manager for Councillors upon election to Council and every subsequent re-election. This program may include the provision of resources and the attendance at training courses.
- (2) Provision for other training and education for Councillors will be made separately in Council's budget via the adopted Delivery Plan. All Councillors will be offered the same access to the same training in accordance with the budget allocated.

9.2 ATTENDANCE AT SEMINARS AND CONFERENCES

- (1) Prior Council approval is required for Councillors to attend seminars or conferences on behalf of the Council. A report must be included in the Council business papers and should give the purpose of the seminar, conference and training course, expected total costs, expected benefits for Councillors to attend and the names of Councillors who have indicated an interest to attend.
- (2) When determining attendance at conferences and seminars, consideration will be given to the Councillor Attendance at Conference guidelines.
- (3) Where a Councillor is no longer able to attend a conference or seminar for which endorsement has been given, they must advise the General Manager as soon as practicable, to facilitate the attendance of an alternate Councillor.
- (4) Where a Councillor provides less than 24 hours notice with regard to clause (3) above, and where no sufficiently substantial reason is provided, the Councillor may be liable, by way of Council resolution, for any related costs Council is unable to recover.
- (5) After returning from the seminar, conference or training course, the Councillor/s, or accompanying member of Council staff, shall provide a written report to Council on the aspects of the event relevant to Council business and/or the local community within two (2) months of the event. This report will be included in the Councillors' Information Bulletin.

No written report is required for the annual Local Government NSW Conference, the Australian Local Government Association Conference or for compulsory training courses or seminars required by any Government agency.

- (6) Council will pay the seminar, conference or training course registration fees charged by the organisers including the costs of related official meals and associated tours where they are relevant to the business and interests of Council.

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Any time and costs incurred in undertaking activities not related to attendance at the event shall not be included in the expenses paid by Council.

- (7) Council will also meet the cost of meals (and reasonable cost of drinks) when they are not otherwise included in the training, conference or seminar fees. Each Councillor is entitled to seek reimbursement for up to three meals per day to a maximum of \$100 a day. Official receipts will be required for reimbursement under this clause.

Quantity	Maximum amount
Up to 3 meals per day	\$100 per day

- (8) No payment shall be reimbursed for any component of a ticket that is additional to the cost of the function, such as a donation to a political party, candidate's electoral fund or some other private benefit.
- (9) Council will meet the reasonable cost of transportation and accommodation associated with attendance at the seminar, conference or training course.
- (10) Any accommodation required by Councillors will be provided by Council subject to availability, access to venue and cost. A reasonable standard of accommodation is considered to be 4 – 4.5 star although 5 star accommodation will be provided where no suitable alternative accommodation is available. The cost of any upgrade shall be the responsibility of the Councillor. Where possible, Council will make payment of the accommodation booking prior to the date of arrival.
- (11) Council shall provide Councillors with taxi vouchers for travel to a seminar, conference or training course. Councillors must ensure that any unused vouchers and the receipts of used vouchers are provided to Council within seven (7) days of the event.
- (12) Alternatively, Council will meet the actual costs for public transport, taxis or hire-cars for travel on Council related business.
- (13) Council shall reimburse transport expenses incurred by a Councillor while using their own private vehicle for Council related business.

This will be by way of a reimbursement for each kilometre travelled for the specific journey, plus any road tolls and parking fees necessarily incurred. The rate of reimbursement for kilometres travelled shall be equivalent to the rates prescribed in the relevant legislation or policies applicable to employees of the Council.

- (14) Council is not liable for any traffic, parking or transport fines, or costs of petrol, oil, depreciation, repair, maintenance, insurance or registration incurred by Councillors while using their private vehicles on Council related business.

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9.2.1 ATTENDANCE AT CONFERENCES – SUPPLEMENTARY CITY OF RYDE PROVISION

Council acknowledges the value of Councillor attendance at conferences to enable them to be both knowledgeable and current on issues affecting the City of Ryde. In order to ensure that attendance at conferences is equitable, transparent and consistent, attendance will be limited as follows:

1. Local Government NSW Annual Conference – the number of voting delegates plus one (to a maximum of eight Councillors). Details of the delegates and attendee are to be determined by resolution of Council.
2. Australian Local Government Association Conference.
3. In addition, to 1 and 2 above, every Councillor is entitled to attend one conference in either NSW, Canberra, metropolitan Brisbane or metropolitan Melbourne. The conference must directly relate to the business of Council. More than one Councillor may attend the same conference if Council resolves that this will be beneficial for both Council and the Councillors concerned.
4. Within two (2) months following the conference the attending Councillor must report to Council on the proceedings of the conference. That report will be included in the Councillors' Information Bulletin. This action is not required for the Local Government NSW Annual Conference or the Australian Local Government Association Conference.
5. No Councillor can attend a conference at Council's expense without the prior approval of Council. Reports to Council are to include details of the conference and an estimate of the associated costs including registration, transport and accommodation.
6. Council may resolve that a Councillor can attend more than one conference per year but this determination will be dependent on budgetary constraints and with an emphasis on ensuring that all Councillors have equal access to conferences.
7. Each year, as part of the review of the Policy on Expenses and Facilities for the Mayor and other Councillors, Council officers will provide a full report of expenditure and conference attendance by Councillors.

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9.3 TRAVEL

Guidelines

All travel by Councillors should be undertaken by utilising the most direct route and the most practicable and economical mode of transport subject to any personal medical considerations.

9.3.1 LOCAL TRAVEL ARRANGEMENTS AND EXPENSES

- (1) Council shall reimburse travel expenses incurred by Councillors for travel on Council related business
- (2) Under normal circumstances, Councillors are expected to provide their own transport to and from the Council Offices and the Councillor's home and/or place of work for the purpose of undertaking Council business.
- (3) Transport to and from the Council Offices and a Councillor's home and/or place of work may be provided by Council at the discretion of the General Manager having regard to the circumstances, if it is not practicable for a Councillor to use his or her normal method of transport.
- (4) Travel expenses include use of private vehicle, use of public transport, taxis, hire cars, travel using a Council vehicle and associated costs such as parking and road tolls. Private vehicle expenses will be reimbursed using the kilometre rate prescribed in the relevant legislation or policies applicable to employees of the Council. Actual costs will be reimbursed for other travel expenses.
- (5) Council is not liable for any traffic, parking or transport fines, or costs of petrol, oil, depreciation, repair, maintenance, insurance or registration incurred by Councillors while travelling on Council related business.
- (6) A Council vehicle (with or without a driver), a hire car, or a taxi voucher may be provided to a Councillor for the purpose of attending any Council related event at the discretion of the General Manager having regard to the circumstances.
- (7) Nothing in this Policy prevents a Councillor from travelling in a Council vehicle with a staff member who is also attending any Council related event.

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9.3.2 INTRASTATE TRAVEL

- (1) Council shall reimburse Council business related travel expenses by a Councillor while using their own private vehicle, by way of a reimbursement for each kilometre travelled for the specific journey, plus any road tolls and parking fees necessarily incurred. The rate of reimbursement for kilometres travelled shall be equivalent to the rates prescribed in the relevant legislation or policies applicable to employees of the Council.
- (2) Council is not liable for any traffic, parking or transport fines, or costs of petrol, oil, depreciation, repair, maintenance, insurance or registration incurred by Councillors while using their private vehicles on Council related business.
- (3) Councillors travelling into country NSW may choose the mode of transport that is most suitable, considering economy and convenience. Air travel will require prior approval.
- (3) If any intrastate travel requires payment or reimbursement of accommodation expenses, please refer to Section 'Accommodation costs', as prior approval is required.

9.3.3 INTERSTATE TRAVEL (INCLUDING ACT)

- (1) Prior Council approval is required for interstate travel for which reimbursement or payment is sought by Councillors. Any proposal for Councillors to travel interstate is to be included in the non-confidential business papers of Council, for which due public notice has been given. Such a proposal cannot be considered in a late report or Mayoral Minute.
- (2) Applications for interstate travel must be made in writing, giving full details of the travel including: itinerary, expected total costs, reasons for the travel and expected benefits. Council does not allow the retrospective approval of reimbursement of such travel expenses, therefore all expenses must be approved in advance.
- (3) Upon return from interstate travel, the Councillor, or an accompanying member of Council staff, shall provide a written report to Council on the aspects of the trip relevant to Council business and/or the local community, within two (2) months of the trip. This report will be included in the Councillors' Information Bulletin.
- (4) Economy class air travel will be provided as standard for travel within Australia. The cost of any upgrade shall be the responsibility of the Councillor. Councillors are not entitled to receive private benefits relating to travel bonuses such as frequent flyer schemes and other loyalty programs.

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- (5) Where trains are used, first class train travel will be provided, including sleeping berths where available.
- (6) Council shall meet the cost of any transfers between a Councillor's residence and a transport interchange (ie: airport) and between the transport interchange and hotel or venue. These costs are not to exceed the cost of taxi fares.

9.3.4 OVERSEAS TRAVEL

Guidelines

It is strongly recommended that Council scrutinise the value and need for Councillors to undertake overseas travel. Councillors should avoid international visits unless direct and tangible benefits can be established for Council and the community.

- (1) Council approval is required for overseas travel for which reimbursement is sought by Councillors. Any travel proposals for Councillors to travel overseas are to be included in the non-confidential business papers of Council for which due public notice has been given. Such proposals cannot be considered in a late report or Mayoral Minute.
- (2) Applications for overseas travel must be made in writing, giving full details of the travel including itinerary, expected total costs, reasons for the travel and expected benefits. Council does not allow the retrospective reimbursement of such travel expenses therefore expenses must be approved in advance.
- (3) Upon return from overseas travel, the Councillor, or an accompanying member of Council staff, shall provide a written report to Council on the aspects of the trip relevant to Council business and/or the local community, within two (2) months of the trip. This report will be included in the Councillors' Information Bulletin.
- (4) Economy air class will be provided for approved overseas travel. Councillors are not entitled to receive private benefits relating to travel bonuses such as frequent flyer schemes and other loyalty programs.
- (5) Council shall meet the cost of any transfers between a Councillor's residence and the airport and between the airport and hotel or venue. These costs are not to exceed the cost of taxi fares.
- (6) Independently funded travel - Council officials who travel to cities that have a Friendship or Partnership relationship with the City of Ryde, are only able to present themselves as representing Council, if this representation has been endorsed by Council prior to the visit.

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9.4 ACCOMMODATION COSTS

- (1) Council shall meet the costs of accommodation for Councillors travelling on Council business, when prior approval has been granted by Council.
- (2) Where possible, Council will make payment of the accommodation booking prior to the date of arrival
- (3) Any accommodation required by Councillors will be provided by Council subject to availability, access to venue and cost. A reasonable standard of accommodation is considered to be 4 – 4.5 star although 5 star accommodation will be provided where no suitable alternative accommodation is available. The cost of any upgrade shall be the responsibility of the Councillor.

9.5 INCIDENTAL EXPENSES

Guidelines

Reasonable out of pocket or incidental expenses associated with Councillors attending conferences, seminars or training courses may be reimbursed, provided that it can be demonstrated that the expenses were actually incurred and that established reconciliation procedures are followed; for example, the completion of a claim form. The claim form must include an itemised account of expenditure and should not be general in nature.

Incidental expenses could reasonably include telephone calls, refreshments, internet charges, laundry and dry cleaning newspapers, taxi fares and parking fees.

- (1) Council shall reimburse reasonable out of pocket or incidental expenses associated with attending conferences, seminars or training courses, and other prior approved travel, incurred by Councillors.
- (2) Incidental expenses include, but are not limited to, in-house hotel television, telephone calls, internet charges, refreshments, laundry and dry cleaning, and newspapers.
- (3) Each Councillor is entitled to seek reimbursement up to \$20 per day for the purposes of Clause 9.5.

Timeframe	Maximum amount
Per day	\$20

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9.6 LEGAL ASSISTANCE PROVISIONS AND EXPENSES

Guidelines

Legal costs must only be provided where the investigative or review body makes a finding that is not substantially unfavourable to a Councillor. This may include circumstances in which a matter does not proceed to a finding.

Council must not meet the legal costs of legal proceedings initiated by a Councillor under any circumstances

Council must not meet the legal costs of a Councillors seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.

Legal costs must not be met for legal proceedings that do not involve a Councillor performing their role as a Councillor.

(1) Council may, if requested, indemnify or reimburse the reasonable legal expenses of:

- (a) a Councillor defending an action arising from the performance in good faith of a function under the Local Government Act; or
- (b) a Councillor defending an action in defamation, provided the statements complained of were made in good faith in the course of exercising a function under the Act;
- (c) a Councillor for proceedings before an appropriate investigative or review body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the investigative or review body makes a finding substantially favourable to the Councillor.

Clause (c) applies only when the subject of the inquiry, investigation or hearing arises from the performance in good faith of a Councillor's functions under the Act and the matter before the investigative or review body has proceeded past any initial assessment phase to a formal investigation or review.

(2) In the case of a conduct complaint made against a Councillor, legal costs will only be made available where the matter has been referred by the General Manager to a conduct reviewer or conduct review panel to make formal enquiries into that matter in accordance with Council's Code of Conduct.

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- (3) In the case of a pecuniary interest or misbehaviour matter, legal costs will only be made available where a formal investigation has been commenced by the Office of Local Government.
- (4) Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Councillor has done during his or her term in office. For example, expenses arising from an investigation as to whether a Councillor acted corruptly would not be covered by this section.
- (5) Council will not meet the costs of an action in defamation taken by a Councillor as plaintiff in any circumstances and will not meet the costs of a Councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.
- (6) Council will not meet the legal costs of legal proceedings initiated by a Councillor under any circumstance.
- (4) Reimbursement of expenses for reasonable legal expenses must have Council approval by way of a resolution of Council at a Council meeting prior to costs being incurred.

9.7 INSURANCE

Guidelines

Section 382 of the Act requires Council to make arrangements for its adequate insurance against public liability and professional liability.

All insurances are to be subject to any limitations or conditions set out in Council's policy of insurance.

- (1) In accordance with Section 382 of the *Local Government Act*, Council is insured against public liability and professional indemnity claims. Councillors are included as a named insured on this Policy.
- (2) Councillors are provided additional liability protection by way of the Councillors and Officers Liability Policy, and personal injury protection by way of the Personal Accident Policy.

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- (3) Insurance protection is only provided if a claim arises out of or in connection with the Councillor's performance of his or her civic duties, or exercise of his or her functions as a Councillor. All insurances are subject to any limitations or conditions set out in the policies of insurance.
- (4) Council shall pay the insurance policy excess in respect of any claim accepted by Council's insurers, whether defended or not.

9.8 COMMUNICATION EXPENSES

Guidelines

The OLG advises against Council including a provision in their Policy for expenses for individual Councillors or groups of Councillors to produce and disseminate personalised pamphlets, newsletters and the like.

Regardless of the intention, such activities may be perceived as using Council resources for private political benefit and would therefore be contrary to the spirit of the *Local Government Act* and Code of Conduct.

Councils should establish a monthly monetary limit for the cost of official mobile landline and facsimile calls made by Councillors. A system should also be established to reconcile all telephone call costs claimed with account statements. Councils should also consider limiting expenses for internet use.

- (1) Councillors are entitled to seek reimbursement for communications costs and expenses covering the areas of email, internet, telephone (both fixed and mobile), website and postage.
- (2) Each Councillor is entitled to seek reimbursement up to \$300 per month (\$3,600 per annum) for the purposes of this clause.
- (3) Where the communication costs include the provision of a communication device through a communication plan, Council shall reimburse the costs associated with the plan, including email, internet and telephone access and usage. Communication costs also include expenses incurred by a Councillor for the proportion of leasing, renting or repayment costs associated with any communication device used by a Councillor in undertaking their role as a Councillor.
- (4) Council may provide Councillors with a mobile phone and call plan in lieu of the individual Councillor seeking reimbursement for mobile telephone costs. It is noted that there may be a small proportion of incidental private/personal use.

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- (5) Reimbursement of costs and expenses to Councillors under 'Communication costs' will only be made upon the production of appropriate receipts, tax invoices, credit card statements or receipt numbers in the name of the Councillor, and the completion of the "Request for Councillor Reimbursement" form.
- (6) Councillors are not entitled to claim any communication costs associated with the production or dissemination of personalised pamphlets, newsletters and the like.

Timeframe	Maximum amount
Per annum	\$3,600
example average (per month)	\$300

9.9 ATTENDANCE AT DINNERS AND OTHER NON-COUNCIL FUNCTIONS

Guidelines

Consideration may be given to meeting the cost of Councillor's attendance at dinners and other non-Council functions that provide briefings to Councillors from key members of the community, politicians and business. Approval to meet expenses should only be given when the function is relevant to the Council's interest. Only the cost of the service provided should be met.

No payment should be made by a Council for attendance by a Councillor at any political fundraising event, for any donation to a political party or candidate's electoral fund, or some other private benefit. Council should ascertain whether any expenses to be incurred would be directed towards such events and activities prior to approving expenditure.

- (1) Councillors are entitled to seek reimbursement for attendance at dinners and other non-Council functions that provide briefings to Councillors from key members of the community, politicians and business.
- (2) Approval for reimbursement in accordance with the above should be sought prior to the event and be done in writing to the General Manager.
- (3) Each Councillor is entitled to seek reimbursement up to \$300 per annum for the purpose of this section. Official receipts are required to claim reimbursement under this clause.
- (4) No payment shall be reimbursed for any component of a ticket that is additional to the cost of the function, such as a donation to a political party, candidate's electoral fund or some other private benefit.

Timeframe	Maximum amount
Per annum	\$300

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- (5) Councillors who are Executive Members of an organisation of interest to Council as indicated in a Council resolution, shall be entitled to seek reimbursement and support for their attendance at the Executive Meetings held by the organisation.

Council will meet the cost of the Councillor's transportation and accommodation expenses, including the cost of meals. The support provided to Councillors in their capacity as an Executive Member of an organisation shall only be valid for the period they hold such a position.

9.10 CARE AND OTHER RELATED EXPENSES

Guidelines

Council makes provision for the reimbursement of the reasonable cost of care arrangements, including childcare expenses and the care of elderly, disabled and/or sick family members of Councillors, to allow Councillors to undertake their Council business obligations.

- (1) Where a Councillor has responsibilities for the care and support of any relative, the Council may reimburse the actual cost incurred by the Councillor to engage professional care for the relative whenever considered necessary by the Councillor in order for the Councillor to discharge the functions of civic office.
- (2) In this clause, *relative* shall have the same meaning as set out in the Dictionary in the Local Government Act.

Relative, in relation to a person, means any of the following:

- (a) *the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child of the person or of the person's spouse;*
- (b) *the spouse or de facto partner of the person or of a person referred to in paragraph (a)*

- (3) The total amount paid to a Councillor under sub-clause (1) shall not exceed \$6,000.00 in the 12 month period from October to September.

Timeframe	Maximum amount
Per annum	\$6,000.00

- (4) **Council encourages wide participation and interest in civic office. It will seek to ensure council premises and associated facilities are accessible, including provision for sight or hearing impaired councillors and those with other disabilities.**

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- (5) Where a Councillor has a special requirement, such as disability and access needs, Council shall meet reasonable costs and expenses required in order for that Councillor to discharge the functions of civic office.
- (6) The total amount paid to a Councillor under sub-clause (5) shall not exceed \$6,000.00 in the 12 month period from October to September. It should be noted however, that Council can approve additional expenditure in extenuating circumstances.

Timeframe	Maximum amount
Per annum	\$6,000.00 25% of annual Councillor fee

- (7) Each application for care and support of a relative or for meeting the special requirements of a Councillor is to be made in writing to the General Manager or his/her delegated officer and will be assessed on its merits. The General Manager may use his/her discretion to refer the matter to Council for determination.

9.11 EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Guidelines

There may be limited instances where certain costs incurred by the Councillor on behalf of their spouse, partner or accompanying person are properly those of the Councillor in the performance of his or her functions. An accompanying person is a person who has a close personal relationship with the Councillor and/or provides carer support to the Councillor.

Meeting the reasonable costs of spouses and partners or an accompanying person for attendance at official Council functions that are of a formal and ceremonial nature, is considered appropriate when accompanying Councillors within the local government area. Such functions would be those that a Councillor's spouse, partner or accompanying person could be reasonably expected to attend.

Consideration should also be given to the payment of expenses for the spouse, partner or accompanying person of a mayor, or a Councillor when they are representing the mayor, when they are called on to attend an official function of council or carry out an official ceremonial duty while accompanying the mayor outside the council's area, but within the State.

The payment of expenses for spouses, partners or accompanying persons for attending appropriate functions as permitted above should be confined specifically to the ticket, meal and/or the direct cost of attending the function. Peripheral expenses incurred by spouses, partners or accompanying persons such as grooming, special clothing and transport are not considered reimbursable expenses.

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Limited expenses of spouses, partners or accompanying persons associated with attendance at the ~~Local Government and Shires Associations' annual conferences (now known as the Local Government NSW Annual Conference)~~ could be met by Council. These expenses should be limited to the cost of registration and official conference dinners. Travel expenses, any additional accommodation expenses and the cost of partner/accompanying person tours etc. would be the personal responsibility of individual Councillors.

The above circumstances should be distinguished from spouses, partners or accompanying persons who accompany a Councillor at any event or function outside the local government area, including interstate and overseas, where the costs and expenses of the spouse or partner or accompanying person should not be paid by Council (with the exception of the Local Government NSW Annual Conference as noted above).

The above examples should also be distinguished from circumstances where spouses, partners or accompanying persons accompany Councillors at seminars and conferences and the like. In these situations all costs, including any additional accommodation costs, must be met by the Councillor or the spouse/partner/accompanying person.

Advice from the OLG – Expenses for spouses, partners and accompanying persons

On 8 August 2014, the OLG advised that:

- (1) The Local Government and Shires Associations' annual conference, as given in paragraph 3 of the Guidelines, refers to the newly named Local Government NSW only. It does not include the Australian Local Government Association (ALGA) conference(s).
- (2) At the LG NSW Annual Conference, payment for "partner programs" is the personal responsibility of Councillors. Only registration and official conference dinner tickets for spouses, partners or accompanying persons are to be paid or reimbursed by Council.
- (3) Additional travel expenses (ie beyond travelling in a car with a Councillor) for a spouse, partner or accompanying person while attending any conference (including the LG NSW annual conference), function or event etc, are not to be funded by Council.

- (1) In limited circumstances, Council shall meet certain costs incurred by a Councillor on behalf of their spouse, partner or accompanying person that are properly and directly related to the role of the Councillor in the performance of his or her duties, in the Ryde local government area. For example attendance at official Council functions that are of a formal and ceremonial nature when accompanying Councillors.

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- (2) Costs and expenses incurred by the Councillor on behalf of their spouse, partner or accompanying person will be met if the cost or expense relates specifically to the ticket, meal and/or direct cost of attending the function referred to in clause (1) above, including carer costs. Peripheral expenses such as grooming, special clothing and transport are not considered reimbursable expenses.
- (3) In recognition of the importance of a good work and family balance, spouses, partners or accompanying persons are welcome to join Councillors while attending events away from home. In such circumstances, Council will not require reimbursement of costs if no additional travel and accommodation expenses are incurred over and above what would have been expended by the individual Councillor. For example, if the person travels as a passenger in the Councillor's vehicle and are able to be accommodated in the same room already provided as standard to the Councillor, it will be considered that no additional cost has been incurred by Council.
- (4) Where a spouse, partner or accompanying person attends an event away from home with the Councillor, additional costs of the person/s will not be met by Council, with the exception of those associated with the Local Government NSW Annual Conference as addressed in clause (5) below.
- (5) Limited expenses of spouses, partners or accompanying persons associated with attendance at the Local Government NSW Annual Conference will be met by Council. These expenses will be limited to the cost of registration and official conference dinners. Travel expenses, any additional accommodation expenses, and the cost of partner/accompanying person tours etc would be the personal responsibility of individual Councillors.
- (6) Eligible events (ie Local Government NSW Annual Conference, civic events in the Ryde LGA, and civic events throughout NSW for the Mayor or their representative) should be distinguished from circumstances where spouses, partners or accompanying persons accompany Councillors at seminars and conferences and the like. In these situations all costs, including any additional accommodation costs, must be met by the Councillor or the spouse/partner/accompanying person.
- (7) Each Councillor is entitled to seek reimbursement of up to \$300 per annum total under this clause. Official receipts are required to claim reimbursement under this clause.

Timeframe	Maximum amount
Per annum	\$300

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9.12 MEALS AND REFRESHMENTS

- (1) Morning and afternoon tea may be provided to each Councillor when in attendance at the Civic Centre during normal office hours. A meal including drinks may be provided to each Councillor at the Civic Centre whenever the Councillor is required to attend at the Civic Centre, or leave from or return to the Civic Centre, for a Council related event.
- (2) Meals and refreshments may also be provided to Councillors when attending a local community event or festival. The General Manager shall determine when such meals and refreshments are to be provided.
- (3) Meals and refreshments may also be provided to Councillors when attending a seminar, conference or training course, in accordance with Section 'Seminars and conferences'.

10. ADDITIONAL EXPENSES FOR THE MAYOR

10.1 MAYORAL FEE

- (1) An annual fee is paid to the Mayor by the Council. The fee is the amount fixed by the Council under Division 5 of the Local Government Act in accordance with the appropriate determination of the Local Government Remuneration Tribunal.
- (2) Unless otherwise provided for in this Policy, the annual fee paid to the Mayor is intended to offset the additional costs involved in discharging the functions of the Mayoral Office over and above the costs incurred by other Councillors.
- (3) In the event that the Council resolves to pay a fee to the Deputy Mayor to undertake the roles and responsibilities of the office of the Mayor, the amount of such fee shall be deducted from the amount determined to be paid to the Mayor on a pro rata basis for the relevant period.
- (4) All fees payable under this policy shall be paid monthly in arrears for each month (or part of a month) for which the Mayor holds office.
- (5) Unless otherwise stated, no entitlement under this Policy shall be treated as being a private benefit that requires a reduction in the Mayoral Fee.

10.2 CIVIC EXPENSES

- (1) Council shall meet the cost of providing refreshments and associated expenses for civic functions, civic receptions and any other formal event hosted by the Mayor, subject to adequate funds being allocated and available in the Council's adopted Delivery Plan.

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10.3 COMMUNICATION COSTS AND EXPENSES

- (1) Council shall reimburse up to an additional \$250 per month (\$3,000 per annum) for communication costs and expenses for the Mayor, over and above the monthly expenditure limit prescribed in clause 9.8 – Communication Expenses.

Timeframe	Maximum amount
Per annum	\$3,000
(Per month)	(\$250)

Part C – Facilities

11. GENERAL FACILITIES, EQUIPMENT AND SERVICES FOR ALL COUNCILLORS PROVISION OF FACILITIES GENERALLY

- (1) Facilities, equipment and services shall be provided to Councillors to support them in undertaking their role as elected members of the Council.
- (2) The equipment supplied under sub-clause (1) shall be of adequate capacity and functionality to generally undertake the role of Councillor.
- (3) Unless otherwise resolved by the Council, the equipment shall be provided to a Councillor only once during the term of each Council. Council remains in ownership of the equipment and will be responsible for maintenance, replacement, insurance, technology upgrades and supply of consumables. The equipment is required to be returned at the end of the term of each Councillor. At the conclusion of their term, Councillors shall be offered the option to purchase the equipment that they have been in possession of, at current market value. Unless stated otherwise, the Councillor shall be responsible for all other costs of operating this equipment.
- (4) Part 7 of the Code of Conduct describes the responsibilities and obligations of Council officials when using Council resources, particularly in terms of misuse and private use.
- (5) Councillors, where their allocated equipment is damaged, lost or destroyed, are required to report this to Council urgently. If there are repeated instances requiring the equipment to be repaired or replaced, this may be at the Councillors cost.

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11.1 PRIVATE USE OF FACILITIES, EQUIPMENT AND SERVICES

- (1) Council facilities, equipment and services are not to be used for private purposes unless the use is incidental, unavoidable and of a minor nature.
- (2) Should a Councillor obtain substantial private benefit, the Councillor is required to advise the General Manager in writing detailing the extent of the private benefit. Council will determine the value of the benefit that is to be invoiced to the Councillor in a non-confidential session of a Council Meeting. The Councillor shall then repay Council the value within four weeks of the determination.
- (3) Council facilities, equipment and services are not to be used to produce election material or for any other political purposes.
- (4) Unless otherwise stated, no entitlement under this Policy shall be treated as being a private benefit that requires a reduction in the Mayoral or Councillor fees.

12. SPECIFIC PROVISION OF FACILITIES, EQUIPMENT AND SERVICES FOR ALL COUNCILLORS

12.1 STATIONERY AND OTHER ITEMS

- (1) Each Councillor may receive:
 - (a) 2500 sheets of plain white A4 paper per year;
 - (b) 500 plain white DLE envelopes per year;
 - (c) 500 business cards per year in a format agreed by each Councillor;

the year commencing from the date of election to Council and each subsequent anniversary.

Additional supplies of the above stationery items may be provided by the General Manager if considered warranted having regard to the particular needs of any Councillor.

- (2) Each Councillor may be issued from time to time with name badges, a security access card, ties/scarves and other corporate apparel or accessories for personal use. Security access cards are required to be returned when the Councillor ceases to hold office.

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- (3) Stationery is not to be used to produce election material or for any other political purpose.

Timeframe	Maximum amount
Per annum	2,500 sheets of plain A4
Per annum	500 plain white DLE envelopes
Per annum	500 business cards

12.2 HOME OFFICE AND EQUIPMENT

- (1) The following equipment and facilities may be provided by Council at a location nominated by the Councillor:
- (a) a personal computer/laptop with appropriate software
 - (b) a printer
 - (c) an iPad Pro or equivalent
- (2) Alternatively to (1) above, Councillors may choose to be provided with, or receive reimbursement for, information technology equipment and/or software up to a maximum of \$5,000 per term.

12.3 PARKING

- (1) Councillors shall be provided with allocated parking at the Council offices for attendance at meetings and functions in the performance of their role as a Councillor and be provided with a parking permit sticker for use when parking in the North Ryde Office Car Park. Council will not indemnify Councillors for any damage to their vehicles while utilising this facility.
- (2) No other parking concessions within the City of Ryde will be granted.

12.4 SECRETARIAL SUPPORT

- (1) Secretarial support may be provided at the discretion of the General Manager for each Councillor at the Pope Street, Ryde and/or North Ryde Offices. This may include typing, photocopying or use of a telephone. All expenses incurred, including the cost of staff, shall be met by the Council.

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12.5 DELIVERY OF MATERIAL

- (1) At least once each week, each Councillor may receive a delivery of material from Council including business papers, correspondence, newspapers etc delivered to one property address nominated by the Councillor.

12.6 COUNCIL MEETING CHAMBER AND LIBRARY MEETING ROOMS

- (1) Councillors may use the Council Meeting Chamber or access the meeting rooms at the library as available and in accordance with the relevant booking process, for the purposes of meeting with the public during operating hours and free of charge. The nature of the meeting must relate to Council business.
- (2) Council facilities are not to be used for any political purpose.

13. ADDITIONAL PROVISIONS FOR THE MAYOR

13.1 MAYORAL OFFICE

- (1) A furnished Mayoral Office shall be provided by the Council at the Pope Street, Ryde and North Ryde Offices, including a computer with office and related software (including access to email and internet).

13.2 SECRETARIAL SUPPORT

- (1) Secretarial support shall be provided by the Council. All necessary staff, office equipment, furnishings, printing, stationery, postage and other general office expenses shall be met by the Council, subject to adequate funds being available in the Council's adopted Delivery Plan.

13.3 MOTOR VEHICLE AND OTHER TRAVEL FACILITIES

Regulation – Clause 403 and Act - Section 252

A policy, under section 252 of the Act, must not include any provision enabling a council to make a motor vehicle owned or leased by the council available for the exclusive or primary use or disposition of a particular Councillor, other than a Mayor.

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Guidelines

Generally, a fully serviced and maintained vehicle, including a fuel card, should be provided for the sole use of the Mayor.

Councillors, including the Mayor, should only obtain incidental private benefit from the provision of a motor vehicle for official use unless the Policy specifically provides for private use and has a mechanism in place for a payment to be made for that private use.

- (1) An appropriate vehicle shall be provided in accordance with Council's available list and shall be fully maintained for use by the Mayor for Council related business. The vehicle may be used for incidental private purposes by the Mayor.
- (2) Should substantial private use occur the Mayor is to reimburse to Council the cost of this private use, which will be calculated using the mileage rates prescribed in the relevant legislation or policies applicable to employees of Council.
- (3) A car parking space shall be allocated at the Pope Street Top Ryde and North Ryde office for the Mayoral vehicle.
- (4) Should the Mayor elect not to make use of the vehicle for the length of their term, it will be disposed of appropriately. The Mayor will be entitled to reimbursement for all Council related travel expenses in accordance with the mileage rates prescribed in the relevant legislation or policies applicable to employees of Council.
- (5) Reimbursements will be made upon the production of an appropriate vehicle mileage log and the completion of a "Request for Councillor Reimbursement" form.
- (6) Additionally, the Mayor is entitled to a Cabcharge card for travel on Council related business. The card is not to be used for private travel and the card is not to be used to provide gratuities to drivers.

The Cabcharge card is to be used in accordance with the City of Ryde Credit Card policy. Cabcharge receipts are to be collected and submitted to Council for reconciliation against monthly statements, and the cardholder is required to immediately inform Council should the card be lost or stolen.

13.4 CEREMONIAL CLOTHING

- (1) The Mayor shall be supplied with a suitable robe and chains of office.

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13.5 OTHER EQUIPMENT AND FACILITIES

- (1) In addition to equipment and facilities already provided to the Mayor as a Councillor, the Mayor shall be entitled to the following equipment and facilities:
- (a) an additional 500 business cards per year of term in a format agreed by the Mayor,
 - (b) 200 Christmas Cards per year of term,
 - (c) corporate attire and presentation gifts for use in connection with civic and ceremonial functions for example: tie, scarfs, mementos
- (2) The General Manager shall have discretion to provide the Mayor with further equipment and facilities, not otherwise specified in this Policy, subject to funding being made available in the adopted Delivery Plan, and that the provision of such equipment or facilities is reasonable for the efficient and effective performance of the Office of the Mayor. Should the General Manager exercise his/her discretion to provide the Mayor with further equipment and facilities, not otherwise specified in this Policy, a report detailing the provision shall be presented to Council.

Timeframe	Maximum amount
Per annum	200 Christmas cards
Per annum	Additional 500 business cards

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Part D – Processes

14. APPROVAL, PAYMENT AND REIMBURSEMENT ARRANGEMENTS

- (1) All expenses and costs incurred must be in accordance with the requirements of this Policy.
- (2) Reimbursement of costs and expenses to Councillors will only be made upon the production of appropriate receipts and tax invoices, and the completion of the "Request for Councillor Reimbursement" form **[Appendix III]**.
- (3) If receipts and tax invoices are not able to be submitted, a Councillor shall be required to sign a Statutory Declaration to confirm that the expense was incurred. If a Statutory Declaration is provided in lieu of receipts and tax invoices, Councillors are required to personally retain any supporting documentation for audit purposes and shall be required to produce this documentation to Council upon request. Councillors are advised that Council is unable to claim the GST on the purchase if a tax invoice is not submitted, thus increasing the real cost of the item.
- (4) Claims for reimbursement of "Communication costs" will only be made upon the production of appropriate receipts, tax invoices, credit card statements or receipt numbers, in the name of the Councillor – a statutory declaration is not appropriate.
- (5) Payments made to Councillors by way of reimbursement in accordance with this Policy will only be made to personal accounts on which the Councillor is a named account holder and not to third parties.
- (6) The General Manager or a delegated employee shall assess all such claims and if considered to be reasonable and to be legitimately payable under this Policy, shall approve the claim for payment and payment shall be made within seven (7) days.
- (7) Should the General Manager or delegated employee decide that the claim should not be paid, the General Manager shall explain such decision to the Councillor and should the Councillor still consider that the claim should be paid, it shall be considered that a dispute exists and the provisions of the following clause shall apply.
- (8) **Council may pay a cash advance for Councillors attending approved conferences, seminars or professional development. The maximum value of cash advance is \$500 which should be reconciled within one week of incurring the cost and/or returning home. This includes providing to council:**
 - **A full reconciliation of all expenses including appropriate receipts and/or tax invoices**
 - **Reimbursement of any amount of the advance payment not spent in attending to official business or professional development.**

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(9) If a claim is refused, council will inform the Councillor in writing that the claim has been refused and the reason for the refusal.

15. DISPUTES

(1) Should any Councillor consider that a dispute exists at any time regarding this policy, the parties to the dispute shall provide a written report on the nature of the dispute and the General Manager shall submit such reports to the next meeting of the Council to have the dispute determined by a resolution of the Council having regard to this policy, the Act and any other relevant law. The decision of the Council shall be binding on all of the parties.

(2) If the Councillor and the General Manager cannot resolve the dispute, the councillor may submit a notice of motion to a council meeting seeking to have the dispute resolved.

16. ACQUISITION AND RETURN OF EQUIPMENT AND FACILITIES BY COUNCILLORS

Guidelines

Council should provide details of arrangements for Councillors to return equipment and other facilities to Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

The policy should provide the option for Councillors to purchase Council equipment previously allocated to them at the cessation of their duties. If the item is for sale it should be purchased at an agreed fair market price or written down value.

- (1) Prior to the conclusion of a Council term, all Councillors will be invited to indicate if they wish to purchase the following:
- Laptop or computer provided by Council
 - Printer provided by Council
 - iPad or equivalent provided by Council and/or
 - any phone provided by Council
- (2) Councillors will be advised of the written down value of each item prior to seeking the above indication.
- (3) Where possible, payment for any items a Councillor wishes to purchase will be deducted from the Councillor's fee. Where this is not possible, an invoice will be prepared for the Councillor to make the appropriate payment.

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- (4) Councillors no longer holding a position as Councillor will be required to return all equipment not purchased within one week of the declaration of the polls to the Director, Corporate Services at Council's North Ryde Office.

16.1 PUBLICATION

This policy will be published on council's website.

16.2 AUDITING

The operation of this policy, including claims made under the policy, will be included in council's audit program and an internal audit will be undertaken once every two years. The outcomes of the internal audit reviews are reported to the Council's Audit, Risk and Improvement Committee.

16.3 BREACHES

Suspected breaches are to be reported to the General Manager.

Alleged breaches of this policy shall be dealt with by following the processes outlined for breaches of the Code of Conduct, as detailed in the Code and in the Procedures for the Administration of the Code.

17. MANAGEMENT, REVIEW AND REPORTING OF THIS POLICY

17.1 ADOPTION AND AMENDMENT OF POLICY

Act – Section 252

- (1) ~~Within the first 12 months of each term of a council, the end of each year,~~ ~~a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the Mayor, the deputy Mayor (if there is one) and the other Councillors in relation to discharging the functions of civic office.~~ *Within 5 months after the end of each year, a council must adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the Mayor, the deputy Mayor (if there is one) and the other Councillors in relation to discharging the functions of civic office.*
- (2) The policy may provide for fees payable under this Division to be reduced by an amount representing the private benefit to the Mayor or a Councillor of a facility provided by the council to the Mayor or Councillor.
- (3) A council must not pay any expenses incurred or to be incurred by, or provide any facilities to, the Mayor, the Deputy Mayor (if there is one) or a Councillor otherwise than in accordance with a policy under this section.

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(4) A council may from time to time amend a policy under this section.

(5) A policy under this section must comply with the provisions of this Act, the regulations and any relevant guidelines issued under section 23A.

Act – Section 253

(1) A council must give public notice of its intention to adopt or amend a policy for the payment of expenses or provision of facilities allowing at least 28 days for the making of public submissions.

(2) Before adopting or amending the policy, the council must consider any submissions made within the time allowed for submissions and make any appropriate changes to the draft policy or amendment.

(3) Despite subsections (1) and (2), a council need not give public notice of a proposed amendment to its policy for the payment of expenses or provision of facilities if the council is of the opinion that the proposed amendment is not substantial.

(4) **(Repealed)**
~~Within 28 days after adopting a policy or making an amendment to a policy for which public notice is required to be given under this section, a council is to forward to the Director-General:~~

~~(a) a copy of the policy or amendment together with details of all submissions received in accordance with subsection (1), and~~

~~(b) a statement setting out, for each submission, the council's response to the submission and the reasons for the council's response, and~~

~~(c) a copy of the notice given under subsection (1).~~

(5) A council must comply with this section when proposing to adopt a policy each year in accordance with section 252 (1) even if the council proposes to adopt a policy that is the same as its existing policy.

Act – Section 254

The council or a council committee, all the members of which are Councillors, must not close to the public that part of its meeting at which a policy for the payment of expenses or provision of facilities is adopted or amended, or at which any proposal concerning those matters is discussed or considered.

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17.2 ANNUAL REPORTING

Act – Section 428 and Regulation – Clause 217

Section 428 of the Act and clause 217 of the Local Government (General) Regulation (“the Regulation”) require Council to include in each Annual Report a copy of the Policy and details of the cost of implementing the Policy.

Act – Section 428 (part)

- (1) Within 5 months after the end of each year, a council must prepare a report (**its annual report**) for that year reporting as to its achievements in implementing its delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed with respect to the objectives and performance targets set out in its management plan for that year.
- (2) A report must contain the following:
 - (f) the total amount of money expended during the year on Mayoral fees and Councillor fees, the council’s policy on the provision of facilities for use by Councillors and the payment of Councillors’ expenses, together with a statement of the total amount of money expended during that year on the provision of such facilities and the payment of such expenses.

Regulation – Section 217 (part)

- (1) For the purposes of section 428 (4) (b) of the Act, an annual report of a council is to include the following information:
 - (a) **details (including the purpose) of overseas visits undertaken during the year by Councillors, council staff or other persons while representing the council (including visits sponsored by other organisations),**
 - (a1) details of the total cost during the year of the payment of the expenses of, and the provision of facilities to, Councillors in relation to their civic functions (as paid by the council, reimbursed to the Councillor or reconciled with the Councillor), including separate details on the total cost of each of the following:
 - (i) the provision during the year of dedicated office equipment allocated to Councillors on a personal basis, such as laptop computers, mobile telephones and landline telephones and facsimile machines installed in Councillors’ homes (including equipment and line rental costs and internet access costs but not including call costs),
 - (ii) telephone calls made by Councillors, including calls made from mobile telephones provided by the council and from landline telephones and facsimile services installed in councillors’ homes,

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- (iii) the attendance of Councillors at conferences and seminars,
- (iv) the training of Councillors and the provision of skill development for councillors,
- (v) interstate visits undertaken during the year by Councillors while representing the council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses,
- (vi) overseas visits undertaken during the year by Councillors while representing the council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses,
- (vii) the expenses of any spouse, partner or other person who accompanied a Councillor in the performance of his or her civic functions, being expenses payable in accordance with the *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW* prepared by the Director-General from time to time,
- (viii) expenses involved in the provision of care for a child of, or an immediate family member of, a Councillor, to allow the Councillor to undertake his or her civic functions.

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PART E – Appendices

APPENDIX I: RELATED LEGISLATION, GUIDANCE AND POLICIES ~~OTHER GOVERNMENT AND COUNCIL POLICY PROVISIONS~~

~~This Policy has been prepared with reference to other Government and Council Policy provisions as follows:~~

Relevant legislation and guidance:

- ~~• Division of Local Government Circular No. 09-36, 7 October 2009, “Release of Revised Councillor Expenses and Facilities Guidelines”~~
- Local Government Act 1993, Sections 252 and 253
- Local Government (General) Regulation 2005, Clauses 217 and 403
- Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW, 2009
- Local Government Circular 09-36 Guidelines for Payment of Expenses and Facilities
- **Local Government Circular 17-17 Councillor Expenses and Facilities Policy – Better Practice Template**
- Local Government Circular 05-08 legal assistance for Councillors and Council Employees.
- ICAC Publication “No excuse for misuse”, November 2002

Related Council policies:

- City of Ryde *Code of Conduct – Policy, Standards of Conduct, and Complaints Procedure*;
- **City of Ryde ‘Thank you is Enough’ - Gifts and Benefits Policy;**
- **City of Ryde Code of Meeting Practice;**
- **City of Ryde Corporate Credit Card Policy.**

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APPENDIX II: DEFINITIONS

The following definitions apply throughout this policy.

Term	Definition
accompanying person	<i>Means a spouse, partner or de facto or other person who has a close personal relationship with or provides carer support to a Councillor</i>
appropriate refreshments	<i>Means food and beverages, excluding alcohol, provided by council to support Councillors undertaking official business</i>
Act	<i>Means the Local Government Act 1993 (NSW)</i>
clause	<i>Unless stated otherwise, a reference to a clause is a reference to a clause of this policy</i>
Code of Conduct	<i>Means the Code of Conduct adopted by Council or the Model Code if none is adopted</i>
Councillor	<i>Means a person elected or appointed to civic office as a member of the governing body of council who is not suspended, including the Mayor</i>
General Manager	<i>Means the general manager of Council and includes their delegate or authorised representative</i>
incidental personal use	<i>Means use that is infrequent and brief and use that does not breach this policy or the Code of Conduct</i>
long distance intrastate travel	<i>Means travel to other parts of NSW of more than three hours duration by private vehicle</i>
maximum limit	<i>Means the maximum limit for an expense or facility provided in the text and summarised in Appendix 1</i>
official business	<i>Means functions that the Mayor or Councillors are required or invited to attend to fulfil their legislated role and responsibilities for council or result in a direct benefit for council and/or for the local government area, and includes:</i> <ul style="list-style-type: none"> • <i>meetings of council and committees of the whole</i> • <i>meetings of committees facilitated by council</i> • <i>civic receptions hosted or sponsored by council</i> • <i>meetings, functions, workshops and other events to which attendance by a Councillor has been requested or approved by council</i>
professional development	<i>Means a seminar, conference, training course or other development opportunity relevant to the role of a Councillor or the Mayor</i>
Regulation	<i>Means the Local Government (General) Regulation 2005 (NSW)</i>
year	<i>Means the financial year, that is the 12 month period commencing on 1 July each year</i>

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APPENDIX III: COUNCILLOR REIMBURSEMENT FORM

Binary Centre, Level 1, 3 Richardson Place North Ryde
Locked Bag 2049, North Ryde NSW 1670
Tel 02 9952 8322 Fax 9952 8070

 City of Ryde

Councillor Reimbursement

Section 252 of the *Local Government Act 1993* authorises payment or reimbursement of actual expenses incurred by Councillors in carrying out their civic duties. Claims must be made in accordance with Council's **Policy on Expenses and Facilities for the Mayor and Other Councillors** and must be made within 3 months of the date of the expenditure. All receipts/tax invoices must be attached.

Councillor Name Claim Period / / to / /

Address

1. Summary of Claims

Clause	Date	Claim Description	Amount	OFFICE USE ONLY
4.3	/ /	Travel	\$	
4.6	/ /	Communication Expenses	\$	
	/ /			
	/ /			
	/ /			
	/ /			
TOTAL CLAIM				

I certify that the details provided in relation to the above claims are correct and the expenses were reasonably incurred.

Signature of Claimant Date / /

2. Approval of Reimbursement of Expenditure

Expenditure detailed in this claim is approved

Reviewed Date / /

Approved (General Manager or Delegate) Date / /

D17/130366 September 2017

Policy on Expenses and Facilities for Councillors – Month 2018		
Owner: Risk, Audit and Governance	Accountability: Mayoral and Councillor support service	Policy: CSG005
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ITEM 9 (continued)

ATTACHMENT 1

Policy on Expenses and Facilities for the Mayor and other Councillors

3. Summary of Clauses and Claim Limits		
• Clause	3.3	Time limit to claim reimbursement – 3 months
• Clause	3.9	Payment advance - maximum \$500
• Clause	4.2	Meals not otherwise provided at training/seminars - \$100 per day maximum
• Clause	4.3.1	Private Vehicle – rate per kilometre
• Clause	4.3.1	Travel expenses
• Clause	4.3.3	Travel – Economy class provided as standard
• Clause	4.3.3	Transfers – costs not to exceed cost of taxi fares
• Clause	4.3.5	Accommodation – 4 star or 4.5 star provided as standard
• Clause	4.3.6	Incidental Expenses - \$20 per day
• Clause	4.6	Communication costs and expenses - maximum \$3600 per annum
• Clause	4.7	Attendance at non-Council briefings - \$300 per annum
• Clause	4.8	Care of relatives – \$6000 per annum
• Clause	4.8	Special Councillor requirements – \$8000 per annum
• Clause	4.9	Accompanying spouse/partner - \$300 per annum
• Clause	5.3	Mayoral Communications – additional \$3000 per annum

4. Details of Travel (car)			
Date	Meeting / Conference	Location	Kms
/ /			
/ /			
/ /			
/ /			
Total Kms			

Total Travelling Expenses Claimed*

kms x @ \$0.68 (< 2.5 ltr) or \$0.78 (=> 2.5 ltr)

5. Other Expenses		
Date	Description	Cost \$
/ /		
/ /		
/ /		
/ /		
/ /		
/ /		
/ /		
/ /		
Total Other Expenses Claimed*		

* Note: Please copy total to Summary of claims table.

Policy on Expenses and Facilities for Councillors – Month 2018		
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